
2021 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 18, 2021**

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2021 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 18, 2021**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Sheila Stone	sheila.stone@virginiahousing.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
Pamela Freeth	pamela.freeth@virginiahousing.com	(804) 343-5563
Aniyah Moaney	aniyah.moaney@virginiahousing.com	(804) 343-5518

TABLE OF CONTENTS

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

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

2021 Low-Income Housing Tax Credit Application For Reservation

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

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | \$1,000 Application Fee (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application (MANDATORY) |
| <input type="checkbox"/> | Scanned Copy of the Signed Tax Credit Application with Attachments (excluding market study and plans & specifications) (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application) |
| <input type="checkbox"/> | Electronic Copy of the Plans and Unit by Unit writeup (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Specifications (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab) |
| <input type="checkbox"/> | Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request) |
| <input type="checkbox"/> | Electronic Copy of Appraisal (MANDATORY if acquisition credits requested) |
| <input type="checkbox"/> | Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested) |
| <input type="checkbox"/> | Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY) |
| <input type="checkbox"/> | Tab B: Virginia State Corporation Commission Certification (MANDATORY) |
| <input type="checkbox"/> | Tab C: Principal's Previous Participation Certification (MANDATORY) |
| <input type="checkbox"/> | Tab D: List of LIHTC Developments (Schedule A) (MANDATORY) |
| <input type="checkbox"/> | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY) |
| <input type="checkbox"/> | Tab F: RESNET Rater Certification (MANDATORY) |
| <input type="checkbox"/> | Tab G: Zoning Certification Letter (MANDATORY) |
| <input type="checkbox"/> | Tab H: Attorney's Opinion (MANDATORY) |
| <input type="checkbox"/> | Tab I: Nonprofit Questionnaire (MANDATORY for points or pool) |
| | The following documents need not be submitted unless requested by Virginia Housing: |
| | -Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status |
| | -Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable) |
| <input type="checkbox"/> | Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY) |
| <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: Internet Safety Plan and Resident Information Form (if internet amenities selected) |
| <input type="checkbox"/> | Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504 |
| <input type="checkbox"/> | Tab Y: Inducement Resolution for Tax Exempt Bonds |

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 7/21/2021

1. Development Name: Grand Oaks
2. Address (line 1): 5301 Grand Oaks Forest Circle
 Address (line 2): 4920 West Hundred Road
 City: Chester State: VA Zip: 23831
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 Chesterfield County
5. The site overlaps one or more jurisdictional boundaries..... FALSE
 If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 1004.10
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%
<u>FALSE</u>	<u>TRUE</u>	<u>FALSE</u>

Enter only Numeric Values below:

13. Congressional District: 4
- Planning District: 15
- State Senate District: 11
- State House District: 66

Click on the following link for assistance in determining the districts related to this development:

[Link to Virginia Housing's HOME - Select Virginia LIHTC Reference Map](#)

14. **ACTION:** Provide Location Map (**TAB K2**)

15. Development Description: In the space provided below, give a brief description of the proposed development

Grand Oaks Apartments, the Subject, is a 216-unit LIHTC multifamily property that consists of 48 one-bedroom, 103 two-bedroom, and 65 three-bedroom units. All units are restricted to households earning 60 percent of area median income (AMI) or less. It should be noted the property consists of two phases. The first phase is a 184-unit family property constructed in 2005 targeting families, while the second phase is a 32-unit senior property constructed in 2006.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

7/21/2021

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: Dr. Joseph P. Casey
 Chief Executive Officer's Title: County Administrator Phone: _____
 Street Address: P.O. Box
 City: Chesterfield State: VA Zip: 23832

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, where are bonds being issued?

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

Skip to Number 4 below.

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

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2021.

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, 2021, 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 2021 credits pursuant to Section 42(h)(1)(F)

3. **Select Building Allocation type:**

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

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

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

A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application. (25, 35 or 45 pts)

Name of companion development:

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

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

Total Units within 9% allocation request?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

6. **Extended Use Restriction**

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

Must Select One:

Definition of selection:

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

C. OWNERSHIP INFORMATION

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Fairfield Grand Oaks LLC

Developer Name: Fairfield Affordable Housing Fund Tranche V LLC

Contact: M/M First: Timothy MI: Last: Wray

Address: 5355 Mira Sorrento Pl # 100

City: San Diego St. CA Zip: 92121

Phone: (858) 824-6413 Ext. Fax:

Email address: twray@ffres.com

Federal I.D. No. 83-4457652 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: Limited Liability Company Formation State: DE

Additional Contact: Please Provide Name, Email and Phone number.
Cameron Shariati, cshariati@ffres.com, 619-548-0797

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

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

Names **	Phone	Type Ownership	% Ownership	
<u>See Attached list of Officers of FRH GP LLC, the Non-Member Manager of the MM</u>	<u>(858) 457-2123</u>	<u>N/A</u>	<u>0.000%</u>	<i>needs</i>
<u>Gregory R. Pinkalla</u>	<u></u>	<u>Officer</u>	<u>0.000%</u>	<i>needs</i>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>	
<u></u>	<u></u>	<u></u>	<u>0.000%</u>	
<u></u>	<u></u>	<u></u>	<u>0.000%</u>	

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.

EXHIBIT D

**FRH GP LLC
List of Officers -
as of June 30, 2021**

<u>Name</u>	<u>Office(s)</u>
Corporate	
Gregory R. Pinkalla	Chief Executive Officer & President
Jon A. MacDonald	Executive Vice President, General Counsel & Corporate Secretary
Shant Koumriqian	Executive Vice President & Chief Financial Officer
C. Thomas Brunson	Executive Vice President
Josh Kawaii-Bogue	Executive Vice President
Richard L. Boynton	Executive Vice President & Chief Investment Officer
Jenna Woods	Assistant General Counsel, Vice President & Assistant Secretary
Sarah Wiseman	Chief Accounting Officer
Beth Ann Coleman	Chief Compliance Officer
Mandi Schalon	Senior Vice President & Assistant Secretary
Accounting	
Helen Bryant	Vice President
Jennifer LaChance	Vice President
Michael Alcantara	Vice President
Trudy Hawkins	Vice President
Acquisitions/Dispositions	
Gino Barra	Senior Vice President
Affordable	
Gina Metzger	Vice President
Paulius Kudirka	Senior Vice President
Timothy Wray	Vice President
Asset and Construction Management	
Christopher Ruffolo	Senior Vice President
Lowell Andrew Jennings	Senior Vice President
Capital Markets/Portfolio Management	
Doug Ness	Senior Vice President
John H. Stafford III	Senior Vice President
Lisa Haring	Senior Vice President
Michelle Lord	Senior Vice President
Adam Vanni	Vice President
Nick Wood	Vice President
Construction	
Pericles Raptis	Executive Vice President
Robert Salkovitz	Senior Vice President
Wayne C. Laliberte	Senior Vice President
Mark Stewart	Vice President
Development	
Brendan Hayes	Senior Vice President
Lawrence Scott	Senior Vice President
Jason Martin	Vice President

EXHIBIT D

**FRH GP LLC
List of Officers -
as of June 30, 2021**

Lee Busse	Vice President
Richard Munger	Vice President
Robert Hewitt	Vice President
Robert Kirby	Vice President
Zachary Johnston	Vice President
<i>Pre-Development</i>	
Ed McCoy	Senior Vice President
Bryan Condie	Vice President
Larry Lee	Vice President
<i>Property Management</i>	
Gail Corder	Vice President
<i>Transactions/Legal</i>	
Jessica Antoniades	Vice President & Assistant Secretary
Mary Nicoletta	Vice President & Assistant Secretary
Krista Miclat	Vice President & Assistant Secretary
Sandra Hill Flood	Vice President & Assistant Secretary
Tracy Stottlemeyer	Vice President & Assistant Secretary

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. **FALSE**

Action: Must be included on Virginia Housing 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 Virginia Housing 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). **TRUE**

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Deed

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 Virginia Housing. See QAP for further details.

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. FALSE 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..... 00/00/0000 .

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: Fairfield Grand Oaks LLC
 Address: 5355 Miro Sorrento Place, Suite 100
 City: San Deigo St.: CA Zip: 92121
 Contact Person: Tim Wray Phone: (858) 824-6406

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
See attached list of officers of	858-457-2123	N/A	0.00%
FRH GP LLC, the Non Manager			0.00%
Member of the Managing Member			0.00%
			0.00%
Gregorgy R. Pinkalla		Officer	0.00%
			0.00%
			0.00%

needs ownership %
needs ownership %
needs ownership %
needs ownership %

E. DEVELOPMENT TEAM INFORMATION

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

1. Tax Attorney: Kyle Arndt This is a Related Entity. FALSE
 Firm Name: Bocarsly Emden Cowan Esmail & Arndt LLP
 Address: 633 West Fifth Street 64th Floor Los Angeles, CA 90071
 Email: karndt@bocarsly.com Phone: (213) 239-8048

2. Tax Accountant: Thomas Stagg, CPA This is a Related Entity. FALSE
 Firm Name: Novogradac
 Address: 1300 114th Ave SE, Suite 240 Bellevue WA 98004
 Email: thomas.stagg@novoco.com Phone: (425) 519-1234

3. Consultant: Ryne Johnson This is a Related Entity. FALSE
 Firm Name: Astoria, LLC Role: VHDA Applications
 Address: 3450 Lady Marian Ct. Midlothian, VA 23113
 Email: rynejohnson@astoriallc.com Phone: 804-339-7205

4. Management Entity: FF Properties L.P., a Delaware limited partner This is a Related Entity. TRUE
 Firm Name: Fairfield Residential Company LLC,
 Address: 5355 Mira Sorrento Pl. #100
 Email: San Diego, CA 92121 Phone: 858-457-2123

5. Contractor: Fairfield Development L.P., a Delaward limite This is a Related Entity. TRUE
 Firm Name: Fairfield Residential Company LLC, a Delaware limited liability company
 Address: 5355 Mira Sorrento Pl. #100
 Email: San Diego, CA 92121 Phone: 858-457-2123

6. Architect: Tom Smith This is a Related Entity. FALSE
 Firm Name: TS3
 Address: 1228 Preimeter Parkway Suite 101 VA Beach, VA 23454
 Email: thomas.smith@ts3architects.com Phone: (757) 689-2699

7. Real Estate Attorney: Kyle Arndt This is a Related Entity. FALSE
 Firm Name: Bocarsly Emden Cowan Esmail & Arndt LLP
 Address: 633 West Fifth Street 64th Floor Los Angeles, CA 90071
 Email: karndt@bocarsly.com Phone: (213) 239-8048

8. Mortgage Banker: Brian Dale This is a Related Entity. FALSE
 Firm Name: City Community Capital
 Address: 1225 17th Street Suite 2102 Denver, CO 80202
 Email: brian.dale@citi.com Phone: (303) 308-7403

9. Other: This is a Related Entity. FALSE
 Firm Name: Role:
 Address:
 Email: Phone:

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... **TRUE**
- b. This development has received a previous allocation of credits..... **TRUE**
 If so, in what year did this development receive credits? **2005-2006**
- 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..... **FALSE**
Action: (If True, provide required form in TAB Q)

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

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

2. Ten-Year Rule For Acquisition Credits

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

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:

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

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is:

Name: (Please fit NP name within available space)

Contact Person:

Street Address:

City: State: Zip:

Phone: Extension: Contact Email:

G. NONPROFIT INVOLVEMENT

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

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

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

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

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 all units in development	216	bedrooms	449
Total number of rental units in development	216	bedrooms	449
Number of low-income rental units	216	bedrooms	449
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:.....	216	bedrooms	449
c. If any, indicate number of planned exempt units (included in total of all units in development).....			1
d. Total Floor Area For The Entire Development.....			284,231.43 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			23,102.67 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			261,128.76 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	27.792		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			TRUE
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	945.49	SF	48	48
2BR Garden	1187.70	SF	95	95
3BR Garden	1627.71	SF	1	1
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	1152.89	SF	8	8
2+ Story 3BR Townhouse	1438.48	SF	64	64
2+ Story 4BR Townhouse	0.00	SF	0	0
			216	216

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)..... 26
- b. Age of Structure:..... 16 years
- c. Number of stories:..... 2
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: NA
- 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>TRUE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>FALSE</u>	vii. Basement	<u>FALSE</u>
iv. Crawl space	<u>FALSE</u>		

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

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

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Community Room

m. Number of Proposed Parking Spaces..... 0
 Parking is shared with another entity FALSE

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

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

6. Market Study Data:

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

Project Wide Capture Rate - LIHTC Units	10.60%
Project Wide Capture Rate - Market Units	16.90%
Project Wide Capture Rate - All Units	16.90%
Project Wide Absorption Period (Months)	7 months

J. ENHANCEMENTS

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

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

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

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

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

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

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

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 22.00% 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. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- 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
- FALSE h. Each unit is provided free individual WiFi access.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- FALSE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- FALSE o. All interior doors within units are solid core.
- TRUE p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- 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:

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

J. ENHANCEMENTS

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:

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

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

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

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

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

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

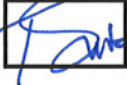
FALSE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.

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

0% of Total Rental Units

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

If not, please explain:

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

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	0	0	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	22	36	47	0
Hot Water	0	0	0	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$22	\$36	\$47	\$0

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

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

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

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

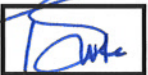
TRUE

- 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)

FALSE

- 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 requirements of section 504 of the Rehabilitation Act.

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

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

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

- FALSE Elderly (as defined by the United States Fair Housing Act.)
- FALSE Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
- FALSE Supportive Housing (as described in the Tax Credit Manual)

Action: Provide Permanent Supportive Housing Certification (Tab S)

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

(If True, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

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

3. Leasing Preferences

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

Organization which holds waiting list: Richmond Redevelopment Housing Authority

Contact person: Desi Winter

Title: Deputy Chief Real Estate Officer

Phone Number: (804) 780-4171

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: 64

% of total Low Income Units 30%

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

K. SPECIAL HOUSING NEEDS

3. Target Population Leasing Preference

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

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

First Name: Felicia
Last Name: Hatfield

Phone Number: (214) 574-1661 Email: fhatfield@ffres.com

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers
*Administering Organization:

FALSE State Assistance
*Administering Organization:

FALSE Other:

K. SPECIAL HOUSING NEEDS

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

FALSE

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

0

d. Number of units receiving assistance:

How many years in rental assistance contract?

Expiration date of contract:

There is an Option to Renew.....

FALSE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

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

a. Units Provided Per Household Type:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
22	10.19%	50% Area Median	1100%
194	89.81%	60% Area Median	11640%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
216	100.00%	Total	58.98%


Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
22	10.19%	50% Area Median	1100%
194	89.81%	60% Area Median	11640%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
216	100.00%	Total	58.98%

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

2. Unit Detail

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	60% AMI	41		888.00	\$990.00	\$40,590
Mix 2	2 BR - 2 Bath	60% AMI	57		1145.00	\$1,179.00	\$67,203
Mix 3	2 BR - 2 Bath	60% AMI	7		1105.00	\$1,179.00	\$8,253
Mix 4	3 BR - 2 Bath	60% AMI	0		1336.00	\$1,357.00	\$0
Mix 5	3 BR - 2.5 Bath	60% AMI	57		1398.00	\$1,357.00	\$77,349
Mix 6							\$0
Mix 7							\$0
Mix 8	2 BR - 1 Bath	60% AMI	32		998.00	\$1,179.00	\$37,728
Mix 9							\$0
Mix 10	1 BR - 1 Bath	50% AMI	7		888.00	\$803.00	\$5,621
Mix 11	2 BR - 2 Bath	50% AMI	6		1145.00	\$976.50	\$5,859
Mix 12	2 BR - 2 Bath	50% AMI	1		1105.00	\$976.50	\$977
Mix 13	3 BR - 2 Bath	50% AMI	1		1336.00	\$1,123.00	\$1,123
Mix 14	3 BR - 2.5 Bath	50% AMI	7		1398.00	\$1,123.00	\$7,861
Mix 15							\$0
Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0

L. UNIT DETAILS

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
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Mix 75									\$0
Mix 76									\$0
Mix 77									\$0
Mix 78									\$0
Mix 79									\$0

L. UNIT DETAILS

Mix 80								\$0
Mix 81								\$0
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Mix 92								\$0
Mix 93								\$0
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Mix 96								\$0
Mix 97								\$0
Mix 98								\$0
Mix 99								\$0
Mix 100								\$0
TOTALS			216	0				\$252,564

Verify # of 504 Units based on previous tab.

Total Units	216	Net Rentable SF:	TC Units	246,343.00
			MKT Units	0.00
			Total NR SF:	246,343.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$18,000
2. Office Salaries		\$134,400
3. Office Supplies		\$3,000
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$79,253
<u>2.70%</u> of EGI	<u>\$366.91</u> Per Unit	
6. Manager Salaries		\$60,000
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$0
9. Auditing		\$6,000
10. Bookkeeping/Accounting Fees		\$6,500
11. Telephone & Answering Service		\$3,000
12. Tax Credit Monitoring Fee		\$10,000
13. Miscellaneous Administrative		\$25,500
Total Administrative		\$345,653

Utilities

14. Fuel Oil		\$0
15. Electricity		\$40,440
16. Water		\$80,880
17. Gas		\$0
18. Sewer		\$80,880
Total Utility		\$202,200

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$0
21. Janitor/Cleaning Contract		\$3,000
22. Exterminating		\$8,000
23. Trash Removal		\$20,000
24. Security Payroll/Contract		\$0
25. Grounds Payroll		\$0
26. Grounds Supplies		\$10,000
27. Grounds Contract		\$15,000
28. Maintenance/Repairs Payroll		\$129,600
29. Repairs/Material		\$33,400
30. Repairs Contract		\$18,600
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$5,000
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$0
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$3,000
37. Miscellaneous		\$35,200
Totals Operating & Maintenance		\$280,800

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$213,259
39. Payroll Taxes	\$0
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$78,333
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$291,592

Total Operating Expense **\$1,120,245**

Total Operating Expenses Per Unit **\$5,186** **C. Total Operating Expenses as % of EGI** **38.13%**

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$64,800**

Total Expenses	\$1,185,045
-----------------------	--------------------

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract		
b. Site Acquisition	4/16/2021	Tim Wray
c. Zoning Approval	In place	Tim Wray
d. Site Plan Approval	In place	Tim Wray
2. Financing		
a. Construction Loan		
i. Loan Application	7/15/2021	Tim Wray
ii. Conditional Commitment	8/1/2021	Tim Wray
iii. Firm Commitment	9/1/2021	Tim Wray
b. Permanent Loan - First Lien		
i. Loan Application	7/15/2021	Tim Wray
ii. Conditional Commitment	8/1/2021	Tim Wray
iii. Firm Commitment	9/1/2021	Tim Wray
c. Permanent Loan-Second Lien		
i. Loan Application	7/15/2021	Tim Wray
ii. Conditional Commitment	8/1/2021	Tim Wray
iii. Firm Commitment	9/1/2021	Tim Wray
d. Other Loans & Grants		
i. Type & Source, List	7/15/2021	Tim Wray
ii. Application	8/1/2021	Tim Wray
iii. Award/Commitment	9/1/2021	Tim Wray
2. Formation of Owner	4/1/2021	Done
3. IRS Approval of Nonprofit Status	NA	NA
4. Closing and Transfer of Property to Owner	12/14/2021	Tim Wray
5. Plans and Specifications, Working Drawings		Jean Paul
6. Building Permit Issued by Local Government	12/14/2021	Jean Paul
7. Start Construction	1/5/2022	Jean Paul
8. Begin Lease-up		Occupied
9. Complete Construction	4/1/2023	Jean Paul
10. Complete Lease-Up	N/A	
11. Credit Placed in Service Date	9/1/2023	Cameron Shariati

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.

Must Use Whole Numbers Only!	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	10,299,772	0	10,299,772	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
Total Structure	10,299,772	0	10,299,772	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
Total Land Improvements	0	0	0	0
Total Structure and Land	10,299,772	0	10,299,772	0
q. General Requirements	16,000	0	16,000	0
r. Builder's Overhead (3.7% Contract)	384,000	0	384,000	0
s. Builder's Profit (10.1% Contract)	1,041,808	0	1,041,808	0
t. Bonds	0	0	0	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Contingency	1,174,398	0	1,174,398	0
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$12,915,978	\$0	\$12,915,978	\$0

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"
2. Owner Costs				
a. Building Permit	70,000	0	70,000	0
b. Architecture/Engineering Design Fee \$1,157 /Unit)	250,000	0	250,000	0
c. Architecture Supervision Fee \$0 /Unit)		0		0
d. Tap Fees	0	0	0	0
e. Environmental	0	0	0	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	6,500	0	6,500	0
i. Market Study	6,500	0	6,500	0
j. Site Engineering / Survey	10,000	0	10,000	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	296,325	0	296,325	0
n. Construction Interest (0.0% for 0 months)	458,516	0	458,516	0
o. Taxes During Construction	107,000	0	107,000	0
p. Insurance During Construction	77,963	0	77,963	0
q. Permanent Loan Fee (0.0%)	0	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	15,000	0	0	0
u. Accounting	25,000	0	25,000	0
v. Title and Recording	80,000	0	80,000	0
w. Legal Fees for Closing	200,000	0	152,280	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	112,212			
z. Tenant Relocation	432,000	0	432,000	0
aa. Fixtures, Furnitures and Equipment	60,000	0	60,000	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	683,472	0	0	0
ad. Contingency	125,000	0	125,000	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify:	Planning Consultant	40,000	0	40,000	0
(2) Other* specify:	Marketing	8,600	0	0	0
(3) Other* specify:	Due Diligence	52,000	0	52,000	0
(4) Other* specify:	Syndication	0	0	0	0
(5) Other* specify:	Other Soft Costs	108,000	0	108,000	0
(6) Other* specify:	Working Capital	216,000	0	0	0
(7) Other* specify:	Bond Cost of Issuance	281,350	0	0	0
(8) Other* specify:	Prepayment Penalty	720,000	0	0	0
(9) Other* specify:	Acquistion closing	302,916	0	302,916	0
(10) Other* specify:		0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))		\$4,744,354	\$0	\$2,660,000	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)		\$17,660,332	\$0	\$15,575,978	\$0
3. Developer's Fees		3,000,000	0	3,000,000	0
Action: Provide Developer Fee Agreement (Tab A)					
4. Owner's Acquisition Costs					
Land		3,800,000			
Existing Improvements		21,142,522	21,142,522		
Subtotal 4:		\$24,942,522	\$21,142,522		
5. Total Development Costs					
Subtotal 1+2+3+4:		\$45,602,854	\$21,142,522	\$18,575,978	\$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: \$3,838,228

Proposed Development's Cost per Sq Foot \$73 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$197

2021 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	45,602,854	21,142,522	18,575,978	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		21,142,522	18,575,978	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			18,575,978	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		21,142,522	18,575,978	0
7. Applicable Percentage <i>(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)</i>		4.00%	4.00%	0.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$845,701	\$743,039	\$0
		\$1,588,740 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. Citibank TEB + Taxable	07/15/21	09/01/21	\$36,375,000	Brian Dale at Citibank
2. Calstrs Taxable Loan	07/15/21	09/01/21	\$7,197,854	Paul Kudirka at Fairfield
3. RJ Equity and NOI	07/15/21	09/01/21	\$2,030,000	Kevin Kilbane
Total Construction Funding:			\$45,602,854	

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. Citi Tax Exempt Bond	7/15/2021	9/1/2021	\$32,000,000	\$1,513,020	3.61%	40.00	40.00
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:				\$32,000,000	\$1,513,020		

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$32,000,000
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: **73.53%**

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

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

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

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

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

c. **FALSE** Other _____

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

R. EQUITY

1. Equity

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

2. Equity Gap Calculation

a. Total Development Cost	\$45,602,854
b. Total of Permanent Funding, Grants and Equity	- \$32,000,000
c. Equity Gap	\$13,602,854
d. Developer Equity	- \$1,358
e. Equity gap to be funded with low-income tax credit proceeds	\$13,601,496

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Raymond James Tax Credit Funds Inc.		
Contact Person:	Kevin Kilbane	Phone:	216-509-1342
Street Address:	880 Carrilon Parkway		
City:	St. Petersburg	State:	33716
b. Syndication Equity			
i. Anticipated Annual Credits	\$1,588,740.00		
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.856		
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	\$1,588,581		
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$13,601,496		
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$13,601,496

5. Net Equity Factor

Must be equal to or greater than 85% 85.6204053881%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$45,602,854</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$32,000,000</u>
3. Equals Equity Gap		<u>\$13,602,854</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>85.6204053881%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$15,887,397</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$1,588,740</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,588,740</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$1,588,740</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$7,355.2778</u>	
Credit per LI Bedroom	<u>\$3,538.3964</u>	
	Combined 30% & 70% PV Credit Requested	\$1,588,740

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	\$252,564
Plus Other Income Source (list): <u>Laundry and various fees</u>	\$5,184
Equals Total Monthly Income:	\$257,748
Twelve Months	x12
Equals Annual Gross Potential Income	\$3,092,976
Less Vacancy Allowance <u>5.0%</u>	\$154,649
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$2,938,327

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

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$2,938,327
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$2,938,327
d. Total Expenses	\$1,185,045
e. Net Operating Income	\$1,753,282
f. Total Annual Debt Service	\$1,513,020
g. Cash Flow Available for Distribution	\$240,262

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	2,938,327	2,997,094	3,057,036	3,118,176	3,180,540
Less Oper. Expenses	1,185,045	1,220,596	1,257,214	1,294,931	1,333,779
Net Income	1,753,282	1,776,497	1,799,821	1,823,246	1,846,761
Less Debt Service	1,513,020	1,513,020	1,513,020	1,513,020	1,513,020
Cash Flow	240,262	263,477	286,801	310,226	333,741
Debt Coverage Ratio	1.16	1.17	1.19	1.21	1.22

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	3,244,151	3,309,034	3,375,214	3,442,719	3,511,573
Less Oper. Expenses	1,373,792	1,415,006	1,457,456	1,501,180	1,546,215
Net Income	1,870,359	1,894,028	1,917,758	1,941,539	1,965,358
Less Debt Service	1,513,020	1,513,020	1,513,020	1,513,020	1,513,020
Cash Flow	357,339	381,008	404,738	428,519	452,338
Debt Coverage Ratio	1.24	1.25	1.27	1.28	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	3,581,804	3,653,441	3,726,509	3,801,040	3,877,060
Less Oper. Expenses	1,592,601	1,640,379	1,689,591	1,740,279	1,792,487
Net Income	1,989,203	2,013,061	2,036,919	2,060,761	2,084,573
Less Debt Service	1,513,020	1,513,020	1,513,020	1,513,020	1,513,020
Cash Flow	476,183	500,041	523,899	547,741	571,553
Debt Coverage Ratio	1.31	1.33	1.35	1.36	1.38

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 26

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.	453001.	6		4900 Oak Bluff Drive		Chester	VA	23831	\$587,302	06/01/23	4.00%	\$23,492	\$515,978	06/01/23	4.00%	\$20,639				\$0	
2.	453002.	6		4920 Oak Bluff Drive		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
3.	453003.	16		4919 Oak Bluff Drive		Chester	VA	23831	\$1,566,112	06/01/23	4.00%	\$62,644	\$1,376,000	06/01/23	4.00%	\$55,040				\$0	
4.	453004.	6		12310 Oak Bluff Trail		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
5.	453005.	6		12330 Oak Bluff Trail		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
6.	453006.	6		6021 Oak Bluff Terrace		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
7.	453007.	6		6020 Oak Bluff Terrace		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
8.	453008.	8		6000 Oak Bluff Terrace		Chester	VA	23831	\$783,056	06/01/23	4.00%	\$31,322	\$688,000	06/01/23	4.00%	\$27,520				\$0	
9.	453009.	6		12400 Oak Bluff Trail		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
10.	453010.	16		12301 Oak Bluff Trail		Chester	VA	23831	\$1,566,112	06/01/23	4.00%	\$62,644	\$1,376,000	06/01/23	4.00%	\$55,040				\$0	
11.	453011.	16		124001 Oak Bluff Trail		Chester	VA	23831	\$1,566,112	06/01/23	4.00%	\$62,644	\$1,376,000	06/01/23	4.00%	\$55,040				\$0	
12.	453012.	16		12201 Oak Bluff Trail		Chester	VA	23831	\$1,566,112	06/01/23	4.00%	\$62,644	\$1,376,000	06/01/23	4.00%	\$55,040				\$0	
13.	453013.	8		5211 Grand Oaks Forest Circle		Chester	VA	23831	\$783,056	06/01/23	4.00%	\$31,322	\$688,000	06/01/23	4.00%	\$27,520				\$0	
14.	453014.	16		5201 Grand Oaks Forest Circle		Chester	VA	23831	\$1,566,112	06/01/23	4.00%	\$62,644	\$1,376,000	06/01/23	4.00%	\$55,040				\$0	
15.	453015.	16		5021 Grand Oaks Forrest Circle		Chester	VA	23831	\$1,566,112	06/01/23	4.00%	\$62,644	\$1,376,000	06/01/23	4.00%	\$55,040				\$0	
16.	453016.	6		12305 Grand Oaks Forest Court		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
17.	453017.	6		12321 Grand Oaks Forest Court		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
18.	453018.	6		12341 Grand Oaks Forest Court		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
19.	453019.	6		12322 Grand Oaks Forest Court		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
20.	453020.	6		5102 Grand Oaks Forest Circl		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
21.	557006.	4		5000 Grand Oaks Forest Circle		Chester	VA	23831	\$391,528	06/01/23	4.00%	\$15,661	\$344,000	06/01/23	4.00%	\$13,760				\$0	
22.	557005.	4		5010 Grand Oaks Forest Circle		Chester	VA	23831	\$391,528	06/01/23	4.00%	\$15,661	\$344,000	06/01/23	4.00%	\$13,760				\$0	
23.	557004.	6		5020 Grand Oaks Forest Circle		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
24.	557003.	6		5040 Grand Oaks Forest Circle		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
25.	557002.	6		5060 Grand Oaks Forest Circle		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
26.	557001.	6		5080 Grand Oaks Forest Circle		Chester	VA	23831	\$587,292	06/01/23	4.00%	\$23,492	\$516,000	06/01/23	4.00%	\$20,640				\$0	
27.																				\$0	
28.																				\$0	
29.																				\$0	
30.																				\$0	
31.																				\$0	
32.																				\$0	
33.																				\$0	
34.																				\$0	
35.																				\$0	
		216	0	Totals from all buildings					\$21,142,522				\$845,701	\$18,575,978			\$0				\$0

Number of BINS: 26

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

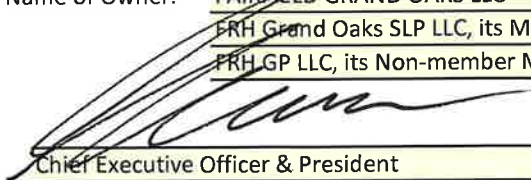
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: FAIRFIELD GRAND OAKS LLC
FRH Grand Oaks SLP LLC, its Member Manager
FRH GP LLC, its Non-member Manager

By: 
 Its: Chief Executive Officer & President
 (Title)

Fairfield LIHTC Properties
Asset Information

Co #	Property Name	MSA	Street Address	City	State	Zip	# of Units	Asset Type(Group)	Acq Date	Year Built	Notes
11143	Wyndover	Bay Area	805 Diablo Ave	Novato	CA	94947	136	Stabilized	10/29/04	1963	
11127	Belmont	Bay Area	1010 Power Avenue	Pittsburg	CA	94565	224	Stabilized	06/14/05	1986	
11126	Baycliff	Bay Area	2300 Lancaster Drive	Richmond	CA	94806	342	Stabilized	01/14/04	1975	
11131	Muirlands at Windemere	Bay Area	1108 Cresyfield Drive	San Ramon	CA	94582	350	Stabilized	09/15/05	2003	
11139	Turnleaf	San Jose	3201 Loma Verde Drive	San Jose	CA	95117	152	Stabilized	02/20/03	1970	
11138	Trestles	San Jose	1566 Scott Street	San Jose	CA	95126	71	Stabilized	03/04/04	1961	
11141	Walden Glen	Orange County	6664 Knott Avenue	Buena Park	CA	90621	186	Stabilized	03/16/00	1960	
11142	Westchester Park	Orange County	1602 Nisson Road	Tustin	CA	92780	150	Stabilized	04/27/98	1974	
11129	Bristol	Sacramento	1550 Valley Glen Drive	Dixon	CA	95620	102	Stabilized	04/07/06	2006	
11130	Canyon Rim	San Diego	10845 Via Los Nariscos	San Diego	CA	92129	504	Stabilized	06/21/00	1970	
11136	Stratton	San Diego	3884 Caminito Aguilar	San Diego	CA	92111	312	Stabilized	06/21/00	1970	
11134	Ridgemoor	Denver	693 Urban Ct	Golden	CO	80401	253	Stabilized	06/18/03	1972	
11147	Timberleaf	Denver	1388 Garrison Street	Lakewood	CO	80215	200	Stabilized	12/18/03	1972	
11133	Parklane	D.C. Metro	8200 Spiceberry Lane	Gaithersburg	MD	20877	137	Stabilized	04/12/01	1972	
11125	Barrington	D.C. Metro	1901 East-West Hwy	Silver Spring	MD	20910	415	Stabilized	10/24/03	1953	
11132	Oakfield	D.C. Metro	2121 Shorefield Rd	Wheaton	MD	20902	371	Stabilized	09/29/05	1967	
11128	Brentwood	D.C. Metro	8670 Devonshire Court	Manassas	VA	20110	285	Stabilized	06/17/05	1980	
11137	Sutterfield	Rhode Island	12 South Lane	Providence	RI	02904	143	Stabilized	03/31/06	1950	
11140	University Heights	Rhode Island	1 Thomas Olney	Providence	RI	02904	349	Stabilized	03/31/06	1965	
11358	Valley Ridge	Dallas / Ft Worth	1000 Valley Ridge Blvd	Lewisville	TX	75077	192	Stabilized	01/19/17	1995	
11377	Valley Trails	Dallas / Ft Worth	8903 Valley Ranch Pkwy	Irving	TX	75063	204	Stabilized	06/30/17	1994	
11430	Kensley Apartment Homes I & II	Dallas / Ft Worth	4323 N Shore	Irving	TX	75038	441	Stabilized	07/28/17	2003	
11376	GEO Apartments	Bay Area	44728 Old Warm Springs Blvd	Fremont	CA	94538	102	Development	12/22/17	2020	
11395	Forest Creek	Houston	5915 Uvalde Rd	Houston	TX	77049	256	Stabilized	04/24/18	1994	
11413	Falls Pointe at the Park	Raleigh-Durham	100 Cascade Falls Lane	Durham	NC	27713	312	Stabilized	04/24/18	2001	
11425	Parkway Senior	Houston	3663 Fairmont Pkwy	Pasadena	TX	77504	122	Stabilized	12/05/18	2003	Senior Property 55+
11424	Paradise Oaks	Austin	1500 Faro Drive	Austin	TX	78741	248	Stabilized	12/11/18	1996	
11431	Whispering Oaks	Norfolk-Virginia Beach	2500 Oak Leaf Place	Portsmouth	VA	23707	180	Stabilized	12/13/18	1966 2005	
11420	Riverstone Apartments	Bay Area	2200 Sycamore Drive	Antioch	CA	94509	136	Stabilized	01/31/19	1985	
11440	Magnolia Pointe	Raleigh-Durham	4801 Danube Lane	Durham	NC	27704	266	Stabilized	03/29/19	2006	
11449	Brenton at Abbey Park	West Palm Beach	1921 Abbey Road	West Palm Beach	FL	33415	160	Stabilized	07/24/19	2003	
12004	Lakeside Vista	Atlanta	2100 Ellison Lakes Drive	Kennesaw	GA	30152	324	Stabilized	08/14/19	2006	
12005	Longwood Vista	Atlanta	2300 Global Forum Blvd	Doraville	GA	30340	280	Stabilized	08/14/19	2006	
11450	Woodcreek	Las Vegas	4485 Pennwood Ave	Las Vegas	NV	89102	232	Stabilized	09/12/19	1978	
12012	Park Villas	San Diego	817 Eta Street	National City	CA	91950	268	Stabilized	10/31/19	1972	
12010	Tivoli Apartments	Dallas / Ft Worth	18950 Lina Street	Dallas	TX	75287	190	Stabilized	12/05/19	1996	
12018	Hilltop Commons	Bay Area	15690 Crestwood Drive	San Pablo	CA	94806	324	Stabilized	12/12/19	1996	
12024	Alderwood Court	Seattle/Tacoma	18240 36th Ave W	Lynwood	WA	98037	130	Stabilized	12/16/19	2003	Senior Property 55+
12025	Auburn Court	Seattle/Tacoma	102 10th Street NE	Auburn	WA	98002	296	Stabilized	12/16/19	1998	Senior Property 55+
12026	Ballinger Court	Seattle/Tacoma	22707 76th Ave W	Edmonds	WA	98026	94	Stabilized	12/16/19	2005	Senior Property 55+
12028	Cedar Park	Seattle/Tacoma	12740 30th Ave NE	Seattle	WA	98125	206	Stabilized	12/16/19	2008	Senior Property 55+
12029	Lakewood Meadows	Seattle/Tacoma	5228 112th Street SW	Lakewood	WA	98499	168	Stabilized	12/16/19	2001	Senior Property 55+
12030	Meridian Court	Seattle/Tacoma	3142023rd Ave S	Federal Way	WA	98003	200	Stabilized	12/16/19	1997	Senior Property 55+
12031	Washington Terrace	Seattle/Tacoma	120 6th Ave S	Seattle	WA	98104	136	Stabilized	12/16/19	2006	Senior Property 55+
12032	Woodlands at Forbes Lake	Seattle/Tacoma	9224 Slater Ave NE	Kirkland	WA	98033	110	Stabilized	12/16/19	2004	Senior Property 55+
12033	Woodrose	Seattle/Tacoma	3353 Racine St	Bellingham	WA	98226	197	Stabilized	12/16/19	2000	Senior Property 55+
12027	Boardwalk	Seattle/Tacoma	410 Capitol Way N	Olympia	WA	98501	284	Stabilized	01/07/20	1999	Senior Property 55+
12045	Inwood Station	Dallas / Ft Worth	2727 Inwood Road	Dallas	TX	75235	347	Stabilized	04/30/20	2017	
12013	Park Crest	San Diego	4531 Logan Ave	San Diego	CA	92113	140	Stabilized	09/30/20	1959	
12051	Cypress View Villas	Dallas / Ft Worth	200 Atwood Court	Weatherford	TX	76086	192	Stabilized	10/21/20	2003	
12056	Broadwater Townhomes	Richmond	15149 Broadwater Way	Chester	VA	23831	223	Stabilized	11/18/20	2002	
12061	Jada Legacy Central	Dallas / Ft Worth	6501 Excellence Way	Plano	TX	75023	385	Stabilized	12/23/20	2019	
12055	Grand Oaks	Richmond	5301 Grand Oaks Forest Circle	Chester	VA	23831	216	Stabilized	04/10/21	2005	
12065	Harvard Yard & Glenmary	Los Angeles	8711 Harvard Blvd	Los Angeles	CA	90047	216	Stabilized	07/01/21	2005	Senior Property 55+

54 12,459 Total Units

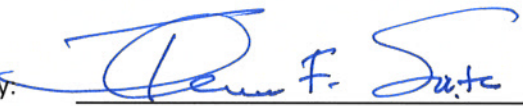
*The aforementioned properties are affordable housing properties operated by affiliates of the Grand Oaks Member Manager under the general Fairfield umbrella. Gregory R. Pinkalla is the Chief Executive Officer & President of such affiliated entities. Fairfield owns additional market rate properties that are not included in the above list.

V. STATEMENT OF ARCHITECT

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

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

Legal Name of Architect:	THOMAS F. SUTTE
Virginia License#:	010944
Architecture Firm or Company:	TSS ARCHITECTS PC.

By:  _____

Its: PRINCIPAL (Title)

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

W.

LIHTC SELF SCORE SHEET

Self Scoring Process

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

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

MANDATORY ITEMS:

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

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	Y	0 or 40	40.00
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
Total:			40.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	10%	0, 20, 25 or 30	25.00
g. Development 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
Total:			30.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			20.00
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	Y	0 or 30	30.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	N	0, 10 or 20	0.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	0 or 5	0.00
	Total:		<u>60.00</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$89,400	\$62,300

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	30.09%	Up to 15	0.00
c.	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	10.19%	Up to 50	10.19
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	10.19%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	10.19%	Up to 50	0.00
	Total:		<u>10.19</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	N	0 or 50	0.00
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	Y	0 or 10	10.00
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 Virginia Housing	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>10.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	120.90
b. Cost per unit		Up to 100	5.11
	Total:		<u>126.01</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: 326.20

Enhancements:

	Max Pts	Score
All units have:		
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	0.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
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	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	1.00
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>20.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>
	Total amenities:	<u>20.00</u>

X. Development Summary

Summary Information 2021 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Grand Oaks

Cycle Type: 4% Tax Exempt Bonds Credits Requested Credit Amount: \$1,588,740
 Allocation Type: N/A Jurisdiction: Chesterfield County
 Total Units: 216 Population Target: General
 Total LI Units: 216
 Project Gross Sq Ft: 284,231.43 Owner Contact: Timothy Wray
 Green Certified? TRUE

Total Score
326.20

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$32,000,000	\$148,148	\$113	\$1,513,020

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$10,299,772	\$47,684	\$36	22.59%
General Req/Overhead/Profit	\$1,441,808	\$6,675	\$5	3.16%
Other Contract Costs	\$1,174,398	\$5,437	\$4	2.58%
Owner Costs	\$4,744,354	\$21,965	\$17	10.40%
Acquisition	\$24,942,522	\$115,475	\$88	54.70%
Developer Fee	\$3,000,000	\$13,889	\$11	6.58%
Total Uses	\$45,602,854	\$211,124		

Total Development Costs	
Total Improvements	\$17,660,332
Land Acquisition	\$24,942,522
Developer Fee	\$3,000,000
Total Development Costs	\$45,602,854

Income	
Gross Potential Income - LI Units	\$3,092,976
Gross Potential Income - Mkt Units	\$0
Subtotal	\$3,092,976
Less Vacancy % 5.00%	\$154,649
Effective Gross Income	\$2,938,327

Proposed Cost Limit/Sq Ft: \$73
 Applicable Cost Limit/Sq Ft: \$197

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	48
# of 2BR	103
# of 3BR	65
# of 4+ BR	0
Total Units	216

Rental Assistance? FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$345,653	\$1,600
Utilities	\$202,200	\$936
Operating & Maintenance	\$280,800	\$1,300
Taxes & Insurance	\$291,592	\$1,350
Total Operating Expenses	\$1,120,245	\$5,186
Replacement Reserves	\$64,800	\$300
Total Expenses	\$1,185,045	\$5,486

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	22	22
60% AMI	194	194
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$2,938,327
Total Expenses	\$1,185,045
Net Income	\$1,753,282
Debt Service	\$1,513,020
Debt Coverage Ratio (YR1):	1.16

Income Averaging? FALSE

Extended Use Restriction? 50

2021 Low-Income Housing Tax Credit Application For Reservation

Virginia Housing is running a BETA test of new EUR calculations that will be considered for implementation in 2022. These points are only a test and will not be used for scoring purposes in 2021. Please contact taxcreditapps@virginiahousing.com with questions or comments.

Credit Points:

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

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

Using Current E-U-R method (up to 200)		120.90
Using proposed method:		
Combined Max	\$1,588,740	
Credit Requested	\$1,588,740	
% of Savings	0.00%	
Sliding Scale Points		0
<i>Difference</i>		-120.90

Cost Points:

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

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

Using Current E-U-R method (up to 100)		5.11
Using proposed method:		
Total Costs Less Acquisition	\$20,660,332	
Total Square Feet	284,231.43	
Proposed Cost per SqFt	\$72.69	
Applicable Cost Limit per Sq Ft	\$197.00	
% of Savings	63.10%	
Sliding Scale Points		100.00
<i>Difference</i>		94.89

\$/SF = **\$157.47** Credits/SF = **6.084129** Const \$/unit = **\$59,796.1944**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

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

11000
400
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	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
AVG UNIT SIZE	0.00	945.49	1,187.70	1,627.71	0.00	1,152.89	1,438.48	0.00
NUMBER OF UNITS	0	48	95	1	0	8	64	0
PARAMETER-(COSTS=>35,000)	0	157,500	213,750	230,625	0	183,000	215,025	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	157,500	213,750	230,625	0	183,000	215,025	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	157,500	213,750	230,625	0	183,000	215,025	0
PROJECT COST PER UNIT	0	148,884	187,025	256,312	0	181,543	226,514	0
PARAMETER-(CREDITS=>35,000)	0	11,550	15,675	16,913	0	16,500	19,388	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	11,550	15,675	16,913	0	16,500	19,388	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	11,550	15,675	16,913	0	16,500	19,388	0
PROJECT CREDIT PER UNIT	0	5,752	7,226	9,903	0	7,014	8,752	0
COST PER UNIT POINTS	0.00	1.22	5.50	-0.05	0.00	0.03	-1.58	0.00
CREDIT PER UNIT POINTS	0.00	22.31	47.41	0.38	0.00	4.26	32.51	0.00

TOTAL COST PER UNIT POINTS **5.11**

TOTAL CREDIT PER UNIT POINTS **106.87**

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	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	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	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	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
Standard Parameter - low rise	0	157,500	213,750	230,625	0	183,000	215,025
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	157,500	213,750	230,625	0	183,000	215,025

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
Standard Credit Parameter - low rise	0	11,550	15,675	16,913	0	16,500	19,388
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	11,550	15,675	16,913	0	16,500	19,388

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	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	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	0	0	0	0
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Cost Parameters - General

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NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS>=35,000)	0	0	0	0	0	0	0
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COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS>=35,000)	0	0	0	0	0	0	0
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TOTAL COST PER UNIT POINTS **5.11**

TOTAL CREDIT PER UNIT POINTS **120.90**

Cost Parameters - Elderly

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Standard Cost Parameter - low rise	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0

Credit Parameters - Elderly

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Adjusted Credit Parameter	0	0	0	0	0	0

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

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Adjusted Cost Parameter	0	0	0	0	0	0

Cost Parameters - General

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Adjusted Cost Parameter	0	11,550	15,675	16,913	0	16,500	19,388

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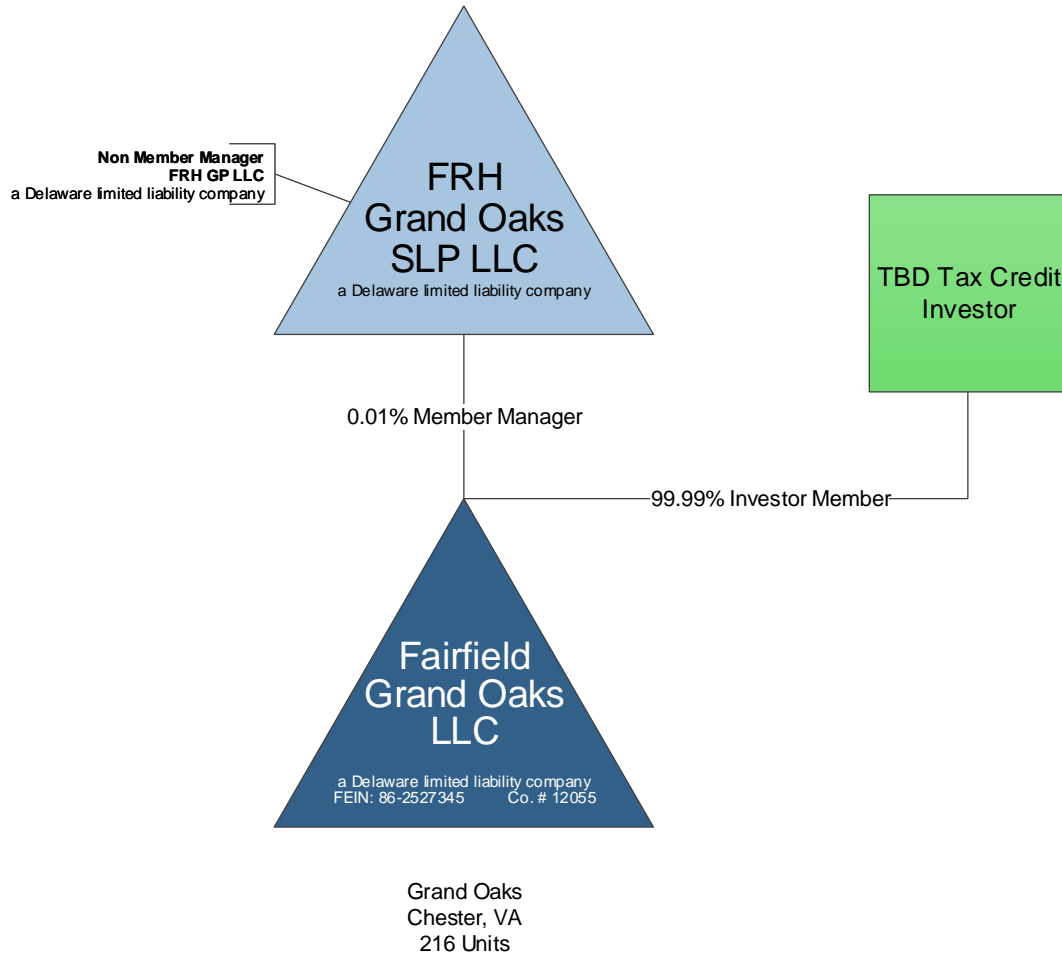
Partnership or Operating Agreement

Including **chart of ownership structure with percentage of interests** and **draft developer fee agreement**
(MANDATORY)

Grand Oaks

Updated as of 7/14/2021

Chester, VA
216 Units



- Key**
- △ Pass-Through Entity
 - Corporation/REIT/TRS
 - Preferred Shareholders/Individuals
 - ▲ Regarded Entity
 - △ Disregarded Entity
 - ▲ Outside Investor

EXHIBIT D

**FRH GP LLC
List of Officers -
as of June 30, 2021**

<u>Name</u>	<u>Office(s)</u>
Corporate	
Gregory R. Pinkalla	Chief Executive Officer & President
Jon A. MacDonald	Executive Vice President, General Counsel & Corporate Secretary
Shant Koumriqian	Executive Vice President & Chief Financial Officer
C. Thomas Brunson	Executive Vice President
Josh Kawaii-Bogue	Executive Vice President
Richard L. Boynton	Executive Vice President & Chief Investment Officer
Jenna Woods	Assistant General Counsel, Vice President & Assistant Secretary
Sarah Wiseman	Chief Accounting Officer
Beth Ann Coleman	Chief Compliance Officer
Mandi Schalon	Senior Vice President & Assistant Secretary
Accounting	
Helen Bryant	Vice President
Jennifer LaChance	Vice President
Michael Alcantara	Vice President
Trudy Hawkins	Vice President
Acquisitions/Dispositions	
Gino Barra	Senior Vice President
Affordable	
Gina Metzger	Vice President
Paulius Kudirka	Senior Vice President
Timothy Wray	Vice President
Asset and Construction Management	
Christopher Ruffolo	Senior Vice President
Lowell Andrew Jennings	Senior Vice President
Capital Markets/Portfolio Management	
Doug Ness	Senior Vice President
John H. Stafford III	Senior Vice President
Lisa Haring	Senior Vice President
Michelle Lord	Senior Vice President
Adam Vanni	Vice President
Nick Wood	Vice President
Construction	
Pericles Raptis	Executive Vice President
Robert Salkovitz	Senior Vice President
Wayne C. Laliberte	Senior Vice President
Mark Stewart	Vice President
Development	
Brendan Hayes	Senior Vice President
Lawrence Scott	Senior Vice President
Jason Martin	Vice President

EXHIBIT D

**FRH GP LLC
List of Officers -
as of June 30, 2021**

Lee Busse	Vice President
Richard Munger	Vice President
Robert Hewitt	Vice President
Robert Kirby	Vice President
Zachary Johnston	Vice President
<i>Pre-Development</i>	
Ed McCoy	Senior Vice President
Bryan Condie	Vice President
Larry Lee	Vice President
<i>Property Management</i>	
Gail Corder	Vice President
<i>Transactions/Legal</i>	
Jessica Antoniadis	Vice President & Assistant Secretary
Mary Nicoletta	Vice President & Assistant Secretary
Krista Miclat	Vice President & Assistant Secretary
Sandra Hill Flood	Vice President & Assistant Secretary
Tracy Stottlemeyer	Vice President & Assistant Secretary

OPERATING AGREEMENT
of
FAIRFIELD GRAND OAKS LLC,
a Delaware limited liability company

This Operating Agreement (this “Agreement”) of Fairfield Grand Oaks LLC, a Delaware limited liability company (the “Company”), is entered into by and between Fairfield Affordable Housing Fund Tranche IX LLC, a Delaware limited liability company (the “AHF Member”), FRH Grand Oaks SLP LLC (the “FRH Member” and collectively with the AHF Member, the “Members”) and FRH GP LLC, a Delaware limited liability company (the “Manager”) who desire to form and operate a limited liability company pursuant to the Delaware Limited Liability Company Act, as amended from time to time (the “Act”), under the following terms and conditions:

1. Name. The name of the limited liability company is Fairfield Grand Oaks LLC (the “Company”). The business of the Company may be conducted under that name, or such other name or names as the Members deem appropriate. The Manager shall make all appropriate filings on behalf of the Company to enable the Company to conduct business under an assumed name or a different name, and to secure the Company’s proprietary rights to such a name.

2. Formation and Term. The Company was formed on March 8, 2021, upon the filing of the Company’s certificate of formation (as may be amended from time to time, the “Certificate of Formation”) with the Secretary of State of the State of Delaware. Until dissolved in accordance with this Agreement or the Act, the Company shall have a perpetual existence.

3. Principal Place of Business; Qualification in Foreign Jurisdiction. The principal office of the Company is c/o Fairfield Residential Holdings LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121. The Company may locate its principal place of business at any place or places, within or without the State of Delaware, as the Manager may from time to time deem advisable; provided, however, that the Company shall at all times maintain within the State of Delaware a registered agent and a registered office. Such initial agent and office are stated in the Certificate of Formation. The Manager shall cause the Company to be registered and qualified at all relevant times to do business in any state in which such registration and qualification is deemed necessary or advisable by the Manager.

4. Appointment of Manager; Authority and Duties.

(a) The operations of the Company shall be conducted by a single manager (“Manager”) who shall be appointed by the AHF Member and may be removed by the AHF Member at any time for any reason. In the event no Manager is appointed and serving at any particular time, the AHF Member shall be the Manager. The initial Manager shall be FRH GP LLC, a Delaware limited liability company.

(b) The Manager shall manage the business, property and affairs of the Company subject, in all respects, to the same delegation of authority and the same duties, responsibilities and restrictions set forth in the Operating Agreement of the AHF Member, which are incorporated by reference and made a part of this Agreement (as amended, the “Master

Agreement”). Subject in all respects to the Master Agreement, the Manager has the responsibility and authority to execute and deliver on behalf of the Company such documents and instruments as it shall deem reasonably required in connection therewith and to enter into such contracts and to take such actions as it deems from time to time to be in the best interests of the Company.

(c) All matters requiring the consent of the AHF Member under this Agreement shall require the consent of the constituent members of the AHF Member on the terms set forth in the Master Agreement.

(d) All matter requiring the consent of the Members under this Agreement will require the consent of a majority in interest of the Members based upon each Member’s respective Percentage Interest as set forth in Exhibit A attached hereto (the “Percentage Interest”).

5. Purpose. The sole business of the Company is to act as a “Company Subsidiary” (as such term is defined in the Master Agreement) and as such to engage in the following activities and exercise the following powers:

(a) To acquire, finance, own and operate a residential multi-family apartment complex and related amenities located in Chester, Virginia, having a street address of 5301 Grand Oaks Forest Circle, Chester, Virginia, as more particularly described on Exhibit B attached to this Agreement (the “Property”);

(b) To engage in all other activities necessary, customary, convenient or incidental to any of the foregoing; and

(c) To exercise all other powers necessary to or reasonably connected with the Company’s business which may be legally exercised by limited liability companies under the Act and which at any time appear conducive to or expedient for the protection or benefit of the Company and its assets.

6. Ownership of Company Property. All assets owned by the Company shall be owned by the Company as an entity, and held in the name of the Company. Neither the Members nor the Manager shall have any ownership interest in any Company property in its own name or right. Each Member’s interest in the Company is personal property for all purposes.

7. Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, are solely the debts, obligations and liabilities of the Company, and neither the Manager nor any Member is personally obligated for any such debts, obligations or liabilities of the Company solely by reason of being a Member or Manager of the Company.

8. Capital Contributions. Each Member will make the initial capital contribution to the Company in an amount as set forth on Exhibit A attached to this Agreement. No Member is required to make any additional capital contributions to the Company, but may make additional capital contributions to the Company in its sole and absolute discretion. The Manager is neither required nor permitted to make capital contributions to the Company.

9. Tax Matters: Treatment of Profits and Losses.

(a) For Federal and relevant State income and/or franchise and/or property tax purposes and for no other purpose whatsoever, the Members shall elect to cause the Company to be taxed as a partnership. The Members and the Company shall take any and all actions necessary or appropriate to accomplish the foregoing, and neither any Member nor the Company shall at any time take any action that is or might be inconsistent with the foregoing.

(b) The Manager shall constitute the “partnership representative” under Section 6223 of Chapter 63 of the Internal Revenue Code of 1986, as amended (the “Code”) Code, and the Manager shall take any and all action required under the Code or any regulations implementing the Code, as in effect from time to time, to designate itself the “partnership representative.” For each applicable tax year, the Partnership Representative shall appoint a Designated Individual (as such term is defined by the Code). The Company may engage accountants and legal counsel to assist the Partnership Representative and/or the Designated Individual in discharging its/his/her respective duties hereunder. The Company shall indemnify and reimburse the Partnership Representative and Designated Individual for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members.

10. Allocation of Profits and Losses. The Company’s profits and losses shall be allocated to the Members in accordance with each Member’s Percentage Interest.

11. Distributions. Distributions shall be made to the Members at the times and in the amounts determined by the AHF Member. The Company shall not be required to make any distribution that would be in violation of the Act or any other applicable law. Each Member is obligated to return a distribution from the Company only to the extent required under the Act or any other applicable law.

12. Officers. Subject in all respects to the Master Agreement, the Manager may, from time to time as it deems advisable, appoint officers of the Company (the “Officers”) and assign in writing titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such person. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Manager in writing. The current Officers of the Company are set forth on Exhibit A attached to this Agreement and shall include the current officers of FRH GP LLC, a Delaware limited liability company (which is the Non-Member Manager of the Company). Exhibit A may be amended from time to time by the Manager to update the current list of Officers set forth therein.

13. Other Business. The Manager and the Members may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description,

independently or with others. The Company has no rights in or to such independent ventures or the income or profits therefrom.

14. Exculpation and Indemnification.

(a) No member, manager, officer, director, shareholder or other holder of an equity interest in the Company, or the Manager, shall be personally liable for the obligations of the Company, but the foregoing shall not relieve any such member, manager, officer, director or employee of any Member or of the Company of its obligations to the Members or the Company.

(b) The Company shall indemnify, defend and hold harmless the Members, the Manager and each Officer and employee of the Company, and the officers, directors, members, managers and employees of each Member and the Manager to the greatest extent permitted by law against any and all liabilities, losses, claims, costs, damages and expenses (including court costs and expert witnesses' and attorneys' fees) as a result of any claim or legal proceeding by any person (including by or through the Company and/or any Member) relating to any good faith business judgment if such indemnitee: (i) was not interested in the subject of the business judgment (except to the extent such interest was disclosed to and approved by the Management Committee (as defined in the Master Agreement) of the AHF Member); (ii) was informed with respect to the subject of the business judgment to the extent such indemnitee reasonably believed to be appropriate under the circumstances; (iii) rationally believed that the business judgment was in the best interests of the Company; and (iv) did not cause or engage in a material breach of this Agreement, or in the case of the Manager a lack of "Due Care" (as defined in the Master Agreement).

15. Assignments. A Member may transfer its interest in the Company in whole or in part. If a Member transfers its interest in the Company, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement; and if a Member transfers its entire interest in the Company and there are no other Members of the Company, the admission of the transferee as a Member of the Company shall be deemed effective concurrent with the termination of the transferor as a Member of the Company. The Manager may not transfer its rights or obligations under this agreement, in whole or in part.

16. Withdrawal. A Member may withdraw from the Company. If a Member withdraws from the Company and there are no other Members of the Company at the time, a new Member shall be admitted to the Company, subject to Section 17 below, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. The admission of the new Member shall be deemed effective concurrent with the termination of the withdrawing Member.

17. Admission of Additional Members. One (1) or more additional members of the Company may be admitted to the Company with the written consent of the AHF Member.

18. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any dissolution event set forth in the Certificate of

Formation (if any), (ii) the written consent of the Members, (iii) the withdrawal or dissolution of all of the Members or the occurrence of any other event which terminates the continued membership of the Members in the Company unless the business of the Company is continued in a manner permitted by the Act or this Agreement, or (iv) the entry of a decree of judicial dissolution under dissolution under the Act.

(b) The bankruptcy of a Member will not cause said Member to cease to be a member of the Company, and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Manager shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in set forth in the Act.

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

20. Entire Agreement. This Agreement, the Master Agreement, and the exhibits to this Agreement constitute the entire agreement of the Members and the Manager with respect to the subject matter hereof. The exhibits and schedules to this Agreement are incorporated into and made a part of this Agreement by reference. This Agreement is intended to be a legally binding document.

21. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.

22. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a writing executed and delivered by the Members (except Exhibit A may be amended by the Manager to update the information set forth therein to the extent not inconsistent with the Master Agreement).

23. Virginia Housing Development Authority. Notwithstanding any other provision of this Agreement, this limited liability company and the members shall be subject to regulation and supervision by the Authority in accordance with the Virginia Housing Development Authority Act, the Rules and Regulations of the Authority, and the Regulatory Agreement assumed or to be assumed by this limited liability company and shall be further subject to the exercise by the Authority of the rights and powers conferred on the Authority thereby. Notwithstanding any other provision of this Agreement, the Authority may rely upon the continuing effect of this provision which shall not be amended, altered, waived, supplemented or otherwise changed without the prior written consent of the Authority.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement effective as of March 8, 2021.

MEMBERS:

FAIRFIELD AFFORDABLE HOUSING FUND
TRANCHE IX LLC, a Delaware limited liability company

By: FRH Vehicle Manager LLC,
a Delaware limited liability company,
its Non-Member Manager

By: 
Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

FRH GRAND OAKS SLP LLC,
a Delaware limited liability company

By: FRH GP LLC,
a Delaware limited liability company,
its Non-Member Manager

By: 
Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

MANAGER:

FRH GP LLC,
a Delaware limited liability company

By: 
Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

EXHIBIT A
TO OPERATING AGREEMENT

**INITIAL CAPITAL CONTRIBUTIONS, PERCENTAGE INTERESTS,
LIST OF MANAGERS AND OFFICERS**

Name and Address of Member	Initial Capital Contribution	Number of Units	Member's Percentage Interest
Fairfield Affordable Housing Fund Tranche IX LLC 5355 Mira Sorrento Place, Suite 100 San Diego, CA 92121	\$999	99	99.99%
FRH Grand Oaks SLP LLC 5355 Mira Sorrento Place, Suite 100 San Diego, CA 92121	\$1	1	.01%

Manager:

FRH GP LLC
5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121

Officers:

None.

EXHIBIT B
TO OPERATING AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION FOR 5000 GRAND OAKS FOREST CIRCLE, CHESTER, VA:

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of one parcel of land containing 4.265 acres of land more particularly identified as "PARCEL A" as shown on that certain plat made by Timmons Group, dated April 27, 2004 and recorded in Deed Book 5721 at page 641, re-recorded in Deed Book 5739 at page 378 and Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of Womack Road in a Northerly direction a distance of 656.52 feet to a rod found, said rod being the true point and place of beginning, thence leaving said right of way line North 66 degrees 30 minutes 57 seconds West a distance of 137.08 feet to a point, thence North 22 degrees 14 minutes 49 seconds West a distance of 99.81 feet to a point, thence North 31 degrees 16 minutes 55 seconds West a distance of 66.46 feet to a point, thence North 56 degrees 55 minutes 07 seconds West a distance of 288.45 feet to a point, thence North 67 degrees 34 minutes 40 seconds West a distance of 84.86 feet to a point, thence North 41 degrees 34 minutes 44 seconds West a distance of 53.36 feet to a point, thence North 06 degrees 45 minutes 42 seconds East a distance of 73.45 feet to a point, thence North 24 degrees 21 minutes 29 seconds West a distance of 58.59 feet to a point, thence North 33 degrees 26 minutes 39 seconds East a distance of 150.00 feet to a found rod, thence South 56 degrees 35 minutes 16 seconds East a distance of 673.52 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way South 13 degrees 33 minutes 49 seconds West a distance of 323.15 feet to a found rod, said rod being the True Point and Place of Beginning and containing 4.265 acres of land more or less.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and

Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

LEGAL DESCRIPTION FOR 5301 GRAND OAKS FOREST CIRCLE, CHESTER, VA 23831:

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and Consisting of one parcel of land containing 23.527 acres of land more particularly identified as "PARCEL B" as shown on that certain plat entitled "Plat Showing Parcel A - 4.265 Acres and Parcel B - 23.527 Acres, located on the Western line of Womack Road S.R. 749" made by Timmons Group, dated April 27, 2004 and recorded May 3, 2004 in Deed Book 5721 at Page 641, re-recorded in Deed Book 5739 at Page 378 and in Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of State Route 10 in a Western direction a distance of 219.92 feet to a rod set, said rod being the true point and place of beginning, thence South 78 degrees 35 minutes 54 seconds West a distance of 272.26 feet to a rod set, thence leaving said right of way line of State Route 10, thence North 46 degrees 16 minutes 15 seconds West a distance of 649.41 feet to a pipe found 0.83 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 241.92 feet to a pipe found 1.19 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 275.00 feet to a pipe found, thence North 46 degrees 16 minutes 15 seconds West a distance of 29 feet plus or minus to a point, said point lying in the centerline of Great Branch Creek, thence along the centerline of Great Branch Creek as it meanders in a Northern direction a distance of 1114 feet plus or minus to a point, thence South 56 degrees 33 minutes 21 seconds East a distance of 7 feet plus or minus to a rod found, thence South 56 degrees 33 minutes 21 seconds East a distance of 370.78 feet to a rod found, thence South 24 degrees 21 minutes 29 seconds East a distance of 58.59 feet to a set rod, thence South 06 degrees 45 minutes 42 seconds West a distance of 73.45 feet to a set rod, thence South 41 degrees 34 minutes 44 seconds East a distance of 53.36 feet to a set rod, thence South 67 degrees 34 minutes 40 seconds East a distance of 84.86 feet to a set rod, thence South 56 degrees 55 minutes 07 seconds East a distance of 288.45 feet to a set rod, thence South 31 degrees 16 minutes 55 seconds East a distance of 66.46 feet to a set rod, thence South 22 degrees 14 minutes 49 seconds East a distance of 99.81 feet to a set rod, thence South 66 degrees 30 minutes 57 seconds East a distance of 137.08 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way line South 13 degrees 33 minutes 49 seconds West a distance of 276.00 feet to a rod

found, thence leaving said right of way line North 56 degrees 49 minutes 14 seconds West a distance of 270.23 feet to a rod found, thence South 13 degrees 32 minutes 53 seconds West a distance of 129.34 feet to a rod found, thence North 56 degrees 51 minutes 41 seconds West a distance of 158.67 feet to a rod found, thence South 36 degrees 41 minutes 38 seconds West a distance of 70.38 feet to a rod found, thence South 53 degrees 04 minutes 38 seconds East a distance of 40.01 feet to a rod found, thence South 26 degrees 52 minutes 04 seconds West a distance of 154.64 feet to a rod found, thence South 63 degrees 33 minutes 28 seconds East a distance of 151.50 feet to a rod found, thence South 11 degrees 38 minutes 31 seconds East a distance of 222.31 feet to a rod set, said rod being the True Point and Place of Beginning, and containing 23.5 +/- acres of land more or less.

Parcel B:

Together with the non-exclusive easements set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

THE ABOVE PARCEL BEING A PORTION OF THE FOLLOWING DESCRIBED PROPERTY IN DEEDS:

(Legal Description in Deed Book 5695, Page 374)

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of two parcels of land containing 3.2 +/- and 10.8 +/- acres of land, as shown on a certain plat entitled "Two Parcels of Land Containing 3.2 +/- and 10.8 +/- Acres of Land Belonging to The Crowder Trust and Lying on the Northern Line of W. Hundred Road" made by Timmons Group and dated April 15, 2004.

(Legal Description in Deed Book 5695, Page 371)

PARCEL I:

ALL that certain tract or parcel of land with the improvements thereon and appurtenances thereto belonging, lying and being in Bermuda District, Chesterfield County, containing 8.31 acres, more or less, and being designated as "Parcel C", on a plat which is duly recorded in the Circuit Court Clerk's Office of said County in Plat Book 3, at Page 153.

LESS AND EXCEPT that parcel containing 1.4 acres, more or less, that was conveyed from D. M. Anderson and Lucy E. Anderson to John W. Jennings, et ux, by deed dated December 9, 1968, that is recorded in the aforesaid Clerk's Office in Deed Book 944, at Page 40.

PARCEL II:

ALL that certain lot or parcel of land, with the improvements thereon and appurtenances thereunto belonging, lying and being in Chesterfield County, Virginia, located on the west line of Womack Road, containing 3.24 acres, more or less, all as is more particularly shown on a plat of survey by

Virginia Surveys, dated August 7, 1986, entitled "Map Showing the Improvements on 3.24 +/- Acres of Land situated on the West Line of Womack Road in Chesterfield County, Virginia", a copy of which plat is attached to and recorded with a deed to Kenneth J. Hilscher and Kimberly B. Hilscher, from Robert A. Jones and Betty J. Jones, husband and wife, dated August 12, 1986, in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Deed Book 1792, Page 1437.

BUT this conveyance is made expressly subject to a Roadway fifty (50) feet wide extending along the easterly line of the lot of land hereby conveyed and along the westerly line of the "Right of Way" of the Seaboard Airline Railroad, said Roadway being expressly reserved for the use of the owners of Lots "A", "B" and "C", set forth on said plat dated November 18, 1918, recorded in Plat Book 3, Page 153.

(Legal Description in Deed Book 5670, Page 728)

PARCEL I:

ALL that certain lot, piece or parcel of land, with the improvements thereon and appurtenances thereto belonging, lying and being in Bermuda Magisterial District, Chesterfield County, Virginia, containing 1 acre and being as shown on plat made by J. K. Timmons & Associates, Civil Engineers & Surveyors, dated April 20, 1967, entitled "Plat Showing 1 Acre Plot North of Route 10, Bermuda District, Chesterfield Co., Va.", a copy of which plat is recorded in Deed Book 877, Page 522, reference to which plat is hereby made for a more complete description of the property hereby conveyed.

LESS AND EXCEPT a parcel containing 0.02 acre conveyed to the Commonwealth of Virginia, for the Widening of Route 10, recorded in the aforesaid Clerk's Office in Deed Book 1040, Page 823.

LESS AND EXCEPT that parcel of land conveyed to Leo H. Myers and Cara A. Myers, husband and wife, by deed dated April 16, 1985, and recorded in Deed Book 1702, Page 803.

LESS AND EXCEPT that parcel of land conveyed to the County of Chesterfield, Virginia by deed dated December 11, 2003, recorded March 18, 2003 in Deed Book 5645, Page 40.

PARCEL II:

ALL that certain lot, piece of parcel of land, with the improvements thereon and appurtenances thereto belonging, lying and being in Bermuda Magisterial District, Chesterfield County, Virginia, containing 0.206 acre, and being designated as Parcel "B" on a plat entitled "Map Showing The Improvements On Two Parcels of Land Situated On the North Side of State Route No. 10 in Chesterfield County, Virginia", dated December 17, 1976, made by Virginia Surveys, a copy of which plat is recorded in Deed Book 1243, Page 15, reference to which plat is hereby made for a more complete description of said property.

LESS AND EXCEPT that parcel of land conveyed to the County of Chesterfield, Virginia by deed dated December 11, 2003, recorded March 18, 2003 in Deed Book 5645, Page 40.

PARCEL III:

ALL that certain lot, piece or parcel of land, with all improvements thereon and appurtenances thereto belonging, lying and being in Chesterfield County, Virginia, all as more particularly shown on a plat of survey made by Virginia Surveys, dated April 17, 1984, entitled "Map Showing 0.777 Acres of Land Situated North of State Route No. 10 in Chesterfield County, Virginia", reference to which is hereby made for a more particular description of the property hereby conveyed. Said plat is recorded in Deed Book 1652, Page 1544.

(Legal Description in Deed Book 5670, Page 726)

ALL that certain piece or parcel of land, with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District, Chesterfield County, Virginia, containing 2.64 acre as shown on a plat entitled "Plat of 2.64 Acre with Improvements Situated on The Western Line of Womack Road, Bermuda District, Chesterfield County, Virginia", dated December 12, 1987 and made by Harvey L. Parks, C.L.S., and recorded in the Clerk's Office Circuit Court of Chesterfield County, Virginia, in Deed Book 1371, Page 637.

SECOND AMENDED AND RESTATED
OPERATING AGREEMENT
of
FRH GP LLC,
a Delaware Limited Liability Company

This Second Amended and Restated Operating Agreement (this “**Agreement**”) of FRH GP LLC, a Delaware limited liability company (the “**Company**”), effective as of September 1, 2020, is entered into by the undersigned Member and Manager who desire to operate a limited liability company pursuant to the Delaware Limited Liability Company Act, as amended from time to time (the “**Act**”), under the terms and conditions of this Agreement.

RECITALS:

WHEREAS, FRH Holdings LLC, a Delaware limited liability company (“**FRH Holdings**”) previously entered into that certain Amended and Restated Operating Agreement of the Company, dated as of April 24, 2019, as the sole member and sole manager of the Company (the “**Prior Agreement**”);

WHEREAS, as of the date of this Agreement, FRH Holdings and Fairfield Residential Holdings LLC, a Delaware limited liability company (“**FRH**”) entered into that certain Membership Interest Distribution Agreement whereby (a) FRH Holdings: (i) distributed, transferred and assigned to its sole member, FRH, 100% of the equity interests in the Company, (ii) withdrew as the sole member of the Company, and (iii) resigned as the sole manager of the company; and (b) FRH: (i) was admitted as the sole member, (ii) agreed to become the sole manager of the Company, and (iii) assumed all of the rights and obligations of FRH Holdings as the sole member and manager of the Company pursuant to this Agreement (the “**Distribution Agreement**”);

WHEREAS, the undersigned has agreed to amend and restate the Prior Agreement in its entirety in the form of this Agreement to reflect the transactions contemplated by the Distribution Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, FRH hereby agrees as follows:

AGREEMENT:

1. **Name.** The name of the limited liability company is “FRH GP LLC” (the “**Company**”). The business of the Company may be conducted under that name, or such other name or names as the Member deems appropriate. The Member shall make all appropriate filings on behalf of the Company to enable the Company to conduct business under an assumed name or a different name, and to secure the Company’s proprietary rights to such a

name.

2. Formation and Term. The Company was formed on April 15, 2019 upon the filing of the Company's Certificate of Formation with the Secretary of State of the State of Delaware (the "**Filing**"). The Company's term is for a period of fifty (50) years, unless extended or sooner terminated as provided in this Agreement or as earlier dissolved in accordance with either the provisions of this Agreement, the Master Agreement (as defined below) or the Act.

3. Principal Place of Business; Qualification in Foreign Jurisdiction. The principal office of the Company is c/o Fairfield Residential Holdings LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, CA 92121. The Company may locate its principal place of business at any place or places, within or without the State of Delaware, as the Manager (as defined below) may from time to time deem advisable; provided, however, that the Company shall at all times maintain within the State of Delaware a registered agent and a registered office. Such initial agent and office are stated in the Certificate of Formation. The Manager shall cause the Company to be registered and qualified at all relevant times to do business in any state in which such registration and qualification is deemed necessary or advisable by the Manager.

4. Appointment of Manager; Authority and Duties.

(a) The operations of the Company shall be conducted by a single manager ("**Manager**") who shall be appointed by the Member and may be removed by the Member at any time for any reason. In the event no Manager is appointed and serving at any particular time, the Member shall be the Manager. The initial Manager shall be the Member, Fairfield Residential Holdings LLC, a Delaware limited liability company.

(b) The Manager shall manage the Business of the Company subject, in all respects, to the same delegation of authority and the same duties, responsibilities and restrictions set forth in the Limited Liability Company Operating Agreement of the Member, as may be amended or restated from time to time, which is incorporated by reference and made a part of this Agreement (the "**Master Agreement**"). Subject in all respects to the Master Agreement, the Manager has the responsibility and authority to execute and deliver on behalf of the Company such documents and instruments as it shall deem reasonably required in connection therewith and to enter into such contracts and to take such actions as it deems from time to time to be in the best interests of the Company.

(c) All matters requiring the consent of the Member under this Agreement shall require the consent of the "Board" of FRH on the terms set forth in the Master Agreement.

(d) Any consent or action by the "Board" (as that term is defined in the Master Agreement) of FRH when applicable or related to this Company shall (without any additional action or consent required), be deemed an approval of such action by the Manager and sole Member of this Company.

5. Purpose. The sole business (“**Business**”) of the Company is to act as a “Subsidiary” (as such term is defined in the Master Agreement) and as such to engage in the following activities and exercise the following powers:

(a) The Company, directly or through its Subsidiary(ies), is organized to provide management and other services, including without limitation acting as a manager and/or general partner, related to developing, constructing, operating and managing multi-family residential real property (including managing entities that directly or indirectly engage in or perform such activities), and to engage in such other lawful activities as are reasonably necessary or useful to the furtherance of the foregoing purpose, upon and subject to the terms and conditions of this Agreement.

(b) The Company is authorized and empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to, or convenient for the furtherance and accomplishment of its purposes and for the protection and benefit of the Company, including all acts and things permitted under the Act and this Agreement.

6. Ownership of Company Property. The Subsidiaries and all other assets owned by the Company shall be owned by the Company as an entity and held in the name of the Company. Neither the Member nor the Manager shall have any ownership interest in any Company property in its own name or right. The Member’s interest in the Company is personal property for all purposes.

7. Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, are solely the debts, obligations and liabilities of the Company, and neither the Manager nor the Member is personally obligated for any such debts, obligations or liabilities of the Company solely by reason of being the Member or Manager of the Company.

8. Capital Contributions. The Member has made the initial capital contribution to the Company in an amount consistent with the Master Agreement as set forth on Exhibit A attached to this Agreement. The Member is not required to make any additional capital contributions to the Company but may make additional capital contributions to the Company in its sole and absolute discretion. The Manager is neither required nor permitted to make capital contributions to the Company.

9. Allocation of Profits and Losses. The Company’s profits and losses shall be allocated to the Member.

10. Distributions. Distributions shall be made to the Member at the times and in the amounts determined by the Member. The Company shall not be required to make any distribution that would be in violation of the Act or any other applicable law. The Member is obligated to return a distribution from the Company only to the extent required under the Act or any other applicable law.

11. Officers. Subject in all respects to the Master Agreement, the Manager may, from time to time as it deems advisable, appoint officers of the Company (the “**Officers**”) and assign in writing titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such person. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Manager in writing. The current Officers of the Company are set forth on Exhibit B attached to this Agreement. Exhibit B may be amended from time to time by the Manager to update the current list of Officers set forth therein.

12. Other Business. The Manager and the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company has no rights in or to such independent ventures or the income or profits therefrom.

13. Indemnity of the Parties.

(a) Except for claims, actions or demands arising from “Bad Acts” (as defined below), the Company agrees to indemnify each of Member and Manager and each of their officers, directors, members, agents and Affiliates (each, an “**Indemnitee**”) to the fullest extent permitted by law and to defend, save and hold them harmless from and in respect of all fees, costs, losses, damages and expenses (including attorneys’ fees) incurred in connection with or resulting from any claim, action or demand arising out of or in any way relating to the Company or its properties, including amounts paid in settlement or compromise (if recommended by the Company’s counsel) of any such claim, action or demand and all fees, costs and expenses (including attorneys’ fees) in connection therewith. The termination of any action, suit or proceeding by judgment, order, settlement or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that any Person acted with recklessness or willful misconduct. In addition to the indemnification conferred in this Section 13, the Indemnitee shall also be entitled to have paid directly by the Company the expenses reasonably incurred in defending any such proceeding against such Indemnitee in advance of its final disposition, to the fullest extent authorized by applicable law, as the same exists or may hereafter be amended. The right to indemnification conferred in this Section 13 is a contract right. Notwithstanding anything herein to the contrary, no individual director or officer shall be liable hereunder except to the extent an “Executive” (as that term is defined in the Master Agreement), would have liability for the same act if it was taken by such director or officer under the Master Agreement (i.e., willful misconduct or an intentional violation of law). The right to indemnification and the advancement and payment of expenses conferred in this Section 13 shall not be exclusive of any other right which a Manager or other person indemnified pursuant to this Section 13 may have or hereafter acquire under any law (common or statutory), provision of this agreement or other agreement, vote of the Members or consent of the Manager or otherwise. For purposes of this Agreement, “Bad Act” shall mean fraud, deceit, willful misconduct, gross negligence, or a wrongful taking.

(b) The Company may, by action of the Manager, provide indemnification to such of the Officers, employees and agents of the Company to such extent and to such effect as the Manager shall determine to be appropriate and authorized under the Act, as the same exists or may hereafter be amended.

(c) The rights and authority conferred in this Section 13 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Filing or this Agreement, vote of Members or otherwise.

(d) Any repeal or amendment of this Section 13 by the Members shall not adversely affect any right or protection of any Member, Manager or Officer existing at the time of such repeal or amendment.

14. Consent under Master Agreement. Any consent or action by the “Board” (as that term is defined in the Master Agreement) of FRH when applicable or related to this Company shall (without any additional action or consent required), be deemed an approval of such action by the Manager and sole Member of this Company.

15. Assignments. A Member may transfer its interest in the Company in whole or in part. If a Member transfers its interest in the Company, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement; and if a Member transfers its entire interest in the Company and there are no other Members of the Company, the admission of the transferee as a Member of the Company shall be deemed effective concurrent with the termination of the transferor as a Member of the Company. The Manager may not transfer its rights or obligations under this agreement, in whole or in part.

16. Withdrawal. A Member may withdraw from the Company. If a Member withdraws from the Company and there are no other Members of the Company at the time, a new Member shall be admitted to the Company, subject to Section 17 below, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. The admission of the new Member shall be deemed effective concurrent with the termination of the withdrawing Member.

17. Admission of Additional Members. One (1) or more additional members of the Company may be admitted to the Company with the written consent of the Member. If the Company subsequently has more than one Member, then all references in this Agreement to the singular “Member” will refer to all of the Members of the Company, and any matter requiring the consent of the “Member” under this Agreement will require the consent of a majority in interest of the Members.

18. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the expiration of the term or the occurrence of any

dissolution event set forth in the Certificate of Formation (if any), as the same may be amended from time to time, or in the Master Agreement; (ii) the written consent of the Member; (iii) the withdrawal or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business of the Company is continued in a manner permitted by the Act or this Agreement; or (iv) the entry of a decree of judicial dissolution under dissolution under the Act.

(b) The bankruptcy of the Member will not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Member shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in set forth in the Act.

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

20. Entire Agreement. This Agreement, the Master Agreement, and the exhibits to this Agreement constitute the entire agreement of the Member with respect to the subject matter hereof. The exhibits and schedules to this Agreement are incorporated into and made a part of this Agreement by reference. This Agreement is intended to be a legally binding document. For the avoidance of doubt, this Agreement replaces and supersedes the Prior Agreement in its entirety.

21. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.

22. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a writing executed and delivered by the Member (except Exhibit A may be amended by the Manager to update the information set forth therein to the extent not inconsistent with the Master Agreement).

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Agreement effective as of September 1, 2020.

MEMBER AND MANAGER:

FAIRFIELD RESIDENTIAL HOLDINGS LLC,
a Delaware limited liability company

By: 

Name:

Title:

Jenna Woods
Vice President & Assistant Secretary

EXHIBIT A

FRH GP LLC

**INITIAL CAPITAL CONTRIBUTIONS, PERCENTAGE
INTERESTS AND LIST OF MANAGERS**

<u>Name and Address of Member</u>	<u>Initial Capital Contribution</u>	<u>Member's Percentage Interest</u>
Fairfield Residential Holdings LLC 5355 Mira Sorrento Place, Suite 100, San Diego, CA 92121 EIN: 83-4457652	\$10,000	100%

Manager:

Fairfield Residential Holdings
LLC
5355 Mira Sorrento Place, Suite
100, San Diego, CA 92121

EXHIBIT B
FRH GP LLC
LIST OF OFFICERS
as of June 30, 2020

<u>Name</u>	<u>Office(s)</u>
Corporate	
Gregory R. Pinkalla	Chief Executive Officer & President
Jon A. MacDonald	Executive Vice President, General Counsel & Corporate Secretary
Shant Koumriqian	Executive Vice President & Chief Financial Officer
C. Thomas Brunson	Executive Vice President
Richard L. Boynton	Senior Vice President
Beth Ann Coleman	Chief Compliance Officer
Mandi Schalon	Senior Vice President & Assistant Secretary
Jenna Woods	Vice President & Assistant Secretary
Sarah Wiseman	Vice President
Accounting	
Helen Bryant	Vice President
Jennifer LaChance	Vice President
Michael Alcantara	Vice President
Trudy Hawkins	Vice President
Acquisitions/Dispositions	
Gino Barra	Senior Vice President
Affordable	
Gina Metzger	Vice President
Paulius Kudirka	Senior Vice President
Timothy Wray	Vice President
Asset and Construction Management	
Christopher Ruffolo	Senior Vice President
Brent A. Ball	Senior Vice President
Lowell Andrew Jennings	Senior Vice President
Capital Markets/Portfolio Management	
Adam Vanni	Vice President
Doug Ness	Senior Vice President
John H. Stafford III	Senior Vice President
Lisa Haring	Senior Vice President
Michelle Lord	Senior Vice President
Construction	
Pericles Raptis	Executive Vice President
Mark Stewart	Vice President
Wayne C. Laliberte	Senior Vice President
Development	
Brendan Hayes	Senior Vice President
Lawrence Scott	Senior Vice President
Lee Busse	Vice President
Robert Hewitt	Vice President

EXHIBIT B
FRH GP LLC
LIST OF OFFICERS
as of June 30, 2020

Zachary Johnston	Vice President
<i>Pre-Development</i>	
Bryan Condie	Vice President
Ed McCoy	Senior Vice President
Larry Lee	Vice President
<i>Transactions/Legal</i>	
Jessica Antoniadis	Vice President & Assistant Secretary
Krista Miclat	Vice President & Assistant Secretary
Sandra Hill Flood	Vice President & Assistant Secretary
Tracy Stottlemyer	Vice President & Assistant Secretary

OPERATING AGREEMENT
of
FRH GRAND OAKS SLP LLC,
a Delaware limited liability company

This Operating Agreement (this “Agreement”) of FRH Grand Oaks SLP LLC, a Delaware limited liability company (the “Company”), is entered into by the undersigned Member and Manager who desire to form and operate a limited liability company pursuant to the Delaware Limited Liability Company Act, as amended from time to time (the “Act”), under the following terms and conditions:

1. Name. The name of the limited liability company is FRH Grand Oaks SLP LLC (the “Company”). The business of the Company may be conducted under that name, or such other name or names as the Member deems appropriate. The Member or the Manager shall make all appropriate filings on behalf of the Company to enable the Company to conduct business under an assumed name or a different name, and to secure the Company’s proprietary rights to such a name.

2. Formation and Term. The Company was formed on March 22, 2021, upon the filing of the Company’s certificate of formation (as may be amended from time to time, the “Certificate of Formation”) with the Secretary of State of the State of Delaware. Until dissolved in accordance with this Agreement or the Act, the Company shall have a perpetual existence.

3. Principal Place of Business; Qualification in Foreign Jurisdiction. The principal office of the Company is c/o Fairfield Residential Holdings LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121. The Company may locate its principal place of business at any place or places, within or without the State of Delaware, as the Manager (as defined below) may from time to time deem advisable; provided, however, that the Company shall at all times maintain within the State of Delaware a registered agent and a registered office. Such initial agent and office are stated in the Certificate of Formation. The Manager shall cause the Company to be registered and qualified at all relevant times to do business in any state in which such registration and qualification is deemed necessary or advisable by the Manager.

4. Appointment of Manager; Authority and Duties.

(a) The operations of the Company shall be conducted by a single manager (“Manager”) who shall be appointed by the Member and may be removed by the Member at any time for any reason. In the event no Manager is appointed and serving at any particular time, the Member shall be the Manager. The initial Manager shall be FRH GP LLC, a Delaware limited liability company.

(b) The Manager shall manage the business, property and affairs of the Company subject, in all respects, to the same delegation of authority and the same duties, responsibilities and restrictions set forth in the Operating Agreement of the Member, which are incorporated by reference and made a part of this Agreement (as amended, the “Master Agreement”). Subject in all respects to the Master Agreement, the Manager has the responsibility and authority to execute and deliver on behalf of the Company such documents and instruments

as it shall deem reasonably required in connection therewith and to enter into such contracts and to take such actions as it deems from time to time to be in the best interests of the Company.

(c) All matters requiring the consent of the Member under this Agreement shall require the consent of the constituent members of the Member on the terms set forth in the Master Agreement.

5. Purpose. The sole business of the Company is to act as a “Company Subsidiary” (as such term is defined in the Master Agreement) and as such to engage in the following activities and exercise the following powers:

(a) To act as a special member and to hold an interest in Fairfield Grand Oaks LLC, a Delaware limited liability company (the “Project Entity”), which shall acquire, own and operate a residential multi-family apartment complex and related amenities located in Chester, Virginia, having a street address of 5000 and 5301 Grand Oaks Forest Circle, Chester, Virginia 23831, as more particularly described on Exhibit B attached to this Agreement (the “Property”), and to perform its obligations under the Operating Agreement for the Project Entity, and to take such action as it deems necessary or convenient to further the interests of the Project Entity;

(b) To engage in all other activities necessary, customary, convenient or incidental to any of the foregoing; and

(c) To exercise all other powers necessary to or reasonably connected with the Company’s business which may be legally exercised by limited liability companies under the Act and which at any time appear conducive to or expedient for the protection or benefit of the Company and its assets.

6. Ownership of Company Property. All assets owned by the Company shall be owned by the Company as an entity, and held in the name of the Company. Neither the Member nor the Manager shall have any ownership interest in any Company property in its own name or right. The Member’s interest in the Company is personal property for all purposes.

7. Limited Liability. Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, are solely the debts, obligations and liabilities of the Company, and neither the Manager nor the Member is personally obligated for any such debts, obligations or liabilities of the Company solely by reason of being the Member or Manager of the Company.

8. Capital Contributions. The Member will make the initial capital contribution to the Company in an amount consistent with the Master Agreement as set forth on Exhibit A attached to this Agreement. The Member is not required to make any additional capital contributions to the Company, but may make additional capital contributions to the Company in its sole and absolute discretion. The Manager is neither required nor permitted to make capital contributions to the Company.

9. Tax Matters: Treatment of Profits and Losses. For Federal and relevant State income and/or franchise and/or property tax purposes and for no other purpose whatsoever, the Company shall be disregarded as an entity separate from the Member, as provided in Section

301.7701-3(a) of the Federal Income Tax Regulations and any comparable provision of relevant State income or franchise or property tax law, regulation or administrative pronouncement. The Member and the Company shall take any and all actions necessary or appropriate to accomplish the foregoing, and neither the Member nor the Company shall at any time take any action that is or might be inconsistent with the foregoing. Consistent with such treatment for Federal and relevant State income and/or franchise and/or property tax purposes, each of the assets and each of the liabilities of the Company shall be treated as an asset or a liability (as appropriate) of the Member (and not of the Company) for Federal and relevant State income and/or franchise and/or property tax purposes and for no other purpose whatsoever, and each item of income, gain, loss, deduction and credit recognized by the Company shall be treated as having been recognized by the Members (and not by the Company) for Federal and relevant State income and/or franchise and/or property tax purposes and for no other purpose whatsoever

10. Allocation of Profits and Losses. The Company's profits and losses shall be allocated to the Member.

11. Distributions. Distributions shall be made to the Member at the times and in the amounts determined by the Member. The Company shall not be required to make any distribution that would be in violation of the Act or any other applicable law. The Member is obligated to return a distribution from the Company only to the extent required under the Act or any other applicable law.

12. Officers. Subject in all respects to the Master Agreement, the Manager may, from time to time as it deems advisable, appoint officers of the Company (the "Officers") and assign in writing titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such person. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the Delaware General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Manager in writing. The current Officers of the Company are set forth on Exhibit A attached to this Agreement and shall include the current officers of FRH GP LLC, a Delaware limited liability company (which is the Non-Member Manager of the Company). Exhibit A may be amended from time to time by the Manager to update the current list of Officers set forth therein.

13. Other Business. The Manager and the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company has no rights in or to such independent ventures or the income or profits therefrom.

14. Exculpation and Indemnification.

(a) No member, manager, officer, director, shareholder or other holder of an equity interest in the Company, or the Manager, shall be personally liable for the obligations of the Company, but the foregoing shall not relieve any such member, manager, officer, director or employee of the Member or of the Company of its obligations to the Member or the Company.

(b) The Company shall indemnify, defend and hold harmless the Member, the Manager and each Officer and employee of the Company, and the officers, directors, members, managers and employees of the Member and the Manager to the greatest extent permitted by law against any and all liabilities, losses, claims, costs, damages and expenses (including court costs and expert witnesses' and attorneys' fees) as a result of any claim or legal proceeding by any person (including by or through the Company and/or the Member) relating to any good faith business judgment if such indemnitee: (i) was not interested in the subject of the business judgment (except to the extent such interest was disclosed to and approved by the Management Committee (as defined in the Master Agreement) of the Member); (ii) was informed with respect to the subject of the business judgment to the extent such indemnitee reasonably believed to be appropriate under the circumstances; (iii) rationally believed that the business judgment was in the best interests of the Company; and (iv) did not cause or engage in a material breach of this Agreement, or in the case of the Manager a lack of "Due Care" (as defined in the Master Agreement).

15. Assignments. A Member may transfer its interest in the Company in whole or in part. If a Member transfers its interest in the Company, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement; and if a Member transfers its entire interest in the Company and there are no other Members of the Company, the admission of the transferee as a Member of the Company shall be deemed effective concurrent with the termination of the transferor as a Member of the Company. The Manager may not transfer its rights or obligations under this agreement, in whole or in part.

16. Withdrawal. A Member may withdraw from the Company. If a Member withdraws from the Company and there are no other Members of the Company at the time, a new Member shall be admitted to the Company, subject to Section 17 below, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement. The admission of the new Member shall be deemed effective concurrent with the termination of the withdrawing Member.

17. Admission of Additional Members. One (1) or more additional members of the Company may be admitted to the Company with the written consent of the Member. If the Company subsequently has more than one Member, then all references in this Agreement to the singular "Member" will refer to all of the Members of the Company, and any matter requiring the consent of the "Member" under this Agreement will require the consent of a majority in interest of the Members.

18. Dissolution.

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the occurrence of any dissolution event set forth in the Certificate of Formation (if any), (ii) the written consent of the Member, (iii) the withdrawal or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business of the Company is continued in a manner permitted by the Act or this Agreement, or (iv) the entry of a decree of judicial dissolution under dissolution under the Act.

(b) The bankruptcy of the Member will not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Member shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in set forth in the Act.

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

20. Entire Agreement. This Agreement, the Master Agreement, and the exhibits to this Agreement constitute the entire agreement of the Member with respect to the subject matter hereof. The exhibits and schedules to this Agreement are incorporated into and made a part of this Agreement by reference. This Agreement is intended to be a legally binding document.

21. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of Delaware, all rights and remedies being governed by said laws.


22. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a writing executed and delivered by the Member (except Exhibit A may be amended by the Manager to update the information set forth therein to the extent not inconsistent with the Master Agreement).

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement effective as of March 22, 2021.

MEMBER:

FRH AFFORDABLE HOUSING FUND TRANCHE IX, LLC,
a Delaware limited liability company

By: FRH Vehicle Manager LLC,
a Delaware limited liability company,
its Non-Member Manager

By: 
Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

MANAGER:

FRH GP LLC,
a Delaware limited liability company


By: 
Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

EXHIBIT "A"
TO OPERATING AGREEMENT

INITIAL CAPITAL CONTRIBUTIONS, PERCENTAGE INTERESTS,
LIST OF MANAGERS AND OFFICERS

Name and Address of Member	Initial Capital Contribution	Number of Units	Member's Percentage Interest
FRH Affordable Housing Fund Tranche IX, LLC 5355 Mira Sorrento Place, Suite 100 San Diego, California 92121	\$1,000	100	100%

Manager:

FRH GP LLC
5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121

Officers:

None.

EXHIBIT "B"
TO OPERATING AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION FOR 5000 GRAND OAKS FOREST CIRCLE, CHESTER, VA:

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of one parcel of land containing 4.265 acres of land more particularly identified as "PARCEL A" as shown on that certain plat made by Timmons Group, dated April 27, 2004 and recorded in Deed Book 5721 at page 641, re-recorded in Deed Book 5739 at page 378 and Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of Womack Road in a Northerly direction a distance of 656.52 feet to a rod found, said rod being the true point and place of beginning, thence leaving said right of way line North 66 degrees 30 minutes 57 seconds West a distance of 137.08 feet to a point, thence North 22 degrees 14 minutes 49 seconds West a distance of 99.81 feet to a point, thence North 31 degrees 16 minutes 55 seconds West a distance of 66.46 feet to a point, thence North 56 degrees 55 minutes 07 seconds West a distance of 288.45 feet to a point, thence North 67 degrees 34 minutes 40 seconds West a distance of 84.86 feet to a point, thence North 41 degrees 34 minutes 44 seconds West a distance of 53.36 feet to a point, thence North 06 degrees 45 minutes 42 seconds East a distance of 73.45 feet to a point, thence North 24 degrees 21 minutes 29 seconds West a distance of 58.59 feet to a point, thence North 33 degrees 26 minutes 39 seconds East a distance of 150.00 feet to a found rod, thence South 56 degrees 35 minutes 16 seconds East a distance of 673.52 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way South 13 degrees 33 minutes 49 seconds West a distance of 323.15 feet to a found rod, said rod being the True Point and Place of Beginning and containing 4.265 acres of land more or less.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and

Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

LEGAL DESCRIPTION FOR 5301 GRAND OAKS FOREST CIRCLE, CHESTER, VA 23831:

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and Consisting of one parcel of land containing 23.527 acres of land more particularly identified as "PARCEL B" as shown on that certain plat entitled "Plat Showing Parcel A - 4.265 Acres and Parcel B - 23.527 Acres, located on the Western line of Womack Road S.R. 749" made by Timmons Group, dated April 27, 2004 and recorded May 3, 2004 in Deed Book 5721 at Page 641, re-recorded in Deed Book 5739 at Page 378 and in Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of State Route 10 in a Western direction a distance of 219.92 feet to a rod set, said rod being the true point and place of beginning, thence South 78 degrees 35 minutes 54 seconds West a distance of 272.26 feet to a rod set, thence leaving said right of way line of State Route 10, thence North 46 degrees 16 minutes 15 seconds West a distance of 649.41 feet to a pipe found 0.83 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 241.92 feet to a pipe found 1.19 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 275.00 feet to a pipe found, thence North 46 degrees 16 minutes 15 seconds West a distance of 29 feet plus or minus to a point, said point lying in the centerline of Great Branch Creek, thence along the centerline of Great Branch Creek as it meanders in a Northern direction a distance of 1114 feet plus or minus to a point, thence South 56 degrees 33 minutes 21 seconds East a distance of 7 feet plus or minus to a rod found, thence South 56 degrees 33 minutes 21 seconds East a distance of 370.78 feet to a rod found, thence South 24 degrees 21 minutes 29 seconds East a distance of 58.59 feet to a set rod, thence South 06 degrees 45 minutes 42 seconds West a distance of 73.45 feet to a set rod, thence South 41 degrees 34 minutes 44 seconds East a distance of 53.36 feet to a set rod, thence South 67 degrees 34 minutes 40 seconds East a distance of 84.86 feet to a set rod, thence South 56 degrees 55 minutes 07 seconds East a distance of 288.45 feet to a set rod, thence South 31 degrees 16 minutes 55 seconds East a distance of 66.46 feet to a set rod, thence South 22 degrees 14 minutes 49 seconds East a distance of 99.81 feet to a set rod, thence South 66 degrees 30 minutes 57 seconds East a distance of 137.08 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way line South 13 degrees 33 minutes 49 seconds West a distance of 276.00 feet to a rod

found, thence leaving said right of way line North 56 degrees 49 minutes 14 seconds West a distance of 270.23 feet to a rod found, thence South 13 degrees 32 minutes 53 seconds West a distance of 129.34 feet to a rod found, thence North 56 degrees 51 minutes 41 seconds West a distance of 158.67 feet to a rod found, thence South 36 degrees 41 minutes 38 seconds West a distance of 70.38 feet to a rod found, thence South 53 degrees 04 minutes 38 seconds East a distance of 40.01 feet to a rod found, thence South 26 degrees 52 minutes 04 seconds West a distance of 154.64 feet to a rod found, thence South 63 degrees 33 minutes 28 seconds East a distance of 151.50 feet to a rod found, thence South 11 degrees 38 minutes 31 seconds East a distance of 222.31 feet to a rod set, said rod being the True Point and Place of Beginning, and containing 23.5 +/- acres of land more or less.

Parcel B:

Together with the non-exclusive easements set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

THE ABOVE PARCEL BEING A PORTION OF THE FOLLOWING DESCRIBED PROPERTY IN DEEDS:

(Legal Description in Deed Book 5695, Page 374)

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of two parcels of land containing 3.2 +/- and 10.8 +/- acres of land, as shown on a certain plat entitled "Two Parcels of Land Containing 3.2 +/- and 10.8 +/- Acres of Land Belonging to The Crowder Trust and Lying on the Northern Line of W. Hundred Road" made by Timmons Group and dated April 15, 2004.

(Legal Description in Deed Book 5695, Page 371)

PARCEL I:

ALL that certain tract or parcel of land with the improvements thereon and appurtenances thereto belonging, lying and being in Bermuda District, Chesterfield County, containing 8.31 acres, more or less, and being designated as "Parcel C", on a plat which is duly recorded in the Circuit Court Clerk's Office of said County in Plat Book 3, at Page 153.

LESS AND EXCEPT that parcel containing 1.4 acres, more or less, that was conveyed from D. M. Anderson and Lucy E. Anderson to John W. Jennings, et ux, by deed dated December 9, 1968, that is recorded in the aforesaid Clerk's Office in Deed Book 944, at Page 40.

PARCEL II:

ALL that certain lot or parcel of land, with the improvements thereon and appurtenances thereunto belonging, lying and being in Chesterfield County, Virginia, located on the west line of Womack

Road, containing 3.24 acres, more or less, all as is more particularly shown on a plat of survey by Virginia Surveys, dated August 7, 1986, entitled "Map Showing the Improvements on 3.24 +/- Acres of Land situated on the West Line of Womack Road in Chesterfield County, Virginia", a copy of which plat is attached to and recorded with a deed to Kenneth J. Hilscher and Kimberly B. Hilscher, from Robert A. Jones and Betty J. Jones, husband and wife, dated August 12, 1986, in the Clerk's Office, Circuit Court, Chesterfield County, Virginia, in Deed Book 1792, Page 1437.

BUT this conveyance is made expressly subject to a Roadway fifty (50) feet wide extending along the easterly line of the lot of land hereby conveyed and along the westerly line of the "Right of Way" of the Seaboard Airline Railroad, said Roadway being expressly reserved for the use of the owners of Lots "A", "B" and "C", set forth on said plat dated November 18, 1918, recorded in Plat Book 3, Page 153.

(Legal Description in Deed Book 5670, Page 728)

PARCEL I:

ALL that certain lot, piece or parcel of land, with the improvements thereon and appurtenances thereto belonging, lying and being in Bermuda Magisterial District, Chesterfield County, Virginia, containing 1 acre and being as shown on plat made by J. K. Timmons & Associates, Civil Engineers & Surveyors, dated April 20, 1967, entitled "Plat Showing 1 Acre Plot North of Route 10, Bermuda District, Chesterfield Co., Va.", a copy of which plat is recorded in Deed Book 877, Page 522, reference to which plat is hereby made for a more for a more complete description of the property hereby conveyed.

LESS AND EXCEPT a parcel containing 0.02 acre conveyed to the Commonwealth of Virginia, for the Widening of Route 10, recorded in the aforesaid Clerk's Office in Deed Book 1040, Page 823.

LESS AND EXCEPT that parcel of land conveyed to Leo H. Myers and Cara A. Myers, husband and wife, by deed dated April 16, 1985, and recorded in Deed Book 1702, Page 803.

LESS AND EXCEPT that parcel of land conveyed to the County of Chesterfield, Virginia by deed dated December 11, 2003, recorded March 18, 2003 in Deed Book 5645, Page 40.

PARCEL II:

ALL that certain lot, piece of parcel of land, with the improvements thereon and appurtenances thereto belonging, lying and being in Bermuda Magisterial District, Chesterfield County, Virginia, containing 0.206 acre, and being designated as Parcel "B" on a plat entitled "Map Showing The Improvements On Two Parcels of Land Situated On the North Side of State Route No. 10 in Chesterfield County, Virginia", dated December 17, 1976, made by Virginia Surveys, a copy of which plat is recorded in Deed Book 1243, Page 15, reference to which plat is hereby made for a more complete description of said property.

LESS AND EXCEPT that parcel of land conveyed to the County of Chesterfield, Virginia by deed dated December 11, 2003, recorded March 18, 2003 in Deed Book 5645, Page 40.

PARCEL III:

ALL that certain lot, piece or parcel of land, with all improvements thereon and appurtenances thereto belonging, lying and being in Chesterfield County, Virginia, all as more particularly shown on a plat of survey made by Virginia Surveys, dated April 17, 1984, entitled "Map Showing 0.777 Acres of Land Situated North of State Route No. 10 in Chesterfield County, Virginia", reference to which is hereby made for a more particular description of the property hereby conveyed. Said plat is recorded in Deed Book 1652, Page 1544.

(Legal Description in Deed Book 5670, Page 726)

ALL that certain piece or parcel of land, with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District, Chesterfield County, Virginia, containing 2.64 acre as shown on a plat entitled "Plat of 2.64 Acre with Improvements Situated on The Western Line of Womack Road, Bermuda District, Chesterfield County, Virginia", dated December 12, 1987 and made by Harvey L. Parks, C.L.S., and recorded in the Clerk's Office Circuit Court of Chesterfield County, Virginia, in Deed Book 1371, Page 637.

TAB A

LPA

Developer Fee Agreement

DEVELOPMENT FEE AGREEMENT

THIS DEVELOPMENT FEE AGREEMENT (this "*Agreement*") is made and entered into effective as of [], 2021, by and between Fairfield Affordable Housing Fund Tranche V LLC, a Delaware limited liability company (the "*Developer*"), and Fairfield Grand Oaks LLC., a Delaware limited liability company (the "*Partnership*").

WITNESSETH:

WHEREAS, the Partnership has been formed for the purposes, inter alia, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of certain real property located in Chesterfield County, Virginia together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements are known as The Heights at Jackson Village and will be collectively referred to as the "*Apartment Complex*"), which Apartment Complex upon completion will consist of two residential buildings totaling 187 apartment units, a community building with a community room, fitness center, and all furnishings, equipment, land, real property and personal property used in connection with the operation thereof, and is intended to be rented and managed in order that it will qualify for the low-income housing tax credit provided in Section 42 of the Internal Revenue Code of 1986, as amended (the "*Code*");

WHEREAS, in order to effectuate the purposes for which it has been formed, the Partnership has engaged the services of the Developer with respect to overseeing the development of the Apartment Complex for the Partnership; and

WHEREAS, the parties desire to enter into this Agreement that amends and restates in total any and all prior agreements and sets forth the obligations of, and the services to be performed by, the Developer and the compensation for such services.

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

Section 1. Obligations of the Developer. The Developer shall have the following duties, to the extent they have not already been performed:

(a) to assist, advise and consult on the selection of and provide coordination and supervision of the architect and engineer in connection with the preparation of and any changes to the site plan for the Apartment Complex and the renderings, drawings and specifications for construction of Improvements (the "*Plans and Specifications*");

(b) to be cognizant of and advise the Partnership with respect to any and all rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of law or governmental authorities applicable to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;

(c) to assist, coordinate and supervise the obtaining of all necessary building permits and approvals for and in connection with the development and construction of the Apartment Complex;

(d) to consult, advise and assist in preparing a development and construction budget and pro forma cash flow projections and coordinating professionals in connection therewith;

(e) to cooperate and coordinate with the construction contractors appointed by the Partnership;

(f) to otherwise use commercially reasonable best efforts to coordinate, supervise and cause the development and construction of the Apartment Complex on a timely basis and within the contemplated budget;

(g) to record the progress on all of the foregoing, and, as requested, submit written progress reports to the Partnership; and

(h) to maintain or cause to be maintained at its sole cost and expense all off-site office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.

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

Section 2. Services Not Contemplated By This Agreement. The Developer is not responsible for in any manner or form and shall not perform any of the following services, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership:

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

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

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

(d) any services in connection with the syndication of the Partnership or placement of

the equity from investor limited partners;

- (e) any services with respect to the lease-up of the Apartment Complex units (such services already having been contemplated in the Management Agreement);
- (f) any services in connection with the organizational structure of the Apartment Complex and any entity with respect thereto or the organization of the Partnership; and
- (g) any services in connection with obtaining any rental subsidies for the Apartment Complex.

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

Section 3. Development Fee.

(a) In consideration of the performance by the Developer of the development services described herein, the Partnership shall pay to the Developer a development fee (the "**Development Fee**") in the amount of \$3,000,000. The Partnership and the Developer acknowledge that specific portions of the Development Fee shall be earned by Developer as certain benchmarks are satisfied as more particularly described in the [Amended and Restated Agreement of Limited Partnership] of the Partnership to be entered into after the date hereof (the "**Partnership Agreement**"), but in any event all of the Development Fee shall be earned upon the receipt by the Partnership of the final certificate of occupancy for the last building in the Apartment Complex (or, if earlier, as of the end of the first year of the credit period (as such term is defined in Section 42(f)(1) of the Code)). All amounts due and payable hereunder shall be paid in accordance with the Partnership Agreement.

(b) Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of land or existing buildings included in the Apartment Complex, obtaining an allocation of Credits or securing financing for the Apartment Complex other than construction financing, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership. In addition, any amount of Development Fee that remains unpaid after Construction Completion of the Apartment Complex shall constitute a loan bearing an interest rate equal to the long-term

Applicable Federal Rate for the month in which the Apartment Complex achieves Construction Completion, from the Developer to the Partnership, and shall be due and payable in full by the fifteenth anniversary of Construction Completion.

Section 4. Termination of Duties and Responsibilities of Developer. The Developer shall have no further duties or obligations hereunder after receipt of a final certificate of occupancy for the last building in the Apartment Complex and completion of all punch list items. The Developer's duties, responsibilities and rights hereunder shall not be terminated by the Partnership except for "cause" **finally determined by a court of competent jurisdiction.** For purposes hereof, "cause" shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least thirty (30) days' prior notice and opportunity to cure.

Section 5. Miscellaneous.

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

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

(c) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws. The parties agree and consent that venue for purposes of resolving any dispute or controversy relating to this Agreement shall be Spotsylvania County, Virginia.

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

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

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

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

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

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

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

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

Section 6. Notice. Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth in the Partnership Agreement. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

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

Section 8. Responsibilities of the Partnership. In order for the Developer to perform duties described herein, the Partnership shall:

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

Section 9. Independent Contractor. The parties hereto do not intend to create a partnership or any similar association for any purpose pursuant to this Agreement. The Developer

shall be an independent contractor for all purposes.

(k) **Section 10. Waiver of Jury Trial.** (a) Each of the parties hereto hereby knowingly, voluntarily and intentionally, after opportunity for consultation with independent counsel, waives its right to trial by jury in any action or proceeding to enforce or defend any rights or obligations (i) under this Agreement, (ii) arising from the financial relationship between the parties existing in connection with this Agreement or (iii) arising from any course of dealing, course of conduct, statement (verbal or written) or action of the parties in connection with such financial relationship. (b) No party hereto will seek to consolidate any such action in which a jury trial has been waived with any other action in which a jury trial has not been or cannot be waived. (c) The provisions of this Section have been fully negotiated by the parties hereto, and these provisions shall be subject to no exceptions. (d) No party hereto has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances. (e) This Section is a material inducement for the Partnership to enter into this Agreement.

[End of text; signatures begin on following page]

DRAFT

IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed and delivered as of the Effective Date.

DEVELOPER:

Fairfield Affordable Housing Fund Tranche V LLC,
a Delaware limited liability company

By: FRH Vehicle Manager LLC
a Delaware limited liability company,
its Non-member Manager

By: _____

Name:

Title:

PARTNERSHIP:

Fairfield Grand Oaks LLC, a Delaware limited liability company

By: FRH Grand Oaks SLP LLC, a Delaware limited liability company
Its general partner

By: FRH GP LLC, a Delaware limited liability company
Its non-member manager

By: _____
Gregory R. Pinkalla
President and CEO

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



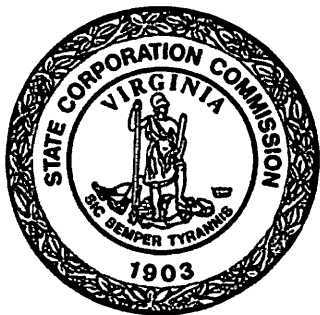
STATE CORPORATION COMMISSION

Richmond, March 15, 2021

This certificate of registration to transact business in Virginia is this day issued for

Fairfield Grand Oaks LLC

a limited liability company organized under the laws of Delaware and the said limited liability company is authorized to transact business in Virginia, subject to all Virginia laws applicable to the company and its business.



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. [unclear]".

Clerk of the Commission

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, MARCH 15, 2021

The State Corporation Commission has found the accompanying application for a certificate of registration to transact business in Virginia submitted on behalf of

Fairfield Grand Oaks LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it is ORDERED that this

**CERTIFICATE OF REGISTRATION TO TRANSACT BUSINESS IN
VIRGINIA**

be issued and admitted to record with the application in the Office of the Clerk of the Commission, effective March 15, 2021.

The limited liability company is registered to transact business in Virginia, subject to all Virginia laws applicable to the limited liability company and its business.

STATE CORPORATION COMMISSION

By 

Angela L. Navarro
Commissioner

EMAIL EVIDENCE TO:
mary@uccretrievals.com

UCC RETRIEVALS, INC.
7288 HANOVER GREEN DRIVE
MECHANICSVILLE, VA 23111
MARY COLLINS / TRACI LOVING
(804) 559.5919

STATE CORPORATION COMMISSION
1300 EAST MAIN STREET
RICHMOND VA 23209-1197

March 10, 2021

ROUTINE!!

DEAR SIRs,

PURSUANT TO INSTRUCTIONS OF COUNSEL, I ENCLOSE FOR FILING ON
BEHALF OF:

FAIRFIELD GRAND OAKS LLC

REGISTRATION OF A LIMITED LIABILITY COMPANY

CHECK(S) IN PAYMENT OF THE REQUIRED FEES ARE ENCLOSED. I WOULD APPRECIATE YOU
TELEPHONING ME AT (804) 559-5919 IF THERE IS A PROBLEM WITH THIS FILING AND TO ADVISE ME
WHEN THE EVIDENCE IS AVAILABLE TO BE PICKED UP.

THANK YOU FOR YOUR ASSISTANCE IN THIS REGARD.

SINCERELY,
MARY COLLINS



Form
LLC1052
(Rev. 07/20)

State Corporation Commission

Application for Certificate of Registration to Transact Business in Virginia as a Foreign Limited Liability Company

I The foreign limited liability company's name: Fairfield Grand Oaks LLC

The designated name (if required): _____

The state or other jurisdiction of organization: Delaware

The date of formation: March 8, 2021 The period of duration: Perpetual

(Mark box, if applicable.) The LLC was previously authorized or registered to transact business in Virginia as a foreign business entity. **Provide additional information. (See Instructions.)**

II The LLC's principal office address, including the street and number (if any), is

<u>5355 Mira Sorrento Place, Suite 100</u>	<u>San Diego</u>	<u>CA</u>	<u>92121</u>
(number/street)	(city or town)	(state)	(zip)

III The name of the LLC's registered agent in VIRGINIA: Corporation Service Company

The registered agent is: **(Mark appropriate box.)**

(1) an INDIVIDUAL who is a resident of Virginia and

- a member or manager of the LLC.
- a member or manager of a limited liability company that is a member or manager of the LLC.
- an officer or director of a corporation that is a member or manager of the LLC.
- a general partner of a general or limited partnership that is a member or manager of the LLC.
- a trustee of a trust that is a member or manager of the LLC.
- a member of the Virginia State Bar.

OR

(2) a Virginia or foreign stock or nonstock corporation, limited liability company or registered limited liability partnership authorized to transact business in Virginia.

IV A. The LLC's VIRGINIA registered office address, including the street and number, if any, which is identical to the business office of the registered agent, is

<u>100 Shockoe Slip, 2nd Floor</u>	<u>Richmond</u>	<u>VA</u>	<u>23219</u>
(number/street)	(city or town)		(zip)

B. The registered office is physically located in the county or city of Richmond

Affirmation Statements

The Clerk of the Commission is irrevocably appointed as the agent of the limited liability company for service of process if (i) the LLC fails to maintain a registered agent in Virginia, (ii) the Virginia registered agent's authority is revoked, (iii) the Virginia registered agent resigns, or (iv) the Virginia registered agent cannot be found or served with the exercise of reasonable diligence.

The LLC affirms that it is a "foreign limited liability company" as defined in the Code of Virginia.

Signature

The official signing this document has been delegated the right and power to manage the company's business affairs and affirms the above statements are true.


<u>See attached</u>		
Signature	Date	Tel. # (optional)
Printed Name	Title	Email Address (optional)
Business Tel. # (optional)		
	Business Email Address (optional)	

Required Fee: \$100.00

ATTACHMENT TO APPLICATION FOR CERTIFICATE OF REGISTRATION TO
TRANSACTION BUSINESS IN VIRGINIA AS A FOREIGN LIMITED LIABILITY COMPANY
(LLC1052)
FOR FAIRFIELD GRAND OAKS LLC

FAIRFIELD GRAND OAKS LLC,
a Delaware limited liability company

By: FRH GP LLC,
a Delaware limited liability company
its Non-Member Manager

By: 

Tracy Stottlemyer, Vice President and
Assistant Secretary

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "FAIRFIELD GRAND OAKS LLC", FILED IN THIS OFFICE ON THE EIGHTH DAY OF MARCH, A.D. 2021, AT 7:40 O`CLOCK P.M.




Jeffrey W. Bullock, Secretary of State

5418873 8100
SR# 20210836832

You may verify this certificate online at corp.delaware.gov/authver.shtml


Authentication: 202683301
Date: 03-09-21

State of Delaware
Secretary of State
Division of Corporations
Delivered 07:40 PM 03/08/2021
FILED 07:40 PM 03/08/2021
SR 20210836832 - File Number 5418873

**STATE OF DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE OF FORMATION**

- **First:** The name of the limited liability company is Fairfield Grand Oaks LLC.
- **Second:** The address of its registered office in the State of Delaware is 251 Little Falls Drive, Wilmington, Delaware, 19808. The name of its registered agent at such address is Corporation Service Company.
- **Third:** Except as required by the Delaware Limited Liability Company Act, no member or manager of the limited liability company shall be obligated personally for any debt, obligation or liability of the limited liability company, whether arising in contract, tort or otherwise, solely by reason of being a member or acting as a manager of the limited liability company.

In Witness Whereof, the undersigned has executed this Certificate of Formation of Fairfield Grand Oaks LLC, this 8th day of March, 2021.



Tracy Stottlemyer, Authorized Person

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

I hereby certify that:

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

Previous Participation Certification, cont'd

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

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

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

Signature

*Fairfield Grand Oaks LLC, a Delaware limited liability company
By: FRH Grand Oaks SLP LLC, a Delaware limited liability company, its Member Manager
By: FRH LP LLC, a Delaware limited liability company, its Non-member Manager*

Printed Name

7/21/2021

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

Tab C Principal's Previous Participation Certification Explanatory Statement

The Member Manager of Fairfield Grand Oaks LLC (Owner/Applicant) is Fairfield Grand Oaks SLP LLC. Fairfield Grand Oaks SLP LLC has a Non-Member Manager which is FRH GP LLC. Gregory R. Pinkalla is listed as principal because he is the Chief Executive Officer & President, of FRH GP LLC. Gregory R. Pinkalla has been an officer of different Fairfield companies since 1994. He has been involved in all of the Fairfield companies' LIHTC transactions as an officer.

Fairfield Grand Oaks SLP LLC (Owner/Applicant's Member Manager) is owned 99% by the California State Teachers' Retirement System (CalSTRS). CalSTRS has committed \$750,000,000 to a Fairfield Affordable Housing Fund which owns the Member Manager interest in the Owner/Applicant along with the properties or the GP interest in the properties listed in response to question 13 of the Statement of Owner.

Paragraphs 2, 3 and 4 were stricken from the Principal's Previous Participation Certification because Fairfield Residential LLC (and its subsidiaries), the predecessor entity to the current Fairfield companies and funds, declared bankruptcy in 2009 in the wake of the financial crisis due a combination of a series of maturing recourse loans, multifamily market conditions, and LPs not willing to fund the equity needed to extend and/or refinance the loans on their projects. Seven and a half months after the bankruptcy filing, newly formed entities acquired the operating platform previously owned by Fairfield Residential LLC following an orderly reorganization and recapitalization. As mentioned above, all affordable properties currently owned and managed by Fairfield are within the Fairfield Affordable Housing Fund owned primarily by CalSTRS which is committed to the preservation and development of affordable housing throughout the country.

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Grand Oaks
 Name of Applicant: Fairfield Grand Oaks LLC

INSTRUCTIONS:

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

Gregory R. Pinkalla (Officer)

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

Principal's Name:

	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	Barrington	Fairfield Barrington LP - (858)457-2123	Y	415	413	1/1/2005	1/1/2005	N
2	Baycliff (Hills)	FF Hills LP	Y	342	340	1/1/2006	1/1/2006	N
3	Belmont	Fairfield Belmont LP - (858)457-2123	Y	224	222	1/1/2007	1/1/2007	N
4	Brentwood [Village Square]	Fairfield Village Square LP - (858)457-2123	Y	285	283	1/1/2007	1/1/2007	N
5	Bristol	Fairfield Bristol L.P. - (858)457-2123	Y	102	101	1/1/2006	1/1/2006	N
6	Muirlands at Windemere	Fairfield Creekview LP - (858)457-2123	Y	350	348	1/1/2006	1/1/2006	N
7	Oakfield	Fairfield Oakfield LP - (858)457-2123	Y	371	369	1/1/2008	1/1/2008	N
8	Sutterfield	Fairfield Sutterfield LP - (858)457-2123	Y	143	142	1/1/2008	1/1/2008	N
9	Timberleaf	Fairfield Timberleaf LP - (858)457-2123	Y	152	151	1/1/2005	1/1/2005	N
10	Trestles	Fairfield Trestles L.P. - (858)457-2123	Y	71	70	1/1/2006	1/1/2006	N
11	University Heights	Fairfield University Heights LP - (858)457-2123	Y	349	347	1/1/2008	1/1/2008	N
12	Wyndover	Fairfield Wyndover LP - (858)457-2123	Y	136	135	1/1/2006	1/1/2006	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
 TOTAL: 2,940 2,921

LIHTC as % of
 99% Total Units

List of LIHTC Developments (Schedule A)



Development Name: Grand Oaks
 Name of Applicant: Fairfield Grand Oaks LLC

INSTRUCTIONS:

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

FRH GP LLC - Gregory R. Pinkalla (Officer) Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
 Principal's Name: _____

	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								
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5								
6								
7								
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9								
10								
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

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

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Grand Oaks
 Name of Applicant: Fairfield Grand Oaks LLC

INSTRUCTIONS:

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

Fairfield Grand Oaks SLP LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Principal's Name: _____

	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								
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3								
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5								
6								
7								
8								
9								
10								
11								
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 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)

COPY of Document Recorded at
Chesterfield, VA County Recorder
210025699 BK13370 PG0530 BK: PG:
4/20/2021 has not been compared with
original. Original will be returned when
process has been completed.

Fee: 47.00 DTT: 16,737.50
Total: 16,784.50

This document was recorded over-the-counter at the respective county recorder/recorder of deeds.

We are providing you a copy of the recorded original.

Above is a summary of the recording information for the document attached.

SPECIAL WARRANTY DEED

Prepared by: Terry Costolo, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801

Tax Assessor Parcel: 786-65-41-42-500-000
Title Insurer: First American Title Insurance Company
ASSESSED VALUE: \$ 2,851,800.00
CONSIDERATION: \$ 3,862,500.00

THIS SPECIAL WARRANTY DEED, made this 16th day of April, 2021, by and between GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership, whose address is in care of The NRP Group, 1228 Euclid Avenue, 4th Floor, Cleveland, Ohio 44115 (the "Grantor") and FAIRFIELD GRAND OAKS LLC, a Delaware limited liability company, whose address is in care of FRH Realty LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121 (the "Grantee"), provides as follows:

WITNESSETH:

NOW, THEREFORE, for and in consideration of \$10.00, and other good and valuable consideration, paid by the Grantee, the receipt whereof is hereby acknowledged, the Grantor, does grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto said Grantee in fee simple, the following described real estate, to-wit:

All that certain real estate situated in the County of Chesterfield, Virginia, described as follows (the "Property"):

See Exhibit A attached hereto.

Subject to the matters set forth on Exhibit B attached hereto with respect to real estate described above to the extent that the same are applicable thereto, the Grantor hereby binds itself to warrant and defend the title as against all acts of the Grantor herein and no other.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever.

[Signature Page Follows]

First American Title Insurance Company
National Commercial Services
18500 Von Karman Ave, Suite 600
Irvine, CA 92612
File No: NCS 1030501-SM

SPECIAL WARRANTY DEED

Prepared by: Terry Costolo, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801

Tax Assessor Parcel: 786-65-41-42-500-000
Title Insurer: First American Title Insurance Company
ASSESSED VALUE: \$ 2,851,800.00
CONSIDERATION: \$ 3,862,500.00

THIS SPECIAL WARRANTY DEED, made this 16th day of April, 2021, by and between GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership, whose address is in care of The NRP Group, 1228 Euclid Avenue, 4th Floor, Cleveland, Ohio 44115 (the "Grantor") and FAIRFIELD GRAND OAKS LLC, a Delaware limited liability company, whose address is in care of FRH Realty LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121 (the "Grantee"), provides as follows:

WITNESSETH:

NOW, THEREFORE, for and in consideration of \$10.00, and other good and valuable consideration, paid by the Grantee, the receipt whereof is hereby acknowledged, the Grantor, does grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto said Grantee in fee simple, the following described real estate, to-wit:

All that certain real estate situated in the County of Chesterfield, Virginia, described as follows (the "Property"):

See **Exhibit A** attached hereto.

Subject to the matters set forth on **Exhibit B** attached hereto with respect to real estate described above to the extent that the same are applicable thereto, the Grantor hereby binds itself to warrant and defend the title as against all acts of the Grantor herein and no other.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever.

[Signature Page Follows]

First American Title Insurance Company
National Commercial Services
18500 Von Karman Ave, Suite 600
Irvine, CA 92612
File No: NCS 1030501-SM

WITNESS the following signature as of the day, month and year first above written.

Signed, sealed, and delivered
in the presence of:

GRAND OAKS SENIOR APARTMENTS, L.P., a
Virginia limited partnership

By: NRP Grand Oaks Senior Apartments LLC, its
general partner

[Signature]
Print Name: Arnold R. Schwartz

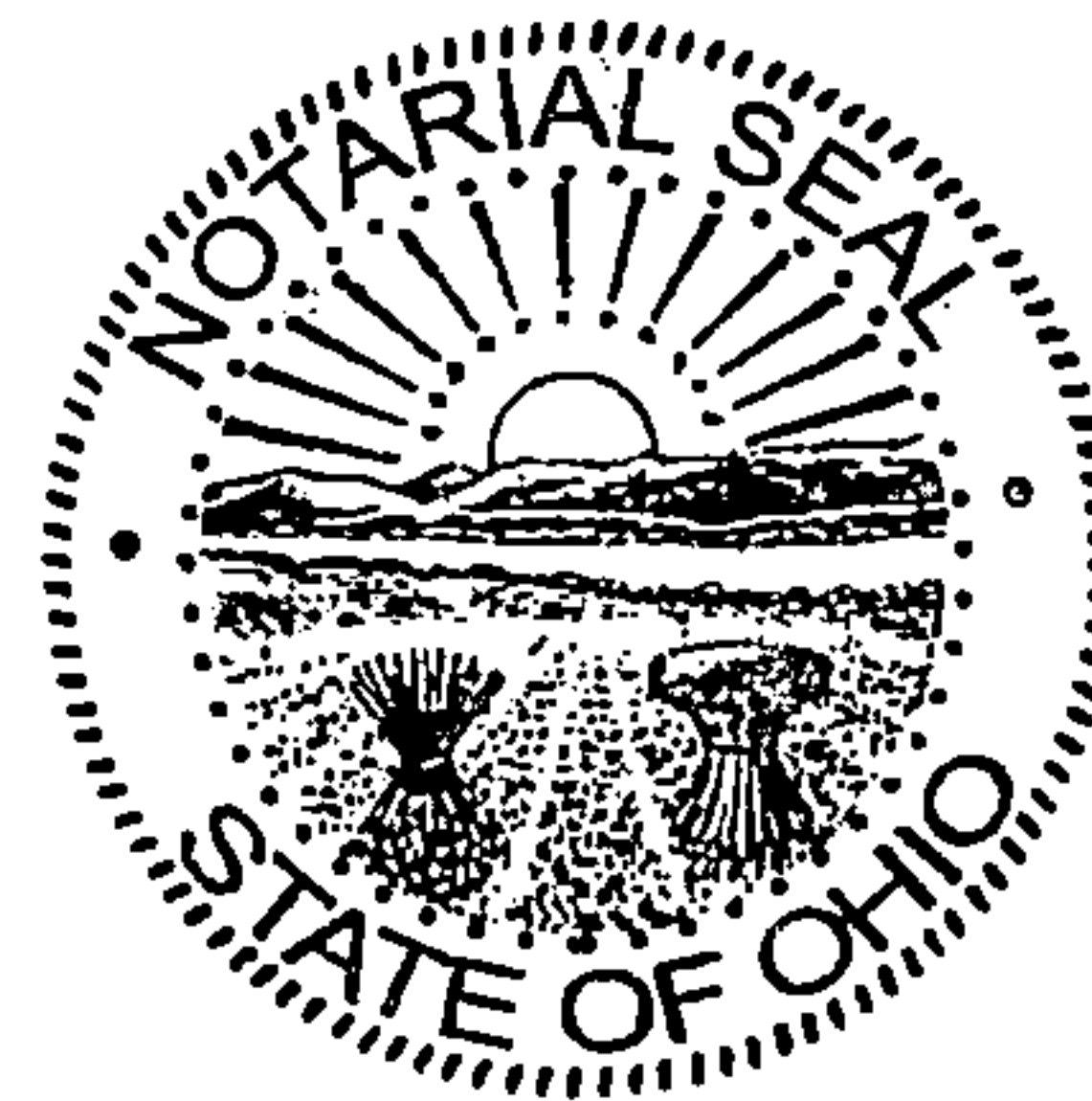
[Signature]
Print Name: Dorian Wilson

By: [Signature]
Noam Magence
Authorized Signatory

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this 7 day of April, 2021,
by Noam Magence, as Authorized Signatory of NRP Grand Oaks Senior Apartments LLC, as
general partner of GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership,
on behalf of such company. He is personally known to me or has produced _____
_____ as identification. This is an acknowledgment clause. No oath or affirmation was
administered to the signor.

[Signature]
Notary Public, State of Ohio
Print Name: Amber Kinzel
Commission No.: 2017-PE-690689
My Commission Expires: 12/11/2022



AMBER KINZEL
NOTARY PUBLIC
FOR THE
STATE OF OHIO
My Commission Expires
December 11, 2022

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of one parcel of land containing 4.265 acres of land more particularly identified as "PARCEL A" as shown on that certain plat made by Timmons Group, dated April 27, 2004 and recorded in Deed Book 5721 at page 641, re-recorded in Deed Book 5739 at page 378 and Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of Womack Road in a Northerly direction a distance of 656.52 feet to a rod found, said rod being the true point and place of beginning, thence leaving said right of way line North 66 degrees 30 minutes 57 seconds West a distance of 137.08 feet to a point, thence North 22 degrees 14 minutes 49 seconds West a distance of 99.81 feet to a point, thence North 31 degrees 16 minutes 55 seconds West a distance of 66.46 feet to a point, thence North 56 degrees 55 minutes 07 seconds West a distance of 288.45 feet to a point, thence North 67 degrees 34 minutes 40 seconds West a distance of 84.86 feet to a point, thence North 41 degrees 34 minutes 44 seconds West a distance of 53.36 feet to a point, thence North 06 degrees 45 minutes 42 seconds East a distance of 73.45 feet to a point, thence North 24 degrees 21 minutes 29 seconds West a distance of 58.59 feet to a point, thence North 33 degrees 26 minutes 39 seconds East a distance of 150.00 feet to a found rod, thence South 56 degrees 35 minutes 16 seconds East a distance of 673.52 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way South 13 degrees 33 minutes 49 seconds West a distance of 323.15 feet to a found rod, said rod being the True Point and Place of Beginning and containing 4.265 acres of land more or less.

Being the same real estate conveyed to Grand Oaks Senior Apartments, L.P., by Deed from Grand Oaks Apartments, L.P., dated April 29, 2004, recorded May 3, 2004, in the Clerk's Office, Circuit Court, County of Chesterfield, Virginia, in Deed Book 5721, Page 643.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

Exhibit B

Permitted Exceptions

1. Taxes for the first half of 2021 and any and all supplemental taxes, a lien due and payable but not yet delinquent. Taxes for the second half of 2021, a lien not yet due and payable. Stormwater fees for the year 2021, none now due and payable.

2. Rights of tenants in possession, without any rights to purchase or rights of first refusal to purchase.

3. Any claim to: (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto; whether or not the interests or rights excepted in items (a) or (b) appear in the Public Records.

4. Easement granted to John W. Jennings and Judi P. Jennings, husband and wife, dated December 9, 1968, recorded January 23, 1969, in Deed Book 944, Page 40.

Approximate location as shown on the survey prepared by H & B Surveying and Mapping, LLC dated February 2, 2021 and designated Job No. HB2011-01.

5. Easement granted to Julia B. Williams, dated September 27, 1990, recorded September 27, 1990, in Deed Book 2114, Page 844.

6. Reciprocal Maintenance and Easement Agreement by and between Grand Oaks Apartments, L.P. and Grand Oaks Senior Apartments, L.P., dated as of May 12, 2004 and recorded May 13, 2004 in Deed Book 5741, Page 418. AS AMENDED BY Amendment to Reciprocal Maintenance and Easement Agreement dated as of June 20, 2005 and recorded June 29, 2005 in Deed Book 6475, Page 223

7. Ordinance by and between The County of Chesterfield, Virginia (Grantor) vacates to Giles Properties, LLC, Grand Oaks Apartments, L.P. and Robert B. Giles, Trustee and James C. Morris, Jr., Trustee, Substitute Trustees under a certain Trust Agreement dated September 1, 1991, and known as The Crowder Trust (Grantees), portions of Perdue Lumber Company Subdivision, Bermuda Magisterial District, Chesterfield County, Virginia, recorded May 20, 2004 in Deed Book 5754, Page 42, with referenced Plat recorded in Deed Book 143, Page 97.

8. Drainage Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated July 27, 2004, recorded November 8, 2004, in Deed Book 6050 Page 232.

9. Terms, conditions and easements as set forth in Water Contract 04-0132 made by and between Grand Oaks Senior Apartments LP and the County Chesterfield, Virginia, dated August 10, 2005 and recorded September 15, 2005 in Deed Book 6639 Page 447.
10. Water Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated August 3, 2005, recorded September 21, 2005, in Deed Book 6651 Page 37.
11. Easement granted to Verizon Virginia, Inc., dated September 19, 2005, recorded November 29, 2005, in Deed Book 6803, Page 320.
12. Easement granted to Virginia Electric and Power Company, dated as of August 5, 2005, recorded January 5, 2006, in Deed Book 6872 Page 388.
13. Terms and conditions of Regulatory Agreement, Conventional Multi-Family Rental Housing Development by and between Grand Oaks Senior Apartments, L.P., a Virginia limited partnership and Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, dated June 29, 2005, recorded July 1, 2005, in Deed Book 6482, Page 422.
14. Terms, covenants and restrictions of Extended Use Regulatory Agreement and Declaration of Restrictive Covenants by and between Grand Oaks Senior Apartments, L.P., a Virginia limited partnership and Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, dated as of May 17, 2005, recorded March 27, 2006, in Deed Book 7023, Page 570.
15. Reservation of a fifty (50) foot road contained in Deed dated May 9, 1944 and recorded May 11, 1944 in Deed Book 282 Page 436, repeated in subsequent deeds of record.
16. Provisions of federal, state and/or local regulation relating to wetlands.
17. The exact acreage or square footage of the Land described herein is not insured.
18. A Deed of Trust to secure an original indebtedness of \$2,570,000.00 recorded July 1, 2005 as Deed Book 6482 Page 411 of Official Records.

Trustor: Grand Oaks Senior Apartments, L.P., a Virginia limited partnership

Trustee: J. Judson McKellar, Jr. and Donald L. Ritenour

Beneficiary: Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia

A document recorded contemporaneously herewith, provides that the obligation secured by the deed of trust was assumed by Fairfield Grand Oaks LLC, a Delaware limited liability company.

A document recorded contemporaneously herewith, provides that Frederick W. Bryant and Everett M. Gardner were substituted as trustee under the deed of trust.

19. The following matters disclosed by an ALTA/NSPS survey made by H & B Surveying and Mapping, LLC on February 2, 2021, designated Job No. HB2011-01.

A. The fact that a drill hole is located on the Land.

INSTRUMENT # 210025699
E-RECORDED IN THE CLERK'S OFFICE OF
CHESTERFIELD ON
APRIL 20, 2021 AT 03:37PM
\$3,862.50 GRANTOR TAX WAS PAID AS
REQUIRED BY SEC 58.1-802 OF THE VA. CODE
STATE: \$1,931.25 LOCAL: \$1,931.25
WENDY S. HUGHES, CLERK
RECORDED BY: MKA

COPY of Document Recorded at
Chesterfield, VA County Recorder
210025697 BK13370 PG0521 BK: PG:
4/20/2021 has not been compared with
original. Original will be returned when
process has been completed.

Fee: 47.00 DTT: 94,845.83
Total: 94,892.83

This document was recorded over-the-counter at the respective county recorder/recorder of deeds.

We are providing you a copy of the recorded original.

Above is a summary of the recording information for the document attached.

SPECIAL WARRANTY DEED

Prepared by: Terry Costolo, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801

Tax Assessor Parcel: 785-65-37-29-000-000
Title Insurer: First American Title Insurance Company
ASSESSED VALUE: \$ 17,071,000.00
CONSIDERATION: \$ 21,887,500.00

THIS SPECIAL WARRANTY DEED, made this 16th day of April, 2021, by and between **GRAND OAKS APARTMENTS, L.P.**, a Virginia limited partnership, whose address is in care of The NRP Group, 1228 Euclid Avenue, 4th Floor, Cleveland, Ohio 44115 (the "Grantor") and **Fairfield Grand Oaks LLC**, a Delaware limited liability company, whose address is in care of FRH Realty LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121 (the "Grantee"), provides as follows:

WITNESSETH:

NOW, THEREFORE, for and in consideration of \$10.00, and other good and valuable consideration, paid by the Grantee, the receipt whereof is hereby acknowledged, the Grantor, does grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto said Grantee in fee simple, the following described real estate, to-wit:

All that certain real estate situated in the County of Chesterfield, Virginia, described as follows (the "Property"):

See Exhibit A attached hereto.

Subject to the matters set forth on Exhibit B attached hereto with respect to real estate described above to the extent that the same are applicable thereto, the Grantor hereby binds itself to warrant and defend the title as against all acts of the Grantor herein and no other.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever.

[Signature Page Follows]

First American Title Insurance Company
National Commercial Services
18500 Von Karman Ave, Suite 600
Irvine, CA 92612
File No: NCS 1030500-541

SPECIAL WARRANTY DEED

Prepared by: Terry Costolo, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801

Tax Assessor Parcel: 785-65-37-29-000-000
Title Insurer: First American Title Insurance Company
ASSESSED VALUE: \$ 17,071,000.00
CONSIDERATION: \$ 21,887,500.00

THIS SPECIAL WARRANTY DEED, made this 16th day of April, 2021, by and between GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership, whose address is in care of The NRP Group, 1228 Euclid Avenue, 4th Floor, Cleveland, Ohio 44115 (the "Grantor") and Fairfield Grand Oaks LLC, a Delaware limited liability company, whose address is in care of FRH Realty LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121 (the "Grantee"), provides as follows:

W I T N E S S E T H:

NOW, THEREFORE, for and in consideration of \$10.00, and other good and valuable consideration, paid by the Grantee, the receipt whereof is hereby acknowledged, the Grantor, does grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto said Grantee in fee simple, the following described real estate, to-wit:

All that certain real estate situated in the County of Chesterfield, Virginia, described as follows (the "Property"):

See **Exhibit A** attached hereto.

Subject to the matters set forth on **Exhibit B** attached hereto with respect to real estate described above to the extent that the same are applicable thereto, the Grantor hereby binds itself to warrant and defend the title as against all acts of the Grantor herein and no other.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever.

[Signature Page Follows]


First American Title Insurance Company
National Commercial Services
18500 Von Karman Ave, Suite 600
Irvine, CA 92612
File No: NCS 1030500-SA1

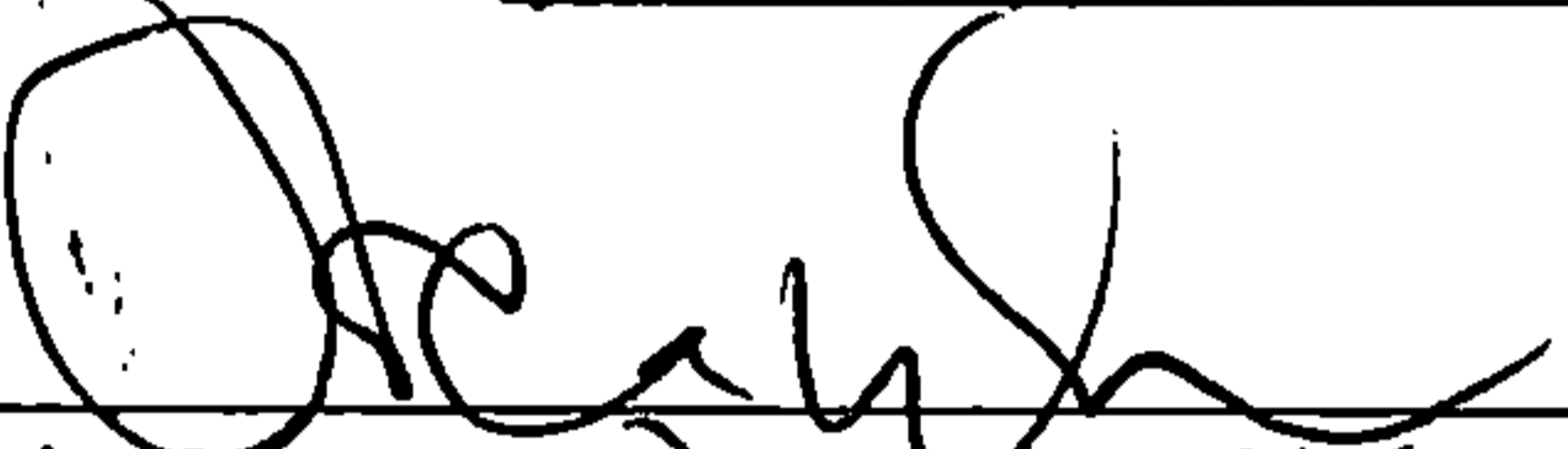
WITNESS the following signature as of the day, month and year first above written.

Signed, sealed, and delivered
in the presence of:

GRAND OAKS APARTMENTS, L.P., a Virginia
limited partnership

By: NRP Grand Oaks Apartments L.L.C., its
general partner



Print Name: Anne R. Schwartz


Print Name: Dana Wilson

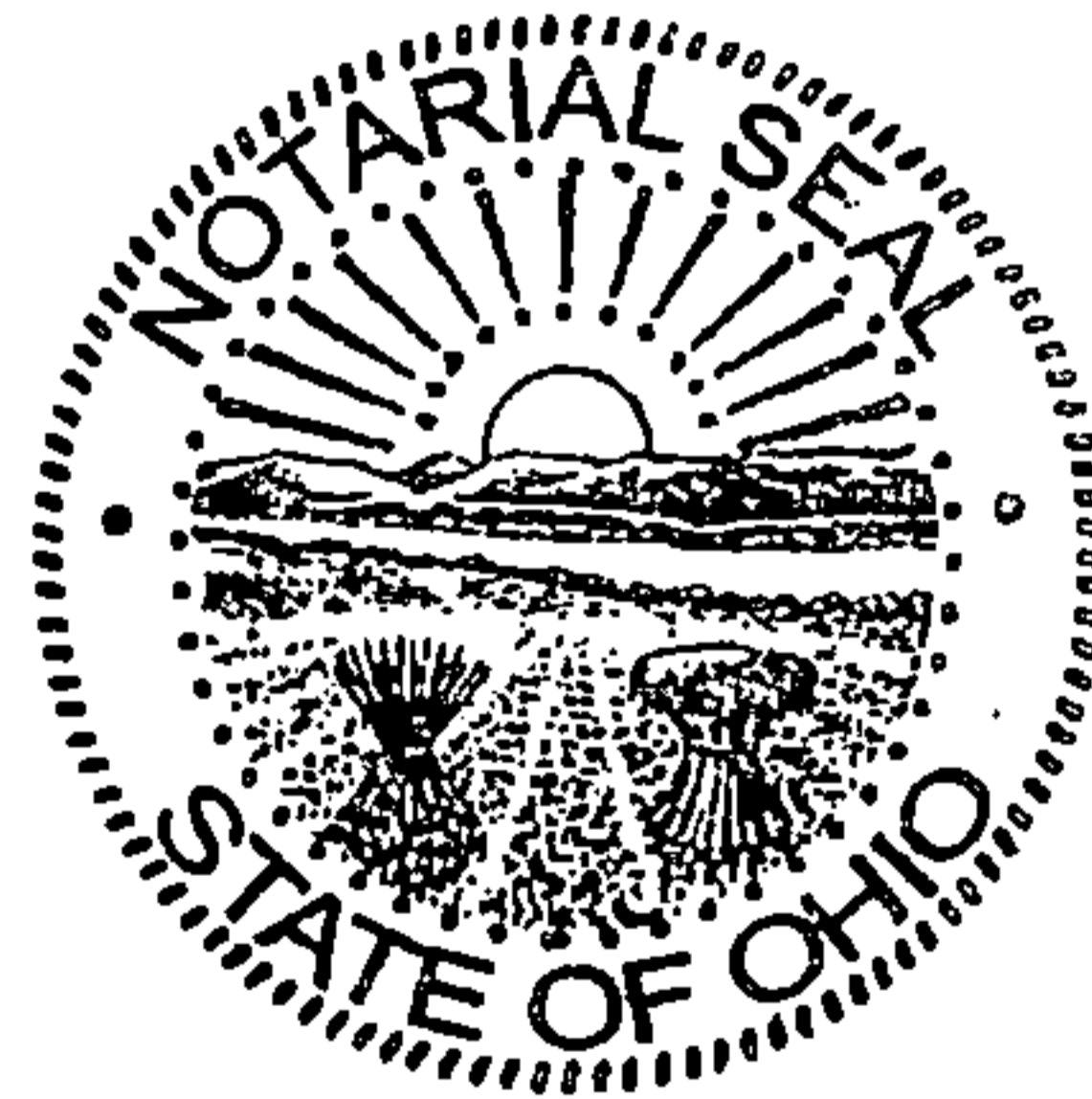
By: 
Noam Magence
Authorized Signatory

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this 7 day of April, 2021,
by Noam Magence, as Authorized Signatory of NRP Grand Oaks Apartments L.L.C., as general
partner of GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership, on behalf of such
company. He is personally known to me or has produced _____ as
identification. This is an acknowledgment clause. No oath or affirmation was administered to the
signor.



Notary Public, State of Ohio
Print Name: Amber Kinzel
Commission No.: 2017-RE-690689
My Commission Expires: 12/11/2022



AMBER KINZEL
NOTARY PUBLIC
FOR THE
STATE OF OHIO
My Commission Expires
December 11, 2022

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and Consisting of one parcel of land containing 23.527 acres of land more particularly identified as "PARCEL B" as shown on that certain plat entitled "Plat Showing Parcel A - 4.265 Acres and Parcel B - 23.527 Acres, located on the Western line of Womack Road S.R. 749" made by Timmons Group, dated April 27, 2004 and recorded May 3, 2004 in Deed Book 5721 at Page 641, re-recorded in Deed Book 5739 at Page 378 and in Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of State Route 10 in a Western direction a distance of 219.92 feet to a rod set, said rod being the true point and place of beginning, thence South 78 degrees 35 minutes 54 seconds West a distance of 272.26 feet to a rod set, thence leaving said right of way line of State Route 10, thence North 46 degrees 16 minutes 15 seconds West a distance of 649.41 feet to a pipe found 0.83 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 241.92 feet to a pipe found 1.19 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 275.00 feet to a pipe found, thence North 46 degrees 16 minutes 15 seconds West a distance of 29 feet plus or minus to a point, said point lying in the centerline of Great Branch Creek, thence along the centerline of Great Branch Creek as it meanders in a Northern direction a distance of 1114 feet plus or minus to a point, thence South 56 degrees 33 minutes 21 seconds East a distance of 7 feet plus or minus to a rod found, thence South 56 degrees 33 minutes 21 seconds East a distance of 370.78 feet to a rod found, thence South 24 degrees 21 minutes 29 seconds East a distance of 58.59 feet to a set rod, thence South 06 degrees 45 minutes 42 seconds West a distance of 73.45 feet to a set rod, thence South 41 degrees 34 minutes 44 seconds East a distance of 53.36 feet to a set rod, thence South 67 degrees 34 minutes 40 seconds East a distance of 84.86 feet to a set rod, thence South 56 degrees 55 minutes 07 seconds East a distance of 288.45 feet to a set rod, thence South 31 degrees 16 minutes 55 seconds East a distance of 66.46 feet to a set rod, thence South 22 degrees 14 minutes 49 seconds East a distance of 99.81 feet to a set rod, thence South 66 degrees 30 minutes 57 seconds East a distance of 137.08 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way line South 13 degrees 33 minutes 49 seconds West a distance of 276.00 feet to a rod found, thence leaving said right of way line North 56 degrees 49 minutes 14 seconds West a distance of 270.23 feet to a rod found, thence South 13 degrees 32 minutes 53 seconds West a distance of 129.34 feet to a rod found, thence North 56 degrees 51 minutes 41 seconds West a distance of 158.67 feet to a rod found, thence South 36 degrees 41 minutes 38 seconds West a distance of 70.38 feet to a rod found, thence South 53 degrees 04 minutes 38 seconds East a distance of 40.01 feet to a rod found, thence South 26 degrees 52 minutes 04 seconds West a distance of 154.64 feet to a rod found, thence South 63 degrees 33 minutes 28 seconds East a distance of 151.50 feet to a rod found, thence South 11 degrees 38 minutes 31 seconds East a distance of 222.31 feet to a rod set, said rod being the True Point and Place of Beginning, and containing 23.5 +/- acres of land more or less.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at

Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

Exhibit B

Permitted Exceptions

1. Taxes for the first half of 2021 and any and all supplemental taxes, a lien due and payable but not yet delinquent. Taxes for the second half of 2021, a lien not yet due and payable. Stormwater fees for the year 2021, none now due and payable.

2. Rights of tenants in possession, without any rights to purchase or rights of first refusal to purchase.

3. Any claim to: (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto; whether or not the interests or rights excepted in items (a) or (b) appear in the Public Records.

4. Easement granted to Virginia Electric and Power Company, dated December 15, 1978, recorded February 8, 1979, in Deed Book 1375, Page 137.

5. Easement granted to Thomas M. Strickland and Florine A. Strickland, dated July 17, 1996, recorded August 1, 1996, in Deed Book 2907, Page 627.

Approximate location as shown on the survey prepared by H & B Surveying and Mapping, LLC dated February 2, 2021 and designated Job No. HB2011-01.

6. Easement granted to Julia B. Williams, dated as of January 14, 2004, recorded February 12, 2004, in Deed Book 5600, Page 24, with referenced Plat recorded in Deed Book 141, Page 15.

7. Deed of Dedication by and between Robert B. Giles, Substitute Trustee and James C. Morris, Jr., Substitute Trustee, both Trustees under a certain Trust Agreement dated September 1, 1991, and known as The Crowder Trust (Grantor) and The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia (Grantee), dated December 11, 2003, recorded March 15, 2004 in Deed Book 5640, Page 374.

8. Deed of Dedication by and between Thomas M. Strickland and Florine A. Strickland, husband and wife (Grantor) and The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia (Grantee), dated December 11, 2003, recorded March 18, 2004 in Deed Book 5645, Page 40.

9. Terms and conditions of Regulatory Agreement, Conventional Multi-Family Rental Housing Development by and between Grand Oaks Apartments, L.P., a Virginia limited partnership and Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, dated May 21, 2004, recorded May 21, 2004, in Deed Book 5758, Page 1.

10. Extended Use Regulatory Agreement and Declaration of Restrictive Covenants by and between Grand Oaks Apartments, L.P., a Virginia limited partnership and Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, dated as of April 14, 2004, recorded October 19, 2005, in Deed Book 6717, Page 282.
11. 16' Sewer Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated March 26, 2004, recorded April 23, 2004, in Deed Book 5702, Page 944.
12. Reciprocal Maintenance and Easement Agreement by and between Grand Oaks Apartments, L.P. and Grand Oaks Senior Apartments, L.P., dated as of May 12, 2004 and recorded May 13, 2004 in Deed Book 5741, Page 418. AS AMENDED BY Amendment to Reciprocal Maintenance and Easement Agreement dated as of June 20, 2005 and recorded June 29, 2005 in Deed Book 6475, Page 223
13. Ordinance by and between The County of Chesterfield, Virginia (Grantor) vacates to Giles Properties, LLC, Grand Oaks Apartments, L.P. and Robert B. Giles, Trustee and James C. Morris, Jr., Trustee, Substitute Trustees under a certain Trust Agreement dated September 1, 1991, and known as The Crowder Trust (Grantees), portions of Perdue Lumber Company Subdivision, Bermuda Magisterial District, chesterfield County, Virginia, recorded May 20, 2004 in Deed Book 5754, Page 42, with referenced Plat recorded in Deed Book 143, Page 97.
14. 16' Sewer Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated July 23, 2004, recorded August 30, 2004, in Deed Book 5937, Page 219, with referenced Plat recorded in Deed Book 147, Page 22.
15. Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated July 23, 2004, recorded September 15, 2004, in Deed Book 5963, Page 861, with referenced Plat recorded in Deed Book 147, Page 61.
16. Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated July 23, 2004, recorded September 15, 2004, in Deed Book 5963, Page 853, with referenced Plat recorded in Deed Book 147, Page 60.
17. Easement Agreement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated July 23, 2004, recorded September 15, 2004, in Deed Book 5963, Page 843, with referenced Plat recorded in Deed Book 147, Page 59.
18. Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated July 23, 2004, recorded September 15, 2004, in Deed Book 5963, Page 835, with referenced Plat recorded in Deed Book 147, Page 58
19. Water and Sewer Contract 02-0002 Agreement made by and between Grand Oaks Apartments, L.P. and The County of Chesterfield Virginia, dated October 25, 2002 and recorded November 16, 2004 in Deed Book 6064, Page 572.
20. Easement granted to Virginia Electric and Power Company, dated as of April 28, 2005, recorded May 25, 2005, in Deed Book 6403, Page 150.

21. Easement granted to Verizon Virginia, Inc., dated April 1, 2005, recorded August 5, 2005, in Deed Book 6556, Page 201.
22. Easement granted to The County of Chesterfield, Virginia, a political subdivision of the Commonwealth of Virginia, dated August 3, 2005, recorded September 21, 2005, in Deed Book 6651, Page 29.
23. Easement granted to Verizon Virginia, Inc., dated September 19, 2005, recorded November 29, 2005, in Deed Book 6803, Page 320.
24. Certificate of Plat filed to recombine and subdivide 12200 Womack Road, 12210 Womack Road, 12218 Womack Road, 12220 Womack Road, 4920 West Hundred Road, 4912 West Hundred Road, 4914 West Hundred Road and 4916 West Hundred Road, Chester, Virginia, properties into two separate parcels recorded May 3, 2004 in Deed Book 5721, Page 641 and re-recorded by Clerk's Correction recorded in Deed Book 5739, Page 378, with referenced Plat recorded in Deed Book 143, Page 45.
25. Right of Way Easement as reserved in Deed recorded March 9, 1931 in Deed Book 208, Page 81 and repeated in subsequent deeds of record.
26. Rights, if any, of the property owners abutting the Pond, in and to the waters of the Pond and in and to the bed thereof; also boating and fishing rights of property owners abutting the Pond or the stream of water leading thereto or therefrom.
27. Provisions of federal, state and/or local regulation relating to wetlands.
28. The exact acreage or square footage of the Land described herein is not insured.
29. A Deed of Trust to secure an original indebtedness of \$12,500,000.00 recorded May 21, 2004 as Deed Book 5757, Page 987 of Official Records.

Trustor: Grand Oaks Apartments, L.P., a Virginia limited partnership

Trustee: J. Judson McKellar, Jr. and Donald L. Ritenour

Beneficiary: Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia

As amended/modified by Amendment to Deed of Trust and Regulatory Agreement, Multi-Family Housing Development, dated as of December 30, 2005, recorded December 30, 2005, in Deed Book 6863, Page 22.

A document recorded contemporaneously herewith, provides that the obligation secured by the deed of trust was assumed by Fairfield Grand Oaks LLC, a Delaware limited liability company.

A document recorded contemporaneously herewith, provides that Frederick W. Bryant and Everett M. Gardner were substituted as trustee under the deed of trust.

INSTRUMENT # 210025697
E-RECORDED IN THE CLERK'S OFFICE OF
CHESTERFIELD ON
APRIL 20, 2021 AT 03:37PM
\$21,887.50 GRANTOR TAX WAS PAID AS
REQUIRED BY SEC 58.1-802 OF THE VA. CODE
STATE: \$10,943.75 LOCAL: \$10,943.75
WENDY S. HUGHES, CLERK
RECORDED BY: MKA

**PURCHASE AND SALE AGREEMENT
OF REAL PROPERTY
(GRAND OAKS FAMILY)**

THIS PURCHASE AND SALE AGREEMENT OF REAL PROPERTY (this "**Agreement**") is made and entered into as of the 25th day of January, 2021 (the "**Effective Date**"), by and between GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership ("**Seller**"), and FRH REALTY LLC, a Delaware limited liability company ("**Purchaser**").

1. **Purchase and Sale; Property.** In consideration of their mutual covenants set forth in this Agreement, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, for the Purchase Price (as defined herein) and on the terms and conditions set forth herein, the following real and personal property (collectively, the "**Property**");

1.1 the fee estate in and to that certain real property located in the City of Chester, County of Chesterfield, Commonwealth of Virginia, legally described on **Exhibit "A"** (the "**Land**"), including all right, title and interest of Seller in and to any land lying in the bed of any existing or proposed highway, street, road, avenue or alley abutting or adjoining the Land and all right, title and interest of Seller in and to any strips or gores of land adjoining the Land, including the right to any unpaid award for damage by reason of any condemnation proceedings or change of grade of any highway, street, road or avenue, and all tenements, hereditaments and appurtenances thereto;

1.2 all buildings, structures and other improvements of any and every nature located on the Land, including, without limitation, the one hundred eighty-four (184) units and related amenities and improvements generally known as Grand Oaks Apartments (the "**Improvements**");

1.3 all right, title and interest of Seller in all furniture, furnishings, fixtures (including appliances), equipment which is owned by Seller and is used exclusively at, or exclusively in connection with the operation or management of the Land or the Improvements, and other articles of tangible personal property of every nature and description owned by Seller and attached to or used exclusively in connection with the operation and maintenance of the Land or the Improvements, subject to reasonable wear and tear and consumption of consumable items, the material items of which are set forth in the inventory which is attached hereto as **Exhibit "B"** (collectively, the "**Personal Property**");

1.4 all right, title and interest of Seller in the tenant leases for the Improvements listed on the Rent Roll (as defined herein) (the "**Leases**"), prepaid rents, refundable security deposits, and, refundable pet, key and other similar refundable deposits, and any cleaning or redecorating fees (but excluding, however, any non-refundable deposits) related thereto (collectively, the "**Security Deposits**"), shown on the Rent Roll.

1.5 to the extent assignable and transferable, all right, title and interest of Seller in licenses, franchises, permits, guarantees, warranties and statutory, plans and specifications, and contract rights with respect to the Land and Improvements;

1.6 all service, supply and maintenance contracts relating to the Improvements or the Land which are to be assumed by Purchaser pursuant to Section 6.5 below (“Service Contracts”);

1.7 all supplies on hand at the Closing Date, including cleaning materials and equipment, supplies for the maintenance of the Improvements, and all supplies and equipment used in the normal operation of the Improvements (this portion of the Property is sometimes separately referred to as the (“Supplies”);

1.8 all right, title and interest of Seller, if any, in and to (i) the name “Grand Oaks” and “Grand Oaks Apartments” and all variations thereof when used in connection with the Improvements, but not otherwise and without any warranty that Seller has any right, title, interest or right to use the name “Grand Oaks” and “Grand Oaks Apartments”, (ii) any and all telephone numbers assigned to Seller with respect to the Property to the extent assignable, and (iii) web addresses and social media sites with respect to the Property (excluding, however, any web addresses that are maintained as part of The NRP Group LLC’s proprietary website of www.nrpgroup.com).

Notwithstanding the foregoing or anything to the contrary contained herein, the Property shall not include any of the following (collectively, the “Excluded Assets”): (i) all cash held in any depository or other accounts in the name of Seller, Manager (as defined herein) or Seller’s lenders, (ii) all appraisals or other economic evaluations of, or projections with respect to all or any portion of the Property, (iii) information and documentation relating to construction costs for the Property, (iv) all insurance policies related to the Property and any insurance proceeds received by Seller either before or after the Closing and attributable to events which occurred prior to the Closing, except for the portion of such proceeds, if any, to be delivered to Purchaser under Section 15 hereof, (v) the management agreement between Seller and NRP Management LLC, an Ohio limited liability company (the “Manager”), and all amounts received or receivable from the Manager under such contract (the “Management Agreement”), (vi) [reserved], (vii) any and all rights to utility refunds for periods before the Closing Date, (viii) any privileged books, records, and files of Manager, including, but not limited to employment and personnel records and any books, records and files of Manager not related to the Property, (ix) any non-operational partnership books and records of Seller, whether held by Seller or Manager, (x) any management software licenses, any company computers and any equipment owned by Seller or the Manager, and (xi) any rights to any names containing “NRP” and any variant therefrom.

2. Closing. The consummation of the purchase and sale of the Property contemplated by this Agreement (the “Closing”) shall occur on the thirtieth (30th) day after the expiration of the Contingency Period (as defined below), but in no event earlier than January 29, 2021 (the “Closing Date”). The Closing shall be conducted by First American Title Insurance Company (“Escrow Agent” or “Title Company”) by overnight mail. Seller may extend the Closing Date for up to thirty (30) days upon written notice to Buyer and Escrow Agent delivered no less than ten (10) business days prior to the then existing Closing Date.

3. Conveyance. Subject to the terms and provisions set forth in this Agreement, title to the Property shall be transferred and conveyed to Purchaser at the Closing by:

3.1 Special Warranty Deed from Seller to Purchaser, subject to no exceptions, defects, liens or other encumbrances, other than the Permitted Exceptions (as defined herein), in the form attached hereto as Exhibit "C" (the "Deed") conveying the Land and the Improvements.

3.2 Bill of Sale (the "Bill of Sale") executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of Seller's right, title, and interest in and to the Personal Property in the form attached hereto as Exhibit "D".

3.3 Assignment of Leases and Assumption Agreement (the "Assignment of Leases") executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of the landlord's right, title, and interest in and to the Leases and Security Deposits shown on the Rent Roll in the form attached hereto as Exhibit "E".

3.4 Assignment of Service Contracts and Assumption Agreement (the "Assignment of Service Contracts"), executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of Seller's right, title, and interest in and to all warranties, guaranties, and those Service Contracts Purchaser has elected to assume or is otherwise required to assume pursuant to the terms of this Agreement, in the form attached hereto as Exhibit "F".

3.5 Omnibus Assignment (the "Omnibus Assignment") executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of Seller's right, title, and interest in and to any other tangible and intangible property which is a part of the Property, in the form attached hereto as Exhibit "G".

4. Purchase Price.

4.1 Payment of Purchase Price. At the Closing, Purchaser shall pay to Seller in cash, in consideration for the conveyance of the Property to Purchaser, the sum of Twenty-One Million Eight Hundred Eighty-Seven Thousand Five Hundred and No/100 Dollars (\$21,887,500.00) (the "Purchase Price"), plus or minus credits, prorations and adjustments as hereinafter provided, including, without limitation, (a) a credit to Purchaser against the Purchase Price in the amount of the Deposit (as hereinafter defined), plus all accrued interest on the Deposit, to the extent the Deposit, plus all accrued interest on the Deposit, is paid to Seller at the Closing, (b) a credit against the Purchase Price of a sum equal to the outstanding balance, as of the Closing Date, of the VHDA Family Loan (as defined below), and (c) a credit to Purchaser against the Purchase Price in the amount of the prepayment cost associated with the VHDA Family Loan in the amount of \$682,506.38. At the Closing, Purchaser shall pay the balance of the Purchase Price, in cash, by means of wire transfer of immediately available federal funds on the Closing Date to an account designated by the Title Company.

4.2 Earnest Money Deposit.

(a) On or before the second (2nd) business day after the Effective Date, Purchaser shall deposit with Escrow Agent a deposit totaling Two Hundred Eighteen Thousand Eight Hundred Seventy-Five and No/100 Dollars (\$218,875) (the "Initial Deposit"). In the event that Purchaser has not deposited the Initial Deposit with the Escrow Agent on or before the second (2nd) business day after the Effective Date, this Agreement

shall be, and become terminated, null, void and of no further effect, and neither party shall have further rights, duties, liabilities or obligations pursuant to this Agreement.

(b) Provided that this Agreement has not been terminated by Purchaser prior to the expiration of the Contingency Period, on or before the second (2nd) business day after the expiration of the Contingency Period, Purchaser shall deposit with Escrow Agent a deposit totaling Two Hundred Eighteen Thousand Eight Hundred Seventy-Five and No/100 Dollars (\$218,875) (the "Second Deposit").

(c) The Initial Deposit, the Second Deposit, and any interest earned on the Initial Deposit and the Second Deposit, shall be collectively referred to herein as the "Deposit" and it shall be held in escrow and disbursed as herein provided. To the extent the Deposit is delivered to Escrow Agent, the Escrow Agent will hold the Deposit in federally-insured account (subject to applicable federal limits on such insurance). To the extent the Deposit is delivered to Escrow Agent, upon Purchaser's request, the Deposit will be placed in a single interest-bearing account upon receipt by Escrow Agent from Purchaser of an executed and complete IRS Form W-9 and any other forms reasonably requested by Escrow Agent. Any interest accrued or accruing on the Deposit shall be and become part of the Deposit. Escrow Agent shall not be responsible for the amount of interest earned on the Deposit. Escrow Agent shall not be liable for any funds lost in connection with the take-over or failure of any bank or financial institution wherein Escrow Agent has deposited those funds in accordance with this Agreement. Notwithstanding anything to the contrary set forth herein, the party receiving the interest earned on any portion of the Deposit shall be responsible for payment of any taxes thereon.

(d) The Initial Deposit shall be refundable to Purchaser for any reason prior to expiration of the Contingency Period. If Purchaser delivers the Contingency Approval Notice (as hereinafter defined) to Seller on or before the expiration of the Contingency Period, then the Initial Deposit shall become non-refundable to Purchaser for any reason, except as otherwise expressly provided in this Agreement. The Second Deposit, if made, shall be non-refundable to Purchaser once deposited with Escrow Agent, except as otherwise expressly provided in this Agreement. The Deposit will be applied to the Purchase Price at the Closing.

(e) Escrow Agent is authorized and agrees by acceptance of the Deposit to hold and deliver same in accordance with the terms of this Agreement. In the event that Escrow Agent shall receive a written demand for delivery of the Deposit by either Purchaser or Seller, then Escrow Agent shall promptly give written notice to the other party of such demand. If the Escrow Agent does not receive written objection from the other party to the proposed payment within five (5) business days after the giving of such notice, the Escrow Agent is hereby authorized to make such payment. If the Escrow Agent receives written objection within such period, Escrow Agent shall, in its sole discretion and any other provision of this Agreement to the contrary notwithstanding, either (i) continue to hold the Deposit until the parties mutually agree to the disbursement thereof as evidenced by a joint instruction letter to the Escrow Agent or until a judgment of a court of competent jurisdiction shall determine the rights of the parties to the Deposit, or (ii) deliver the Deposit to the clerk of the court in the jurisdiction in which the Property is

located, and, upon notifying all parties concerned of such action, all liability on the part of Escrow Agent shall terminate except to account for any monies previously delivered out of escrow. In the event of any suit wherein Escrow Agent is made a party by virtue of acting as escrow agent, or in the event of any suit initiated by or against Escrow Agent wherein Escrow Agent interpleads the Deposit, Escrow Agent shall be entitled to recover its reasonable attorneys' and paralegals' fee and costs incurred before, during and after trial and upon all appellate levels, said fees and costs to be charged and assessed as court costs in favor of Escrow Agent and immediately paid by the non-prevailing party. The parties agree that Escrow Agent shall not be liable to anyone for misdelivery to Purchaser or Seller of monies out of escrow unless such misdelivery shall be due to willful or reckless breach of this Agreement or negligence on the part of Escrow Agent. Purchaser and Seller each agrees to hold Escrow Agent harmless from any and all loss, cost or expense, including reasonable attorneys' and paralegals' fees, resulting from Escrow Agent's compliance with its obligations hereunder. Escrow Agent shall not be liable for any loss resulting from any default, error, action or omission of Purchaser or Seller, loss or impairment of funds in the course of collection or while on deposit resulting from failure or suspension of the depository institution, or from Escrow Agent's compliance with any legal process, order or judgment of any court, whether or not subsequently vacated or modified. Purchaser and Seller acknowledge that Escrow Agent shall not be liable for any loss arising from the fact that the common escrow account maintained by Escrow Agent for this and other transactions may cause the aggregate amount of any individual depositor's account to exceed applicable deposit insurance coverage.

4.3 Independent Contract Consideration. Anything to the contrary in this Agreement notwithstanding, One Hundred Dollars (\$100.00) of the Initial Deposit (the "**Independent Consideration**") shall be considered independent consideration for entering into this Agreement, which sum shall be retained by Seller in all instances and any reference in this Agreement to a return of the Deposit to Purchaser shall not include the Independent Consideration. In any event, the Independent Consideration shall be applied to the Purchase Price at the Closing.

5. Title and Survey; Assumption Approval; Contingency Period.

5.1 Examination and Objections. Purchaser shall promptly obtain, at Purchaser's sole cost and expense, a title commitment (the "**Title Commitment**") from the Title Company (together with legible copies of all documents listed as exceptions to title in the Title Commitment) with respect to the Land and Improvements for an extended coverage form of owner's title insurance policy (the "**Title Policy**") to be issued by the Title Company at the Closing in the amount of the Purchase Price, naming Purchaser (or its permitted assignee) as the proposed insured, and insuring Purchaser's fee simple title to the Land and Improvements to be good and indefeasible and subject only to the Permitted Exceptions (as hereinafter defined). Purchaser shall promptly deliver to Seller a copy of such Title Commitment. On or before the expiration of the Inspection Period, Purchaser shall provide written notice to Seller of any matters shown by the Title Commitment or the Survey (as defined herein) which are not satisfactory to Purchaser, which notice (the "**Title Notice**") must specify the reason such matter(s) are not satisfactory and the curative steps necessary to remove the basis for Purchaser's disapproval (the "**Purchaser's Title Objection Notice**"). Seller shall have a period of three (3) business days after receipt of Purchaser's Title Objection Notice in which to deliver written notice to Purchaser (the "**Seller's**")

Title Notice”), at Seller’s election, to either (i) agree to remove the objectionable items prior to the Closing Date, or (ii) decline to remove to such exceptions; provided, however, that Seller shall be required to remove all Lien Exceptions (as hereinafter defined) on or prior to the Closing Date, and Seller shall have no right to decline to remove all of such Lien Exceptions, except for the VHDA Family Mortgage (as defined below) and the Regulatory Agreements (as defined below). If Seller does not provide the Seller’s Title Notice, then Seller shall be deemed to have declined to remove the objectionable items contained within the Purchaser’s Title Objection Notice. If Seller fails to provide the Seller’s Title Notice or notifies Purchaser of its election not to remove any objectionable items, then Purchaser shall have the right, by written notice delivered to Seller prior to the end of the Inspection Period, to either (i) agree to accept the Property subject to the objectionable items and Purchaser shall take title to the Property subject to such objectionable items, or (ii) elect to terminate this Agreement in which event the Deposit shall be returned to Purchaser. All matters shown on the Title Commitment and/or Survey with respect to which Purchaser fails to give a Purchaser’s Title Objection Notice on or before the last date for so doing (or which are thereafter waived or deemed to be waived by Purchaser) or to which Seller does not expressly undertake an obligation to cure pursuant to a Seller’s Title Notice shall be deemed to be permitted exceptions (the “Permitted Exceptions”) to the status of Seller’s fee simple title to the Land and Improvements, except that the Lien Exceptions shall not be Permitted Exceptions. Purchaser shall have the same rights to make objections to any new matters thereafter disclosed by any updated Title Commitment until the earlier of (i) five (5) business days after Purchaser’s receipt of such updated Title Commitment, or (ii) the Closing, and such new matters shall be subject to cure by Seller under the same procedures set forth above for Purchaser’s original title objections; provided, however, in the event that Seller reasonably determines that any such new matters cannot be removed at or prior to the Closing, Seller shall notify Purchaser in writing, whereupon Purchaser at its election, which must be exercised by written notice to Seller within two (2) business days after receipt by Purchaser of Seller’s notice, may (i) terminate this Agreement and receive a complete refund of the Deposit or (ii) waive all such title objections and proceed to close the transaction in accordance with the terms of this Agreement, except that if such deadline is after the originally scheduled Closing Date, the Closing shall be on or before the fifth (5th) business day after the last day of Purchaser’s deadline to respond to Seller, and in which event all such waived matters shall become Permitted Exceptions. Notwithstanding the foregoing, all exceptions to title shown on the Title Commitment or otherwise arising prior to the Closing which evidence (I) mortgages or deeds of trust granted or assumed by Seller encumbering Seller’s fee interest in the Property; (II) judgment liens evidencing non-appealable judgments rendered against Seller and encumbering Seller’s fee interest in the Property; (III) mechanic’s or materialmen’s liens encumbering Seller’s fee interest in the Property and arising from any work performed or materials furnished for or on behalf of Seller; or (IV) other monetary liens as a result of Seller’s activities, suffered by Seller or assumed by Seller (items I, II, III and IV above are collectively referred to as “Lien Exceptions”), shall, in each instance, be deemed objected to without any notice by Purchaser and shall be cured by Seller (which, in the case of a mechanic’s or materialmen’s lien shall include, at Seller’s option, bonding around the mechanic’s or materialmen’s lien) at or prior to the Closing, except for the VHDA Family Mortgage and the Regulatory Agreements.

5.2 Survey. Seller has provided to Purchaser, or will provide to Purchaser within three (3) days after the Effective Date, a copy of Seller’s existing survey of the Land and Improvements (the “Existing Survey”). The Existing Survey is provided to Purchaser without

any representations or warranties of any kind by Seller. Purchaser may obtain, at Purchaser's sole cost and expense, a current ALTA as-built survey of the Land and Improvements or an update of the Existing Survey (the "Survey"). Purchaser may elect to update the Existing Survey or obtain a new Survey on or before the expiration of the Inspection Period. If the Existing Survey, the updated or new Survey reveals any objectionable matters, Purchaser shall deliver written notice thereof to Seller on or before the expiration of the Inspection Period (the "Purchaser's Survey Objection Notice"). Seller shall have a period of three (3) business days after receipt of Purchaser's Survey Objection Notice in which to deliver written notice to Purchaser (the "Seller's Survey Notice"), at Seller's election, to either (i) agree to remove the objectionable items prior to the Closing Date, or (ii) decline to remove such exceptions. If Seller does not provide the Seller's Survey Notice, then Seller shall be deemed to have declined to remove the objectionable items contained within the Purchaser's Survey Objection Notice. If Seller fails to provide the Seller's Survey Notice or notifies Purchaser of its election not to remove any objectionable items, then Purchaser shall have the right, by written notice delivered to Seller prior to the end of the Inspection Period, to either (i) agree to accept the Property subject to the objectionable items and Purchaser shall take title to the Property subject to such objectionable items, or (ii) elect to terminate this Agreement in which event the Deposit shall be returned to Purchaser. If Purchaser obtains an updated or new Survey, Purchaser shall cause at least one (1) electronic copy of any such Survey to be delivered to Seller's legal counsel promptly after such Survey is delivered to Purchaser's legal counsel.

5.3 Assumption Approval; Assumption of Existing Financing; Contingency Period.

(a) At Closing, Purchaser shall assume that certain loan with an original principal balance of \$12,500,000 made by the Virginia Housing Development Authority ("VHDA") to Seller (the "VHDA Family Loan") dated May 21, 2004 evidenced by that certain Virginia Housing Development Authority Note Agreement Multi-Family Housing Development (the "VHDA Family Note") in the original principal amount of \$12,500,000 that is secured by a Virginia Housing Development Authority Deed of Trust Multi-Family Development dated as of May 21, 2004, by and between Grand Oaks Apartments, L.P., a Virginia limited partnership, as grantor, Donald L. Ritenour, as trustee, and the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, as beneficiary and grantee, as recorded on May 21, 2004 in Official Records Book 5757, Page 987, of the Public Records of Chesterfield County, Virginia, as amended by that certain Virginia Housing Development Authority Amendment to Deed of Trust and Regulatory Agreement for Multi-Family Housing Development dated as of December 30, 2005, by and between Grand Oaks Apartments, L.P., a Virginia limited partnership, as mortgagor, J. Judson McKellar, Jr., as trustee, and the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, as recorded on December 30, 2005 in Official Records Book 6863, Page 22, of the Public Records of the Circuit Court Clerk of Chesterfield County, Virginia (the "VHDA Family Mortgage") encumbering the Property. The VHDA Family Note, the VHDA Family Mortgage and all other documents, instruments and agreements evidencing, securing or relating to the VHDA Family Loan are collectively referred to herein as the "VHDA Family Loan Documents".

(b) Seller's obligation to sell the Property pursuant to the terms of this Agreement, and Purchaser's obligation to purchase the Property pursuant to the terms of this Agreement, shall be contingent upon (i) the written approval of Purchaser's assumption of the VHDA Family Loan by the current holder of the VHDA Family Loan (the "VHDA Lender"), and (ii) the approval of VHDA under that certain Extended Use Regulatory Agreement and Declaration of Restrictive Covenants dated as of April 14, 2004, by and between Grand Oaks Apartments, L.P., a Virginia limited partnership, as owner, and the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, as recorded on October 19, 2005 in Official Records Book 6717, Page 282, of the Public Records of the Circuit Court Clerk of Chesterfield County, Virginia, and that certain Virginia Housing Development Authority Regulatory Agreement Conventional Multi-Family Rental Housing Development dated as of May 21, 2004, by and between Grand Oaks Apartments, L.P., a Virginia limited partnership, as mortgagor, and the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, as recorded on May 21, 2004 in Official Records Book 5758, Page 1, of the Public Records of the Circuit Court Clerk of Chesterfield County, Virginia, as amended by that certain Virginia Housing Development Authority Amendment to Deed of Trust and Regulatory Agreement for Multi-Family Housing Development dated as of December 30, 2005, by and between Grand Oaks Apartments, L.P., a Virginia limited partnership, as mortgagor, J. Judson McKellar, Jr., as trustee, and the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, as recorded on December 30, 2005 in Official Records Book 6863, Page 22, of the Public Records of the Circuit Court Clerk of Chesterfield County, Virginia (together, the "Regulatory Agreements"). Seller shall submit a request to the VHDA Lender for the VHDA Family Loan assumption within five (5) calendar days from the Effective Date. Purchaser acknowledges that Seller has owned and operated the Property as a project intended to generate low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the "Code") and in accordance with tax exempt bond regulations of the VHDA and the Code and other requirements, and the Property is subject to, and operated pursuant to the Regulatory Agreements. The Purchaser shall assume in writing the Regulatory Agreements to be substantially in the forms (or such other forms as agreed to by the VHDA) attached hereto as Exhibit "M", and shall be responsible for any compliance monitoring or other fees, from and after the Closing Date and not arising from a default by Seller. The provisions of this Section 5.3(b) shall survive Closing and the delivery of the Deed at Closing.

(c) Purchaser shall submit (i) a loan assumption application along with all required application fees and deposits (including, but not limited to, all fees and deposits required by "Borrower" under the VHDA Family Loan Documents) to VHDA Lender prior to the expiration of the Inspection Period, and thereafter shall use good faith and diligent efforts to obtain all required approvals and agreements from VHDA Lender, and (ii) all applications and documents required by VHDA for its consent and approval to the transactions contemplated herein under the Regulatory Agreements prior to the expiration of the Inspection Period (together, "Assumption Approval").

(d) Purchaser agrees to pay all required VHDA Family Loan transfer and assumption and transfer fees and all out-of-pocket expenses of VHDA Lender in

connection with Assumption Approval, including, without limitation, all of VHDA Lender's and VHDA's attorneys' fees, recording fees, mortgage taxes, title costs (including costs required to be paid by the "Borrower" or "Debtor" under the VHDA Family Loan Documents), appraisal fees, rating agency fees, and any other actual third-party costs incurred by VHDA Lender and VHDA with respect to Assumption Approval, which obligation to pay shall survive Closing or any termination of this Agreement (collectively, "Assumption Expenses"); provided, however, in no event shall Purchaser be responsible for any of Seller's expenses, including, but not limited to, Seller's attorneys' fees. Seller shall reasonably cooperate with Purchaser in obtaining VHDA's consent under the Regulatory Agreements and in processing the assumption of the VHDA Family Loan, including providing such information and documents as may be requested by VHDA Lender or VHDA. At Closing, Purchaser and Seller shall execute and deliver any documentation reasonably required by VHDA Lender and VHDA, reasonably satisfactory to Seller and Purchaser to effectuate Purchaser's assumption of the VHDA Family Loan. Any conditions to the (y) approval of the transfer and assumption of the VHDA Family Loan imposed by VHDA, and (z) approval of the transfer under the Regulatory Agreements, are subject to the written approval of the Purchaser, which approval may be granted or withheld by Purchaser in Purchaser's sole and absolute discretion.

(e) If Purchaser is unable to obtain Assumption Approval within sixty (60) days after the Effective Date (the "Contingency Period"), then, subject to Purchaser's right to extend the Contingency Period pursuant to this paragraph, Purchaser may terminate this Agreement by delivering written notice thereof to Seller and Escrow Holder on or before the expiration of the Contingency Period ("Contingency Termination Notice"). If Purchaser obtains the Assumption Approval during the Contingency Period (as may have been extended), then Purchaser shall deliver written notice thereof to Seller and Escrow Holder on or before the expiration of the Contingency Period ("Contingency Approval Notice"), in which case the Initial Deposit shall be non-refundable to Purchaser, except in the event of a default by Seller under this Agreement or as otherwise expressly provided in this Agreement. If Buyer fails to deliver a Contingency Termination Notice or a Contingency Approval Notice to Seller and Escrow Holder prior to the expiration of the Contingency Period, the Purchaser shall be deemed to have delivered a Contingency Termination Notice. Notwithstanding the foregoing, so long as Purchaser has exercised good faith and diligent efforts as above provided to obtain the Assumption Approval throughout the Contingency Period, Purchaser shall have the right to extend the Contingency Period one (1) time for a period of thirty (30) days by providing written notice thereof to Seller prior to expiration of the Contingency Period.

(f) The terms and conditions of the Assumption Approval, which in all events must include a release of any Seller or Seller affiliate guaranties and/or indemnities for matters occurring from and after the Closing Date, shall be subject to Seller's approval, which approval may be granted or withheld by Seller in Seller's sole and absolute discretion. In the event of Seller's disapproval and an inability of Purchaser to obtain a revision of the Assumption Approval satisfactory to Seller, then Seller may terminate this Agreement upon written notice to Purchaser and Escrow Agent and Purchaser shall be returned the Deposit.

6. Rights Regarding Inspection of the Property and Due Diligence Materials.

6.1 Inspections.

(a) Subject to the conditions set forth herein, Purchaser, at Purchaser's sole cost and expense, will be permitted during normal business hours upon not less than forty-eight (48) hours prior written notice, subject in all respects to the rights of the tenants under the Leases, to make physical inspections of the Property and to meet with employees of the Manager and representatives of service providers so long as Seller shall have the right to accompany Purchaser on all such inspections. Purchaser shall not contact or meet with any tenants without Seller's prior consent, except for incidental contact during its investigations of the Property. Purchaser shall not be permitted to undertake any investigation or testing which causes damage to the Property; provided, the parties agree that the standard testing and gathering of samples for a customary Phase 1 environmental site assessment of the Land and Improvements shall be permitted including moisture testing for mold and air sampling for radon. In the event that Purchaser causes a Phase 1 environmental site assessment of the Land and the Improvements (the "Phase 1 Assessment") to be performed, and the Phase 1 Assessment recommends the performance of a Phase 2 environmental site assessment or recommends subsurface investigations that involve borings or penetration of the Land or Improvements (the "Phase 2 Assessment"), Purchaser may perform a Phase 2 Assessment only upon obtaining the prior written consent of Seller, not to be unreasonably withheld, conditioned or delayed. If Seller permits Purchaser to perform a Phase 2 Assessment, Purchaser must: (i) at least two (2) business days prior to commencement of the Phase 2 Assessment, provide Seller with notice of the nature and extent of the damage which may be involved, the name of the person or entity performing the assessment, and a copy of such person or entity's liability insurance policy, and a copy of the Phase 1 Assessment; (ii) at Purchaser's sole cost and expense, promptly repair all damage caused by Purchaser or its contractors and agents, and (iii) if requested by Seller, provide Seller, at no cost to Seller, with a copy of the Phase 2 Assessment promptly after completion, but without representation or warranty of any kind and subject to obtaining any requisite third party consents and approvals. Purchaser acknowledges that prior to the end of the Inspection Period, any and all inspections which Purchaser in its sole and absolute discretion determines to be necessary or desirable will be performed by Purchaser, at Purchaser's sole cost and expense, so as to enable Purchaser to make its determination pursuant to Section 6 hereof. Thereafter, subject to the terms of this Agreement, Purchaser will have the right to make continuing inspections of the Property until the Closing during normal business hours upon not less than forty-eight (48) hours prior written notice, subject in all respects to the rights of the tenants under the Leases.

(b) In connection with Purchaser's inspections, Seller will afford to Purchaser, its counsel, accountants, appraisers and other representatives, consultants and experts, during normal business hours upon not less than forty-eight (48) hours prior written notice, subject in all respects to the rights of the tenants under the Leases, access to the Property and the books, contracts, rent rolls, paid bills files, lease files, the Leases, commitments and records of the operation and maintenance of the Property and such other records as Purchaser may reasonably request; provided no such party will have access to

any of the Excluded Assets or any non-operational partnership books and records of Seller or books and records of the Manager not related to the Property.

6.2 Due Diligence Materials. Seller will, within three (3) days after the Effective Date hereof and at Seller's sole cost and expense, provide Purchaser with access to the following documentation or information in an on-line data room or on-site at Seller's office on the Property ("Due Diligence Materials"):

- (a) Year-end operating statements for years 2019, 2020 and 2021 year to date.
- (b) Copies of the most recent utilities bills for the Property for year 2019.
- (c) A copy of each Service Contract.
- (d) To the extent in Seller's possession or control, copies of all building permits and any and all other licenses, permits and governmental approvals and authorizations pertaining to the Property.
- (e) Copies of the ad valorem real estate tax bills for the Property for calendar years 2017, 2018, 2019 and 2020 and any information received concerning calendar year 2021.
- (f) List of current or pending legal actions and current insurance claims (if applicable).
- (g) Three (3) years of insurance loss runs and premiums.
- (h) Copies of pending notices of condemnation (if applicable).
- (i) A copy of income and expense statements pertaining to the Property for the most recent three (3) calendar years, including year 2021 to the extent available, the most recent quarter, and a trailing 12-month ending December 31, 2020 including monthly statements for the past twelve (12) months.
- (j) Description of capital improvements completed since December 31, 2015.
- (k) Disclosure of any legal matters and any ongoing or threatened litigation affecting the Property or the collection of rents or deposits, which legal matters or litigation is listed on Exhibit "L" to this Agreement.
- (l) To the extent in Seller's possession or control, copies of any third-party reports, including but not limited to, property condition reports, engineering reports, Phase I environmental reports as well as any subsequent updates, zoning compliance reports, termite inspections and roof reports.

(m) To the extent in Seller's possession or control, notice of any violations, including but not limited to, those regarding building and fire codes.

(n) To the extent in Seller's possession or control, all plans and specifications, which shall not be delivered to Purchaser but rather shall be available for review by Purchaser on-site of the Property.

(o) Access to all tenant lease files and amendments thereto, as well as any other agreements which affects the obligations of Seller and the affected tenant with respect to such Leases.

(p) Current staffing schedule.

(q) All personal property tax bills for the Property for calendar years 2017 and 2018, and any information received concerning calendar years 2019 and 2020.

(r) An inventory of Personal Property.

(s) To the extent in Seller's possession or control, copies of certificates of occupancy issued with respect to the Property.

(t) Copies of the VHDA Family Loan Documents and any other documents evidencing, securing or relating to financing encumbering the Property.

(u) A copy of the Extended Use Regulatory Agreement and Declaration of Restrictive Covenants dated April 14, 2004 by and between Seller and VHDA and recorded on October 19, 2005 as Instrument No. 73118 in Book 6717, Page 284 of the Circuit Court Clerk of Chesterfield County, Virginia;

(v) A copy of the Virginia Housing Development Authority Regulatory Agreement Conventional Multi-Family Rental Housing Development dated May 21, 2004 by and between Seller and VHDA and recorded on May 21, 2004 in Official Records Book 5758, Page 1, of the Public Records of the Circuit Court Clerk of Chesterfield County, Virginia;

(w) Copies of any outstanding, unresolved IRS Form 8823s, if any.

(x) Copies of all annual compliance filings with the VHDA for the last three (3) years.

(y) A copy of the most recent VHDA audit of the Property.

(z) Access to all tenant income certifications and other certifications related to the Tax Credits (as defined below) or any bonds or loans with respect to the Property.

The Due Diligence Materials being provided to Purchaser have been provided as an accommodation to Purchaser and, except as expressly provided herein, Seller has not and will not

make or be deemed to have made any representation or warranty of any kind or nature whatsoever, express or implied, about the Due Diligence Materials, or the accuracy, reliability or usefulness of any information contained therein. Purchaser further acknowledges and agrees that, except as expressly provided herein, Purchaser shall not be justified in relying on the Due Diligence Materials or any information contained therein without independent investigation and verification thereof, and Purchaser hereby waives and relinquishes any and all claims, actions or causes of action which Purchaser may ever have against Seller or Manager with respect to any Due Diligence Materials or the contents thereof; provided that the foregoing shall not limit Purchaser's rights and remedies against Seller on account of a breach by Seller of any of its representations and warranties hereunder. Purchaser shall, at all times, keep the Due Diligence Materials confidential in accordance with Section 38 hereof.

6.3 Purchaser's Indemnity and Termination Rights. All such investigations, inquiries, inspections, site visits, and the like performed by or on behalf of Purchaser with respect to the Property are referred to herein as "Due Diligence." Purchaser shall protect, defend, indemnify, and hold harmless Seller, Seller's partners and the Manager from and against all actions, causes of action, losses, costs, damages, claims, and liabilities (whether arising out of injury or death to persons or damage to the Property or otherwise) of any nature whatsoever including, but not limited to, construction or other liens and reasonable attorneys' and paralegals' fees and expenses (whether or not an action is commenced, whether incurred before, during or after trial or upon any appellate level proceeding, or in arbitration, mediation or any administrative proceeding or proceeding in bankruptcy or insolvency), arising out of or in connection with Purchaser's activities on the Property in connection with its Due Diligence. The foregoing indemnity shall not apply to any claims (including, without limitation, claims that the Property has declined in value) or liabilities to the extent the same arise out of or are incurred in connection with (i) the negligence or willful misconduct of the Seller or its agents, consultants, employees, contractors or representatives; (ii) the discovery by Purchaser or its agents, consultants, employees, contractors or representatives of any or pre-existing conditions on the Property; (iii) the release (other than by Purchaser, its agents, consultants, employees, contractors or representatives) or discovery by Purchaser or presence of any pollutants, hazardous waste, hazardous substance or material located on or about the Property, except to the extent that Purchaser or its agents, consultants, employees, contractors or representatives have exacerbated such condition; (iv) the results, findings, tests or analyses of Purchaser's environmental or other physical investigation of the Property; or (v) any disclosure or notification made or given by Purchaser or any its agents, consultants, employees, contractors or representatives to any governmental agency or other party that is required by law based upon the results, findings, tests or analyses of Purchaser's environmental or other physical investigation of the Property. As a condition to its exercise of the right of entry set forth in this paragraph, Purchaser hereby agrees to procure and maintain during the term of this Agreement, and deliver to Seller evidence of, commercial general liability and property damage insurance providing coverage against liability for personal and bodily injury, death and property damage, having limits of liability which shall be not less than One Million Dollars (\$1,000,000), naming Seller as an additional insured. Purchaser shall also use commercially reasonable efforts to require all agents, consultants, employees, representatives, contractors and sub-contractors engaged by Purchaser to obtain and maintain insurance of the same types and amounts as required of Purchaser hereinabove. The provisions of this Section 6.3 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

6.4 Notice to Proceed. Purchaser shall have a period commencing the day after the Effective Date and ending at 6:00 p.m. Cleveland, Ohio time on the date which is ten (10) days following the Effective Date (such period being referred to herein as the “Inspection Period”) to review and approve such matters and to conduct the Due Diligence as Purchaser, in Purchaser’s sole and absolute discretion, may desire, subject to the terms and conditions set forth herein. Purchaser may, at its election and in its sole and absolute discretion, elect to proceed with this Agreement by giving written notice thereof to Seller (the “Notice to Proceed”) at any time on or before 6:00 p.m. Cleveland, Ohio time on the last day of the Inspection Period. If Purchaser fails to send a Notice to Proceed, which decision is solely a decision of Purchaser with or without a reason therefor, within the time period required hereunder, then this Agreement shall automatically terminate and be of no further force or effect as of the expiration of the Inspection Period, and Purchaser shall thereafter be entitled to obtain prompt return of the Deposit. If Purchaser delivers a Notice to Proceed to Seller, then Purchaser shall be conclusively deemed to have waived any right to terminate this Agreement under the provisions of this Section 6.4. Delivery of the Notice to Proceed may be provided in accordance with Section 19 hereof, but if delivery is via email, such notice will be effective without a follow-up copy.

6.5 Service Contracts. Purchaser shall, no later than five (5) days prior to the expiration of the Inspection Period, advise Seller in writing of the Service Contracts which it elects to assume, and Seller agrees to terminate any Service Contracts Purchaser does not elect to assume as of the Closing Date provided that such Service Contract is terminable upon thirty (30) days’ notice without payment of any premium or penalty.

6.6 Notice of Termination. If Purchaser delivers notice to Seller on or before 6:00 p.m. Cleveland, Ohio time on the last day of the Inspection Period that it does not wish to pursue the acquisition of the Property, or does not, for any reason, deliver a Notice to Proceed, then the Deposit shall be promptly refunded to Purchaser, and thereafter neither party shall have any further obligation or liability hereunder, except for obligations which expressly survive a termination of this Agreement.

6.7 Return of Due Diligence Materials Upon Termination. In the event that this Agreement is terminated by Purchaser or Seller pursuant to any provisions allowing either Purchaser or Seller, respectively, to do so, Purchaser shall return to Seller, upon such termination and at no cost to Seller, the Due Diligence Materials and all other documentation, data or information of any kind or nature whatsoever delivered by Seller or any agent or representative of Seller to Purchaser about or concerning the Property or any part thereof.

7. Representations and Warranties.

7.1 Seller’s Warranties and Representations. As used in this Agreement, “Seller’s Knowledge” means and shall be limited to the actual, current knowledge (and not imputed knowledge) of Vanessa Green, in her capacity as the Regional Property Manager for The NRP Group LLC, without any obligation of any investigation or inquiry, who is the person related to Seller’s organization most knowledgeable of the matters contained in this Section 7.1. Seller warrants and represents to Purchaser, as follows:

(a) Seller is a limited partnership duly formed, validly existing and in good standing under the laws of the Commonwealth of Virginia.

(b) The Property is not subject to any agreements of sale, or any purchase or lease options to acquire any interest in the Property (other than pursuant to this Agreement or as may be disclosed by the Title Commitment).

(c) Seller has not received written notice of any pending or threatened proceeding or action in the nature of eminent domain, nor is there any pending, or to Seller's Knowledge, threatened, proceeding or action by any governmental authority having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.

(d) Except for the Management Agreement which will be terminated at or prior to the Closing, the list of Service Contracts set forth on Exhibit "H" is a complete and correct list of all Service Contracts affecting the management, operation, maintenance, or leasing of the Property (including, without limitation, all brokerage, listing, equipment, janitorial, supply, trash removal, and other service and vendor contracts and agreements relating to the Property) as of the Effective Date. In the event a Service Contract is discovered after the Effective Date that is not listed on Exhibit "H", the discovery shall not constitute a breach of representation by Seller, but Purchaser shall not be required to assume such Service Contract unless it elects to do so, and if Purchaser does not elect to assume such discovered Service Contract, Seller shall indemnify, defend and hold harmless Purchaser for any liability under such discovered Service Contract.

(e) To Seller's Knowledge, (i) the Leases are valid and enforceable according to their respective terms, and (ii) there has been no written claim by a tenant of a default by the Seller under a Lease which would have a material adverse effect on the Property. Except as set forth in the Leases (including any amendments or addenda thereto) and/or the Rent Roll, no tenant under the Leases is entitled to receive any rental concession or abatements.

(f) The Leases, or copies thereof delivered or made available to Purchaser are true and complete copies of each and includes each written modification thereof and supplement thereto.

(g) There is no litigation (including any arbitration, investigation or other proceeding) pending or, to Seller's Knowledge, threatened, which would prevent Seller from being able to perform its obligations in accordance with the terms and conditions of this Agreement or would otherwise adversely affect the Property, except for the legal matter listed on Exhibit "L".

(h) Seller has not presently assigned, pledged, hypothecated or otherwise encumbered the right of Seller to collect rent under the Leases, except for rentals collected by Manager in accordance with the Management Agreement between Seller and Manager which will be terminated at the Closing and any assignment in connection with

the payment of any indebtedness to any existing mortgage holder of the Property that Seller shall discharge and release at or prior to the Closing hereunder.

(i) Seller is not a “foreign person” within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended, and any applicable treasury regulations thereunder.

(j) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller, and Seller has received no notice of any of the same pending or threatened against Seller or the Property.

(k) There are no adverse parties in possession of the Property or of any part thereof and no parties in possession thereof except Seller, the tenants under the Leases, and except as otherwise expressly disclosed herein or reflected in any document recorded in the public records of Chesterfield County, Virginia, no party has been granted any license, lease, easement, or other right relating to the use or possession of the Property except (i) tenants under the Leases shown on the Rent Roll, (ii) as disclosed in Schedule B – Section 2 of the Title Commitment, and (iii) as otherwise expressly disclosed herein (including Exhibit “L”) or reflected in any document recorded in the public records of Chesterfield County, Virginia.

(l) Seller has not received (i) any written notice of any violations of any federal, state, county, or municipal law, ordinance, code, order, regulation, or requirement affecting any portion of the Property (including without limitation the Americans with Disabilities Act), except for the legal matter listed on Exhibit “L”, or (ii) any written notice of any current violation of any zoning, building, health, flood control, fire, or other law, ordinance, order, regulation, or any restrictive covenant, except for the legal matter listed on Exhibit “L”.

(m) The Seller has not received any written notice that the Property or the Seller is in violation of or subject to any existing, pending, or overtly threatened investigation or inquiry by any governmental authority or written notice of any remedial obligations under any applicable laws pertaining to health or the environment (hereinafter sometimes collectively called “Environmental Laws”), including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), the Resource Conservation and Recovery Act of 1976 (“RCRA”).

(n) Seller has the authority to enter into this Agreement, to perform its obligations under this Agreement and to complete the transaction contemplated by this Agreement.

(o) The execution of this Agreement by Seller and the performance of its obligations hereunder do not violate Seller’s organizational documents or any agreement to which Seller is a party or any governmental or court order or ruling applicable to it.

(p) The information contained within the financial statements or reports with respect to the Property, including the rent roll attached hereto as Exhibit "I" and by this reference incorporated herein and made a part hereof, and as updated in accordance with Section 12.1(i) hereof (the "Rent Roll"), which are delivered to Purchaser with the Due Diligence Materials are the financial statements and reports utilized by Seller in its ordinary operation of the Property and for its internal reporting purposes.

(q) Neither this Agreement nor the conveyance of the Property to Purchaser is intended to defraud any of Seller's creditors or will render the Seller insolvent. The Seller has never filed any voluntary petition of bankruptcy or been adjudicated bankrupt or insolvent or filed or a petition or answer seeking any reorganization, liquidation, dissolution or similar relief under bankruptcy or insolvency laws, or other relief for debtors, or sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator or liquidator of all or any substantial part of its assets or its interests in the Property. No court of competent jurisdiction has entered an order, judgment or decree approving a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy act and no liquidator of the Seller or of all or any substantial part of its assets has been appointed. Seller has not given notice to any governmental body of insolvency or pending insolvency or suspension or pending suspension of operations.

(r) All insurance policies necessary to provide commercially reasonable coverage for the Property are in full force and effect and, to Seller's Knowledge, there has been continuous coverage since Seller's acquisition of the Property.

(s) This Agreement is valid and enforceable against Seller in accordance with its terms, and each instrument to be executed by Seller pursuant to this Agreement or in connection therewith will, when executed, be valid and enforceable against Seller in accordance with its terms.

(t) Seller has maintained all security and other deposits in accordance with all applicable legal requirements, and the terms of the applicable Leases and the Rent Roll accurately identifies all security and other deposits held by Seller under all Leases.

(u) Seller has not and will not be a person or entity with whom Purchaser is restricted from doing business under the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (H.R. 3162, Public Law 107-56) commonly known as the "Patriot Act") and Executive Order No.13224 on Terrorism Financing, effective September 24, 2001 and the regulations promulgated pursuant thereto, including but without limitation, persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

(v) Seller has no employees.

(w) There are no written or oral agreements, understandings or commitments relating to the VHDA Family Loan other than the loan documents delivered

to Purchaser pursuant to Section 6.2. To Seller's Knowledge, there is no uncured default by Seller under the VHDA Family Loan and no event has occurred which with notice, the passage of time or both would constitute an event of default by Seller under the VHDA Family Loan.

(x) The Regulatory Agreements have not been amended or modified. To Seller's Knowledge, there is no uncured default by Seller under the Regulatory Agreements and no event has occurred with which notice, the passage of time or both would constitute an event of default by Seller under the Regulatory Agreements.

If Seller becomes aware of any fact or circumstance which would change or render incorrect, in whole or in part, any representation or warranty made by Seller under this Section 7.1, whether as of the date given or at any time thereafter through the Closing Date and whether or not such representation or warranty was based upon Seller's Knowledge as of a certain date, Seller will give prompt written notice of such changed fact or circumstance to Purchaser.

7.2 Purchaser's Warranties and Representations. Purchaser warrants, represents and covenants to Seller as follows:

(a) Purchaser is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Delaware, and any assignee of Purchaser will be an entity duly organized, validly existing and in good standing under the laws of the State of Delaware as of the Closing Date. Purchaser (or its permitted assignee) is bound by the actions and execution and delivery hereof by the authorized signatory who has executed this Agreement for and on behalf of Purchaser (or its permitted assignee); and Purchaser (or its permitted assignee) has all requisite authority and power to enter into this Agreement and to consummate the transactions contemplated herein.

(b) The execution and delivery of this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Purchaser (or its permitted assignee) on the Closing Date, and the performance by Purchaser (or its permitted assignee) of Purchaser's (or its permitted assignee's) duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale as contemplated herein, are not in violation of, any contract, agreement or other instrument to which Purchaser (or its permitted assignee) is a party, including but not limited to Purchaser's (or its permitted assignee's) organizational documents.

(c) This Agreement is valid and enforceable against Purchaser (or its permitted assignee) in accordance with its terms, and each instrument to be executed by Purchaser (or its permitted assignee) pursuant to this Agreement or in connection therewith will, when executed, be valid and enforceable against Purchaser (or its permitted assignee) in accordance with its terms.

7.3 Survival of Representations and Warranties. All of the representations and warranties made in this Section 7 or elsewhere in this Agreement are and will be continuous and continuing and all of the same shall remain true and correct in all material respects through the

Closing Date, except as otherwise set forth herein. The representations and warranties contained in this Section 7 or elsewhere in this Agreement shall survive the Closing and the transfer of title to Purchaser as contemplated hereunder to and until 6:00 p.m. Cleveland, Ohio time on nine (9) months from the Closing (the "Survival Period"). Purchaser shall have the right to bring an action against Seller on the breach of a representation or warranty hereunder, but only on the following conditions: (1) Purchaser first learns of the breach after the Closing and gives written notice of such breach to Seller specifying in detail the representation or warranty alleged to have been breached and the amount of damages suffered thereby before the end of the Survival Period and files such action on or before the end of the Survival Period, and (2) Purchaser shall not have the right to bring a cause of action for a breach of a representation or warranty unless the damage to Purchaser on account of such breach (individually or when combined with damages from other breaches) equals or exceeds Ten Thousand Dollars (\$10,000). Notwithstanding anything contained herein to the contrary, Seller shall not have any liability after the Closing for the breach of a representation or warranty hereunder of which Purchaser had actual knowledge as of the Closing. Furthermore, and notwithstanding anything contained anywhere in this Agreement to the contrary, Purchaser agrees that the maximum aggregate liability of Seller with respect to the breach of any or all of the representations or warranties or covenants or obligations as contained in this Section 7 or elsewhere in this Agreement, or in any document or instrument executed or delivered at the Closing, excluding only actual fraud committed by Seller, is and shall be one and one-half percent (1.5%) of the cash portion of the Purchase Price, inclusive of attorneys' fees, reasonable expert witness fees and other costs and expenses incurred in enforcing Purchaser's rights hereunder.

7.4 AS IS, WHERE-IS SALE.

(a) Except as expressly provided in Section 7.1 or in this Section 7.4 or in any instrument or other document delivered at the Closing, and notwithstanding any other provision contained herein, express or implied to the contrary, Seller makes no representations or warranties with respect to the physical condition or any other aspect of the Property, including, without limitation, (i) the structural integrity of any Improvements on the Property and condition of any building systems, (ii) the conformity and/or compliance of the Improvements to any plans or specifications for the Property (including, but not limited to, any plans and specifications that may have been or which may be provided to Purchaser), (iii) the conformity of the Property to past, current or future applicable zoning, building, subdivision, land use, health, safety, environmental or nondiscrimination laws, statutes, ordinances, rules, regulations, orders, codes or other legal requirements or with any past, present or future documents of record, (iv) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, (v) the sufficiency of any under shoring, (vi) the sufficiency of any drainage, (vii) whether any Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, (viii) the existence or non-existence of underground storage tanks, (ix) any other matter affecting the stability or integrity of the Land, or any buildings or Improvements situated on or as part of the Property, (x) the availability of public utilities and services for the Property, (xi) the fitness or suitability of the Property for Purchaser's intended use, (xii) the potential for further development of the Property, (xiii) the existence of vested land use, zoning, building or other entitlements affecting the Property, (xiv) the ability of Purchaser to obtain and maintain licenses and permits for intended use of the Property, (xv) the presence of toxic wastes, hazardous materials or friable asbestos in, on

or about the Property, or (xvi) the status of title of the Property (collectively, the “Property Conditions”). Without limiting the foregoing in any manner, and except as is expressly provided in this Agreement, Purchaser acknowledges that Seller has made no representations or warranties of any kind or nature concerning the Property Conditions, and Purchaser acknowledges further that Purchaser is relying solely upon Purchaser’s own investigations and Due Diligence in regard to each and all such matters, and assumes the risk that the Property may or may not be suitable or feasible for any intended use by Purchaser. Purchaser assumes complete responsibility to investigate with all appropriate governmental authorities for its intended use of the Property.

(b) Purchaser further expressly acknowledges that the Property is being sold and accepted “AS IS, WHERE-IS, WITH ALL FAULTS” and is being accepted without any representation or warranty except: (i) as to the statements of Seller expressly contained in this Agreement, and (ii) except for any covenants, warranties or representations contained in any document or instrument executed and delivered by Seller to Purchaser at the Closing (collectively referred to as the “Seller’s Warranties”).

(c) As part of Purchaser’s agreement to purchase and accept the Property “AS-IS, WHERE-IS, WITH ALL FAULTS” and not as a limitation on such agreement, Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights Purchaser might have against Seller regarding any form of warranty, express or implied, of any kind or type, relating to the Property, the Property Conditions or any other matter whatsoever, excepting only Seller’s Warranties. Except with respect to Seller’s Warranties, such waiver is absolute, complete, total and unlimited to, a waiver of express warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of habitability, strict liability rights, and claims of every kind and type, including, but not limited to, claims regarding defects which might have been discoverable, claims regarding defects which were not or are not discoverable, product liability claims, product liability type claims, and all other extant or later created or conceived of strict liability or strict liability type claims and rights, but excluding claims of actual fraud, willful misconduct or gross negligence.

(d) Effective upon the Closing, and to the fullest extent permitted by law, Purchaser hereby releases, discharges and forever acquits Seller, all of Seller’s partners, Seller’s affiliates and Manager, and their respective officers, directors, shareholders, owners, employees, agents and independent contractors, and the successors, heirs, personal representatives and assigns of each and every one of them from all demands, claims, liabilities, obligations, costs and expenses which Purchaser may suffer or incur relating to the Property Conditions or any other aspect of the Property, or its improvements or any defect related thereto, except to the extent of Seller’s liability under this Agreement for breach of Seller’s Warranties or covenants contained in this Agreement and except for Seller’s actual fraud. Purchaser realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Purchaser further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that, except for breach of the representations and warranties of this

Section 7.4, or for the breach of Seller's Warranties or covenants contained in this Agreement and except for Seller's actual fraud, Purchaser nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included in the waivers and matters released as set forth in this Section 7.4. The provisions of this Section 7.4 are material and included as a material portion of the consideration given to Seller by Purchaser in exchange for Seller's execution and delivery hereof and performance hereunder.

(e) Purchaser acknowledges and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement and that Seller would not have agreed to sell the Property to Purchaser for the Purchase Price without the disclaimers and other agreements set forth above.

7.5 Survival. The provisions of this Section 7 shall survive the Closing.

8. Covenants.

8.1 Seller's Covenants.

(a) Except as otherwise specifically required by this Section 8.1, subject to conditions beyond Seller's and/or Manager's control, Seller shall operate and maintain, or shall cause Manager to operate and maintain, the Property from and after the Effective Date until the Closing in accordance with past practices and Seller shall maintain the physical condition of the Property in substantially its current condition, reasonable and ordinary wear and tear and damage by Purchaser and its agents and by fire and casualty excepted. From and after the Effective Date until the Closing, Seller will continue to perform all obligations under the Regulatory Agreements and the VHDA Family Loan, including, without limitation, making all scheduled principal and interest payments. Without limiting the foregoing, Seller shall not, without first obtaining the prior written consent of Purchaser, (i) make any material structural alterations or additions to the Property except as (w) in the ordinary course of operating the Property, (x) required for maintenance and repair, (y) required by any of the Leases or the Service Contracts, or (z) required or permitted by this Agreement; (ii) sell, transfer, encumber or change the status of title of all or any portion of the Property; (iii) change or attempt to change, directly or indirectly, the current zoning of the Property in a manner materially adverse to it; (iv) cancel, amend or modify, in a manner materially adverse to the Property, any license or permit held by Seller with respect to the Property or any part thereof which would be binding upon Purchaser after the Closing; or (v) take any action or permit any action to be taken which would invalidate, impair or limit the scope of any warranty. Seller shall make commercially reasonable efforts to maintain in existence all licenses, permits and approvals that are now in existence with respect to, and are required for, the ownership, operation or improvement of the Property, and are of a continuing nature.

(b) From and after the Effective Date, neither Seller nor Manager will, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, delayed or conditioned: (i) enter into any new Service Contract having a term

extending beyond the Closing Date that is not terminable by Purchaser on not more than thirty (30) days' notice to the respective vendor or contractor without premium or penalty, or (ii) alter or amend any Service Contract, the term of which would extend beyond the Closing Date that is not terminable by Purchaser on not more than thirty (30) days' notice to the respective vendor or contractor without premium or penalty. If Purchaser refuses or withholds its consent to any amendment to or extension of a Service Contract, or to the execution of a new Service Contract, the Seller may contract for such services or goods to be performed or provided only up to the Closing Date. Notwithstanding the foregoing, Seller may, at its sole cost and expense, without prior approval by Purchaser, perform or hire others to perform any and all emergency repairs or services immediately necessary for the preservation and safety of the Property or its tenants, or to avoid the suspension of any substantial and important service to the Property which would result in imminent hazard or danger to health, life or property; provided, however, Seller shall give Purchaser verbal notice of the emergency, as soon as practicable, and shall notify Purchaser in writing of the details and expenses thereof. Seller shall comply in all material respects with its obligations under the Service Contracts. Notwithstanding anything to the contrary contained herein, Seller hereby agrees that any and all management agreements (including the Management Agreement) and brokers' agreements affecting the Property shall be terminated as of the Closing Date.

(c) From and after the end of the Inspection Period, no new Leases (excluding current Leases renewed on a month-to-month basis) will be entered into by Seller at rates, terms, commissions or concessions which are inconsistent with Seller's current policies and practices, or for terms of more than twelve (12) months. Seller shall comply in all material respects with its obligations under the Leases. Seller shall not grant any rent concessions (i) which are "back-loaded" or (ii) which do not reflect the then current market rate concessions being granted for similar units by landlords of similar properties in the market in which the Property is located without first obtaining Purchaser's prior written consent.

(d) Between the Effective Date and the Closing Date, no Personal Property shall be removed from the Property unless replaced on or before the Closing Date by Personal Property of the same type and which replacement is of equal or better quality or value as the Personal Property it is to replace.

(e) At all times from the Effective Date through the Closing Date, Seller shall cause to be maintained in force fire and extended coverage insurance and commercial general liability insurance upon the Property in amounts not less than the amounts of the insurance coverage on the Property on the Effective Date.

(f) Seller shall promptly deliver to Purchaser copies of all written notices received by Seller after the Effective Date (i) asserting any material breach of a Lease, a Service Contract, or any law, rule, regulation, covenant or permit applicable to the Property and (ii) relating to litigation or other legal proceedings affecting the Property (other than customary landlord-tenant actions).

(g) Seller shall terminate, as of the Closing, any existing lease (whether written, oral or otherwise) on the Property between Seller and any employee of Seller or such property manager under which rent is waived or is discounted and assure that the subject apartment unit is vacated effective as of the Closing Date.

8.2 Purchaser's Covenants.

(a) Purchaser covenants and agrees that it shall not use the name of "NRP" or any name containing it, or any variant of it, at any time, before or after the Closing in any way, context or manner.

(b) Prior to the Closing, Purchaser shall not solicit any employees of the Manager for employment or engage in any substantive conversations with such persons about potential employment, unless Seller notifies Purchaser that the employees of Manager working at the Property are not going to relocate to another of Manager's properties, in which event Purchaser may discuss continued employment with such employees. Seller agrees to notify Purchaser at least thirty (30) days prior to the Closing Date whether the employees are going to relocate or not, so that Purchaser may proceed accordingly. Failure of Seller to provide such notice to Purchaser shall be deemed to constitute notice to Purchaser that Seller is not going to relocate the employees to another of Manager's properties.

8.3 Indemnity. The indemnification obligations under this Agreement shall be subject to the following provisions:

The party seeking indemnification ("Indemnitee") shall notify the other party ("Indemnitor") of any claim against Indemnitee within forty-five (45) days after it has notice of such claim, but failure to notify Indemnitor shall in no case prejudice the rights of Indemnitee under this Agreement unless Indemnitor shall be prejudiced by such failure and then only to the extent of such prejudice. Should Indemnitor (i) fail to discharge or undertake to defend Indemnitee against such liability (with counsel reasonably approved by Indemnitee), within thirty (30) days after Indemnitee gives Indemnitor written notice of the same, or (ii) fail to provide Indemnitee notice that Indemnitor disputes its obligation to indemnify Indemnitee, then Indemnitee may in good faith settle such claim, and Indemnitor's liability to Indemnitee shall be conclusively established by such settlement, the amount of such liability to include both the settlement consideration and the reasonable costs and expenses, including reasonable attorneys' fees, incurred by Indemnitee in effecting such settlement. Indemnitee shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of Indemnitee unless: (a) the employment of such counsel shall have been authorized in writing by Indemnitor in connection with the defense of such action, (b) Indemnitor shall not have employed counsel to direct the defense of such action, (c) the action is a criminal complaint, or (d) Indemnitee shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to Indemnitor (in which case Indemnitor shall not have the right to direct the defense of such action or of Indemnitee), in any of which events such reasonable fees and expenses shall be borne by Indemnitor.

The indemnification obligations under this Agreement shall cover the costs and expenses of Indemnitee, including reasonable attorneys' fees and expenses, related to any actions, causes of action, suits or judgments incident to any of the matters covered by such indemnities.

The indemnification obligations under this Agreement shall also extend to cover any claim against any present or future advisor, trustee, director, officer, partner, member, manager, employee, beneficiary, shareholder, fiduciary, participant or agent of an Indemnitee or any entity now or hereafter having a direct or indirect ownership interest in Indemnitee. The provisions of this Section 8.3 shall survive the Closing.

8.4 Condominium Conversion. Notwithstanding anything to the contrary, in the event that Purchaser or any successor or assign of Purchaser elects to convert the Property (or any portions thereof) into a condominium (or subject the same to a form of ownership constituting a condominium or other form of ownership substantially similar to a condominium, including leasehold or fee, or any form of ownership where one or more units is separately conveyed for the purpose of transforming the Property from a rental community to an ownership community), the Purchaser and, if different, the party undertaking such conversion hereby releases and shall indemnify, defend and hold the Seller and its affiliates, including, but not limited to, the contractor, harmless from and against any and all claims, demands, actions, causes of action and all other liabilities (including, without limitation, reasonable attorney's fees and disbursements) arising from, directly or indirectly, any such conversion, including, but not limited to, such claims, demands, actions, causes of action or any other liabilities that may arise from alleged defects in notice to tenants of said conversion and/or defects in construction of the Property (or any portions thereof). This hold harmless and indemnity provision shall survive closing and delivery of the Deed for five (5) years, and may be evidenced in the Deed or such other instrument of record reasonably satisfactory to Seller.

8.5 Survival. The provisions of this Section 8 shall survive the Closing.

9. Authorization; Agency.

9.1 Purchaser will deliver to the Escrow Agent, at or before the Closing, evidence of its capacity and authority for the closing of the transaction contemplated herein, to the extent required by the Title Company (collectively, the "**Purchaser Authorization Documents**").

9.2 Seller will deliver to the Escrow Agent, at or before the Closing, evidence of its capacity and authority for the closing of the transaction contemplated herein, to the extent reasonably required by the Title Company (collectively, the "**Seller Authorization Documents**").

10. [Reserved].

11. Conditions to Closing.

11.1 Purchaser's obligation to purchase the Property and to perform the obligations to be performed by Purchaser at the Closing are subject to the following conditions precedent ("**Purchaser's Conditions**"), which may be waived in writing by Purchaser:

(a) Seller's representations and warranties set forth in this Agreement being true and accurate in all material respects when made and on the Closing Date, as if made on such date;

(b) Seller shall have performed all of the material covenants, agreements and obligations and complied with all conditions which are required to be performed and/or complied with by Seller prior to the Closing;

(c) On the Closing Date, the Title Company shall be committed to issue to Purchaser the Title Policy, in an amount equal to the Purchase Price, which reflects that indefeasible fee simple title to the Land and Improvements is vested in the name of Purchaser as of the date of the Closing, subject only to the Permitted Exceptions;

(d) The Management Agreement shall have been terminated;

(e) Purchaser shall have obtained the Assumption Approval, subject only to conditions approved by Purchaser without any amendments to the underlying documents, except to the extent approved in writing by Purchaser, in Purchaser's sole and absolute discretion;

(f) There shall have been no major damage to the physical condition of the Property, subject to the terms of Sections 15 and 16 herein.

11.2 Seller's Conditions. Seller's obligation to sell the Property and to perform the obligations to be performed by Seller at the Closing are subject to the following conditions precedent ("Seller's Conditions"), which may be waived in writing by Seller:

(a) Purchaser's representations and warranties set forth in this Agreement being true and accurate in all material respects when made and on the Closing Date, as if made on such date;

(b) Purchaser shall have performed all of the material covenants, agreements and obligations and complied with all conditions which are required to be complied and/or performed by Purchaser prior to the Closing;

(c) Purchaser makes payment to Seller of the balance of the Purchase Price on the Closing Date in accordance with the terms and provisions of this Agreement; and

(d) The Assumption Approval shall include a release of Seller with respect to the VHDA Family Loan Documents for matters occurring from and after the Closing Date, subject only to such carveouts as may be acceptable to Seller, in Seller's sole and absolute discretion.

11.3 Termination by Purchaser. In the event each of the conditions set forth in Section 11.1 is not fulfilled within the time provided in Section 11.1 or waived, in writing, by Purchaser, then Purchaser may, at its option, terminate this Agreement, thereby releasing the parties from further obligations hereunder, and all documents delivered by Purchaser to Seller or

Escrow Agent shall be returned to Purchaser and all documents delivered by Seller to Purchaser or Escrow Agent returned to Seller, and the Deposit and all accrued and unpaid interest thereon, less Purchaser's share of escrow cancellation charges, shall be returned to Purchaser.

11.4 Termination by Seller. In the event each of the conditions set forth in Section 11.2 is not fulfilled within the time provided in Section 11.2 or waived, in writing, by Seller, then Seller may, at its option, terminate this Agreement, thereby releasing the parties from further obligations hereunder, and all documents delivered by Purchaser to Seller or Escrow Agent shall be returned to Purchaser and all documents delivered by Seller to Purchaser or Escrow Agent returned to Seller, and the Deposit and all accrued and unpaid interest thereon, less Purchaser's share of escrow cancellation charges, shall be returned to Purchaser unless Seller is entitled to receive the Deposit pursuant to Section 14.1 below.

12. Deliveries at Closing.

12.1 Seller's Deliverables. At the Closing, Seller shall execute, where applicable, and/or deliver to Purchaser the following:

- (a) The Deed;
- (b) The Bill of Sale;
- (c) The Assignment of Leases;
- (d) The Assignment of Service Contracts;
- (e) The Omnibus Assignment;
- (f) The Seller Authorization Documents;
- (g) Originals (or copies if originals are unavailable) of all of the Leases and tenant lease files, delivery to be accomplished by leaving them for Purchaser on location at the Property where they are currently filed (hereinafter called "On-Site Delivery");
- (h) A certificate of non-foreign status (the "Certificate of Non-Foreign Status") executed by Seller, which provides that Seller is not a "foreign person" as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder (the "Code"), and Purchaser has no obligation under Section 1445 of the Code to withhold and pay over to the U.S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the treasury regulations issued under said Section 1445 of the Code);
- (i) An updated Rent Roll dated not more than three (3) business days prior to the Closing Date and certified by Seller or, at Seller's option, the Manager, to be true, correct, and complete in all material respects as of the date thereof;

(j) Copies (or originals if available) of all Service Contracts by On-Site Delivery;

(k) All keys and security codes to the Improvements and to the Personal Property by On Site Delivery;

(l) Such certificates as the Escrow Agent shall reasonably require of Seller;

(m) To the extent they are in the possession of the Seller or Manager, originals or copies of certificates of occupancy, licenses, permits, authorizations, consents, and approvals required by law and issued by any governmental or quasi-governmental authority having jurisdiction over the Property to the extent the same are assignable or transferable, by On-Site Delivery;

(n) A Seller's Affidavit in the form attached hereto as Exhibit "J" or as reasonably satisfactory to the Title Company;

(o) A closing statement prepared by Escrow Agent setting forth the Purchase Price, all credits, adjustments and prorations between Seller and Purchaser, the net proceeds due Seller, and the net cash due from Purchaser (the "Closing Statement");

(p) To the extent in Seller's or Manager's possession, maintenance records and logs for the Property, by On-Site Delivery;

(q) To the extent in Seller's or Manager's possession, copies of documents and records pertaining to the operations of the Property, as limited by the terms of this Agreement, by On-Site Delivery;

(r) Notice to the tenants of the sale (the "Tenant Notice Letter"), which Purchaser shall distribute to all tenants promptly after the Closing, directing that all future rent payments should be made as the Purchaser directs, which Tenant Notice Letter shall be in the form attached hereto as Exhibit "K";

(s) Possession of the Property, subject only to the Permitted Exceptions;

(t) Notices to the counterparties under the Service Contracts, which Purchaser has elected to assume or is required to assume, informing such counterparties of the sale of the Property to Purchaser;

(u) Assignments of the VHDA Family Loan Documents, in form reasonably satisfactory to Purchaser;

(v) The Assignment and Assumption of Regulatory Agreements in the form attached hereto as Exhibit "M" (the "Regulatory Agreement Assignment"); and

(w) Such other documents as Seller and Purchaser may have agreed in this Agreement to deliver at the Closing.

12.2 Purchaser's Deliverables. At the Closing, Purchaser shall execute, where applicable, and/or deliver to Seller the following:

- (a) The Purchase Price, in cash or immediately available funds, by wire transfer which shall be received by the Escrow Agent no later than 12:00 p.m. (noon) Cleveland, Ohio time;
- (b) The Purchaser Authorization Documents;
- (c) The Assignment of Leases;
- (d) The Assignment of Service Contracts;
- (e) The Omnibus Assignment;
- (f) The Closing Statement;
- (g) The Tenant Notice Letter;
- (h) Such certificates and affidavits as the Escrow Agent shall reasonably require of Purchaser;
- (i) Assignments of the VHDA Family Loan Documents;
- (j) The Regulatory Agreement Assignment; and
- (k) Such other documents as Seller and Purchaser may have agreed in this Agreement to deliver at the Closing.

Seller shall direct Manager to make available to Purchaser, at the offices of the Manager located at the Property, all contracts, leases and leasing correspondence, receipts for deposits, financial reports, billings to tenants, invoices from vendors, and unpaid bills which pertain to the Property, except for Excluded Assets and as otherwise set forth herein, together with all advertising materials, booklets, and keys, if any, used in the operation of the Property. The foregoing shall not include the separate books, records, correspondence, and other documentation of Manager relating exclusively to other properties managed by Manager and located at its offices on the Property.

13. Prorations and Adjustments.

13.1 Ad Valorem Taxes. Seller shall be responsible for all ad valorem taxes and assessments with respect to the Property for periods prior to the fiscal year containing the Closing Date. Ad valorem taxes and assessments with respect to the Property for the fiscal year containing the Closing Date shall be prorated between Seller and Purchaser at the Closing in accordance with local custom in Virginia, as of the Closing Date. If the tax bills or statement for the fiscal tax year in which the Closing occurs do not become available until after the Closing Date, then the rates and assessed values for the previous year, with known changes, shall be used by the parties for

determining the proration of ad valorem taxes at Closing, and the parties shall re-prorate said taxes following the Closing when such tax bills or statements become available.

13.2 Income and Expenses. Rentals, utilities, water and sewer charges, service and maintenance contract costs, and all other income and expenses for the then current month or other applicable period of time during which the Closing occurs, if any, relating to the Property, shall also be prorated as of the Closing Date. Seller will use commercially reasonable efforts to have all utility meters read as of the Closing Date and shall be responsible for all utility services to the Property until the Closing. With respect to any delinquent rents due to Seller, Purchaser shall make reasonable efforts to collect the same after the Closing in the usual course of operation of the Property. All rents collected by Purchaser after the Closing shall be applied first to rents for the month in which the collection occurs, second to delinquent rents due to Purchaser, and third to delinquent rents due to Seller. Any delinquent rents, when applied as provided herein, which relate in whole or in part to any period prior to the Closing Date shall be remitted by Purchaser to Seller when and if collected by Purchaser (less any reasonable costs of collection). Purchaser shall have no obligation (i) to initiate or prosecute any suit to collect any delinquent rents owed to Seller, (ii) to terminate any Lease, or (iii) to evict any tenant. In the event Seller receives any rents from tenants after the Closing, Seller shall promptly deliver said rents to Purchaser without deduction or offset, for application by Purchaser in accordance with the terms hereof. This Section 13.2 shall survive the Closing.

13.3 Seller's Costs and Adjustments. Seller shall pay for: (1) Seller's portion of the prorated ad valorem and personal property taxes, and other prorated items as herein provided; (2) Seller's own attorneys' fees; (3) any documentary stamps, transfer taxes and/or surtaxes with respect to the Deed or transfer of the Property; (4) any commissions, fees, or other compensation or reimbursement due, if any, to any direct or indirect affiliate of Seller; (5) any commissions, fees, or other compensation or reimbursement due, if any, to any brokers engaged by or claiming through Seller; (6) one-half (1/2) of any escrow or closing fees charged by the Escrow Agent (to the extent not otherwise included in the title premium); (7) any other expenses allocated to Seller by this Agreement; and (8) the title insurance premium for, and other costs associated with, the Title Policy, except for any lender's title policy and any endorsements to the Title Policy or increased costs for extended coverage under the Title Policy

13.4 Purchaser's Costs and Adjustments. Purchaser shall pay for: (1) Purchaser's own attorneys' fees; (2) the title insurance premium and any endorsements to the Title Policy or increased costs for extended coverage under the Title Policy; (3) Purchaser's portion of the prorated ad valorem and personal property taxes, and other prorated items as herein provided; (4) the costs and expenses of recording of the Deed; (5) Purchaser's Due Diligence costs and expenses; (6) the cost of the Survey obtained by Purchaser, if any; (7) any commissions, fees, or other compensation or reimbursement due, if any, to any brokers engaged by or claiming through Purchaser; (8) any and all costs, expenses or fees pertaining or relating to or required in connection with the Assumption Approvals; (9) one-half (1/2) of any escrow or closing fees charged by the Escrow Agent (to the extent not otherwise included in the title premium); (10) any state/local transfer taxes imposed on Purchaser; and (11) any other expenses allocated to Purchaser by this Agreement.

13.5 Security Deposits. At the Closing, Seller shall also give Purchaser a credit against the Purchase Price of a sum equal to the aggregate of any Security Deposits required to be remitted to tenants under the Leases along with any accrued interest thereon required by law or under the Leases.

13.6 Deposit. At the Closing, Purchaser shall receive a credit toward the Purchase Price in an amount equal to the Deposit, and the Deposit shall be delivered to Seller.

13.7 Miscellaneous Adjustments. Amounts paid or payable under Service Contracts being assigned to Purchaser shall be prorated. Seller shall retain and reserve from the sale of the Property all (i) utility deposits or any assignable bonds supplied in lieu thereof, (ii) deposits with governmental or quasi-governmental agencies and (iii) initial inducement payments made by vendors or service providers. Such other items and expenses that are customarily prorated or allocated in transactions of this nature, and not otherwise expressly addressed in this Agreement, shall be prorated or allocated in accordance with such customs of Chesterfield County, Virginia.

13.8 Calculation of Prorations. For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing is completed. All such prorations shall be made on the basis of the actual number of days of the year and months which shall have elapsed as of the Closing Date. In the event any expenses are prorated at Closing based upon estimates as opposed to actual bills, such expenses shall be re-prorated following Closing promptly upon receipt of actual bills or invoices, but in no event later than one hundred eighty (180) days following Closing. Items of income and expense for the period prior to the Closing Date will be for the account of Seller, all as determined by the accrual method of accounting; provided, however, that the proration of rents made at the Closing shall be on an "as collected" basis; provided further, Purchaser shall receive a credit at the Closing for all rents collected by Seller prior to the Closing which are attributable to the period of time after the Closing. Bills received after the Closing which relate to expenses incurred, services performed, or other amounts allocable to the period prior to the Closing Date shall be paid by Seller. This Section 13.8 shall survive the Closing.

13.9 VHDA Family Loan. Interest accrued under the VHDA Family Loan shall be prorated on an accrual basis. Seller shall, at Closing, assign and transfer to Purchaser all of Seller's right, title and interest in and to all deposits, if any, made by Seller and held by the VHDA Family Lender as of the Closing including for the payment of taxes, insurance and capital repairs relating to the Property, and Purchaser shall at Closing pay to Seller an amount equal to the aggregate amount of such deposits and any interest accrued thereon.

3.10 Survival. This Section 13 shall survive the Closing.

14. Default and Remedies.

14.1 Default by Purchaser. If Purchaser defaults in its obligation to consummate the purchase of the Property pursuant to this Agreement, including but not limited to a failure or refusal of Purchaser to deliver the documents and funds required under Section 12.2 of this

Agreement or the Closing fails to occur as a result of the gross negligence, recklessness, fraud or willful misconduct of Purchaser, then Seller shall be entitled, as its sole and exclusive remedy, at law or in equity, to terminate this Agreement, whereupon the Deposit (including any portion of the Deposit to which Purchaser received a credit) shall be forfeited to Seller as liquidated damages and not as penalty, in full satisfaction of claims against Purchaser hereunder. Seller and Purchaser agree that Seller's damages resulting from Purchaser's default are difficult, if not impossible, to determine and the Deposit is a fair estimate of those damages which has been agreed to in an effort to cause the amount of such damages to be certain. This Section 14.1 shall not bar or waive Seller's right to bring an action or claim against Purchaser for any other default or breach by Purchaser under this Agreement not covered by the previous two sentences. IN NO EVENT SHALL PURCHASER'S DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, OWNERS OR OTHER AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

14.2 Default by Seller. If Seller fails to consummate the sale of the Property pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to the Closing for any reason except failure by Purchaser to perform hereunder, or if prior to the Closing any one or more of Seller's representations or warranties are breached in any material respect, and such default or breach is not cured by the earlier of the fifteenth (15th) business day after written notice thereof from Purchaser or the Closing Date (Purchaser hereby agreeing to give such written notice to Seller within three (3) business days after Purchaser first learns of any such default or breach by Seller, except no notice or cure period shall apply if Seller fails to consummate the sale of the Property hereunder), Purchaser shall elect, as its sole remedy, either to (A) terminate this Agreement by giving Seller timely written notice of such election prior to or at the Closing and recover the Deposit, and if Purchaser's election to terminate this Agreement is caused by Seller's default or breach of this Agreement (but not Purchaser's failure to obtain the Assumption Approval), then Seller shall reimburse Purchaser for its actual out-of-pocket expenses incurred in connection with the negotiation and performance of this Agreement, including items such as attorneys' fees, due diligence expenses and non-refundable lender fees and deposits, but not to exceed One Hundred Thousand Dollars (\$100,000) in the aggregate when combined with such fees and expenses for Grand Oaks Senior Agreement, (B) enforce specific performance to consummate the sale of the Property hereunder, or (C) waive said failure or breach and proceed to the Closing without any reduction in the Purchase Price. Notwithstanding anything herein to the contrary, Purchaser shall be deemed to have elected option (A) above if Purchaser fails to deliver to Seller written notice of its intent to file a claim or assert a cause of action for specific performance against Seller on or before thirty (30) days following the scheduled Closing Date or, having given such notice, fails to file a lawsuit asserting such claim or cause of action in the county in which the Property is located within sixty (60) days following the scheduled Closing Date. Purchaser hereby waives all other remedies, including without limitation, any other claim for monetary damages, unless specific performance is not available due to the affirmative acts of Seller. IN NO EVENT SHALL SELLER'S DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, OWNERS OR AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY PERSONAL LIABILITY FOR ANY CLAIM, CAUSE OF ACTION

OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

14.3 Post Closing Remedies. If the Closing is consummated, each party shall have all remedies available at law or in equity in the event either fails thereafter to perform any of their respective obligations under this Agreement which expressly survive the Closing, subject to the limitations set forth in Section 7.3 hereof.

14.4 Survival. The provisions of Section 14 shall survive the Closing.

15. Casualty. Seller shall bear all risk of loss or damage to the Property from all such causes until the Closing. Seller shall give prompt notice to Purchaser of any such loss or damage to the Property. If the Property, or any part thereof, suffers minor damage prior to the Closing from fire or other casualty, Seller may, at its option, either (i) repair the minor damage, prior to the Closing at Seller's sole cost and expense, and the proceeds of any insurance covering such minor damage shall be received and kept by Seller with no reduction, offset or abatement in the Purchase Price, (ii) not repair the minor damage, and if no insurance covers such minor damage then provide Purchaser with a reduction, offset or abatement in the Purchase Price equal to the cost and expense to repair such minor damage, or (iii) not repair the minor damage, and the proceeds of any insurance covering such minor damage shall be assigned to Purchaser at the Closing, with no reduction, offset or abatement in the Purchase Price, except (a) for minor damage in excess of Seller's insurance deductible, Purchaser shall receive a credit at the Closing in the amount of the insurance deductible under Seller's insurance policy or (b) for minor damage less than Seller's insurance deductible, Purchaser shall receive a credit at the Closing in an amount equal to the cost to repair the minor damage as reasonably determined by Seller and Purchaser. Any determination of whether minor damage or major damage occurred to the Property shall be supported by one or more bids obtained by Seller from qualified parties, and, if there is a deviation between the bids, the amount of such bids shall be averaged. Purchaser does not have a right to terminate this Agreement due to minor damage to the Property or any part thereof. If the Property, or any part thereof, suffers major damage prior to the Closing from fire or other casualty, then Purchaser may either (i) terminate this Agreement, whereupon the Deposit shall be refunded to Purchaser, and neither party shall have any further rights or obligations pursuant to this Agreement, except with respect to those matters which by their terms survive termination of this Agreement, or (ii) consummate the Closing, whereupon the proceeds of any insurance covering such major damage shall be assigned to Purchaser at the Closing, with no reduction, offset or abatement in the Purchase Price, except that Purchaser shall receive a credit at the Closing in an amount equal to the amount of the insurance deductible under Seller's insurance policy. For purposes of this Section 15, in no event shall Seller be expected or required to both pay an insurance deductible and provide a credit to the Purchase Price in the amount of such insurance deductible paid by Seller. For purposes of this Agreement, "major damage" shall mean damage or destruction, the cost of repairing which exceeds the aggregate sum equal to \$200,000. For purposes of this Agreement, "minor damage" shall mean damage or destruction, the cost of repairing which is less than or equal to the aggregate sum equal to \$200,000. If the parties disagree as to whether any damage is major or minor damage, such determination shall be made by an independent person or entity qualified and experienced in making such determinations, and who shall be selected and compensated by Purchaser. Unless Purchaser elects to terminate this Agreement due to major

damage to the Property, Seller hereby agrees that it shall not settle or compromise any insurance claim relating to the Property without the prior written approval of Purchaser, which approval will not be unreasonably withheld, conditioned, delayed or denied. This Section 15 shall survive the Closing.

16. Condemnation. If, prior to the Closing, action is initiated or overtly threatened to take all or any material portion of the Property, Purchaser may either (a) terminate this Agreement, whereupon the Deposit shall be returned to Purchaser and neither party shall have any further rights or obligations pursuant to this Agreement, except with respect to those matters which by their terms survive the termination of this Agreement, or (b) consummate the Closing, whereupon the award of the condemning authority shall be assigned to Purchaser at the Closing, with no reduction, offset, or abatement in the Purchase Price. In the event of a non-material taking of a portion of the Property which shall occur prior to the Closing, the provisions of subparagraph (b) shall apply with regard thereto. Any taking (i) which reduces the number of apartment units, (ii) which yields net proceeds in excess of ten percent (10%) of the actual aggregate base rent as set forth on the Rent Roll, (iii) for which the cost of restoring the Improvements would exceed an amount equal to \$200,000, (iv) in which twenty percent (20%) or more of the parking spaces are taken or such condemnation would otherwise result in the Property materially violating applicable zoning ordinances or other governmental laws or ordinances related to parking, or (v) which would materially affect ingress and egress to the Property other than on a temporary basis shall be deemed to be "material" for the purposes of this Section 16. Unless Purchaser elects to terminate this Agreement pursuant to this Section 16, Seller will not compromise or settle any condemnation award without the prior written approval of Purchaser, which approval will not be unreasonably withheld, conditioned, delayed or denied. This Section 16 shall survive the Closing.

17. Brokers. Purchaser and Seller warrant that neither has engaged or dealt with any agent, broker or finder who is claiming any fee, a commission or other compensation with regard to this Agreement or the sale and purchase of the Property contemplated herein. Purchaser hereby indemnifies and agrees to hold Seller harmless from and against any and all claims, actions, causes of action, loss, damage liability, costs or expenses, including, without limitation, attorneys' and paralegals' fees and expenses (whether or not an action is commenced, whether incurred before, during or after trial or upon any appellate level, or in arbitration, mediation, any administrative proceeding or any proceeding in bankruptcy or insolvency) incurred by Seller as the result of any claim by any agent, broker or finder who was or is engaged by Purchaser or with whom Purchaser has dealt for any fee, commission or other compensation with respect to this Agreement or the sale and purchase of the Property. Seller hereby indemnifies and agrees to hold Purchaser harmless from and against any and all claims, actions, causes of action, loss, damage liability, costs or expenses, including, without limitation, attorneys' and paralegals' fees and expenses (whether or not an action is commenced, whether incurred before, during or after trial or upon any appellate level, or in arbitration, mediation, any administrative proceeding or any proceeding in bankruptcy or insolvency) that Purchaser shall incur because of any claim by any agent, broker or finder who was or is engaged by Seller or with whom Seller has dealt. Each indemnity herein shall survive the Closing or any termination of this Agreement.

18. Execution. The "Effective Date" of this Agreement shall be the date set forth on page one of this Agreement.

19. Notices. All notices, requests, elections, and communications (“Notice”) under this Agreement shall be delivered by telecopy or email transmission (with proof of delivery), by personal delivery, or by overnight express with a receipt required to be signed, return receipt requested, to the individuals and addressed indicated below:

If to Seller: c/o The NRP Group LLC
The Halle Building
1228 Euclid Avenue, Suite 400
Cleveland, Ohio 44115
Attn: Noam Magence, General Counsel
Fax: (216) 475-8900
Email: nmagence@nrpgroup.com

and

The NRP Group LLC
The Halle Building
1228 Euclid Avenue, Suite 400
Cleveland, Ohio 44115
Attn: Noam Magence, General Counsel
Fax: (216) 475-8900
Email: NMagence@nrpgroup.com

with a copy to: Nelson Mullins Broad and Cassel
390 N. Orange Ave., Suite 1400
Orlando, Florida 32801
Attn: David F. Leon, Esq.
Fax: (407) 425-8377
Email: david.leon@nelsonmullins.com

If to Purchaser: FRH REALTY LLC
5355 Mira Sorrento Place, Suite 100
San Diego, California 92121
Attn: Jon MacDonald and Paul Kudirka
Fax: (858) 626-8816
Email: JMacdonald@ffres.com
PKudirka@ffres.com

with a copy to: Rutan & Tucker, LLP
611 Anton Blvd., 14th Floor
Costa Mesa, CA 92626
Attn: Patrick D. McCalla
Fax: (714) 546-9035
Email: pmccalla@rutan.com

If to Escrow Agent: First American Title Insurance Company
18500 Von Karman Avenue, Suite 600

Irvine, California 92612
Attn: Ryan Hahn
Fax: (877) 372-0261
Email: rhahn@firstam.com

Any notice provided for herein shall become effective (i) upon and at the time of receipt by the first recipient for such party listed above (not any copy parties) to whom it is given or when delivery is refused by such party, if hand delivered, (ii) if sent by telecopy or email transmission, upon confirmation of transmission, provided that a copy of such notice is delivered the following day by nationally recognized overnight courier or U.S. mail, and (iii) upon and at the time of delivery to the first recipient for such party listed above (not any copy parties) or when delivery is refused, in each case at the address given, if delivered by an overnight courier service. Notice given by counsel to a party in accordance with the above requirements shall be deemed given by such party.

20. Title Company and Title Policy. The Title Company shall (i) ensure that First American Title Insurance Company issues to Purchaser, on behalf of the Title Company, a closing protection letter (sometimes called an insured closing letter) prior to the expiration of the Inspection Period, and (ii) write and issue the Title Policy as an agent of First American Title Insurance Company.

21. Assignment. This Agreement may not be assigned by Purchaser without the prior written consent of Seller; provided, however, that Purchaser may assign this Agreement in whole, but not in part, to a partnership or limited liability company in which Purchaser or an affiliate of Purchaser is a general partner, managing member or manager, and provided that (a) such assignment is accomplished no later than five (5) business days prior to the Closing, (b) such assignee assumes and agrees to pay and/or perform all obligations and liabilities of Purchaser under this Agreement, and (c) that Purchaser and such assignee shall each remain jointly and severally liable for all of Purchaser's performance, obligations and liabilities under this Agreement.

22. Attorneys' Fees. Should any action be brought arising out of this Agreement, including, without limitation, any action for declaratory or injunctive relief, any action seeking indemnity hereunder, or any action for the enforcement hereof, the prevailing party shall be entitled to reasonable attorneys' fees and costs and expenses of investigation, all as actually incurred, including, without limitation, reasonable attorneys' fees, costs, and expenses of investigation incurred before, during or after trial or in any in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under the United States Bankruptcy Code, or any successor statutes. Any judgment or decree rendered in any such actions or proceedings shall include the award of attorneys' fees, costs, and expenses, as just described. The terms of this Section 22 shall survive the Closing or the termination of this Agreement.

23. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE COMMONWEALTH OF VIRGINIA AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE COMMONWEALTH OF VIRGINIA. VENUE AND JURISDICTION FOR ANY ACTION BROUGHT HEREUNDER IS HEREBY AGREED TO

BE PROPER AND LIE EXCLUSIVELY WITH THE APPROPRIATE COURT LOCATED IN CHESTERFIELD COUNTY, VIRGINIA.

24. Offer. The submission by Seller of this Agreement to Purchaser for examination does not constitute an offer by Seller to Purchaser, or a reservation of or an option for the Property.

25. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

26. Invalid Provision. In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect for any reason, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

27. Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

28. Entire Agreement. This Agreement constitutes the entire, sole, and only agreement of the parties hereto and supersedes any prior understanding or written or oral agreements between the parties respecting the subject matter of this Agreement.

29. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular shall be held to include the plural and vice versa unless the context requires otherwise.

30. Time Periods. Time is of the essence in this Agreement and each and every provision hereof. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday, or legal holiday. The term "business day" shall mean any day which is not a Saturday, Sunday or legal holiday.

31. Amendment. No modification, amendment, or waiver of any portion of this Agreement shall be effective unless it is in writing and signed by Seller and Purchaser.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state

laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

33. Exhibits. The exhibits, referenced in and attached to this Agreement, are incorporated in, and made a part of, this Agreement for all purposes.

34. Notice of Claims. Seller and Purchaser, as applicable, shall promptly notify the other in the event any claim is made against Seller or Purchaser as to which the other party has agreed to indemnify. This paragraph shall survive the Closing of this transaction or any termination of this Agreement.

35. Books and Records. The transaction contemplated hereby includes the books and records of Seller pertaining strictly to the operation of the Property. Books and records not pertaining strictly to the operation of the Property may be removed by Seller within a reasonable time after the Closing Date. Purchaser agrees to maintain and preserve all books and records, files and correspondence regarding the Property to the extent delivered to Purchaser for at least four (4) years after the Closing Date, and not to destroy or dispose of the same for at least four (4) years after the Closing Date. Upon Seller's reasonable written request, Purchaser agrees to provide reasonable access to Seller and its representatives to all such books, records, files and correspondence regarding the Property. This Section 35 shall survive the Closing.

36. No Occupancy of Property by Seller. Seller warrants and represents that from and after the date of the Closing, neither Seller nor any affiliate of Seller shall occupy or remain in occupancy of all or any portion of the Property.

37. No Joint Venture or Partnership. Nothing in this Agreement shall be deemed to create any joint venture or partnership between the parties and none exists with respect to the Property.

38. Confidentiality. Seller and Purchaser (each a "Party" for purposes of this Section 38) acknowledge that the transaction described herein is of a confidential nature and, prior to the Closing, shall not be disclosed by any Party, nor by any of their respective parents, subsidiaries, employees, or affiliates, including, without limitation, the Manager, except to partners of Seller and Purchaser, attorneys, lenders, potential equity sources, accountants, consultants, advisors, and affiliates, as a result of any action required to be performed by a Party under this Agreement, or as required by law. Prior to the Closing, no Party shall make any public disclosure of the specific terms of this Agreement, except as required by law. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated hereby, each Party acknowledges that it will have access to confidential information relating to the other Party. Each Party shall treat such information as confidential, preserve the confidentiality thereof, and not duplicate or use such information, except to the partners of Seller or Purchaser, and attorneys, lenders, potential equity sources, accountants, advisors, consultants, and affiliates in connection with the transactions contemplated hereby. In the event of the termination of this Agreement for any reason whatsoever, Purchaser shall return to Seller, at Seller's request, all documents, work papers, and other material (including all copies thereof) obtained from Seller in connection with the transactions contemplated hereby, and each Party shall use reasonable best efforts, including instructing its employees and others who have had access to

such information, to keep confidential and not to use any such information except as otherwise permitted by law. Neither Seller nor Purchaser shall make statements to the press or issue a press release regarding the transaction contemplated by this Agreement prior to the Closing but may do so after the Closing without the consent of the other Party; provided, however, that any statements to the press or press release by Seller or its employees, directors, constituent entities, or any of their respective representatives must not disclose the Purchase Price. Notwithstanding the foregoing, after the Closing, Seller may disclose the amount of the Purchase Price for the Property to actual or potential investors, actual or potential lenders in similar projects of Seller (or its affiliates). Further, notwithstanding anything contained in this Section 38 or elsewhere in this Agreement to the contrary, neither Purchaser nor Seller shall have any liability concerning information (including, without limitation, information regarding the Purchase Price) which becomes public due to no wrongful action on the part of such Party, or which is ordered or required to be publicly released by the requirement of any governmental agency or entity.

39. Discharge of Obligations. The acceptance of the Deed by Purchaser at the Closing shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which by the terms of this Agreement expressly survive the Closing.

40. Waiver. Except as expressly provided to the contrary herein, no waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing waiver.

41. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE UNDERSIGNED WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, ANY ASPECT OF THE TRANSACTION IN CONNECTION WITH WHICH THIS AGREEMENT IS BEING GIVEN OR ANY DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH SUCH TRANSACTION, WHETHER IN CONTRACT OR IN TORT.

42. Definitions. Wherever the term “including” is used herein, it shall be deemed to mean “including, without limitation,” whether or not such words are expressly written and whether or not they are written elsewhere.

43. Property Tax Appeals. Seller retains the right to pursue and control any tax appeals applicable to periods prior to the tax year of the Closing, and Purchaser shall cooperate with Seller with respect to any such appeals at no material cost or expense to Purchaser. Any refund of real property taxes or special assessments relating to the tax year prior to the Closing shall be solely for the account of Seller. To the extent Purchaser receives any such refund, Purchaser shall remit such refund in-full to Seller within ten (10) business days of receipt thereof. Notwithstanding the foregoing, Purchaser and Seller shall reasonably and jointly pursue and control any tax appeals applicable to the tax year of the Closing, and the parties shall prorate all costs incurred and monies recovered in connection therewith based on the portion of the proceeds of any tax appeal recovery allocable to each party’s respective period of ownership of the Property during the tax year of the Closing. To the extent there is a reassessment of the Property by the applicable taxing authority that results in additional monies being due and owing for the period prior to the tax year of the

Closing, Seller acknowledges and agrees that Seller is obligated for the payment of any real property taxes or special assessments for any such period prior to the tax year of the Closing (but without limiting Seller's right to pursue any tax appeals set forth in the first sentence, above, of this Section 43), and shall remit such funds directly to the applicable taxing authority or to Purchaser, as applicable, before the same becomes delinquent. This Section 43 shall survive the Closing.

44. Property Taxes. PURCHASER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE PURCHASER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS MAY TRIGGER REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.

45. Cross-Default. Purchaser and Seller acknowledge that Purchaser has entered into a Purchase and Sale Agreement of Real Property (the "Grand Oaks Senior Agreement") with Grand Oaks Senior Apartments, L.P., a Virginia limited partnership (the "Grand Oaks Senior Seller"), which is an affiliate of Seller. Notwithstanding anything to the contrary herein, any default under the Grand Oaks Senior Agreement shall be a default under this Agreement, it being the intent of the parties hereto that this Agreement and the Grand Oaks Senior Agreement shall be cross-defaulted. In the event Purchaser terminates this Agreement (for any reason other than a Seller default), the Grand Oaks Senior Agreement shall be deemed terminated and the termination by Purchaser's affiliate of the Grand Oaks Senior Agreement shall be deemed a termination of this Agreement.


[Remainder of Page Intentionally Blank; Signatures on Following Pages]

IN WITNESS WHEREOF, Purchaser and Seller have caused this Agreement to be executed and to be effective as of the Effective Date.

SELLER:

GRAND OAKS APARTMENTS, L.P.,
a Virginia limited partnership


By: NRP Grand Oaks Apartments LLC, a
Virginia limited liability company, its
general partner

By: 

J. David Heller, as Manager

PURCHASER:

FRH REALTY LLC, a Delaware limited
liability company

By: 


Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

[SIGNATURE PAGE – PURCHASE AND SALE AGREEMENT]

[SIGNATURE PAGE – PURCHASE AND SALE AGREEMENT]

**JOINDER BY ESCROW AGENT, ONLY AS TO
ITS OBLIGATIONS HEREUNDER:**

FIRST AMERICAN TITLE INSURANCE
COMPANY

By:  _____

Name: BYAN HAAN

Title: ESCROW OFFICER

Schedule of Exhibits

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Inventory of Material Personal Property

Exhibit "C" – Form of the Deed

Exhibit "D" – Form of Bill of Sale

Exhibit "E" – Form of Assignment of Leases

Exhibit "F" – Form of Assignment of Service Contracts

Exhibit "G" – Form of Omnibus Assignment

Exhibit "H" -- Service Contracts

Exhibit "I" – Rent Roll

Exhibit "J" – Form of Seller's Affidavit

Exhibit "K" – Form of Tenant Notice Letter

Exhibit "L" – List of Pending Litigation Regarding the Property

Exhibit "M" – Form of Assignment and Assumption of Regulatory Agreements

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF STATE ROUTE 10 IN A WESTERN DIRECTION A DISTANCE OF 219.92 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE SOUTH 78 DEGREES 35 MINUTES 54 SECONDS WEST A DISTANCE OF 272.26 FEET TO A ROD SET, THENCE LEAVING SAID RIGHT OF WAY LINE OF STATE ROUTE 10, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 649.41 FEET TO A PIPE FOUND 0.83 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 241.92 FEET TO A PIPE FOUND 1.19 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 275.00 FEET TO A PIPE FOUND, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 29 FEET PLUS OR MINUS TO A POINT, SAID POINT LYING IN THE CENTERLINE OF GREAT BRANCH CREEK, THENCE ALONG THE CENTERLINE OF GREAT BRANCH CREEK AS IT MEANDERS IN A NORTHERN DIRECTION A DISTANCE OF 1114 FEET PLUS OR MINUS TO A POINT, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 7 FEET PLUS OR MINUS TO A ROD FOUND, THENCE SOUTH 58 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 370.78 FEET TO A ROD FOUND, THENCE SOUTH 24 DEGREES 21 MINUTES 29 SECONDS EAST A DISTANCE OF 58.59 FEET TO A SET ROD, THENCE SOUTH 06 DEGREES 45 MINUTES 42 SECONDS WEST A DISTANCE OF 73.45 FEET TO A SET ROD, THENCE SOUTH 41 DEGREES 34 MINUTES 44 SECONDS EAST A DISTANCE OF 53.38 FEET TO A SET ROD, THENCE SOUTH 87 DEGREES 34 MINUTES 40 SECONDS EAST A DISTANCE OF 84.86 FEET TO A SET ROD, THENCE SOUTH 56 DEGREES 55 MINUTES 07 SECONDS EAST A DISTANCE OF 288.45 FEET TO A SET ROD, THENCE SOUTH 31 DEGREES 16 MINUTES 55 SECONDS EAST A DISTANCE OF 66.48 FEET TO A SET ROD, THENCE SOUTH 22 DEGREES 14 MINUTES 49 SECONDS EAST A DISTANCE OF 99.81 FEET TO A SET ROD, THENCE SOUTH 66 DEGREES 30 MINUTES 57 SECONDS EAST A DISTANCE OF 137.08 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 13 DEGREES 33 MINUTES 48 SECONDS WEST A DISTANCE OF 276.00 FEET TO A ROD FOUND, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 56 DEGREES 49 MINUTES 14 SECONDS WEST A DISTANCE OF 270.23 FEET TO A ROD FOUND, THENCE SOUTH 13 DEGREES 32 MINUTES 53 SECONDS WEST A DISTANCE OF 129.34 FEET TO A ROD FOUND, THENCE

NORTH 68 DEGREES 51 MINUTES 41 SECONDS WEST A DISTANCE OF 158.67 FEET TO A ROD FOUND, THENCE SOUTH 36 DEGREES 41 MINUTES 38 SECONDS WEST A DISTANCE OF 70.38 FEET TO A ROD FOUND, THENCE SOUTH 53 DEGREES 04 MINUTES 38 SECONDS EAST A DISTANCE OF 40.01 FEET TO A ROD FOUND, THENCE SOUTH 26 DEGREES 52 MINUTES 04 SECONDS WEST A DISTANCE OF 154.64 FEET TO A ROD FOUND, THENCE SOUTH 63 DEGREES 33 MINUTES 28 SECONDS EAST A DISTANCE OF 151.50 FEET TO A ROD FOUND, THENCE SOUTH 11 DEGREES 38 MINUTES 31 SECONDS EAST A DISTANCE OF 222.31 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, AND CONTAINING 23.5± ACRES OF LAND MORE OR LESS.

TOGETHER WITH AND SUBJECT TO RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BETWEEN GRAND OAKS APARTMENTS, L.P. AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5141, PAGE 410.

EXHIBIT "B"

INVENTORY OF MATERIAL PERSONAL PROPERTY

[Attached]

EXHIBIT "C"

FORM OF DEED

SPECIAL WARRANTY DEED

[Attached]

SPECIAL WARRANTY DEED

Prepared by: Terry Costolo, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801

Tax Assessor Parcel: []
Title Insurer: First American Title Insurance Company

THIS SPECIAL WARRANTY DEED, made this _____ day of _____, 2021, by and between GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership, whose address is in care of The NRP Group, 1228 Euclid Avenue, 4th Floor, Cleveland, Ohio 44115 (the "Grantor") and [], a _____, whose address is in care of FRH Realty LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121 (the "Grantee"), provides as follows:

WITNESSETH:

NOW, THEREFORE, for and in consideration of \$10.00, and other good and valuable consideration, paid by the Grantee, the receipt whereof is hereby acknowledged, the Grantor, does grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto said Grantee in fee simple, the following described real estate, to-wit:

All that certain real estate situate in the County of Chesterfield, Virginia, described as follows (the "Property"):

See Exhibit A attached hereto.

Subject to any easements, conditions, and restrictions of record with respect to real estate described above to the extent that the same are applicable thereto, the Grantor hereby binds itself to warrant and defend the title as against all acts of the Grantor herein and no other.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever.

[Signature Page Follows]

WITNESS the following signature as of the day, month and year first above written.

Signed, sealed, and delivered
in the presence of:

GRAND OAKS APARTMENTS, L.P., a Virginia
limited partnership

By: NRP Grand Oaks Apartments LLC, its
general partner

Print Name: _____

By: _____
J. DAVID HELLER, AS MANAGER

Print Name: _____

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this ____ day of _____, 202__,
by J. David Heller, as Manager of NRP Grand Oaks Apartments LLC, as general partner of
GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership, on behalf of such company.
He is personally known to me or has produced _____ as
identification. This is an acknowledgment clause. No oath or affirmation was administered to the
signor.

Notary Public, State of Ohio
Print Name: _____
Commission No.: _____
My Commission Expires: _____

EXHIBIT A
Legal Description

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF STATE ROUTE 10 IN A WESTERN DIRECTION A DISTANCE OF 218.92 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE SOUTH 78 DEGREES 35 MINUTES 54 SECONDS WEST A DISTANCE OF 272.26 FEET TO A ROD SET, THENCE LEAVING SAID RIGHT OF WAY LINE OF STATE ROUTE 10, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 649.41 FEET TO A PIPE FOUND 0.83 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 241.92 FEET TO A PIPE FOUND 1.19 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 275.00 FEET TO A PIPE FOUND, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 29 FEET PLUS OR MINUS TO A POINT, SAID POINT LYING IN THE CENTERLINE OF GREAT BRANCH CREEK, THENCE ALONG THE CENTERLINE OF GREAT BRANCH CREEK AS IT MEANDERS IN A NORTHERN DIRECTION A DISTANCE OF 1114 FEET PLUS OR MINUS TO A POINT, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 7 FEET PLUS OR MINUS TO A ROD FOUND, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 370.78 FEET TO A ROD FOUND, THENCE SOUTH 24 DEGREES 21 MINUTES 29 SECONDS EAST A DISTANCE OF 58.59 FEET TO A SET ROD, THENCE SOUTH 06 DEGREES 45 MINUTES 42 SECONDS WEST A DISTANCE OF 73.45 FEET TO A SET ROD, THENCE SOUTH 41 DEGREES 34 MINUTES 44 SECONDS EAST A DISTANCE OF 53.36 FEET TO A SET ROD, THENCE SOUTH 67 DEGREES 34 MINUTES 40 SECONDS EAST A DISTANCE OF 84.86 FEET TO A SET ROD, THENCE SOUTH 56 DEGREES 55 MINUTES 07 SECONDS EAST A DISTANCE OF 288.45 FEET TO A SET ROD, THENCE SOUTH 31 DEGREES 16 MINUTES 55 SECONDS EAST A DISTANCE OF 68.48 FEET TO A SET ROD, THENCE SOUTH 22 DEGREES 14 MINUTES 49 SECONDS EAST A DISTANCE OF 99.81 FEET TO A SET ROD, THENCE SOUTH 66 DEGREES 30 MINUTES 57 SECONDS EAST A DISTANCE OF 137.08 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 276.00 FEET TO A ROD FOUND, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 58 DEGREES 49 MINUTES 14 SECONDS WEST A DISTANCE OF 270.23 FEET TO A ROD FOUND, THENCE SOUTH 13 DEGREES 32 MINUTES 53 SECONDS WEST A DISTANCE OF 129.34 FEET TO A ROD FOUND, THENCE

NORTH 58 DEGREES 51 MINUTES 41 SECONDS WEST A DISTANCE OF 158.67 FEET TO A ROD FOUND, THENCE SOUTH 36 DEGREES 41 MINUTES 38 SECONDS WEST A DISTANCE OF 70.38 FEET TO A ROD FOUND, THENCE SOUTH 53 DEGREES 04 MINUTES 38 SECONDS EAST A DISTANCE OF 40.01 FEET TO A ROD FOUND, THENCE SOUTH 26 DEGREES 52 MINUTES 04 SECONDS WEST A DISTANCE OF 154.64 FEET TO A ROD FOUND, THENCE SOUTH 63 DEGREES 33 MINUTES 28 SECONDS EAST A DISTANCE OF 181.50 FEET TO A ROD FOUND, THENCE SOUTH 11 DEGREES 38 MINUTES 31 SECONDS EAST A DISTANCE OF 222.31 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, AND CONTAINING 23.5± ACRES OF LAND MORE OR LESS.

TOGETHER WITH AND SUBJECT TO RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BETWEEN GRAND OAKS APARTMENTS, L.P. AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5141, PAGE 418.

Exhibit "B"

Permitted Exceptions

[List of Permitted Exceptions – to be inserted]

EXHIBIT "D"

[FORM OF]
BILL OF SALE

STATE OF _____

COUNTY OF _____

KNOW ALL MEN BY THESE PRESENTS:

THAT GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership ("Seller"), whose office address is The Halle Building, 1228 Euclid Avenue, Suite 400, Cleveland, Ohio 44115, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has, as of the Effective Date (as defined herein), granted, bargained, sold, transferred, set over and delivered, and by these presents does grant, bargain, sell, transfer, set over and deliver unto [_____ LLC], a Delaware limited liability company ("Purchaser"), and its assigns, all of Seller's right, title and interest in and to the tangible personal property described as follows:

all furniture, furnishings, fixtures (including appliances), equipment which is owned by the Seller and is used exclusively at, or exclusively in connection with the operation or management of the Land (as defined in the Purchase and Sale Agreement of Real Property dated [_____, ____], 2021], by and between Seller and FRH REALTY LLC, a Delaware limited liability company, as assigned to Purchaser (the "Purchase Agreement") or the Improvements (as defined in the Purchase Agreement), and other articles of tangible personal property of every nature and description owned by Seller and attached to or used exclusively in connection with the operation and maintenance of the Improvements, the material items of which are set forth in the inventory which is attached hereto as Exhibit "A" subject to reasonable wear and tear and consumption of consumable items (collectively, the "Personal Property").

TO HAVE AND TO HOLD, without warranty, the Personal Property unto Purchaser and its successors and assigns forever.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of this [____] day of [____], 202__ (the "Effective Date").

GRAND OAKS APARTMENTS, L.P.,
a Virginia limited partnership

By: NRP Grand Oaks Apartments LLC, its
general partner

By: _____
J. DAVID HELLER, AS MANAGER

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by J. David Heller, as Manager of NRP Grand Oaks Apartments LLC, as general partner of GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership, on behalf of such company. He is personally known to me or has produced _____ as identification. This is an acknowledgment clause. No oath or affirmation was administered to the signor.

Print Name: _____
Notary Public, State of _____
My Commission Expires: _____
My Commission No.: _____

Exhibit "A"

Inventory

[Attached]

EXHIBIT "E"

[FORM OF]
ASSIGNMENT OF LEASES
AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT OF LEASES AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this [] day of [], 202__ (the "Effective Date"), by and between GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership ("Assignor"), and [] LLC, a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignee is this day purchasing from Assignor and Assignor is conveying to Assignee that certain land described on Exhibit "A" attached hereto and made a part hereof, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and all buildings, structures and other improvements and fixtures located thereon (the "Improvements");

WHEREAS, the Improvements are occupied by various tenants (the "Tenants") pursuant to written leases (the "Leases"), which are more particularly described in the rent roll attached hereto as Exhibit "B" and made a part hereof by this reference (the "Rent Roll");

WHEREAS, Assignor has received from the Tenants of the Improvements certain security deposits that were posted pursuant to the terms of the Leases that are refundable and have not yet been applied by Assignor as provided in the Leases or returned to Tenants or any refundable and non-refundable pet, key and similar deposits related thereto (the "Security Deposits") which are more particularly described in the Rent Roll; and

WHEREAS, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest in and to (i) the Leases, and (ii) the Security Deposits.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby transfers and assigns to Assignee all right, title and interest of Assignor in and to (i) the Leases, and (ii) the Security Deposits.

Assignee hereby assumes all obligations (i) as landlord under the Leases from and after the Effective Date, and (ii) under the Leases to pay or account for all Security Deposits, including interest earned thereon, as stated in the Leases to the extent such Security Deposits are assigned to Assignee hereunder. Assignee hereby agrees to indemnify and hold Assignor harmless from any and all obligations, liabilities, claims, and causes of action arising out of (i) the Leases as a result of obligations accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) on or after the Effective Date, and (ii) responsibility for the payment of any Security Deposits (and any interest earned thereon) to the extent such Security Deposits are assigned to Assignee hereunder.

Assignor hereby agrees to indemnify and hold Assignee harmless from any and all obligations, liabilities, claims, and causes of action arising out of the Leases as a result of obligations accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) prior to the Effective Date.

The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

Signed, sealed and delivered
in the presence of:

ASSIGNOR:

GRAND OAKS APARTMENTS, L.P.,
a Virginia limited partnership

Print Name:

By: NRP Grand Oaks Apartments LLC, its
general partner

Print Name:

By: _____
J. DAVID HELLER, AS MANAGER

Signed, sealed and delivered
in the presence of:

ASSIGNEE:

[_____ LLC], a Delaware
limited liability company

Print Name:

By: _____

Name: _____

Title: _____

Print Name:

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF STATE ROUTE 10 IN A WESTERN DIRECTION A DISTANCE OF 219.92 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE SOUTH 78 DEGREES 35 MINUTES 54 SECONDS WEST A DISTANCE OF 272.26 FEET TO A ROD SET, THENCE LEAVING SAID RIGHT OF WAY LINE OF STATE ROUTE 10, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 649.41 FEET TO A PIPE FOUND 0.83 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 241.92 FEET TO A PIPE FOUND 1.18 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 275.00 FEET TO A PIPE FOUND, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 28 FEET PLUS OR MINUS TO A POINT, SAID POINT LYING IN THE CENTERLINE OF GREAT BRANCH CREEK, THENCE ALONG THE CENTERLINE OF GREAT BRANCH CREEK AS IT MEANDERS IN A NORTHERN DIRECTION A DISTANCE OF 1114 FEET PLUS OR MINUS TO A POINT, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 7 FEET PLUS OR MINUS TO A ROD FOUND, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 370.78 FEET TO A ROD FOUND, THENCE SOUTH 24 DEGREES 21 MINUTES 29 SECONDS EAST A DISTANCE OF 58.59 FEET TO A SET ROD, THENCE SOUTH 06 DEGREES 45 MINUTES 42 SECONDS WEST A DISTANCE OF 73.45 FEET TO A SET ROD, THENCE SOUTH 41 DEGREES 34 MINUTES 44 SECONDS EAST A DISTANCE OF 53.36 FEET TO A SET ROD, THENCE SOUTH 67 DEGREES 34 MINUTES 40 SECONDS EAST A DISTANCE OF 84.86 FEET TO A SET ROD, THENCE SOUTH 56 DEGREES 55 MINUTES 07 SECONDS EAST A DISTANCE OF 288.45 FEET TO A SET ROD, THENCE SOUTH 31 DEGREES 16 MINUTES 55 SECONDS EAST A DISTANCE OF 66.46 FEET TO A SET ROD, THENCE SOUTH 22 DEGREES 14 MINUTES 49 SECONDS EAST A DISTANCE OF 99.81 FEET TO A SET ROD, THENCE SOUTH 66 DEGREES 30 MINUTES 57 SECONDS EAST A DISTANCE OF 137.08 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 276.00 FEET TO A ROD FOUND, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 56 DEGREES 49 MINUTES 14 SECONDS WEST A DISTANCE OF 270.23 FEET TO A ROD FOUND, THENCE SOUTH 13 DEGREES 32 MINUTES 53 SECONDS WEST A DISTANCE OF 129.34 FEET TO A ROD FOUND, THENCE

NORTH 56 DEGREES 51 MINUTES 41 SECONDS WEST A DISTANCE OF 158.67 FEET TO A ROD FOUND, THENCE SOUTH 36 DEGREES 41 MINUTES 38 SECONDS WEST A DISTANCE OF 70.88 FEET TO A ROD FOUND, THENCE SOUTH 53 DEGREES 04 MINUTES 38 SECONDS EAST A DISTANCE OF 40.01 FEET TO A ROD FOUND, THENCE SOUTH 26 DEGREES 52 MINUTES 04 SECONDS WEST A DISTANCE OF 154.64 FEET TO A ROD FOUND, THENCE SOUTH 63 DEGREES 33 MINUTES 28 SECONDS EAST A DISTANCE OF 151.50 FEET TO A ROD FOUND, THENCE SOUTH 11 DEGREES 38 MINUTES 31 SECONDS EAST A DISTANCE OF 222.31 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, AND CONTAINING 23.5± ACRES OF LAND MORE OR LESS.

TOGETHER WITH AND SUBJECT TO RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BETWEEN GRAND OAKS APARTMENTS, L.P. AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5141, PAGE 418.

Exhibit "B"

Rent Roll

[Attached]

EXHIBIT "F"

[FORM OF]
ASSIGNMENT OF SERVICE CONTRACTS
AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT OF SERVICE CONTRACTS AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this [] day of [], 202__ (the "Effective Date"), by and between GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership ("Assignor"), and [] LLC], a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignee is this day purchasing from Assignor and Assignor is conveying to Assignee that certain land described on Exhibit "A" attached hereto and made a part hereof, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and all the buildings, structures and other improvements and fixtures located thereon (the "Improvements");

WHEREAS, as a part of such sale and purchase of the Improvements, Assignor has agreed to transfer and assign to Assignee, and Assignee has agreed to accept and assume, those certain contracts listed on Exhibit "B", attached hereto and by this reference made a part hereof (the "Service Contracts"); and

WHEREAS, Assignor desires to transfer and assign to Assignee all of its right, title and interest in and to the Service Contracts, and Assignee desires to accept such assignment and to assume all of Assignor's obligations under the Service Contracts arising from and after the Effective Date.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Effective as of the Effective Date, Assignor hereby assigns, transfers, conveys and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's right, title, interest, duties and obligations in, to and under the Service Contracts and all claims, rights, benefits and privileges, if any, that Assignor may have or to which Assignor may be entitled under or by virtue of the Service Contracts.

Assignee hereby assumes and agrees to perform and observe all agreements, covenants and obligations to be performed and observed by Assignor under the Services Contracts from and after the Effective Date. Assignee hereby agrees to indemnify and hold Assignor harmless from any and all obligations, liabilities, claims, and causes of action arising under the Service Contracts and the transactions contemplated therein accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) on or after the Effective Date.

Assignor hereby agrees to indemnify and hold Assignee harmless from any and all obligations, liabilities, claims, and causes of action arising out of the Service Contracts as a result of obligations accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) prior to the Effective Date.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

Signed, sealed and delivered
in the presence of:

ASSIGNOR:

GRAND OAKS APARTMENTS, L.P.,
a Virginia limited partnership

Print Name: _____

By: NRP Grand Oaks Apartments LLC, its
general partner

Print Name: _____

By: _____
J. DAVID HELLER, AS MANAGER

Signed, sealed and delivered
in the presence of:

ASSIGNEE:

[_____ LLC], a Delaware
limited liability company

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF STATE ROUTE 10 IN A WESTERN DIRECTION A DISTANCE OF 219.92 FEET TO A ROD SET, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE SOUTH 78 DEGREES 35 MINUTES 54 SECONDS WEST A DISTANCE OF 272.26 FEET TO A ROD SET, THENCE LEAVING SAID RIGHT OF WAY LINE OF STATE ROUTE 10, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 649.41 FEET TO A PIPE FOUND 0.83 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 241.92 FEET TO A PIPE FOUND 1.19 FEET NORTH EAST OF PROPERTY LINE, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 275.00 FEET TO A PIPE FOUND, THENCE NORTH 46 DEGREES 16 MINUTES 15 SECONDS WEST A DISTANCE OF 29 FEET PLUS OR MINUS TO A POINT, SAID POINT LYING IN THE CENTERLINE OF GREAT BRANCH CREEK, THENCE ALONG THE CENTERLINE OF GREAT BRANCH CREEK AS IT MEANDERS IN A NORTHERN DIRECTION A DISTANCE OF 1114 FEET PLUS OR MINUS TO A POINT, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 7 FEET PLUS OR MINUS TO A ROD FOUND, THENCE SOUTH 56 DEGREES 33 MINUTES 21 SECONDS EAST A DISTANCE OF 370.78 FEET TO A ROD FOUND, THENCE SOUTH 24 DEGREES 21 MINUTES 29 SECONDS EAST A DISTANCE OF 58.59 FEET TO A SET ROD, THENCE SOUTH 06 DEGREES 45 MINUTES 42 SECONDS WEST A DISTANCE OF 73.45 FEET TO A SET ROD, THENCE SOUTH 41 DEGREES 34 MINUTES 44 SECONDS EAST A DISTANCE OF 53.36 FEET TO A SET ROD, THENCE SOUTH 87 DEGREES 34 MINUTES 40 SECONDS EAST A DISTANCE OF 84.86 FEET TO A SET ROD, THENCE SOUTH 56 DEGREES 55 MINUTES 07 SECONDS EAST A DISTANCE OF 288.45 FEET TO A SET ROD, THENCE SOUTH 31 DEGREES 16 MINUTES 55 SECONDS EAST A DISTANCE OF 66.46 FEET TO A SET ROD, THENCE SOUTH 22 DEGREES 14 MINUTES 49 SECONDS EAST A DISTANCE OF 98.81 FEET TO A SET ROD, THENCE SOUTH 68 DEGREES 30 MINUTES 57 SECONDS EAST A DISTANCE OF 137.08 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 276.00 FEET TO A ROD FOUND, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 56 DEGREES 49 MINUTES 14 SECONDS WEST A DISTANCE OF 270.23 FEET TO A ROD FOUND, THENCE SOUTH 13 DEGREES 32 MINUTES 53 SECONDS WEST A DISTANCE OF 129.34 FEET TO A ROD FOUND, THENCE

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TOGETHER WITH AND SUBJECT TO RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BETWEEN GRAND OAKS APARTMENTS, L.P. AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5141, PAGE 418.

Exhibit "B"

List of Service Contracts

Pest Control Service – Short Form Contract dated October 31, 2019 between Terminix International Company, LP, as contractor, and Grand Oaks Apartments, L.P., as owner.

Security Service – Commercial Purchase and Services Agreement dated January 10, 2018 by Vector Security, Inc. for Grand Oaks Apartments and Grand Oaks Senior, including those certain Riders thereto dated January 15, 2018.

Telecommunications Service – Marketing Agreement for MDUs dated as of April 5, 2010 by and between Verizon Services Corp. and Grand Oaks Apartments, LP.

Laundry Service – Lease Agreement dated October 13, 2015 by and between Grand Oaks Apartments, L.P. d/b/a Grand Oaks Apartments, as lessor, and Automatic Laundry Service of Virginia, Inc., as lessee, along with that certain Addendum to Lease Agreement dated October 13, 2015.

Document Shredding Service – Customer Service Agreement (Regular Service) dated August 17, 2018 between Shred-it USA LLC and Grand Oaks Apartments.

EXHIBIT "G"

[FORM OF]
OMNIBUS ASSIGNMENT

In connection with the sale of that certain land described on Exhibit "A" attached hereto and made a part hereof, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and all the buildings, structures and other improvements and fixtures located thereon (the "Improvements"), from Assignor to Assignee, pursuant to that certain Purchase and Sale Agreement of Real Property between Assignor (as Seller) and FRIH REALTY LLC, a Delaware limited liability company (as Purchaser), dated as of [_____, 202__] (the "Purchase and Sale Agreement"), as assigned to Assignee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership ("Assignor"), as of the Effective Date (as hereinafter defined), does hereby convey and assign to [_____ LLC], a Delaware limited liability company ("Assignee"), the following (collectively, the "Assigned Property"):

To the extent assignable and transferable, all right, title and interest of Assignor in licenses, franchises, permits, guarantees, warranties and statutory and contract rights with respect to the Improvements;

All right, title and interest of Assignor in building and site plans, construction specifications, prior surveys and similar items pertaining to the Improvements which are in Assignor's possession or control;

All right, title and interest of Assignor, if any, in and to (i) the name "Grand Oaks Apartments" and all variations thereof when used in connection with the Improvements, but not otherwise and without any warranty that Assignor has any right, title, interest or right to use the name "Grand Oaks Apartments"; (ii) any and all telephone numbers assigned to Assignor with respect to the Improvements to the extent assignable; and (iii) web addresses and social media sites with respect to the Improvements (excluding, however, any web addresses that are maintained as part of Assignor's proprietary website of www.nrpgroup.com); and

Notwithstanding the foregoing, the Assigned Property shall not include any of the Excluded Assets (as defined in the Purchase and Sale Agreement).

Except as provided in the Purchase and Sale Agreement, the foregoing assignments are made without representation or warranty, express or implicit.

By acceptance hereof, Assignee hereby assumes all obligations with regard to the matters assigned by Assignor to Assignee pursuant to this Omnibus Assignment accruing (in the case of contractual liability other than indemnities) or arising from events occurring (in the case of tort liability and contractual indemnities) on or after the Effective Date.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Omnibus Assignment as of this [_____] day of [_____], 202_ (the "Effective Date").

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

ASSIGNOR:

GRAND OAKS APARTMENTS, L.P.,
a Virginia limited partnership

By: NRP Grand Oaks Apartments LLC, its
general partner

By: _____
J. DAVID HELLER, AS MANAGER

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

ASSIGNEE:

[_____ LLC], a
Delaware limited liability company

By: _____

Name: _____

Title: _____

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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TOGETHER WITH AND SUBJECT TO RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5141, PAGE 410.

EXHIBIT "H"

SERVICE CONTRACTS

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Document Shredding Service – Customer Service Agreement (Regular Service) dated August 17, 2018 between Shred-it USA LLC and Grand Oaks Apartments.

EXHIBIT "I"

RENT ROLL

[Attached]

EXHIBIT "J"

[FORM OF]
SELLER'S AFFIDAVIT

[CHECK- SUBJECT TO TITLE COMPANY REVIEW]

STATE OF OHIO
COUNTY OF CUYAHOGA

BEFORE ME, an officer authorized to administer oaths and take acknowledgments, personally appeared this day, J. David Heller ("Affiant"), who, being by me duly sworn, deposes and says that:

1. Affiant is a manager of NRP Grand Oaks Apartments LLC, a Virginia limited liability company, as the general partner of the Owner (the "General Partner").
2. The General Partner is the general partner of GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership (the "Owner"), the owner of that certain land described on Exhibit "A" attached hereto and made a part hereof which is situated in the City of Chester, County of Chesterfield, Commonwealth of Virginia, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and the buildings, structures and other improvements and fixtures located thereon (the "Improvements").
3. To Affiant's knowledge, no person or entity has asserted any claim to possession of the Improvements or any portion thereof, and no person or entity other than the Owner is in possession of the Improvements or any portion thereof, other than the residential tenants in possession (the "Tenants") pursuant to leases (the "Leases") described on the rent roll attached hereto as Exhibit "B" and incorporated herein by this reference (the "Rent Roll"). The Rent Roll is true, correct and complete in all material respects, and there are no leases or rental agreements or tenants with respect to the apartment units included in the Rent Roll, except as shown on the Rent Roll. To Affiant's knowledge, there are no persons or entities who have possessory rights with respect to the Improvements or any portion thereof under written or oral leases or otherwise, other than the Tenants. To Affiant's knowledge, there are no options to purchase or rights of first refusal with respect to the Improvements or any portion thereof.
4. To Affiant's knowledge, no work or labor has been commenced or performed or materials furnished to, on or about the Improvements, except that which was fully completed more than one hundred twenty (120) days prior to the date hereof or which has been paid for in-full.
5. To Affiant's knowledge, there are no unpaid bills or indebtedness for any labor done or materials furnished at any time upon or in connection with the Improvements which could result in or out of which could arise any construction or other liens against the Improvements or any part thereof.

6. The Owner's title to the Improvements has not been disputed or questioned, and, to Affiant's knowledge, there are no facts by reason of which title to or possession of the Improvements might be disputed or questioned, or by reason of which any claim to the Improvements, or any part thereof, or any interest therein might be asserted adversely to the Owner.

7. To Affiant's knowledge, there is no mortgage, judgment, federal tax lien, construction lien, or any other lien or encumbrance of any kind or nature whatsoever which constitutes, or will constitute a lien, charge or encumbrance on the Improvements, except as set forth in First American Title Insurance Company's Commitment No. _____ with an Effective Date of [_____] at [_____ a.m.] (the "Commitment").

8. To Affiant's knowledge, there are no matters pending which might give rise to a lien or other encumbrance that has attached or could attach to the Improvements between the Effective Date of the Commitment, and the recording of the Special Warranty Deed from the Owner to and in favor of [_____ LLC], a Delaware limited liability company (the "Purchaser"), of even date herewith.

9. This Affidavit is made to induce First American Title Insurance Company (the "Title Company") to issue a title policy insuring the Purchaser's title to the Improvements, and Affiant understands that material reliance will be placed upon this Affidavit by the aforementioned parties.

FURTHER AFFIANT SAYETH NAUGHT.

DATED this [_____] day of [_____], 202__.

Print Name: J. David Heller

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this _____ day of _____, 202__, by J. David Heller, as Manager of NRP Grand Oaks Apartments LLC, as general partner of GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership, on behalf of such company. He is personally known to me or has produced _____ as identification. This is an acknowledgment clause. No oath or affirmation was administered to the signor.

Notary Public, State of Ohio
Print Name: _____
Commission No.: _____
My Commission Expires: _____

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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TOGETHER WITH AND SUBJECT TO RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BETWEEN GRAND OAKS APARTMENTS, L.P. AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 12, 2004, IN DEED BOOK 5141, PAGE 418.

Exhibit "B"

Rent Roll

[Attached]

EXHIBIT "K"

TENANT NOTICE LETTER

[_____, 202__]

RE: Your Lease (the "Lease") in Grand Oaks Apartments, situated in the City of Chester, County of Chesterfield, Commonwealth of Virginia (the "Property").

Dear _____:

You are hereby notified that GRAND OAKS APARTMENTS, L.P., a Virginia limited partnership ("Seller"), as owner of the Property and the current owner of the landlord's interest in the Lease, has sold the Property to [_____ LLC], a Delaware limited liability company ("New Owner"), as of the date set forth in this letter, and in connection with such sale, Seller has assigned and transferred its interest in the Lease, and any and all security deposits thereunder or relating thereto, to New Owner, and New Owner has assumed and agreed to perform all of the landlord's obligations under the Lease (including and without limitation, any obligations set forth in the Lease to repay or account for any security deposits thereunder from and after such date) arising after the date hereof. Accordingly, (a) all your obligations under the Lease from and after the date of this Tenant Notice Letter, including and without limitation, your obligation to pay rent, shall be performable to and for the benefit of New Owner and its successors and assigns, and (b) all the obligations of landlord under the Lease, including and without limitation, any obligations to repay or account for any security deposits thereunder, from and after the date of this Tenant Notice Letter, shall be the binding obligation of New Owner and its successors and assigns. The amount of the security deposit received by New Owner and being held by New Owner with respect to the Lease is [\$ _____].

Unless and until you are otherwise notified in writing by New Owner, the address of New Owner for all purposes under the Lease (including and without limitation, the recoupment of any security deposits, and the giving of any notices provided for in the Lease, but not including the payment of rent) is:

Rent payable under the Lease shall be payable to the following address:

If you have any questions, please call [_____], the [_____] at [(____) ____-____].

SELLER:

GRAND OAKS APARTMENTS, L.P., a
Virginia limited partnership

By: NRP Grand Oaks Apartments LLC, its
general partner

By: _____
J. DAVID HELLER, AS MANAGER

NEW OWNER:

[_____] LLC, a
Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT "L"

LIST OF PENDING LITIGATION REGARDING THE PROPERTY

Grand Oaks Apartments, L.P. was sued in the Chesterfield County General District on August 18, 2020 by Y'anice Rookwood under Case No. GV 2000961600 for a Warrant in Debt of \$4,036.00 and \$1,009.00 of attorneys fees based on a security deposit dispute.

EXHIBIT "M"

FORM OF ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENTS

[*ATTACHED*]

**PURCHASE AND SALE AGREEMENT
OF REAL PROPERTY
(GRAND OAKS SENIOR)**

THIS PURCHASE AND SALE AGREEMENT OF REAL PROPERTY (this "Agreement") is made and entered into as of the 25th day of January, 2021 (the "Effective Date"), by and between GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership ("Seller"), and FRH REALTY LLC, a Delaware limited liability company ("Purchaser").

1. Purchase and Sale; Property. In consideration of their mutual covenants set forth in this Agreement, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, for the Purchase Price (as defined herein) and on the terms and conditions set forth herein, the following real and personal property (collectively, the "Property");

1.1 the fee estate in and to that certain real property located in the City of Chester, County of Chesterfield, Commonwealth of Virginia, legally described on Exhibit "A" (the "Land"), including all right, title and interest of Seller in and to any land lying in the bed of any existing or proposed highway, street, road, avenue or alley abutting or adjoining the Land and all right, title and interest of Seller in and to any strips or gores of land adjoining the Land, including the right to any unpaid award for damage by reason of any condemnation proceedings or change of grade of any highway, street, road or avenue, and all tenements, hereditaments and appurtenances thereto;

1.2 all buildings, structures and other improvements of any and every nature located on the Land, including, without limitation, the thirty-two (32) units and related amenities and improvements generally known as Grand Oaks Senior Apartments (the "Improvements");

1.3 all right, title and interest of Seller in all furniture, furnishings, fixtures (including appliances), equipment which is owned by Seller and is used exclusively at, or exclusively in connection with the operation or management of the Land or the Improvements, and other articles of tangible personal property of every nature and description owned by Seller and attached to or used exclusively in connection with the operation and maintenance of the Land or the Improvements, subject to reasonable wear and tear and consumption of consumable items, the material items of which are set forth in the inventory which is attached hereto as Exhibit "B" (collectively, the "Personal Property");

1.4 all right, title and interest of Seller in the tenant leases for the Improvements listed on the Rent Roll (as defined herein) (the "Leases"), prepaid rents, refundable security deposits, and, refundable pet, key and other similar refundable deposits, and any cleaning or redecorating fees (but excluding, however, any non-refundable deposits) related thereto (collectively, the "Security Deposits"), shown on the Rent Roll.

1.5 to the extent assignable and transferable, all right, title and interest of Seller in licenses, franchises, permits, guarantees, warranties and statutory, plans and specifications, and contract rights with respect to the Land and Improvements;

1.6 all service, supply and maintenance contracts relating to the Improvements or the Land which are to be assumed by Purchaser pursuant to Section 6.5 below (“Service Contracts”);

1.7 all supplies on hand at the Closing Date, including cleaning materials and equipment, supplies for the maintenance of the Improvements, and all supplies and equipment used in the normal operation of the Improvements (this portion of the Property is sometimes separately referred to as the (“Supplies”);

1.8 all right, title and interest of Seller, if any, in and to (i) the name “Grand Oaks” and “Grand Oaks Senior Apartments” and all variations thereof when used in connection with the Improvements, but not otherwise and without any warranty that Seller has any right, title, interest or right to use the name “Grand Oaks” and “Grand Oaks Senior Apartments”, (ii) any and all telephone numbers assigned to Seller with respect to the Property to the extent assignable, and (iii) web addresses and social media sites with respect to the Property (excluding, however, any web addresses that are maintained as part of The NRP Group LLC’s proprietary website of www.nrpgroup.com).

Notwithstanding the foregoing or anything to the contrary contained herein, the Property shall not include any of the following (collectively, the “Excluded Assets”): (i) all cash held in any depository or other accounts in the name of Seller, Manager (as defined herein) or Seller’s lenders, (ii) all appraisals or other economic evaluations of, or projections with respect to all or any portion of the Property, (iii) information and documentation relating to construction costs for the Property, (iv) all insurance policies related to the Property and any insurance proceeds received by Seller either before or after the Closing and attributable to events which occurred prior to the Closing, except for the portion of such proceeds, if any, to be delivered to Purchaser under Section 15 hereof, (v) the management agreement between Seller and NRP Management LLC, an Ohio limited liability company (the “Manager”), and all amounts received or receivable from the Manager under such contract (the “Management Agreement”), (vi) [reserved], (vii) any and all rights to utility refunds for periods before the Closing Date, (viii) any privileged books, records, and files of Manager, including, but not limited to employment and personnel records and any books, records and files of Manager not related to the Property, (ix) any non-operational partnership books and records of Seller, whether held by Seller or Manager, (x) any management software licenses, any company computers and any equipment owned by Seller or the Manager, and (xi) any rights to any names containing “NRP” and any variant therefrom.

2. Closing. The consummation of the purchase and sale of the Property contemplated by this Agreement (the “Closing”) shall occur on the thirtieth (30th) day after the expiration of the Contingency Period (as defined below), but in no event earlier than January 29, 2021 (the “Closing Date”). The Closing shall be conducted by First American Title Insurance Company (“Escrow Agent” or “Title Company”) by overnight mail. Seller may extend the Closing Date for up to thirty (30) days upon written notice to Buyer and Escrow Agent delivered no less than ten (10) business days prior to the then existing Closing Date.

3. Conveyance. Subject to the terms and provisions set forth in this Agreement, title to the Property shall be transferred and conveyed to Purchaser at the Closing by:

3.1 Special Warranty Deed from Seller to Purchaser, subject to no exceptions, defects, liens or other encumbrances, other than the Permitted Exceptions (as defined herein), in the form attached hereto as Exhibit "C" (the "Deed") conveying the Land and the Improvements.

3.2 Bill of Sale (the "Bill of Sale") executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of Seller's right, title, and interest in and to the Personal Property in the form attached hereto as Exhibit "D".

3.3 Assignment of Leases and Assumption Agreement (the "Assignment of Leases") executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of the landlord's right, title, and interest in and to the Leases and Security Deposits shown on the Rent Roll in the form attached hereto as Exhibit "E".

3.4 Assignment of Service Contracts and Assumption Agreement (the "Assignment of Service Contracts"), executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of Seller's right, title, and interest in and to all warranties, guaranties, and those Service Contracts Purchaser has elected to assume or is otherwise required to assume pursuant to the terms of this Agreement, in the form attached hereto as Exhibit "F".

3.5 Omnibus Assignment (the "Omnibus Assignment") executed by and between Seller (as assignor) and Purchaser (as assignee) conveying all of Seller's right, title, and interest in and to any other tangible and intangible property which is a part of the Property, in the form attached hereto as Exhibit "G".

4. Purchase Price.

4.1 Payment of Purchase Price. At the Closing, Purchaser shall pay to Seller in cash, in consideration for the conveyance of the Property to Purchaser, the sum of Three Million Eight Hundred Sixty-Two Thousand Five Hundred and No/100 Dollars (\$3,862,500.00) (the "Purchase Price"), plus or minus credits, prorations and adjustments as hereinafter provided, including, without limitation, (a) a credit to Purchaser against the Purchase Price in the amount of the Deposit (as hereinafter defined), plus all accrued interest on the Deposit, to the extent the Deposit, plus all accrued interest on the Deposit, is paid to Seller at the Closing, (b) a credit against the Purchase Price of a sum equal to the outstanding balance, as of the Closing Date, of the VHDA Senior Loan (as defined below), and (c) a credit to Purchaser against the Purchase Price in the amount of the prepayment cost associated with the VHDA Senior Loan in the amount of \$124,971.93. At the Closing, Purchaser shall pay the balance of the Purchase Price, in cash, by means of wire transfer of immediately available federal funds on the Closing Date to an account designated by the Title Company.

4.2 Earnest Money Deposit.

(a) On or before the second (2nd) business day after the Effective Date, Purchaser shall deposit with Escrow Agent a deposit totaling Thirty-Eight Thousand Six Hundred Twenty-Five and No/100 Dollars (\$38,625) (the "Initial Deposit"). In the event that Purchaser has not deposited the Initial Deposit with the Escrow Agent on or before the second (2nd) business day after the Effective Date, this Agreement shall be, and become

terminated, null, void and of no further effect, and neither party shall have further rights, duties, liabilities or obligations pursuant to this Agreement.

(b) Provided that this Agreement has not been terminated by Purchaser prior to the expiration of the Contingency Period, on or before the second (2nd) business day after the expiration of the Contingency Period, Purchaser shall deposit with Escrow Agent a deposit totaling Thirty-Eight Thousand Six Hundred Twenty-Five and No/100 Dollars (\$38,625) (the “Second Deposit”).

(c) The Initial Deposit, the Second Deposit, and any interest earned on the Initial Deposit and the Second Deposit, shall be collectively referred to herein as the “Deposit” and it shall be held in escrow and disbursed as herein provided. To the extent the Deposit is delivered to Escrow Agent, the Escrow Agent will hold the Deposit in federally-insured account (subject to applicable federal limits on such insurance). To the extent the Deposit is delivered to Escrow Agent, upon Purchaser’s request, the Deposit will be placed in a single interest-bearing account upon receipt by Escrow Agent from Purchaser of an executed and complete IRS Form W-9 and any other forms reasonably requested by Escrow Agent. Any interest accrued or accruing on the Deposit shall be and become part of the Deposit. Escrow Agent shall not be responsible for the amount of interest earned on the Deposit. Escrow Agent shall not be liable for any funds lost in connection with the take-over or failure of any bank or financial institution wherein Escrow Agent has deposited those funds in accordance with this Agreement. Notwithstanding anything to the contrary set forth herein, the party receiving the interest earned on any portion of the Deposit shall be responsible for payment of any taxes thereon.

(d) The Initial Deposit shall be refundable to Purchaser for any reason prior to expiration of the Contingency Period. If Purchaser delivers the Contingency Approval Notice (as hereinafter defined) to Seller on or before the expiration of the Contingency Period, then the Initial Deposit shall become non-refundable to Purchaser for any reason, except as otherwise expressly provided in this Agreement. The Second Deposit, if made, shall be non-refundable to Purchaser once deposited with Escrow Agent, except as otherwise expressly provided in this Agreement. The Deposit will be applied to the Purchase Price at the Closing.

(e) Escrow Agent is authorized and agrees by acceptance of the Deposit to hold and deliver same in accordance with the terms of this Agreement. In the event that Escrow Agent shall receive a written demand for delivery of the Deposit by either Purchaser or Seller, then Escrow Agent shall promptly give written notice to the other party of such demand. If the Escrow Agent does not receive written objection from the other party to the proposed payment within five (5) business days after the giving of such notice, the Escrow Agent is hereby authorized to make such payment. If the Escrow Agent receives written objection within such period, Escrow Agent shall, in its sole discretion and any other provision of this Agreement to the contrary notwithstanding, either (i) continue to hold the Deposit until the parties mutually agree to the disbursement thereof as evidenced by a joint instruction letter to the Escrow Agent or until a judgment of a court of competent jurisdiction shall determine the rights of the parties to the Deposit, or (ii) deliver the Deposit to the clerk of the court in the jurisdiction in which the Property is

located, and, upon notifying all parties concerned of such action, all liability on the part of Escrow Agent shall terminate except to account for any monies previously delivered out of escrow. In the event of any suit wherein Escrow Agent is made a party by virtue of acting as escrow agent, or in the event of any suit initiated by or against Escrow Agent wherein Escrow Agent interpleads the Deposit, Escrow Agent shall be entitled to recover its reasonable attorneys' and paralegals' fee and costs incurred before, during and after trial and upon all appellate levels, said fees and costs to be charged and assessed as court costs in favor of Escrow Agent and immediately paid by the non-prevailing party. The parties agree that Escrow Agent shall not be liable to anyone for misdelivery to Purchaser or Seller of monies out of escrow unless such misdelivery shall be due to willful or reckless breach of this Agreement or negligence on the part of Escrow Agent. Purchaser and Seller each agrees to hold Escrow Agent harmless from any and all loss, cost or expense, including reasonable attorneys' and paralegals' fees, resulting from Escrow Agent's compliance with its obligations hereunder. Escrow Agent shall not be liable for any loss resulting from any default, error, action or omission of Purchaser or Seller, loss or impairment of funds in the course of collection or while on deposit resulting from failure or suspension of the depository institution, or from Escrow Agent's compliance with any legal process, order or judgment of any court, whether or not subsequently vacated or modified. Purchaser and Seller acknowledge that Escrow Agent shall not be liable for any loss arising from the fact that the common escrow account maintained by Escrow Agent for this and other transactions may cause the aggregate amount of any individual depositor's account to exceed applicable deposit insurance coverage.

4.3 Independent Contract Consideration. Anything to the contrary in this Agreement notwithstanding, One Hundred Dollars (\$100.00) of the Initial Deposit (the "**Independent Consideration**") shall be considered independent consideration for entering into this Agreement, which sum shall be retained by Seller in all instances and any reference in this Agreement to a return of the Deposit to Purchaser shall not include the Independent Consideration. In any event, the Independent Consideration shall be applied to the Purchase Price at the Closing.

5. Title and Survey; Assumption Approval; Contingency Period.

5.1 Examination and Objections. Purchaser shall promptly obtain, at Purchaser's sole cost and expense, a title commitment (the "**Title Commitment**") from the Title Company (together with legible copies of all documents listed as exceptions to title in the Title Commitment) with respect to the Land and Improvements for an extended coverage form of owner's title insurance policy (the "**Title Policy**") to be issued by the Title Company at the Closing in the amount of the Purchase Price, naming Purchaser (or its permitted assignee) as the proposed insured, and insuring Purchaser's fee simple title to the Land and Improvements to be good and indefeasible and subject only to the Permitted Exceptions (as hereinafter defined). Purchaser shall promptly deliver to Seller a copy of such Title Commitment. On or before the expiration of the Inspection Period, Purchaser shall provide written notice to Seller of any matters shown by the Title Commitment or the Survey (as defined herein) which are not satisfactory to Purchaser, which notice (the "**Title Notice**") must specify the reason such matter(s) are not satisfactory and the curative steps necessary to remove the basis for Purchaser's disapproval (the "**Purchaser's Title Objection Notice**"). Seller shall have a period of three (3) business days after receipt of Purchaser's Title Objection Notice in which to deliver written notice to Purchaser (the "**Seller's**

Title Notice”), at Seller’s election, to either (i) agree to remove the objectionable items prior to the Closing Date, or (ii) decline to remove to such exceptions; provided, however, that Seller shall be required to remove all Lien Exceptions (as hereinafter defined) on or prior to the Closing Date, and Seller shall have no right to decline to remove all of such Lien Exceptions, except for the VHDA Senior Mortgage (as defined below) and the Regulatory Agreements (as defined below). If Seller does not provide the Seller’s Title Notice, then Seller shall be deemed to have declined to remove the objectionable items contained within the Purchaser’s Title Objection Notice. If Seller fails to provide the Seller’s Title Notice or notifies Purchaser of its election not to remove any objectionable items, then Purchaser shall have the right, by written notice delivered to Seller prior to the end of the Inspection Period, to either (i) agree to accept the Property subject to the objectionable items and Purchaser shall take title to the Property subject to such objectionable items, or (ii) elect to terminate this Agreement in which event the Deposit shall be returned to Purchaser. All matters shown on the Title Commitment and/or Survey with respect to which Purchaser fails to give a Purchaser’s Title Objection Notice on or before the last date for so doing (or which are thereafter waived or deemed to be waived by Purchaser) or to which Seller does not expressly undertake an obligation to cure pursuant to a Seller’s Title Notice shall be deemed to be permitted exceptions (the “**Permitted Exceptions**”) to the status of Seller’s fee simple title to the Land and Improvements, except that the Lien Exceptions shall not be Permitted Exceptions. Purchaser shall have the same rights to make objections to any new matters thereafter disclosed by any updated Title Commitment until the earlier of (i) five (5) business days after Purchaser’s receipt of such updated Title Commitment, or (ii) the Closing, and such new matters shall be subject to cure by Seller under the same procedures set forth above for Purchaser’s original title objections; provided, however, in the event that Seller reasonably determines that any such new matters cannot be removed at or prior to the Closing, Seller shall notify Purchaser in writing, whereupon Purchaser at its election, which must be exercised by written notice to Seller within two (2) business days after receipt by Purchaser of Seller’s notice, may (i) terminate this Agreement and receive a complete refund of the Deposit or (ii) waive all such title objections and proceed to close the transaction in accordance with the terms of this Agreement, except that if such deadline is after the originally scheduled Closing Date, the Closing shall be on or before the fifth (5th) business day after the last day of Purchaser’s deadline to respond to Seller, and in which event all such waived matters shall become Permitted Exceptions. Notwithstanding the foregoing, all exceptions to title shown on the Title Commitment or otherwise arising prior to the Closing which evidence (I) mortgages or deeds of trust granted or assumed by Seller encumbering Seller’s fee interest in the Property; (II) judgment liens evidencing non-appealable judgments rendered against Seller and encumbering Seller’s fee interest in the Property; (III) mechanic’s or materialmen’s liens encumbering Seller’s fee interest in the Property and arising from any work performed or materials furnished for or on behalf of Seller; or (IV) other monetary liens as a result of Seller’s activities, suffered by Seller or assumed by Seller (items I, II, III and IV above are collectively referred to as “**Lien Exceptions**”), shall, in each instance, be deemed objected to without any notice by Purchaser and shall be cured by Seller (which, in the case of a mechanic’s or materialmen’s lien shall include, at Seller’s option, bonding around the mechanic’s or materialmen’s lien) at or prior to the Closing, except for the VHDA Senior Mortgage and the Regulatory Agreements.

5.2 Survey. Seller has provided to Purchaser, or will provide to Purchaser within three (3) days after the Effective Date, a copy of Seller’s existing survey of the Land and Improvements (the “**Existing Survey**”). The Existing Survey is provided to Purchaser without

any representations or warranties of any kind by Seller. Purchaser may obtain, at Purchaser's sole cost and expense, a current ALTA as-built survey of the Land and Improvements or an update of the Existing Survey (the "Survey"). Purchaser may elect to update the Existing Survey or obtain a new Survey on or before the expiration of the Inspection Period. If the Existing Survey, the updated or new Survey reveals any objectionable matters, Purchaser shall deliver written notice thereof to Seller on or before the expiration of the Inspection Period (the "Purchaser's Survey Objection Notice"). Seller shall have a period of three (3) business days after receipt of Purchaser's Survey Objection Notice in which to deliver written notice to Purchaser (the "Seller's Survey Notice"), at Seller's election, to either (i) agree to remove the objectionable items prior to the Closing Date, or (ii) decline to remove such exceptions. If Seller does not provide the Seller's Survey Notice, then Seller shall be deemed to have declined to remove the objectionable items contained within the Purchaser's Survey Objection Notice. If Seller fails to provide the Seller's Survey Notice or notifies Purchaser of its election not to remove any objectionable items, then Purchaser shall have the right, by written notice delivered to Seller prior to the end of the Inspection Period, to either (i) agree to accept the Property subject to the objectionable items and Purchaser shall take title to the Property subject to such objectionable items, or (ii) elect to terminate this Agreement in which event the Deposit shall be returned to Purchaser. If Purchaser obtains an updated or new Survey, Purchaser shall cause at least one (1) electronic copy of any such Survey to be delivered to Seller's legal counsel promptly after such Survey is delivered to Purchaser's legal counsel.

5.3 Assumption Approval; Assumption of Existing Financing; Contingency Period.

(a) At Closing, Purchaser shall assume that certain loan with an original principal balance of \$2,570,000 made by the Virginia Housing Development Authority ("VHDA") to Seller (the "VHDA Senior Loan") dated June 29, 2005 evidenced by that certain Virginia Housing Development Authority Deed of Trust Note (the "VHDA Senior Note") in the original principal amount of \$2,570,000 that is secured by a Virginia Housing Development Authority Deed of Trust for Multi-Family Housing Development dated as of June 29, 2005, by and between Grand Oaks Apartments, L.P., a Virginia limited partnership, as grantor, J. Judson McKellar, Jr., as trustee, and the Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia, as beneficiary and grantee, as recorded on July 1, 2005 in Official Records Book 6482, Page 411, of the Public Records of Chesterfield County, Virginia (the "VHDA Senior Mortgage") encumbering the Property. The VHDA Senior Note, the VHDA Senior Mortgage and all other documents, instruments and agreements evidencing, securing or relating to the VHDA Senior Loan are collectively referred to herein as the "VHDA Senior Loan Documents".

(b) Seller's obligation to sell the Property pursuant to the terms of this Agreement, and Purchaser's obligation to purchase the Property pursuant to the terms of this Agreement, shall be contingent upon (i) the written approval of Purchaser's assumption of the VHDA Senior Loan by the current holder of the VHDA Senior Loan (the "VHDA Lender"), and (ii) the approval of VHDA under that certain Extended Use Regulatory Agreement and Declaration of Restrictive Covenants dated May 17, 2005 by and between Seller and VHDA and recorded on March 27, 2006 in Book 7023, Page 570 of the Public

Records of the Circuit Court Clerk of Chesterfield County, Virginia, and that certain Virginia Housing Development Authority Regulatory Agreement Conventional Multi-Family Rental Housing Development dated as of June 29, 2005, by and between the Seller and VDHA, as recorded on July 1, 2005 in Official Records Book 6482, Page 422, of the Public Records of the Circuit Court Clerk of Chesterfield County, Virginia (together, the "Regulatory Agreements"). Seller shall submit a request to the VHDA Lender for the VHDA Senior Loan assumption within five (5) calendar days from the Effective Date. Purchaser acknowledges that Seller has owned and operated the Property as a project intended to generate low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the "Code") and in accordance with tax exempt bond regulations of the VHDA and the Code and other requirements, and the Property is subject to, and operated pursuant to the Regulatory Agreements. The Purchaser shall assume in writing the Regulatory Agreements to be substantially in the forms (or such other forms as agreed to by the VHDA) attached hereto as Exhibit "M", and shall be responsible for any compliance monitoring or other fees, from and after the Closing Date and not arising from a default by Seller. The provisions of this Section 5.3(b) shall survive Closing and the delivery of the Deed at Closing.

(c) Purchaser shall submit (i) a loan assumption application along with all required application fees and deposits (including, but not limited to, all fees and deposits required by "Borrower" under the VHDA Senior Loan Documents) to VHDA Lender prior to the expiration of the Inspection Period, and thereafter shall use good faith and diligent efforts to obtain all required approvals and agreements from VHDA Lender, and (ii) all applications and documents required by VHDA for its consent and approval to the transactions contemplated herein under the Regulatory Agreements prior to the expiration of the Inspection Period (together, "Assumption Approval").

(d) Purchaser agrees to pay all required VHDA Senior Loan transfer and assumption and transfer fees and all out-of-pocket expenses of VHDA Lender in connection with Assumption Approval, including, without limitation, all of VHDA Lender's and VHDA's attorneys' fees, recording fees, mortgage taxes, title costs (including costs required to be paid by the "Borrower" or "Debtor" under the VHDA Senior Loan Documents), appraisal fees, rating agency fees, and any other actual third-party costs incurred by VHDA Lender and VHDA with respect to Assumption Approval, which obligation to pay shall survive Closing or any termination of this Agreement (collectively, "Assumption Expenses"); provided, however, in no event shall Purchaser be responsible for any of Seller's expenses, including, but not limited to, Seller's attorneys' fees. Seller shall reasonably cooperate with Purchaser in obtaining VHDA's consent under the Regulatory Agreements and in processing the assumption of the VHDA Senior Loan, including providing such information and documents as may be requested by VHDA Lender or VHDA. At Closing, Purchaser and Seller shall execute and deliver any documentation reasonably required by VHDA Lender and VHDA, reasonably satisfactory to Seller and Purchaser to effectuate Purchaser's assumption of the VHDA Senior Loan. Any conditions to the (y) approval of the transfer and assumption of the VHDA Senior Loan imposed by VHDA, and (z) approval of the transfer under the Regulatory

Agreements, are subject to the written approval of the Purchaser, which approval may be granted or withheld by Purchaser in Purchaser's sole and absolute discretion.

(e) If Purchaser is unable to obtain Assumption Approval within sixty (60) days after the Effective Date (the "Contingency Period"), then, subject to Purchaser's right to extend the Contingency Period pursuant to this paragraph, Purchaser may terminate this Agreement by delivering written notice thereof to Seller and Escrow Holder on or before the expiration of the Contingency Period ("Contingency Termination Notice"). If Purchaser obtains the Assumption Approval during the Contingency Period (as may have been extended), then Purchaser shall deliver written notice thereof to Seller and Escrow Holder on or before the expiration of the Contingency Period ("Contingency Approval Notice"), in which case the Initial Deposit shall be non-refundable to Purchaser, except in the event of a default by Seller under this Agreement or as otherwise expressly provided in this Agreement. If Buyer fails to deliver a Contingency Termination Notice or a Contingency Approval Notice to Seller and Escrow Holder prior to the expiration of the Contingency Period, the Purchaser shall be deemed to have delivered a Contingency Termination Notice. Notwithstanding the foregoing, so long as Purchaser has exercised good faith and diligent efforts as above provided to obtain the Assumption Approval throughout the Contingency Period, Purchaser shall have the right to extend the Contingency Period one (1) time for a period of thirty (30) days by providing written notice thereof to Seller prior to expiration of the Contingency Period.

(f) The terms and conditions of the Assumption Approval, which in all events must include a release of any Seller or Seller affiliate guaranties and/or indemnities for matters occurring from and after the Closing Date, shall be subject to Seller's approval, which approval may be granted or withheld by Seller in Seller's sole and absolute discretion. In the event of Seller's disapproval and an inability of Purchaser to obtain a revision of the Assumption Approval satisfactory to Seller, then Seller may terminate this Agreement upon written notice to Purchaser and Escrow Agent and Purchaser shall be returned the Deposit.

6. Rights Regarding Inspection of the Property and Due Diligence Materials.

6.1 Inspections.

(a) Subject to the conditions set forth herein, Purchaser, at Purchaser's sole cost and expense, will be permitted during normal business hours upon not less than forty-eight (48) hours prior written notice, subject in all respects to the rights of the tenants under the Leases, to make physical inspections of the Property and to meet with employees of the Manager and representatives of service providers so long as Seller shall have the right to accompany Purchaser on all such inspections. Purchaser shall not contact or meet with any tenants without Seller's prior consent, except for incidental contact during its investigations of the Property. Purchaser shall not be permitted to undertake any investigation or testing which causes damage to the Property; provided, the parties agree that the standard testing and gathering of samples for a customary Phase I environmental site assessment of the Land and Improvements shall be permitted including moisture testing for mold and air sampling for radon. In the event that Purchaser causes a Phase I

environmental site assessment of the Land and the Improvements (the "Phase 1 Assessment") to be performed, and the Phase 1 Assessment recommends the performance of a Phase 2 environmental site assessment or recommends subsurface investigations that involve borings or penetration of the Land or Improvements (the "Phase 2 Assessment"), Purchaser may perform a Phase 2 Assessment only upon obtaining the prior written consent of Seller, not to be unreasonably withheld, conditioned or delayed. If Seller permits Purchaser to perform a Phase 2 Assessment, Purchaser must: (i) at least two (2) business days prior to commencement of the Phase 2 Assessment, provide Seller with notice of the nature and extent of the damage which may be involved, the name of the person or entity performing the assessment, and a copy of such person or entity's liability insurance policy, and a copy of the Phase 1 Assessment; (ii) at Purchaser's sole cost and expense, promptly repair all damage caused by Purchaser or its contractors and agents, and (iii) if requested by Seller, provide Seller, at no cost to Seller, with a copy of the Phase 2 Assessment promptly after completion, but without representation or warranty of any kind and subject to obtaining any requisite third party consents and approvals. Purchaser acknowledges that prior to the end of the Inspection Period, any and all inspections which Purchaser in its sole and absolute discretion determines to be necessary or desirable will be performed by Purchaser, at Purchaser's sole cost and expense, so as to enable Purchaser to make its determination pursuant to Section 6 hereof. Thereafter, subject to the terms of this Agreement, Purchaser will have the right to make continuing inspections of the Property until the Closing during normal business hours upon not less than forty-eight (48) hours prior written notice, subject in all respects to the rights of the tenants under the Leases.

(b) In connection with Purchaser's inspections, Seller will afford to Purchaser, its counsel, accountants, appraisers and other representatives, consultants and experts, during normal business hours upon not less than forty-eight (48) hours prior written notice, subject in all respects to the rights of the tenants under the Leases, access to the Property and the books, contracts, rent rolls, paid bills files, lease files, the Leases, commitments and records of the operation and maintenance of the Property and such other records as Purchaser may reasonably request; provided no such party will have access to any of the Excluded Assets or any non-operational partnership books and records of Seller or books and records of the Manager not related to the Property.

6.2 Due Diligence Materials. Seller will, within three (3) days after the Effective Date hereof and at Seller's sole cost and expense, provide Purchaser with access to the following documentation or information in an on-line data room or on-site at Seller's office on the Property ("Due Diligence Materials"):

- (a) Year-end operating statements for years 2019, 2020 and 2021 year to date.
- (b) Copies of the most recent utilities bills for the Property for year 2019.
- (c) A copy of each Service Contract.

(d) To the extent in Seller's possession or control, copies of all building permits and any and all other licenses, permits and governmental approvals and authorizations pertaining to the Property.

(e) Copies of the ad valorem real estate tax bills for the Property for calendar years 2017, 2018, 2019 and 2020 and any information received concerning calendar year 2021.

(f) List of current or pending legal actions and current insurance claims (if applicable).

(g) Three (3) years of insurance loss runs and premiums.

(h) Copies of pending notices of condemnation (if applicable).

(i) A copy of income and expense statements pertaining to the Property for the most recent three (3) calendar years, including year 2021 to the extent available, the most recent quarter, and a trailing 12-month ending December 31, 2020 including monthly statements for the past twelve (12) months.

(j) Description of capital improvements completed since December 31, 2015.

(k) Disclosure of any legal matters and any ongoing or threatened litigation affecting the Property or the collection of rents or deposits, which legal matters or litigation is listed on Exhibit "L" to this Agreement.

(l) To the extent in Seller's possession or control, copies of any third-party reports, including but not limited to, property condition reports, engineering reports, Phase I environmental reports as well as any subsequent updates, zoning compliance reports, termite inspections and roof reports.

(m) To the extent in Seller's possession or control, notice of any violations, including but not limited to, those regarding building and fire codes.

(n) To the extent in Seller's possession or control, all plans and specifications, which shall not be delivered to Purchaser but rather shall be available for review by Purchaser on-site of the Property.

(o) Access to all tenant lease files and amendments thereto, as well as any other agreements which affects the obligations of Seller and the affected tenant with respect to such Leases.

(p) Current staffing schedule.

(q) All personal property tax bills for the Property for calendar years 2017 and 2018, and any information received concerning calendar years 2019 and 2020.

- (r) An inventory of Personal Property.
- (s) To the extent in Seller's possession or control, copies of certificates of occupancy issued with respect to the Property.
- (t) Copies of the VHDA Senior Loan Documents and any other documents evidencing, securing or relating to financing encumbering the Property.
- (u) A copy of the Extended Use Regulatory Agreement and Declaration of Restrictive Covenants dated May 17, 2005 by and between Seller and VHDA and recorded on March 27, 2006 in Book 7023, Page 570 of the Circuit Court Clerk of Chesterfield County, Virginia;
- (v) A copy of the Virginia Housing Development Authority Regulatory Agreement Conventional Multi-Family Rental Housing Development dated June 29, 2005 by and between Seller and VHDA and recorded on July 1, 2005 in Book 6482, Page 422 of the Circuit Court Clerk of Chesterfield County, Virginia;
- (w) Copies of any outstanding, unresolved IRS Form 8823s, if any.
- (x) Copies of all annual compliance filings with the VHDA for the last three (3) years.
- (y) A copy of the most recent VHDA audit of the Property.
- (z) Access to all tenant income certifications and other certifications related to the Tax Credits (as defined below) or any bonds or loans with respect to the Property.

The Due Diligence Materials being provided to Purchaser have been provided as an accommodation to Purchaser and, except as expressly provided herein, Seller has not and will not make or be deemed to have made any representation or warranty of any kind or nature whatsoever, express or implied, about the Due Diligence Materials, or the accuracy, reliability or usefulness of any information contained therein. Purchaser further acknowledges and agrees that, except as expressly provided herein, Purchaser shall not be justified in relying on the Due Diligence Materials or any information contained therein without independent investigation and verification thereof, and Purchaser hereby waives and relinquishes any and all claims, actions or causes of action which Purchaser may ever have against Seller or Manager with respect to any Due Diligence Materials or the contents thereof; provided that the foregoing shall not limit Purchaser's rights and remedies against Seller on account of a breach by Seller of any of its representations and warranties hereunder. Purchaser shall, at all times, keep the Due Diligence Materials confidential in accordance with Section 38 hereof.

6.3 Purchaser's Indemnity and Termination Rights. All such investigations, inquiries, inspections, site visits, and the like performed by or on behalf of Purchaser with respect to the Property are referred to herein as "**Due Diligence.**" Purchaser shall protect, defend, indemnify, and hold harmless Seller, Seller's partners and the Manager from and against all actions, causes of action, losses, costs, damages, claims, and liabilities (whether arising out of

injury or death to persons or damage to the Property or otherwise) of any nature whatsoever including, but not limited to, construction or other liens and reasonable attorneys' and paralegals' fees and expenses (whether or not an action is commenced, whether incurred before, during or after trial or upon any appellate level proceeding, or in arbitration, mediation or any administrative proceeding or proceeding in bankruptcy or insolvency), arising out of or in connection with Purchaser's activities on the Property in connection with its Due Diligence. The foregoing indemnity shall not apply to any claims (including, without limitation, claims that the Property has declined in value) or liabilities to the extent the same arise out of or are incurred in connection with (i) the negligence or willful misconduct of the Seller or its agents, consultants, employees, contractors or representatives; (ii) the discovery by Purchaser or its agents, consultants, employees, contractors or representatives of any or pre-existing conditions on the Property; (iii) the release (other than by Purchaser, its agents, consultants, employees, contractors or representatives) or discovery by Purchaser or presence of any pollutants, hazardous waste, hazardous substance or material located on or about the Property, except to the extent that Purchaser or its agents, consultants, employees, contractors or representatives have exacerbated such condition; (iv) the results, findings, tests or analyses of Purchaser's environmental or other physical investigation of the Property; or (v) any disclosure or notification made or given by Purchaser or any its agents, consultants, employees, contractors or representatives to any governmental agency or other party that is required by law based upon the results, findings, tests or analyses of Purchaser's environmental or other physical investigation of the Property. As a condition to its exercise of the right of entry set forth in this paragraph, Purchaser hereby agrees to procure and maintain during the term of this Agreement, and deliver to Seller evidence of, commercial general liability and property damage insurance providing coverage against liability for personal and bodily injury, death and property damage, having limits of liability which shall be not less than One Million Dollars (\$1,000,000), naming Seller as an additional insured. Purchaser shall also use commercially reasonable efforts to require all agents, consultants, employees, representatives, contractors and sub-contractors engaged by Purchaser to obtain and maintain insurance of the same types and amounts as required of Purchaser hereinabove. The provisions of this Section 6.3 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

6.4 Notice to Proceed. Purchaser shall have a period commencing the day after the Effective Date and ending at 6:00 p.m. Cleveland, Ohio time on the date which is ten (10) days following the Effective Date (such period being referred to herein as the "**Inspection Period**") to review and approve such matters and to conduct the Due Diligence as Purchaser, in Purchaser's sole and absolute discretion, may desire, subject to the terms and conditions set forth herein. Purchaser may, at its election and in its sole and absolute discretion, elect to proceed with this Agreement by giving written notice thereof to Seller (the "**Notice to Proceed**") at any time on or before 6:00 p.m. Cleveland, Ohio time on the last day of the Inspection Period. If Purchaser fails to send a Notice to Proceed, which decision is solely a decision of Purchaser with or without a reason therefor, within the time period required hereunder, then this Agreement shall automatically terminate and be of no further force or effect as of the expiration of the Inspection Period, and Purchaser shall thereafter be entitled to obtain prompt return of the Deposit. If Purchaser delivers a Notice to Proceed to Seller, then Purchaser shall be conclusively deemed to have waived any right to terminate this Agreement under the provisions of this Section 6.4. Delivery of the Notice to Proceed may be provided in accordance with Section 19 hereof, but if delivery is via email, such notice will be effective without a follow-up copy.

6.5 Service Contracts. Purchaser shall, no later than five (5) days prior to the expiration of the Inspection Period, advise Seller in writing of the Service Contracts which it elects to assume, and Seller agrees to terminate any Service Contracts Purchaser does not elect to assume as of the Closing Date provided that such Service Contract is terminable upon thirty (30) days' notice without payment of any premium or penalty.

6.6 Notice of Termination. If Purchaser delivers notice to Seller on or before 6:00 p.m. Cleveland, Ohio time on the last day of the Inspection Period that it does not wish to pursue the acquisition of the Property, or does not, for any reason, deliver a Notice to Proceed, then the Deposit shall be promptly refunded to Purchaser, and thereafter neither party shall have any further obligation or liability hereunder, except for obligations which expressly survive a termination of this Agreement.

6.7 Return of Due Diligence Materials Upon Termination. In the event that this Agreement is terminated by Purchaser or Seller pursuant to any provisions allowing either Purchaser or Seller, respectively, to do so, Purchaser shall return to Seller, upon such termination and at no cost to Seller, the Due Diligence Materials and all other documentation, data or information of any kind or nature whatsoever delivered by Seller or any agent or representative of Seller to Purchaser about or concerning the Property or any part thereof.

7. Representations and Warranties.

7.1 Seller's Warranties and Representations. As used in this Agreement, "Seller's Knowledge" means and shall be limited to the actual, current knowledge (and not imputed knowledge) of Vanessa Greene, in her capacity as the Regional Property Manager for The NRP Group LLC, without any obligation of any investigation or inquiry, who is the person related to Seller's organization most knowledgeable of the matters contained in this Section 7.1. Seller warrants and represents to Purchaser, as follows:

(a) Seller is a limited partnership duly formed, validly existing and in good standing under the laws of the Commonwealth of Virginia.

(b) The Property is not subject to any agreements of sale, or any purchase or lease options to acquire any interest in the Property (other than pursuant to this Agreement or as may be disclosed by the Title Commitment).

(c) Seller has not received written notice of any pending or threatened proceeding or action in the nature of eminent domain, nor is there any pending, or to Seller's Knowledge, threatened, proceeding or action by any governmental authority having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.

(d) Except for the Management Agreement which will be terminated at or prior to the Closing, the list of Service Contracts set forth on Exhibit "H" is a complete and correct list of all Service Contracts affecting the management, operation, maintenance, or leasing of the Property (including, without limitation, all brokerage, listing, equipment, janitorial, supply, trash removal, and other service and vendor contracts and agreements relating to the Property) as of the Effective Date. In the event a Service Contract is

discovered after the Effective Date that is not listed on Exhibit "H", the discovery shall not constitute a breach of representation by Seller, but Purchaser shall not be required to assume such Service Contract unless it elects to do so, and if Purchaser does not elect to assume such discovered Service Contract, Seller shall indemnify, defend and hold harmless Purchaser for any liability under such discovered Service Contract.

(e) To Seller's Knowledge, (i) the Leases are valid and enforceable according to their respective terms, and (ii) there has been no written claim by a tenant of a default by the Seller under a Lease which would have a material adverse effect on the Property. Except as set forth in the Leases (including any amendments or addenda thereto) and/or the Rent Roll, no tenant under the Leases is entitled to receive any rental concession or abatements.

(f) The Leases, or copies thereof delivered or made available to Purchaser are true and complete copies of each and includes each written modification thereof and supplement thereto.

(g) There is no litigation (including any arbitration, investigation or other proceeding) pending or, to Seller's Knowledge, threatened, which would prevent Seller from being able to perform its obligations in accordance with the terms and conditions of this Agreement or would otherwise adversely affect the Property, except for the legal matter listed on Exhibit "L".

(h) Seller has not presently assigned, pledged, hypothecated or otherwise encumbered the right of Seller to collect rent under the Leases, except for rentals collected by Manager in accordance with the Management Agreement between Seller and Manager which will be terminated at the Closing and any assignment in connection with the payment of any indebtedness to any existing mortgage holder of the Property that Seller shall discharge and release at or prior to the Closing hereunder.

(i) Seller is not a "foreign person" within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended, and any applicable treasury regulations thereunder.

(j) There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller, and Seller has received no notice of any of the same pending or threatened against Seller or the Property.

(k) There are no adverse parties in possession of the Property or of any part thereof and no parties in possession thereof except Seller, the tenants under the Leases, and except as otherwise expressly disclosed herein or reflected in any document recorded in the public records of Chesterfield County, Virginia, no party has been granted any license, lease, easement, or other right relating to the use or possession of the Property except (i) tenants under the Leases shown on the Rent Roll, (ii) as disclosed in Schedule B – Section 2 of the Title Commitment, and (iii) as otherwise expressly disclosed herein

(including Exhibit "L") or reflected in any document recorded in the public records of Chesterfield County, Virginia.

(l) Seller has not received (i) any written notice of any violations of any federal, state, county, or municipal law, ordinance, code, order, regulation, or requirement affecting any portion of the Property (including without limitation the Americans with Disabilities Act), except for the legal matter listed on Exhibit "L", or (ii) any written notice of any current violation of any zoning, building, health, flood control, fire, or other law, ordinance, order, regulation, or any restrictive covenant, except for the legal matter listed on Exhibit "L".

(m) The Seller has not received any written notice that the Property or the Seller is in violation of or subject to any existing, pending, or overtly threatened investigation or inquiry by any governmental authority or written notice of any remedial obligations under any applicable laws pertaining to health or the environment (hereinafter sometimes collectively called "Environmental Laws"), including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act of 1976 ("RCRA").

(n) Seller has the authority to enter into this Agreement, to perform its obligations under this Agreement and to complete the transaction contemplated by this Agreement.

(o) The execution of this Agreement by Seller and the performance of its obligations hereunder do not violate Seller's organizational documents or any agreement to which Seller is a party or any governmental or court order or ruling applicable to it.

(p) The information contained within the financial statements or reports with respect to the Property, including the rent roll attached hereto as Exhibit "I" and by this reference incorporated herein and made a part hereof, and as updated in accordance with Section 12.1(i) hereof (the "Rent Roll"), which are delivered to Purchaser with the Due Diligence Materials are the financial statements and reports utilized by Seller in its ordinary operation of the Property and for its internal reporting purposes.

(q) Neither this Agreement nor the conveyance of the Property to Purchaser is intended to defraud any of Seller's creditors or will render the Seller insolvent. The Seller has never filed any voluntary petition of bankruptcy or been adjudicated bankrupt or insolvent or filed or a petition or answer seeking any reorganization, liquidation, dissolution or similar relief under bankruptcy or insolvency laws, or other relief for debtors, or sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator or liquidator of all or any substantial part of its assets or its interests in the Property. No court of competent jurisdiction has entered an order, judgment or decree approving a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy act and no liquidator of the Seller or of all or any substantial part of its assets has been appointed. Seller has not given notice to any governmental body of insolvency or pending insolvency or suspension or pending suspension of operations.

(r) All insurance policies necessary to provide commercially reasonable coverage for the Property are in full force and effect and, to Seller's Knowledge, there has been continuous coverage since Seller's acquisition of the Property.

(s) This Agreement is valid and enforceable against Seller in accordance with its terms, and each instrument to be executed by Seller pursuant to this Agreement or in connection therewith will, when executed, be valid and enforceable against Seller in accordance with its terms.

(t) Seller has maintained all security and other deposits in accordance with all applicable legal requirements, and the terms of the applicable Leases and the Rent Roll accurately identifies all security and other deposits held by Seller under all Leases.

(u) Seller has not and will not be a person or entity with whom Purchaser is restricted from doing business under the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (H.R. 3162, Public Law 107-56) commonly known as the "Patriot Act") and Executive Order No. 13224 on Terrorism Financing, effective September 24, 2001 and the regulations promulgated pursuant thereto, including but without limitation, persons and entities named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

(v) Seller has no employees.

(w) There are no written or oral agreements, understandings or commitments relating to the VHDA Senior Loan other than the loan documents delivered to Purchaser pursuant to Section 6.2. To Seller's Knowledge, there is no uncured default by Seller under the VHDA Senior Loan and no event has occurred which with notice, the passage of time or both would constitute an event of default by Seller under the VHDA Senior Loan.

(x) The Regulatory Agreements have not been amended or modified. To Seller's Knowledge, there is no uncured default by Seller under the Regulatory Agreements and no event has occurred with which notice, the passage of time or both would constitute an event of default by Seller under the Regulatory Agreements.

If Seller becomes aware of any fact or circumstance which would change or render incorrect, in whole or in part, any representation or warranty made by Seller under this Section 7.1, whether as of the date given or at any time thereafter through the Closing Date and whether or not such representation or warranty was based upon Seller's Knowledge as of a certain date, Seller will give prompt written notice of such changed fact or circumstance to Purchaser.

7.2 Purchaser's Warranties and Representations. Purchaser warrants, represents and covenants to Seller as follows:

(a) Purchaser is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Delaware, and any assignee of Purchaser will be an entity duly organized, validly existing and in good standing under the

laws of the State of Delaware as of the Closing Date. Purchaser (or its permitted assignee) is bound by the actions and execution and delivery hereof by the authorized signatory who has executed this Agreement for and on behalf of Purchaser (or its permitted assignee); and Purchaser (or its permitted assignee) has all requisite authority and power to enter into this Agreement and to consummate the transactions contemplated herein.

(b) The execution and delivery of this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Purchaser (or its permitted assignee) on the Closing Date, and the performance by Purchaser (or its permitted assignee) of Purchaser's (or its permitted assignee's) duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale as contemplated herein, are not in violation of, any contract, agreement or other instrument to which Purchaser (or its permitted assignee) is a party, including but not limited to Purchaser's (or its permitted assignee's) organizational documents.

(c) This Agreement is valid and enforceable against Purchaser (or its permitted assignee) in accordance with its terms, and each instrument to be executed by Purchaser (or its permitted assignee) pursuant to this Agreement or in connection therewith will, when executed, be valid and enforceable against Purchaser (or its permitted assignee) in accordance with its terms.

7.3 Survival of Representations and Warranties. All of the representations and warranties made in this Section 7 or elsewhere in this Agreement are and will be continuous and continuing and all of the same shall remain true and correct in all material respects through the Closing Date, except as otherwise set forth herein. The representations and warranties contained in this Section 7 or elsewhere in this Agreement shall survive the Closing and the transfer of title to Purchaser as contemplated hereunder to and until 6:00 p.m. Cleveland, Ohio time on nine (9) months from the Closing (the "Survival Period"). Purchaser shall have the right to bring an action against Seller on the breach of a representation or warranty hereunder, but only on the following conditions: (1) Purchaser first learns of the breach after the Closing and gives written notice of such breach to Seller specifying in detail the representation or warranty alleged to have been breached and the amount of damages suffered thereby before the end of the Survival Period and files such action on or before the end of the Survival Period, and (2) Purchaser shall not have the right to bring a cause of action for a breach of a representation or warranty unless the damage to Purchaser on account of such breach (individually or when combined with damages from other breaches) equals or exceeds Ten Thousand Dollars (\$10,000). Notwithstanding anything contained herein to the contrary, Seller shall not have any liability after the Closing for the breach of a representation or warranty hereunder of which Purchaser had actual knowledge as of the Closing. Furthermore, and notwithstanding anything contained anywhere in this Agreement to the contrary, Purchaser agrees that the maximum aggregate liability of Seller with respect to the breach of any or all of the representations or warranties or covenants or obligations as contained in this Section 7 or elsewhere in this Agreement, or in any document or instrument executed or delivered at the Closing, excluding only actual fraud committed by Seller, is and shall be one and one-half percent (1.5%) of the cash portion of the Purchase Price, inclusive of attorneys' fees, reasonable expert witness fees and other costs and expenses incurred in enforcing Purchaser's rights hereunder.

7.4 AS IS, WHERE-IS SALE.

(a) Except as expressly provided in Section 7.1 or in this Section 7.4 or in any instrument or other document delivered at the Closing, and notwithstanding any other provision contained herein, express or implied to the contrary, Seller makes no representations or warranties with respect to the physical condition or any other aspect of the Property, including, without limitation, (i) the structural integrity of any Improvements on the Property and condition of any building systems, (ii) the conformity and/or compliance of the Improvements to any plans or specifications for the Property (including, but not limited to, any plans and specifications that may have been or which may be provided to Purchaser), (iii) the conformity of the Property to past, current or future applicable zoning, building, subdivision, land use, health, safety, environmental or nondiscrimination laws, statutes, ordinances, rules, regulations, orders, codes or other legal requirements or with any past, present or future documents of record, (iv) the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, (v) the sufficiency of any under shoring, (vi) the sufficiency of any drainage, (vii) whether any Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, (viii) the existence or non-existence of underground storage tanks, (ix) any other matter affecting the stability or integrity of the Land, or any buildings or Improvements situated on or as part of the Property, (x) the availability of public utilities and services for the Property, (xi) the fitness or suitability of the Property for Purchaser's intended use, (xii) the potential for further development of the Property, (xiii) the existence of vested land use, zoning, building or other entitlements affecting the Property, (xiv) the ability of Purchaser to obtain and maintain licenses and permits for intended use of the Property, (xv) the presence of toxic wastes, hazardous materials or friable asbestos in, on or about the Property, or (xvi) the status of title of the Property (collectively, the "**Property Conditions**"). Without limiting the foregoing in any manner, and except as is expressly provided in this Agreement, Purchaser acknowledges that Seller has made no representations or warranties of any kind or nature concerning the Property Conditions, and Purchaser acknowledges further that Purchaser is relying solely upon Purchaser's own investigations and Due Diligence in regard to each and all such matters, and assumes the risk that the Property may or may not be suitable or feasible for any intended use by Purchaser. Purchaser assumes complete responsibility to investigate with all appropriate governmental authorities for its intended use of the Property.

(b) Purchaser further expressly acknowledges that the Property is being sold and accepted "AS IS, WHERE-IS, WITH ALL FAULTS" and is being accepted without any representation or warranty except: (i) as to the statements of Seller expressly contained in this Agreement, and (ii) except for any covenants, warranties or representations contained in any document or instrument executed and delivered by Seller to Purchaser at the Closing (collectively referred to as the "**Seller's Warranties**").

(c) As part of Purchaser's agreement to purchase and accept the Property "AS-IS, WHERE-IS, WITH ALL FAULTS" and not as a limitation on such agreement, Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights Purchaser might have against Seller regarding any form of warranty, express or implied, of any kind or type, relating to the Property, the Property Conditions

or any other matter whatsoever, excepting only Seller's Warranties. Except with respect to Seller's Warranties, such waiver is absolute, complete, total and unlimited to, a waiver of express warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of habitability, strict liability rights, and claims of every kind and type, including, but not limited to, claims regarding defects which might have been discoverable, claims regarding defects which were not or are not discoverable, product liability claims, product liability type claims, and all other extant or later created or conceived of strict liability or strict liability type claims and rights, but excluding claims of actual fraud, willful misconduct or gross negligence.

(d) Effective upon the Closing, and to the fullest extent permitted by law, Purchaser hereby releases, discharges and forever acquits Seller, all of Seller's partners, Seller's affiliates and Manager, and their respective officers, directors, shareholders, owners, employees, agents and independent contractors, and the successors, heirs, personal representatives and assigns of each and every one of them from all demands, claims, liabilities, obligations, costs and expenses which Purchaser may suffer or incur relating to the Property Conditions or any other aspect of the Property, or its improvements or any defect related thereto, except to the extent of Seller's liability under this Agreement for breach of Seller's Warranties or covenants contained in this Agreement and except for Seller's actual fraud. Purchaser realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Purchaser further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that, except for breach of the representations and warranties of this Section 7.4, or for the breach of Seller's Warranties or covenants contained in this Agreement and except for Seller's actual fraud, Purchaser nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included in the waivers and matters released as set forth in this Section 7.4. The provisions of this Section 7.4 are material and included as a material portion of the consideration given to Seller by Purchaser in exchange for Seller's execution and delivery hereof and performance hereunder.

(e) Purchaser acknowledges and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement and that Seller would not have agreed to sell the Property to Purchaser for the Purchase Price without the disclaimers and other agreements set forth above.

7.5 Survival. The provisions of this Section 7 shall survive the Closing.

8. Covenants.

8.1 Seller's Covenants.

(a) Except as otherwise specifically required by this Section 8.1, subject to conditions beyond Seller's and/or Manager's control, Seller shall operate and maintain,

or shall cause Manager to operate and maintain, the Property from and after the Effective Date until the Closing in accordance with past practices and Seller shall maintain the physical condition of the Property in substantially its current condition, reasonable and ordinary wear and tear and damage by Purchaser and its agents and by fire and casualty excepted. From and after the Effective Date until the Closing, Seller will continue to perform all obligations under the Regulatory Agreements and the VHDA Senior Loan, including, without limitation, making all scheduled principal and interest payments. Without limiting the foregoing, Seller shall not, without first obtaining the prior written consent of Purchaser, (i) make any material structural alterations or additions to the Property except as (w) in the ordinary course of operating the Property, (x) required for maintenance and repair, (y) required by any of the Leases or the Service Contracts, or (z) required or permitted by this Agreement; (ii) sell, transfer, encumber or change the status of title of all or any portion of the Property; (iii) change or attempt to change, directly or indirectly, the current zoning of the Property in a manner materially adverse to it; (iv) cancel, amend or modify, in a manner materially adverse to the Property, any license or permit held by Seller with respect to the Property or any part thereof which would be binding upon Purchaser after the Closing; or (v) take any action or permit any action to be taken which would invalidate, impair or limit the scope of any warranty. Seller shall make commercially reasonable efforts to maintain in existence all licenses, permits and approvals that are now in existence with respect to, and are required for, the ownership, operation or improvement of the Property, and are of a continuing nature.

(b) From and after the Effective Date, neither Seller nor Manager will, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, delayed or conditioned: (i) enter into any new Service Contract having a term extending beyond the Closing Date that is not terminable by Purchaser on not more than thirty (30) days' notice to the respective vendor or contractor without premium or penalty, or (ii) alter or amend any Service Contract, the term of which would extend beyond the Closing Date that is not terminable by Purchaser on not more than thirty (30) days' notice to the respective vendor or contractor without premium or penalty. If Purchaser refuses or withholds its consent to any amendment to or extension of a Service Contract, or to the execution of a new Service Contract, the Seller may contract for such services or goods to be performed or provided only up to the Closing Date. Notwithstanding the foregoing, Seller may, at its sole cost and expense, without prior approval by Purchaser, perform or hire others to perform any and all emergency repairs or services immediately necessary for the preservation and safety of the Property or its tenants, or to avoid the suspension of any substantial and important service to the Property which would result in imminent hazard or danger to health, life or property; provided, however, Seller shall give Purchaser verbal notice of the emergency, as soon as practicable, and shall notify Purchaser in writing of the details and expenses thereof. Seller shall comply in all material respects with its obligations under the Service Contracts. Notwithstanding anything to the contrary contained herein, Seller hereby agrees that any and all management agreements (including the Management Agreement) and brokers' agreements affecting the Property shall be terminated as of the Closing Date.

(c) From and after the end of the Inspection Period, no new Leases (excluding current Leases renewed on a month-to-month basis) will be entered into by

Seller at rates, terms, commissions or concessions which are inconsistent with Seller's current policies and practices, or for terms of more than twelve (12) months. Seller shall comply in all material respects with its obligations under the Leases. Seller shall not grant any rent concessions (i) which are "back-loaded" or (ii) which do not reflect the then current market rate concessions being granted for similar units by landlords of similar properties in the market in which the Property is located without first obtaining Purchaser's prior written consent.

(d) Between the Effective Date and the Closing Date, no Personal Property shall be removed from the Property unless replaced on or before the Closing Date by Personal Property of the same type and which replacement is of equal or better quality or value as the Personal Property it is to replace.

(e) At all times from the Effective Date through the Closing Date, Seller shall cause to be maintained in force fire and extended coverage insurance and commercial general liability insurance upon the Property in amounts not less than the amounts of the insurance coverage on the Property on the Effective Date.

(f) Seller shall promptly deliver to Purchaser copies of all written notices received by Seller after the Effective Date (i) asserting any material breach of a Lease, a Service Contract, or any law, rule, regulation, covenant or permit applicable to the Property and (ii) relating to litigation or other legal proceedings affecting the Property (other than customary landlord-tenant actions).

(g) Seller shall terminate, as of the Closing, any existing lease (whether written, oral or otherwise) on the Property between Seller and any employee of Seller or such property manager under which rent is waived or is discounted and assure that the subject apartment unit is vacated effective as of the Closing Date.

8.2 Purchaser's Covenants.

(a) Purchaser covenants and agrees that it shall not use the name of "NRP" or any name containing it, or any variant of it, at any time, before or after the Closing in any way, context or manner.

(b) Prior to the Closing, Purchaser shall not solicit any employees of the Manager for employment or engage in any substantive conversations with such persons about potential employment, unless Seller notifies Purchaser that the employees of Manager working at the Property are not going to relocate to another of Manager's properties, in which event Purchaser may discuss continued employment with such employees. Seller agrees to notify Purchaser at least thirty (30) days prior to the Closing Date whether the employees are going to relocate or not, so that Purchaser may proceed accordingly. Failure of Seller to provide such notice to Purchaser shall be deemed to constitute notice to Purchaser that Seller is not going to relocate the employees to another of Manager's properties.

8.3 Indemnity. The indemnification obligations under this Agreement shall be subject to the following provisions:

The party seeking indemnification (“Indemnitee”) shall notify the other party (“Indemnitor”) of any claim against Indemnitee within forty-five (45) days after it has notice of such claim, but failure to notify Indemnitor shall in no case prejudice the rights of Indemnitee under this Agreement unless Indemnitor shall be prejudiced by such failure and then only to the extent of such prejudice. Should Indemnitor (i) fail to discharge or undertake to defend Indemnitee against such liability (with counsel reasonably approved by Indemnitee), within thirty (30) days after Indemnitee gives Indemnitor written notice of the same, or (ii) fail to provide Indemnitee notice that Indemnitor disputes its obligation to indemnify Indemnitee, then Indemnitee may in good faith settle such claim, and Indemnitor’s liability to Indemnitee shall be conclusively established by such settlement, the amount of such liability to include both the settlement consideration and the reasonable costs and expenses, including reasonable attorneys’ fees, incurred by Indemnitee in effecting such settlement. Indemnitee shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of Indemnitee unless: (a) the employment of such counsel shall have been authorized in writing by Indemnitor in connection with the defense of such action, (b) Indemnitor shall not have employed counsel to direct the defense of such action, (c) the action is a criminal complaint, or (d) Indemnitee shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to Indemnitor (in which case Indemnitor shall not have the right to direct the defense of such action or of Indemnitee), in any of which events such reasonable fees and expenses shall be borne by Indemnitor.

The indemnification obligations under this Agreement shall cover the costs and expenses of Indemnitee, including reasonable attorneys’ fees and expenses, related to any actions, causes of action, suits or judgments incident to any of the matters covered by such indemnities.

The indemnification obligations under this Agreement shall also extend to cover any claim against any present or future advisor, trustee, director, officer, partner, member, manager, employee, beneficiary, shareholder, fiduciary, participant or agent of an Indemnitee or any entity now or hereafter having a direct or indirect ownership interest in Indemnitee. The provisions of this Section 8.3 shall survive the Closing.

8.4 Condominium Conversion. Notwithstanding anything to the contrary, in the event that Purchaser or any successor or assign of Purchaser elects to convert the Property (or any portions thereof) into a condominium (or subject the same to a form of ownership constituting a condominium or other form of ownership substantially similar to a condominium, including leasehold or fee, or any form of ownership where one or more units is separately conveyed for the purpose of transforming the Property from a rental community to an ownership community), the Purchaser and, if different, the party undertaking such conversion hereby releases and shall indemnify, defend and hold the Seller and its affiliates, including, but not limited to, the contractor, harmless from and against any and all claims, demands, actions, causes of action and all other liabilities (including, without limitation, reasonable attorney’s fees and disbursements) arising from, directly or indirectly, any such conversion, including, but not limited to, such claims, demands, actions, causes of action or any other liabilities that may arise from alleged defects in notice to tenants of said conversion and/or defects in construction of the Property (or any portions thereof). This hold harmless and indemnity provision shall survive closing and delivery of the Deed for five (5) years, and may be evidenced in the Deed or such other instrument of record reasonably satisfactory to Seller.

8.5 Survival. The provisions of this Section 8 shall survive the Closing.

9. Authorization; Agency.

9.1 Purchaser will deliver to the Escrow Agent, at or before the Closing, evidence of its capacity and authority for the closing of the transaction contemplated herein, to the extent required by the Title Company (collectively, the "Purchaser Authorization Documents").

9.2 Seller will deliver to the Escrow Agent, at or before the Closing, evidence of its capacity and authority for the closing of the transaction contemplated herein, to the extent reasonably required by the Title Company (collectively, the "Seller Authorization Documents").

10. [Reserved].

11. Conditions to Closing.

11.1 Purchaser's obligation to purchase the Property and to perform the obligations to be performed by Purchaser at the Closing are subject to the following conditions precedent ("Purchaser's Conditions"), which may be waived in writing by Purchaser:

(a) Seller's representations and warranties set forth in this Agreement being true and accurate in all material respects when made and on the Closing Date, as if made on such date;

(b) Seller shall have performed all of the material covenants, agreements and obligations and complied with all conditions which are required to be performed and/or complied with by Seller prior to the Closing;

(c) On the Closing Date, the Title Company shall be committed to issue to Purchaser the Title Policy, in an amount equal to the Purchase Price, which reflects that indefeasible fee simple title to the Land and Improvements is vested in the name of Purchaser as of the date of the Closing, subject only to the Permitted Exceptions;

(d) The Management Agreement shall have been terminated;

(e) Purchaser shall have obtained the Assumption Approval, subject only to conditions approved by Purchaser without any amendments to the underlying documents, except to the extent approved in writing by Purchaser, in Purchaser's sole and absolute discretion;

(f) There shall have been no major damage to the physical condition of the Property, subject to the terms of Sections 15 and 16 herein.

11.2 Seller's Conditions. Seller's obligation to sell the Property and to perform the obligations to be performed by Seller at the Closing are subject to the following conditions precedent ("Seller's Conditions"), which may be waived in writing by Seller:

(a) Purchaser's representations and warranties set forth in this Agreement being true and accurate in all material respects when made and on the Closing Date, as if made on such date;

(b) Purchaser shall have performed all of the material covenants, agreements and obligations and complied with all conditions which are required to be compiled and/or performed by Purchaser prior to the Closing;

(c) Purchaser makes payment to Seller of the balance of the Purchase Price on the Closing Date in accordance with the terms and provisions of this Agreement; and

(d) The Assumption Approval shall include a release of Seller with respect to the VHDA Senior Loan Documents for matters occurring from and after the Closing Date, subject only to such carveouts as may be acceptable to Seller, in Seller's sole and absolute discretion.

11.3 Termination by Purchaser. In the event each of the conditions set forth in Section 11.1 is not fulfilled within the time provided in Section 11.1 or waived, in writing, by Purchaser, then Purchaser may, at its option, terminate this Agreement, thereby releasing the parties from further obligations hereunder, and all documents delivered by Purchaser to Seller or Escrow Agent shall be returned to Purchaser and all documents delivered by Seller to Purchaser or Escrow Agent returned to Seller, and the Deposit and all accrued and unpaid interest thereon, less Purchaser's share of escrow cancellation charges, shall be returned to Purchaser.

11.4 Termination by Seller. In the event each of the conditions set forth in Section 11.2 is not fulfilled within the time provided in Section 11.2 or waived, in writing, by Seller, then Seller may, at its option, terminate this Agreement, thereby releasing the parties from further obligations hereunder, and all documents delivered by Purchaser to Seller or Escrow Agent shall be returned to Purchaser and all documents delivered by Seller to Purchaser or Escrow Agent returned to Seller, and the Deposit and all accrued and unpaid interest thereon, less Purchaser's share of escrow cancellation charges, shall be returned to Purchaser unless Seller is entitled to receive the Deposit pursuant to Section 14.1 below.

12. Deliveries at Closing.

12.1 Seller's Deliverables. At the Closing, Seller shall execute, where applicable, and/or deliver to Purchaser the following:

- (a) The Deed;
- (b) The Bill of Sale;
- (c) The Assignment of Leases;
- (d) The Assignment of Service Contracts;
- (e) The Omnibus Assignment;

- (f) The Seller Authorization Documents;
- (g) Originals (or copies if originals are unavailable) of all of the Leases and tenant lease files, delivery to be accomplished by leaving them for Purchaser on location at the Property where they are currently filed (hereinafter called "On-Site Delivery");
- (h) A certificate of non-foreign status (the "Certificate of Non-Foreign Status") executed by Seller, which provides that Seller is not a "foreign person" as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder (the "Code"), and Purchaser has no obligation under Section 1445 of the Code to withhold and pay over to the U.S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the treasury regulations issued under said Section 1445 of the Code);
- (i) An updated Rent Roll dated not more than three (3) business days prior to the Closing Date and certified by Seller or, at Seller's option, the Manager, to be true, correct, and complete in all material respects as of the date thereof;
- (j) Copies (or originals if available) of all Service Contracts by On-Site Delivery;
- (k) All keys and security codes to the Improvements and to the Personal Property by On Site Delivery;
- (l) Such certificates as the Escrow Agent shall reasonably require of Seller;
- (m) To the extent they are in the possession of the Seller or Manager, originals or copies of certificates of occupancy, licenses, permits, authorizations, consents, and approvals required by law and issued by any governmental or quasi-governmental authority having jurisdiction over the Property to the extent the same are assignable or transferable, by On-Site Delivery;
- (n) A Seller's Affidavit in the form attached hereto as Exhibit "J" or as reasonably satisfactory to the Title Company;
- (o) A closing statement prepared by Escrow Agent setting forth the Purchase Price, all credits, adjustments and prorations between Seller and Purchaser, the net proceeds due Seller, and the net cash due from Purchaser (the "Closing Statement");
- (p) To the extent in Seller's or Manager's possession, maintenance records and logs for the Property, by On-Site Delivery;
- (q) To the extent in Seller's or Manager's possession, copies of documents and records pertaining to the operations of the Property, as limited by the terms of this Agreement, by On-Site Delivery;

(r) Notice to the tenants of the sale (the "Tenant Notice Letter"), which Purchaser shall distribute to all tenants promptly after the Closing, directing that all future rent payments should be made as the Purchaser directs, which Tenant Notice Letter shall be in the form attached hereto as Exhibit "K";

(s) Possession of the Property, subject only to the Permitted Exceptions;

(t) Notices to the counterparties under the Service Contracts, which Purchaser has elected to assume or is required to assume, informing such counterparties of the sale of the Property to Purchaser;

(u) Assignments of the VHDA Senior Loan Documents, in form reasonably satisfactory to Purchaser;

(v) The Assignment and Assumption of Regulatory Agreements in the form attached hereto as Exhibit "M" (the "Regulatory Agreement Assignment"); and

(w) Such other documents as Seller and Purchaser may have agreed in this Agreement to deliver at the Closing.

12.2 Purchaser's Deliverables. At the Closing, Purchaser shall execute, where applicable, and/or deliver to Seller the following:

(a) The Purchase Price, in cash or immediately available funds, by wire transfer which shall be received by the Escrow Agent no later than 12:00 p.m. (noon) Cleveland, Ohio time;

(b) The Purchaser Authorization Documents;

(c) The Assignment of Leases;

(d) The Assignment of Service Contracts;

(e) The Omnibus Assignment;

(f) The Closing Statement;

(g) The Tenant Notice Letter;

(h) Such certificates and affidavits as the Escrow Agent shall reasonably require of Purchaser;

(i) Assignments of the VHDA Senior Loan Documents;

(j) The Regulatory Agreement Assignment; and

(k) Such other documents as Seller and Purchaser may have agreed in this Agreement to deliver at the Closing.

Seller shall direct Manager to make available to Purchaser, at the offices of the Manager located at the Property, all contracts, leases and leasing correspondence, receipts for deposits, financial reports, billings to tenants, invoices from vendors, and unpaid bills which pertain to the Property, except for Excluded Assets and as otherwise set forth herein, together with all advertising materials, booklets, and keys, if any, used in the operation of the Property. The foregoing shall not include the separate books, records, correspondence, and other documentation of Manager relating exclusively to other properties managed by Manager and located at its offices on the Property.

13. Prorations and Adjustments.

13.1 Ad Valorem Taxes. Seller shall be responsible for all ad valorem taxes and assessments with respect to the Property for periods prior to the fiscal year containing the Closing Date. Ad valorem taxes and assessments with respect to the Property for the fiscal year containing the Closing Date shall be prorated between Seller and Purchaser at the Closing in accordance with local custom in Virginia, as of the Closing Date. If the tax bills or statement for the fiscal tax year in which the Closing occurs do not become available until after the Closing Date, then the rates and assessed values for the previous year, with known changes, shall be used by the parties for determining the proration of ad valorem taxes at Closing, and the parties shall re-prorate said taxes following the Closing when such tax bills or statements become available.

13.2 Income and Expenses. Rentals, utilities, water and sewer charges, service and maintenance contract costs, and all other income and expenses for the then current month or other applicable period of time during which the Closing occurs, if any, relating to the Property, shall also be prorated as of the Closing Date. Seller will use commercially reasonable efforts to have all utility meters read as of the Closing Date and shall be responsible for all utility services to the Property until the Closing. With respect to any delinquent rents due to Seller, Purchaser shall make reasonable efforts to collect the same after the Closing in the usual course of operation of the Property. All rents collected by Purchaser after the Closing shall be applied first to rents for the month in which the collection occurs, second to delinquent rents due to Purchaser, and third to delinquent rents due to Seller. Any delinquent rents, when applied as provided herein, which relate in whole or in part to any period prior to the Closing Date shall be remitted by Purchaser to Seller when and if collected by Purchaser (less any reasonable costs of collection). Purchaser shall have no obligation (i) to initiate or prosecute any suit to collect any delinquent rents owed to Seller, (ii) to terminate any Lease, or (iii) to evict any tenant. In the event Seller receives any rents from tenants after the Closing, Seller shall promptly deliver said rents to Purchaser without deduction or offset, for application by Purchaser in accordance with the terms hereof. This Section 13.2 shall survive the Closing.

13.3 Seller's Costs and Adjustments. Seller shall pay for: (1) Seller's portion of the prorated ad valorem and personal property taxes, and other prorated items as herein provided; (2) Seller's own attorneys' fees; (3) any documentary stamps, transfer taxes and/or surtaxes with respect to the Deed or transfer of the Property; (4) any commissions, fees, or other compensation or reimbursement due, if any, to any direct or indirect affiliate of Seller; (5) any commissions, fees, or other compensation or reimbursement due, if any, to any brokers engaged by or claiming through Seller; (6) one-half (1/2) of any escrow or closing fees charged by the Escrow Agent (to the extent not otherwise included in the title premium); (7) any other expenses allocated to Seller

by this Agreement; and (8) the title insurance premium for, and other costs associated with, the Title Policy, except for any lender's title policy and any endorsements to the Title Policy or increased costs for extended coverage under the Title Policy

13.4 Purchaser's Costs and Adjustments. Purchaser shall pay for: (1) Purchaser's own attorneys' fees; (2) the title insurance premium and any endorsements to the Title Policy or increased costs for extended coverage under the Title Policy; (3) Purchaser's portion of the prorated ad valorem and personal property taxes, and other prorated items as herein provided; (4) the costs and expenses of recording of the Deed; (5) Purchaser's Due Diligence costs and expenses; (6) the cost of the Survey obtained by Purchaser, if any; (7) any commissions, fees, or other compensation or reimbursement due, if any, to any brokers engaged by or claiming through Purchaser; (8) any and all costs, expenses or fees pertaining or relating to or required in connection with the Assumption Approvals; (9) one-half (1/2) of any escrow or closing fees charged by the Escrow Agent (to the extent not otherwise included in the title premium); (10) any state/local transfer taxes imposed on Purchaser; and (11) any other expenses allocated to Purchaser by this Agreement.

13.5 Security Deposits. At the Closing, Seller shall also give Purchaser a credit against the Purchase Price of a sum equal to the aggregate of any Security Deposits required to be remitted to tenants under the Leases along with any accrued interest thereon required by law or under the Leases.

13.6 Deposit. At the Closing, Purchaser shall receive a credit toward the Purchase Price in an amount equal to the Deposit, and the Deposit shall be delivered to Seller.

13.7 Miscellaneous Adjustments. Amounts paid or payable under Service Contracts being assigned to Purchaser shall be prorated. Seller shall retain and reserve from the sale of the Property all (i) utility deposits or any assignable bonds supplied in lieu thereof, (ii) deposits with governmental or quasi-governmental agencies and (iii) initial inducement payments made by vendors or service providers. Such other items and expenses that are customarily prorated or allocated in transactions of this nature, and not otherwise expressly addressed in this Agreement, shall be prorated or allocated in accordance with such customs of Chesterfield County, Virginia.

13.8 Calculation of Prorations. For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing is completed. All such prorations shall be made on the basis of the actual number of days of the year and months which shall have elapsed as of the Closing Date. In the event any expenses are prorated at Closing based upon estimates as opposed to actual bills, such expenses shall be re-prorated following Closing promptly upon receipt of actual bills or invoices, but in no event later than one hundred eighty (180) days following Closing. Items of income and expense for the period prior to the Closing Date will be for the account of Seller, all as determined by the accrual method of accounting; provided, however, that the proration of rents made at the Closing shall be on an "as collected" basis; provided further, Purchaser shall receive a credit at the Closing for all rents collected by Seller prior to the Closing which are attributable to the period of time after the Closing. Bills received after the Closing which relate to expenses incurred, services performed, or other

amounts allocable to the period prior to the Closing Date shall be paid by Seller. This Section 13.8 shall survive the Closing.

13.9 VHDA Senior Loan. Interest accrued under the VHDA Senior Loan shall be prorated on an accrual basis. Seller shall, at Closing, assign and transfer to Purchaser all of Seller's right, title and interest in and to all deposits, if any, made by Seller and held by the VHDA Senior Lender as of the Closing including for the payment of taxes, insurance and capital repairs relating to the Property, and Purchaser shall at Closing pay to Seller an amount equal to the aggregate amount of such deposits and any interest accrued thereon.

3.10 Survival. This Section 13 shall survive the Closing.

14. Default and Remedies.

14.1 Default by Purchaser. If Purchaser defaults in its obligation to consummate the purchase of the Property pursuant to this Agreement, including but not limited to a failure or refusal of Purchaser to deliver the documents and funds required under Section 12.2 of this Agreement or the Closing fails to occur as a result of the gross negligence, recklessness, fraud or willful misconduct of Purchaser, then Seller shall be entitled, as its sole and exclusive remedy, at law or in equity, to terminate this Agreement, whereupon the Deposit (including any portion of the Deposit to which Purchaser received a credit) shall be forfeited to Seller as liquidated damages and not as penalty, in full satisfaction of claims against Purchaser hereunder. Seller and Purchaser agree that Seller's damages resulting from Purchaser's default are difficult, if not impossible, to determine and the Deposit is a fair estimate of those damages which has been agreed to in an effort to cause the amount of such damages to be certain. This Section 14.1 shall not bar or waive Seller's right to bring an action or claim against Purchaser for any other default or breach by Purchaser under this Agreement not covered by the previous two sentences. IN NO EVENT SHALL PURCHASER'S DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, OWNERS OR OTHER AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

14.2 Default by Seller. If Seller fails to consummate the sale of the Property pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to the Closing for any reason except failure by Purchaser to perform hereunder, or if prior to the Closing any one or more of Seller's representations or warranties are breached in any material respect, and such default or breach is not cured by the earlier of the fifteenth (15th) business day after written notice thereof from Purchaser or the Closing Date (Purchaser hereby agreeing to give such written notice to Seller within three (3) business days after Purchaser first learns of any such default or breach by Seller, except no notice or cure period shall apply if Seller fails to consummate the sale of the Property hereunder), Purchaser shall elect, as its sole remedy, either to (A) terminate this Agreement by giving Seller timely written notice of such election prior to or at the Closing and recover the Deposit, and if Purchaser's election to terminate this Agreement is caused by Seller's default or breach of this Agreement (but not Purchaser's failure to obtain the Assumption Approval), then Seller shall reimburse Purchaser for its actual out-of-pocket expenses incurred in

connection with the negotiation and performance of this Agreement, including items such as attorneys' fees, due diligence expenses and non-refundable lender fees and deposits, but not to exceed One Hundred Thousand Dollars (\$100,000) in the aggregate when combined with such fees and expenses for Grand Oaks Family Agreement, (B) enforce specific performance to consummate the sale of the Property hereunder, or (C) waive said failure or breach and proceed to the Closing without any reduction in the Purchase Price. Notwithstanding anything herein to the contrary, Purchaser shall be deemed to have elected option (A) above if Purchaser fails to deliver to Seller written notice of its intent to file a claim or assert a cause of action for specific performance against Seller on or before thirty (30) days following the scheduled Closing Date or, having given such notice, fails to file a lawsuit asserting such claim or cause of action in the county in which the Property is located within sixty (60) days following the scheduled Closing Date. Purchaser hereby waives all other remedies, including without limitation, any other claim for monetary damages, unless specific performance is not available due to the affirmative acts of Seller. IN NO EVENT SHALL SELLER'S DIRECT OR INDIRECT PARTNERS, SHAREHOLDERS, OWNERS OR AFFILIATES, ANY OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE FOREGOING, OR ANY AFFILIATE OR CONTROLLING PERSON THEREOF HAVE ANY PERSONAL LIABILITY FOR ANY CLAIM, CAUSE OF ACTION OR OTHER LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROPERTY, WHETHER BASED ON CONTRACT, COMMON LAW, STATUTE, EQUITY OR OTHERWISE.

14.3 Post Closing Remedies. If the Closing is consummated, each party shall have all remedies available at law or in equity in the event either fails thereafter to perform any of their respective obligations under this Agreement which expressly survive the Closing, subject to the limitations set forth in Section 7.3 hereof.

14.4 Survival. The provisions of Section 14 shall survive the Closing.

15. Casualty. Seller shall bear all risk of loss or damage to the Property from all such causes until the Closing. Seller shall give prompt notice to Purchaser of any such loss or damage to the Property. If the Property, or any part thereof, suffers minor damage prior to the Closing from fire or other casualty, Seller may, at its option, either (i) repair the minor damage, prior to the Closing at Seller's sole cost and expense, and the proceeds of any insurance covering such minor damage shall be received and kept by Seller with no reduction, offset or abatement in the Purchase Price, (ii) not repair the minor damage, and if no insurance covers such minor damage then provide Purchaser with a reduction, offset or abatement in the Purchase Price equal to the cost and expense to repair such minor damage, or (iii) not repair the minor damage, and the proceeds of any insurance covering such minor damage shall be assigned to Purchaser at the Closing, with no reduction, offset or abatement in the Purchase Price, except (a) for minor damage in excess of Seller's insurance deductible, Purchaser shall receive a credit at the Closing in the amount of the insurance deductible under Seller's insurance policy or (b) for minor damage less than Seller's insurance deductible, Purchaser shall receive a credit at the Closing in an amount equal to the cost to repair the minor damage as reasonably determined by Seller and Purchaser. Any determination of whether minor damage or major damage occurred to the Property shall be supported by one or more bids obtained by Seller from qualified parties, and, if there is a deviation between the bids, the amount of such bids shall be averaged. Purchaser does not have a right to terminate this Agreement due to minor damage to the Property or any part thereof. If the Property, or any part

thereof, suffers major damage prior to the Closing from fire or other casualty, then Purchaser may either (i) terminate this Agreement, whereupon the Deposit shall be refunded to Purchaser, and neither party shall have any further rights or obligations pursuant to this Agreement, except with respect to those matters which by their terms survive termination of this Agreement, or (ii) consummate the Closing, whereupon the proceeds of any insurance covering such major damage shall be assigned to Purchaser at the Closing, with no reduction, offset or abatement in the Purchase Price, except that Purchaser shall receive a credit at the Closing in an amount equal to the amount of the insurance deductible under Seller's insurance policy. For purposes of this Section 15, in no event shall Seller be expected or required to both pay an insurance deductible and provide a credit to the Purchase Price in the amount of such insurance deductible paid by Seller. For purposes of this Agreement, "major damage" shall mean damage or destruction, the cost of repairing which exceeds the aggregate sum equal to \$115,875. For purposes of this Agreement, "minor damage" shall mean damage or destruction, the cost of repairing which is less than or equal to the aggregate sum equal to \$115,875. If the parties disagree as to whether any damage is major or minor damage, such determination shall be made by an independent person or entity qualified and experienced in making such determinations, and who shall be selected and compensated by Purchaser. Unless Purchaser elects to terminate this Agreement due to major damage to the Property, Seller hereby agrees that it shall not settle or compromise any insurance claim relating to the Property without the prior written approval of Purchaser, which approval will not be unreasonably withheld, conditioned, delayed or denied. This Section 15 shall survive the Closing.

16. Condemnation. If, prior to the Closing, action is initiated or overtly threatened to take all or any material portion of the Property, Purchaser may either (a) terminate this Agreement, whereupon the Deposit shall be returned to Purchaser and neither party shall have any further rights or obligations pursuant to this Agreement, except with respect to those matters which by their terms survive the termination of this Agreement, or (b) consummate the Closing, whereupon the award of the condemning authority shall be assigned to Purchaser at the Closing, with no reduction, offset, or abatement in the Purchase Price. In the event of a non-material taking of a portion of the Property which shall occur prior to the Closing, the provisions of subparagraph (b) shall apply with regard thereto. Any taking (i) which reduces the number of apartment units, (ii) which yields net proceeds in excess of ten percent (10%) of the actual aggregate base rent as set forth on the Rent Roll, (iii) for which the cost of restoring the Improvements would exceed an amount equal to \$115,875, (iv) in which twenty percent (20%) or more of the parking spaces are taken or such condemnation would otherwise result in the Property materially violating applicable zoning ordinances or other governmental laws or ordinances related to parking, or (v) which would materially affect ingress and egress to the Property other than on a temporary basis shall be deemed to be "material" for the purposes of this Section 16. Unless Purchaser elects to terminate this Agreement pursuant to this Section 16, Seller will not compromise or settle any condemnation award without the prior written approval of Purchaser, which approval will not be unreasonably withheld, conditioned, delayed or denied. This Section 16 shall survive the Closing.

17. Brokers. Purchaser and Seller warrant that neither has engaged or dealt with any agent, broker or finder who is claiming any fee, a commission or other compensation with regard to this Agreement or the sale and purchase of the Property contemplated herein. Purchaser hereby indemnifies and agrees to hold Seller harmless from and against any and all claims, actions, causes of action, loss, damage liability, costs or expenses, including, without limitation, attorneys' and

paralegals' fees and expenses (whether or not an action is commenced, whether incurred before, during or after trial or upon any appellate level, or in arbitration, mediation, any administrative proceeding or any proceeding in bankruptcy or insolvency) incurred by Seller as the result of any claim by any agent, broker or finder who was or is engaged by Purchaser or with whom Purchaser has dealt for any fee, commission or other compensation with respect to this Agreement or the sale and purchase of the Property. Seller hereby indemnifies and agrees to hold Purchaser harmless from and against any and all claims, actions, causes of action, loss, damage liability, costs or expenses, including, without limitation, attorneys' and paralegals' fees and expenses (whether or not an action is commenced, whether incurred before, during or after trial or upon any appellate level, or in arbitration, mediation, any administrative proceeding or any proceeding in bankruptcy or insolvency) that Purchaser shall incur because of any claim by any agent, broker or finder who was or is engaged by Seller or with whom Seller has dealt. Each indemnity herein shall survive the Closing or any termination of this Agreement.

18. Execution. The "Effective Date" of this Agreement shall be the date set forth on page one of this Agreement.

19. Notices. All notices, requests, elections, and communications ("Notice") under this Agreement shall be delivered by telecopy or email transmission (with proof of delivery), by personal delivery, or by overnight express with a receipt required to be signed, return receipt requested, to the individuals and addressed indicated below:

If to Seller: c/o The NRP Group LLC
The Halle Building
1228 Euclid Avenue, Suite 400
Cleveland, Ohio 44115
Attn: Noam Magence, General Counsel
Fax: (216) 475-8900
Email: nmagence@nrpgroup.com

and

The NRP Group LLC
The Halle Building
1228 Euclid Avenue, Suite 400
Cleveland, Ohio 44115
Attn: Noam Magence, General Counsel
Fax: (216) 475-8900
Email: NMagence@nrpgroup.com

with a copy to: Nelson Mullins Broad and Cassel
390 N. Orange Ave., Suite 1400
Orlando, Florida 32801
Attn: David F. Leon, Esq.
Fax: (407) 425-8377
Email: david.leon@nelsonmullins.com

If to Purchaser: FRH REALTY LLC
5355 Mira Sorrento Place, Suite 100
San Diego, California 92121
Attn: Jon MacDonald and Paul Kudirka
Fax: (858) 626-8816
Email: JMacdonald@ffres.com
PKudirka@ffres.com

with a copy to: Rutan & Tucker, LLP
611 Anton Blvd., 14th Floor
Costa Mesa, CA 92626
Attn: Patrick D. McCalla
Fax: (714) 546-9035
Email: pmccalla@rutan.com

If to Escrow Agent: First American Title Insurance Company
18500 Von Karman Avenue, Suite 600
Irvine, California 92612
Attn: Ryan Hahn
Fax: (877) 372-0261
Email: rhahn@firstam.com

Any notice provided for herein shall become effective (i) upon and at the time of receipt by the first recipient for such party listed above (not any copy parties) to whom it is given or when delivery is refused by such party, if hand delivered, (ii) if sent by telecopy or email transmission, upon confirmation of transmission, provided that a copy of such notice is delivered the following day by nationally recognized overnight courier or U.S. mail, and (iii) upon and at the time of delivery to the first recipient for such party listed above (not any copy parties) or when delivery is refused, in each case at the address given, if delivered by an overnight courier service. Notice given by counsel to a party in accordance with the above requirements shall be deemed given by such party.

20. Title Company and Title Policy. The Title Company shall (i) ensure that First American Title Insurance Company issues to Purchaser, on behalf of the Title Company, a closing protection letter (sometimes called an insured closing letter) prior to the expiration of the Inspection Period, and (ii) write and issue the Title Policy as an agent of First American Title Insurance Company.

21. Assignment. This Agreement may not be assigned by Purchaser without the prior written consent of Seller; provided, however, that Purchaser may assign this Agreement in whole, but not in part, to a partnership or limited liability company in which Purchaser or an affiliate of Purchaser is a general partner, managing member or manager, and provided that (a) such assignment is accomplished no later than five (5) business days prior to the Closing, (b) such assignee assumes and agrees to pay and/or perform all obligations and liabilities of Purchaser under this Agreement, and (c) that Purchaser and such assignee shall each remain jointly and

severally liable for all of Purchaser's performance, obligations and liabilities under this Agreement.

22. Attorneys' Fees. Should any action be brought arising out of this Agreement, including, without limitation, any action for declaratory or injunctive relief, any action seeking indemnity hereunder, or any action for the enforcement hereof, the prevailing party shall be entitled to reasonable attorneys' fees and costs and expenses of investigation, all as actually incurred, including, without limitation, reasonable attorneys' fees, costs, and expenses of investigation incurred before, during or after trial or in any in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under the United States Bankruptcy Code, or any successor statutes. Any judgment or decree rendered in any such actions or proceedings shall include the award of attorneys' fees, costs, and expenses, as just described. The terms of this Section 22 shall survive the Closing or the termination of this Agreement.

23. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE COMMONWEALTH OF VIRGINIA AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE COMMONWEALTH OF VIRGINIA. VENUE AND JURISDICTION FOR ANY ACTION BROUGHT HEREUNDER IS HEREBY AGREED TO BE PROPER AND LIE EXCLUSIVELY WITH THE APPROPRIATE COURT LOCATED IN CHESTERFIELD COUNTY, VIRGINIA.

24. Offer. The submission by Seller of this Agreement to Purchaser for examination does not constitute an offer by Seller to Purchaser, or a reservation of or an option for the Property.

25. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

26. Invalid Provision. In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect for any reason, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

27. Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

28. Entire Agreement. This Agreement constitutes the entire, sole, and only agreement of the parties hereto and supersedes any prior understanding or written or oral agreements between the parties respecting the subject matter of this Agreement.

29. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular shall be held to include the plural and vice versa unless the context requires otherwise.

30. Time Periods. Time is of the essence in this Agreement and each and every provision hereof. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time begins to run shall not be included.

The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday, or legal holiday. The term “business day” shall mean any day which is not a Saturday, Sunday or legal holiday.

31. Amendment. No modification, amendment, or waiver of any portion of this Agreement shall be effective unless it is in writing and signed by Seller and Purchaser.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. Delivery of a signature page to, or an executed counterpart of, this document by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words “execution,” “signed,” “signature,” and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity, or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, Electronic Signatures in Global and National Commerce Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

33. Exhibits. The exhibits, referenced in and attached to this Agreement, are incorporated in, and made a part of, this Agreement for all purposes.

34. Notice of Claims. Seller and Purchaser, as applicable, shall promptly notify the other in the event any claim is made against Seller or Purchaser as to which the other party has agreed to indemnify. This paragraph shall survive the Closing of this transaction or any termination of this Agreement.

35. Books and Records. The transaction contemplated hereby includes the books and records of Seller pertaining strictly to the operation of the Property. Books and records not pertaining strictly to the operation of the Property may be removed by Seller within a reasonable time after the Closing Date. Purchaser agrees to maintain and preserve all books and records, files and correspondence regarding the Property to the extent delivered to Purchaser for at least four (4) years after the Closing Date, and not to destroy or dispose of the same for at least four (4) years after the Closing Date. Upon Seller’s reasonable written request, Purchaser agrees to provide reasonable access to Seller and its representatives to all such books, records, files and correspondence regarding the Property. This Section 35 shall survive the Closing.

36. No Occupancy of Property by Seller. Seller warrants and represents that from and after the date of the Closing, neither Seller nor any affiliate of Seller shall occupy or remain in occupancy of all or any portion of the Property.

37. No Joint Venture or Partnership. Nothing in this Agreement shall be deemed to create any joint venture or partnership between the parties and none exists with respect to the Property.

38. Confidentiality. Seller and Purchaser (each a “Party” for purposes of this Section 38) acknowledge that the transaction described herein is of a confidential nature and, prior to the Closing, shall not be disclosed by any Party, nor by any of their respective parents, subsidiaries, employees, or affiliates, including, without limitation, the Manager, except to partners of Seller and Purchaser, attorneys, lenders, potential equity sources, accountants, consultants, advisors, and affiliates, as a result of any action required to be performed by a Party under this Agreement, or as required by law. Prior to the Closing, no Party shall make any public disclosure of the specific terms of this Agreement, except as required by law. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated hereby, each Party acknowledges that it will have access to confidential information relating to the other Party. Each Party shall treat such information as confidential, preserve the confidentiality thereof, and not duplicate or use such information, except to the partners of Seller or Purchaser, and attorneys, lenders, potential equity sources, accountants, advisors, consultants, and affiliates in connection with the transactions contemplated hereby. In the event of the termination of this Agreement for any reason whatsoever, Purchaser shall return to Seller, at Seller’s request, all documents, work papers, and other material (including all copies thereof) obtained from Seller in connection with the transactions contemplated hereby, and each Party shall use reasonable best efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information except as otherwise permitted by law. Neither Seller nor Purchaser shall make statements to the press or issue a press release regarding the transaction contemplated by this Agreement prior to the Closing but may do so after the Closing without the consent of the other Party; provided, however, that any statements to the press or press release by Seller or its employees, directors, constituent entities, or any of their respective representatives must not disclose the Purchase Price. Notwithstanding the foregoing, after the Closing, Seller may disclose the amount of the Purchase Price for the Property to actual or potential investors, actual or potential lenders in similar projects of Seller (or its affiliates). Further, notwithstanding anything contained in this Section 38 or elsewhere in this Agreement to the contrary, neither Purchaser nor Seller shall have any liability concerning information (including, without limitation, information regarding the Purchase Price) which becomes public due to no wrongful action on the part of such Party, or which is ordered or required to be publicly released by the requirement of any governmental agency or entity.

39. Discharge of Obligations. The acceptance of the Deed by Purchaser at the Closing shall be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, except those which by the terms of this Agreement expressly survive the Closing.

40. Waiver. Except as expressly provided to the contrary herein, no waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing waiver.

41. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE UNDERSIGNED WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, ANY ASPECT OF THE TRANSACTION IN CONNECTION WITH WHICH THIS AGREEMENT IS BEING GIVEN OR ANY

DOCUMENT EXECUTED OR DELIVERED IN CONNECTION WITH SUCH TRANSACTION, WHETHER IN CONTRACT OR IN TORT.

42. Definitions. Wherever the term “including” is used herein, it shall be deemed to mean “including, without limitation,” whether or not such words are expressly written and whether or not they are written elsewhere.

43. Property Tax Appeals. Seller retains the right to pursue and control any tax appeals applicable to periods prior to the tax year of the Closing, and Purchaser shall cooperate with Seller with respect to any such appeals at no material cost or expense to Purchaser. Any refund of real property taxes or special assessments relating to the tax year prior to the Closing shall be solely for the account of Seller. To the extent Purchaser receives any such refund, Purchaser shall remit such refund in-full to Seller within ten (10) business days of receipt thereof. Notwithstanding the foregoing, Purchaser and Seller shall reasonably and jointly pursue and control any tax appeals applicable to the tax year of the Closing, and the parties shall prorate all costs incurred and monies recovered in connection therewith based on the portion of the proceeds of any tax appeal recovery allocable to each party’s respective period of ownership of the Property during the tax year of the Closing. To the extent there is a reassessment of the Property by the applicable taxing authority that results in additional monies being due and owing for the period prior to the tax year of the Closing, Seller acknowledges and agrees that Seller is obligated for the payment of any real property taxes or special assessments for any such period prior to the tax year of the Closing (but without limiting Seller’s right to pursue any tax appeals set forth in the first sentence, above, of this Section 43), and shall remit such funds directly to the applicable taxing authority or to Purchaser, as applicable, before the same becomes delinquent. This Section 43 shall survive the Closing.

44. Property Taxes. PURCHASER SHOULD NOT RELY ON THE SELLER’S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE PURCHASER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS MAY TRIGGER REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER’S OFFICE FOR INFORMATION.

45. Cross-Default. Purchaser and Seller acknowledge that Purchaser has entered into a Purchase and Sale Agreement of Real Property (the "Grand Oaks Family Agreement") with Grand Oaks Apartments, L.P., a Virginia limited partnership (the "Grand Oaks Family Seller"), which is an affiliate of Seller. Notwithstanding anything to the contrary herein, any default under the Grand Oaks Family Agreement shall be a default under this Agreement, it being the intent of the parties hereto that this Agreement and the Grand Oaks Family Agreement shall be cross-defaulted. In the event Purchaser terminates this Agreement (for any reason other than a Seller default), the Grand Oaks Family Agreement shall be deemed terminated and the termination by Purchaser’s affiliate of the Grand Oaks Family Agreement shall be deemed a termination of this Agreement.

[Remainder of Page Intentionally Blank; Signatures on Following Pages]

IN WITNESS WHEREOF, Purchaser and Seller have caused this Agreement to be executed and to be effective as of the Effective Date.

SELLER:


**GRAND OAKS SENIOR APARTMENTS,
L.P.**, a Virginia limited partnership

By: NRP Grand Oaks Senior Apartments
LLC, its general partner

By: 
J. David Heller, as Manager

PURCHASER:

FRH REALTY LLC, a Delaware limited
liability company

By: 
Name: Tracy Stottlemyer
Title: Vice President & Assistant Secretary

[SIGNATURE PAGE – PURCHASE AND SALE AGREEMENT]

[SIGNATURE PAGE – PURCHASE AND SALE AGREEMENT]

**JOINDER BY ESCROW AGENT, ONLY AS TO
ITS OBLIGATIONS HEREUNDER:**

FIRST AMERICAN TITLE INSURANCE
COMPANY

By:  _____

Name: Ryan Hawn

Title: Escrow Officer

Schedule of Exhibits

Exhibit "A" – Legal Description of the Land

Exhibit "B" – Inventory of Material Personal Property

Exhibit "C" – Form of the Deed

Exhibit "D" – Form of Bill of Sale

Exhibit "E" – Form of Assignment of Leases

Exhibit "F" – Form of Assignment of Service Contracts

Exhibit "G" – Form of Omnibus Assignment

Exhibit "H" – Service Contracts

Exhibit "I" – Rent Roll

Exhibit "J" – Form of Seller's Affidavit

Exhibit "K" – Form of Tenant Notice Letter

Exhibit "L" – List of Pending Litigation Regarding the Property

Exhibit "M" – Form of Assignment and Assumption of Regulatory Agreements

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF WOMACK ROAD IN A NORTHERLY DIRECTION A DISTANCE OF 858.52 FEET TO A ROD FOUND, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 66 DEGREES 30 MINUTES 67 SECONDS WEST A DISTANCE OF 137.08 FEET TO A POINT, THENCE NORTH 22 DEGREES 14 MINUTES 49 SECONDS WEST A DISTANCE OF 98.81 FEET TO A POINT, THENCE NORTH 31 DEGREES 18 MINUTES 55 SECONDS WEST A DISTANCE OF 68.48 FEET TO A POINT, THENCE NORTH 56 DEGREES 55 MINUTES 07 SECONDS WEST A DISTANCE OF 288.45 FEET TO A POINT, THENCE NORTH 67 DEGREES 34 MINUTES 40 SECONDS WEST A DISTANCE OF 84.86 FEET TO A POINT, THENCE NORTH 41 DEGREES 34 MINUTES 44 SECONDS WEST A DISTANCE OF 53.38 FEET TO A POINT, THENCE NORTH 06 DEGREES 45 MINUTES 42 SECONDS EAST A DISTANCE OF 73.45 FEET TO A POINT, THENCE NORTH 24 DEGREES 21 MINUTES 28 SECONDS WEST A DISTANCE OF 68.58 FEET TO A POINT, THENCE NORTH 33 DEGREES 28 MINUTES 38 SECONDS EAST A DISTANCE OF 150.00 FEET TO A FOUND ROD, THENCE SOUTH 58 DEGREES 35 MINUTES 16 SECONDS EAST A DISTANCE OF 873.52 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 323.15 FEET TO A FOUND ROD, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING AND CONTAINING 4.265 ACRES OF LAND MORE OR LESS.

ALSO BEING ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, SITUATED, LYING AND BEING IN BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND CONSISTING OF ONE PARCEL OF LAND CONSISTING OF 4.265 ACRES OF LAND MORE PARTICULARLY IDENTIFIED AS "PARCEL A" AS SHOWN ON THAT CERTAIN PLAT MADE BY TIMMONS GROUP, DATED APRIL 27, 2004 AND RECORDED IN PLAT BOOK 143, PAGE 45.

BEING THE SAME REAL ESTATE CONVEYED TO GRAND OAKS SENIOR APARTMENTS, L.P., BY DEED FROM GRAND OAKS APARTMENTS, L.P., DATED APRIL 29, 2004, RECORDED MAY 3, 2004, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF CHESTERFIELD, VIRGINIA, IN DEED BOOK 572L, PAGE 643.

TOGETHER WITH THOSE NON-EXCLUSIVE EASEMENTS FOR: (1) USE OF THE AMENITIES; AND (2) INGRESS, EGRESS, ACCESS AND VEHICULAR AND PEDESTRIAN TRAFFIC, AS SET FORTH IN ARTICLE 2, PARAGRAPHS 2.1 AND 2.3 OF RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BY AND BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5741, PAGE 418 ("APPURTENANT EASEMENTS").

EXHIBIT "B"

INVENTORY OF MATERIAL PERSONAL PROPERTY

[Attached]

EXHIBIT "C"

FORM OF DEED

SPECIAL WARRANTY DEED

[Attached]

SPECIAL WARRANTY DEED

Prepared by: Terry Costolo, Esq.
Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801

Tax Assessor Parcel: [_____]
Title Insurer: First American Title Insurance Company

THIS SPECIAL WARRANTY DEED, made this _____ day of _____, 2021, by and between GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership, whose address is in care of The NRP Group, 1228 Euclid Avenue, 4th Floor, Cleveland, Ohio 44115 (the "Grantor") and [_____], a _____, whose address is in care of FRH Realty LLC, 5355 Mira Sorrento Place, Suite 100, San Diego, California 92121 (the "Grantee"), provides as follows:

WITNESSETH:

NOW, THEREFORE, for and in consideration of \$10.00, and other good and valuable consideration, paid by the Grantee, the receipt whereof is hereby acknowledged, the Grantor, does grant, bargain, sell and convey, with SPECIAL WARRANTY OF TITLE, unto said Grantee in fee simple, the following described real estate, to-wit:

All that certain real estate situate in the County of Chesterfield, Virginia, described as follows (the "Property"):

See Exhibit A attached hereto.

Subject to any easements, conditions, and restrictions of record with respect to real estate described above to the extent that the same are applicable thereto, the Grantor hereby binds itself to warrant and defend the title as against all acts of the Grantor herein and no other.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever.

[Signature Page Follows]

WITNESS the following signature as of the day, month and year first above written.

Signed, sealed, and delivered
in the presence of:

GRAND OAKS SENIOR APARTMENTS, L.P., a
Virginia limited partnership

By: NRP Grand Oaks Senior Apartments LLC, its
general partner

Print Name: _____

By: _____
J. DAVID HELLER, AS MANAGER

Print Name: _____

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this ____ day of _____, 202__,
by J. David Heller, as Manager of NRP Grand Oaks Senior Apartments LLC, as general partner
of GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership, on behalf of
such company. He is personally known to me or has produced _____
as identification. This is an acknowledgment clause. No oath or affirmation was administered to
the signor.

Notary Public, State of Ohio
Print Name: _____
Commission No.: _____
My Commission Expires: _____

EXHIBIT A
Legal Description

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF WOMACK ROAD IN A NORTHERLY DIRECTION A DISTANCE OF 856.52 FEET TO A ROD FOUND, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 66 DEGREES 30 MINUTES 57 SECONDS WEST A DISTANCE OF 137.08 FEET TO A POINT, THENCE NORTH 22 DEGREES 14 MINUTES 49 SECONDS WEST A DISTANCE OF 90.81 FEET TO A POINT, THENCE NORTH 31 DEGREES 16 MINUTES 55 SECONDS WEST A DISTANCE OF 88.46 FEET TO A POINT, THENCE NORTH 58 DEGREES 55 MINUTES 07 SECONDS WEST A DISTANCE OF 288.45 FEET TO A POINT, THENCE NORTH 67 DEGREES 34 MINUTES 40 SECONDS WEST A DISTANCE OF 84.86 FEET TO A POINT, THENCE NORTH 41 DEGREES 34 MINUTES 44 SECONDS WEST A DISTANCE OF 53.36 FEET TO A POINT, THENCE NORTH 06 DEGREES 45 MINUTES 42 SECONDS EAST A DISTANCE OF 73.45 FEET TO A POINT, THENCE NORTH 24 DEGREES 21 MINUTES 28 SECONDS WEST A DISTANCE OF 68.50 FEET TO A POINT, THENCE NORTH 33 DEGREES 28 MINUTES 30 SECONDS EAST A DISTANCE OF 150.00 FEET TO A FOUND ROD, THENCE SOUTH 58 DEGREES 35 MINUTES 16 SECONDS EAST A DISTANCE OF 873.52 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 323.15 FEET TO A FOUND ROD, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING AND CONTAINING 4.265 ACRES OF LAND MORE OR LESS.

ALSO BEING ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, SITUATED, LYING AND BEING IN BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND CONSISTING OF ONE PARCEL OF LAND CONSISTING OF 4.265 ACRES OF LAND MORE PARTICULARLY IDENTIFIED AS "PARCEL A" AS SHOWN ON THAT CERTAIN PLAT MADE BY TIMMONS GROUP, DATED APRIL 27, 2004 AND RECORDED IN PLAT BOOK 143, PAGE 45.

BEING THE SAME REAL ESTATE CONVEYED TO GRAND OAKS SENIOR APARTMENTS, L.P., BY DEED FROM GRAND OAKS APARTMENTS, L.P., DATED APRIL 29, 2004, RECORDED MAY 3, 2004, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF CHESTERFIELD, VIRGINIA, IN DEED BOOK 5721, PAGE 643.

TOGETHER WITH THOSE NON-EXCLUSIVE EASEMENTS FOR: (1) USE OF THE AMENITIES; AND (2) INGRESS, EGRESS, ACCESS AND VEHICULAR AND PEDESTRIAN TRAFFIC, AS SET FORTH IN ARTICLE 2, PARAGRAPHS 2.1 AND 2.3 OF RECIPROCAL MAINTENANCE AND BASEMENT AGREEMENT BY AND BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5741, PAGE 418 ("APPURTENANT EASEMENTS").

Exhibit "B"

Permitted Exceptions

[List of Permitted Exceptions – to be inserted]

EXHIBIT "D"

[FORM OF]
BILL OF SALE

STATE OF _____

COUNTY OF _____

KNOW ALL MEN BY THESE PRESENTS:

THAT GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership ("Seller"), whose office address is The Halle Building, 1228 Euclid Avenue, Suite 400, Cleveland, Ohio 44115, for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has, as of the Effective Date (as defined herein), granted, bargained, sold, transferred, set over and delivered, and by these presents does grant, bargain, sell, transfer, set over and deliver unto [_____ LLC], a Delaware limited liability company ("Purchaser"), and its assigns, all of Seller's right, title and interest in and to the tangible personal property described as follows:

all furniture, furnishings, fixtures (including appliances), equipment which is owned by the Seller and is used exclusively at, or exclusively in connection with the operation or management of the Land (as defined in the Purchase and Sale Agreement of Real Property dated [_____, ____], 2021], by and between Seller and FRH REALTY LLC, a Delaware limited liability company, as assigned to Purchaser (the "Purchase Agreement") or the Improvements (as defined in the Purchase Agreement), and other articles of tangible personal property of every nature and description owned by Seller and attached to or used exclusively in connection with the operation and maintenance of the Improvements, the material items of which are set forth in the inventory which is attached hereto as Exhibit "A" subject to reasonable wear and tear and consumption of consumable items (collectively, the "Personal Property").

TO HAVE AND TO HOLD, without warranty, the Personal Property unto Purchaser and its successors and assigns forever.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of this [____] day of [____], 202__ (the "Effective Date").

GRAND OAKS SENIOR APARTMENTS, L.P.,
a Virginia limited partnership

By: NRP Grand Oaks Senior LLC, its general
partner

By: _____
J. David Heller, as Manager

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by J. David Heller, as Manager of NRP Grand Oaks Senior LLC, as general partner of GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership, on behalf of such company. He is personally known to me or has produced _____ as identification. This is an acknowledgment clause. No oath or affirmation was administered to the signor.

Print Name: _____
Notary Public, State of _____
My Commission Expires: _____
My Commission No.: _____

Exhibit "A"

Inventory

[Attached]

EXHIBIT "E"

[FORM OF]
ASSIGNMENT OF LEASES
AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT OF LEASES AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this [_____] day of [_____], 202__ (the "Effective Date"), by and between GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership ("Assignor"), and [_____ LLC], a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignee is this day purchasing from Assignor and Assignor is conveying to Assignee that certain land described on Exhibit "A" attached hereto and made a part hereof, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and all buildings, structures and other improvements and fixtures located thereon (the "Improvements");

WHEREAS, the Improvements are occupied by various tenants (the "Tenants") pursuant to written leases (the "Leases"), which are more particularly described in the rent roll attached hereto as Exhibit "B" and made a part hereof by this reference (the "Rent Roll");

WHEREAS, Assignor has received from the Tenants of the Improvements certain security deposits that were posted pursuant to the terms of the Leases that are refundable and have not yet been applied by Assignor as provided in the Leases or returned to Tenants or any refundable and non-refundable pet, key and similar deposits related thereto (the "Security Deposits") which are more particularly described in the Rent Roll; and

WHEREAS, Assignor desires to transfer and assign to Assignee all of Assignor's right, title and interest in and to (i) the Leases, and (ii) the Security Deposits.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby transfers and assigns to Assignee all right, title and interest of Assignor in and to (i) the Leases, and (ii) the Security Deposits.

Assignee hereby assumes all obligations (i) as landlord under the Leases from and after the Effective Date, and (ii) under the Leases to pay or account for all Security Deposits, including interest earned thereon, as stated in the Leases to the extent such Security Deposits are assigned to Assignee hereunder. Assignee hereby agrees to indemnify and hold Assignor harmless from any and all obligations, liabilities, claims, and causes of action arising out of (i) the Leases as a result of obligations accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) on or after the Effective

Date, and (ii) responsibility for the payment of any Security Deposits (and any interest earned thereon) to the extent such Security Deposits are assigned to Assignee hereunder. Assignor hereby agrees to indemnify and hold Assignee harmless from any and all obligations, liabilities, claims, and causes of action arising out of the Leases as a result of obligations accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) prior to the Effective Date.

The terms and provisions of this Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

ASSIGNOR:

GRAND OAKS SENIOR APARTMENTS, L.P.,
a Virginia limited partnership

By: NRP Grand Oaks Senior LLC, its general
partner

By: _____
J. David Heller, as Manager

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

ASSIGNEE:

[_____ LLC], a Delaware
limited liability company

By: _____

Name: _____

Title: _____

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PTECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF WOMACK ROAD IN A NORTHERLY DIRECTION A DISTANCE OF 656.52 FEET TO A ROD FOUND, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 66 DEGREES 30 MINUTES 57 SECONDS WEST A DISTANCE OF 137.08 FEET TO A POINT, THENCE NORTH 22 DEGREES 14 MINUTES 49 SECONDS WEST A DISTANCE OF 99.91 FEET TO A POINT, THENCE NORTH 31 DEGREES 10 MINUTES 55 SECONDS WEST A DISTANCE OF 88.48 FEET TO A POINT, THENCE NORTH 58 DEGREES 55 MINUTES 07 SECONDS WEST A DISTANCE OF 288.45 FEET TO A POINT, THENCE NORTH 67 DEGREES 34 MINUTES 40 SECONDS WEST A DISTANCE OF 84.86 FEET TO A POINT, THENCE NORTH 41 DEGREES 34 MINUTES 44 SECONDS WEST A DISTANCE OF 53.38 FEET TO A POINT, THENCE NORTH 08 DEGREES 45 MINUTES 42 SECONDS EAST A DISTANCE OF 73.45 FEET TO A POINT, THENCE NORTH 24 DEGREES 21 MINUTES 28 SECONDS WEST A DISTANCE OF 68.58 FEET TO A POINT, THENCE NORTH 33 DEGREES 28 MINUTES 39 SECONDS EAST A DISTANCE OF 150.00 FEET TO A FOUND ROD, THENCE SOUTH 58 DEGREES 35 MINUTES 16 SECONDS EAST A DISTANCE OF 873.52 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 323.15 FEET TO A FOUND ROD, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING AND CONTAINING 4.285 ACRES OF LAND MORE OR LESS.

ALSO BEING ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, SITUATED, LYING AND BEING IN BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND CONSISTING OF ONE PARCEL OF LAND CONSISTING OF 4.265 ACRES OF LAND MORE PARTICULARLY IDENTIFIED AS "PARCEL A" AS SHOWN ON THAT CERTAIN PLAT MADE BY TIMMONS GROUP, DATED APRIL 27, 2004 AND RECORDED IN PLAT BOOK 143, PAGE 45.

BEING THE SAME REAL ESTATE CONVEYED TO GRAND OAKS SENIOR APARTMENTS, L.P., BY DEED FROM GRAND OAKS APARTMENTS, L.P., DATED APRIL 29, 2004, RECORDED MAY 3, 2004, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF CHESTERFIELD, VIRGINIA, IN DEED BOOK 5721, PAGE 643.

TOGETHER WITH THOSE NON-EXCLUSIVE EASEMENTS FOR: (1) USE OF THE AMENITIES; AND (2) INGRESS, EGRESS, ACCESS AND VEHICULAR AND PEDESTRIAN TRAFFIC, AS SET FORTH IN ARTICLE Z, PARAGRAPHS 2.1 AND 2.3 OF RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BY AND BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5741, PAGE 418 ("APPURTENANT EASEMENTS").

Exhibit "B"

Rent Roll

[Attached]

EXHIBIT "F"

[FORM OF]
ASSIGNMENT OF SERVICE CONTRACTS
AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT OF SERVICE CONTRACTS AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this [] day of [], 202__ (the "Effective Date"), by and between GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership ("Assignor"), and [] LLC, a Delaware limited liability company ("Assignee").

WITNESSETH:

WHEREAS, Assignee is this day purchasing from Assignor and Assignor is conveying to Assignee that certain land described on Exhibit "A" attached hereto and made a part hereof, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and all the buildings, structures and other improvements and fixtures located thereon (the "Improvements");

WHEREAS, as a part of such sale and purchase of the Improvements, Assignor has agreed to transfer and assign to Assignee, and Assignee has agreed to accept and assume, those certain contracts listed on Exhibit "B", attached hereto and by this reference made a part hereof (the "Service Contracts"); and

WHEREAS, Assignor desires to transfer and assign to Assignee all of its right, title and interest in and to the Service Contracts, and Assignee desires to accept such assignment and to assume all of Assignor's obligations under the Service Contracts arising from and after the Effective Date.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Effective as of the Effective Date, Assignor hereby assigns, transfers, conveys and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's right, title, interest, duties and obligations in, to and under the Service Contracts and all claims, rights, benefits and privileges, if any, that Assignor may have or to which Assignor may be entitled under or by virtue of the Service Contracts.

Assignee hereby assumes and agrees to perform and observe all agreements, covenants and obligations to be performed and observed by Assignor under the Services Contracts from and after the Effective Date. Assignee hereby agrees to indemnify and hold Assignor harmless from any and all obligations, liabilities, claims, and causes of action arising under the Service Contracts and the transactions contemplated therein accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) on or after the Effective Date.

Assignor hereby agrees to indemnify and hold Assignee harmless from any and all obligations, liabilities, claims, and causes of action arising out of the Service Contracts as a result of obligations accruing (in the case of contractual liability other than indemnities) or arising out of events occurring (in the case of tort liability and contractual indemnities) prior to the Effective Date.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

Signed, sealed and delivered
in the presence of:

ASSIGNOR:

GRAND OAKS SENIOR APARTMENTS, L.P.,
a Virginia limited partnership

Print Name: _____

By: NRP Grand Oaks Senior LLC, its general
partner

Print Name: _____

By: _____
J. David Heller, as Manager

Signed, sealed and delivered
in the presence of:

ASSIGNEE:

LLC], a Delaware
limited liability company

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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ALSO BEING ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, SITUATED, LYING AND BEING IN BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND CONSISTING OF ONE PARCEL OF LAND CONSISTING OF 4.265 ACRES OF LAND MORE PARTICULARLY IDENTIFIED AS "PARCEL A" AS SHOWN ON THAT CERTAIN PLAT MADE BY TIMMONS GROUP, DATED APRIL 27, 2004 AND RECORDED IN PLAT BOOK 143, PAGE 45.

BEING THE SAME REAL ESTATE CONVEYED TO GRAND OAKS SENIOR APARTMENTS, L.P., BY DEED FROM GRAND OAKS APARTMENTS, L.P., DATED APRIL 29, 2004, RECORDED MAY 3, 2004, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF CHESTERFIELD, VIRGINIA, IN DEED BOOK 572L, PAGE 643.

TOGETHER WITH THOSE NON-EXCLUSIVE EASEMENTS FOR: (1) USE OF THE AMENITIES; AND (2) INGRESS, EGRESS, ACCESS AND VEHICULAR AND PEDESTRIAN TRAFFIC, AS SET FORTH IN ARTICLE 2, PARAGRAPHS 2.1 AND 2.3 OF RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BY AND BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5741, PAGE 418 ("APPURTENANT EASEMENTS").

Exhibit "B"

List of Service Contracts

Pest Control Service – Short Form Contract dated October 31, 2019 between Terminix International Company, LP, as contractor, and Grand Oaks Apartments, L.P., as owner.

Security Service – Commercial Purchase and Services Agreement dated January 10, 2018 by Vector Security, Inc. for Grand Oaks Apartments and Grand Oaks Senior, including those certain Riders thereto dated January 15, 2018.

Telecommunications Service – Marketing Agreement for MDUs dated as of April 5, 2010 by and between Verizon Services Corp. and Grand Oaks Apartments, LP.

Laundry Service – Lease Agreement dated October 13, 2015 by and between Grand Oaks Apartments, L.P. d/b/a Grand Oaks Apartments, as lessor, and Automatic Laundry Service of Virginia, Inc., as lessee, along with that certain Addendum to Lease Agreement dated October 13, 2015.

Document Shredding Service – Customer Service Agreement (Regular Service) dated August 17, 2018 between Shred-it USA LLC and Grand Oaks Apartments.

EXHIBIT "G"

[FORM OF]
OMNIBUS ASSIGNMENT

In connection with the sale of that certain land described on Exhibit "A" attached hereto and made a part hereof, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and all the buildings, structures and other improvements and fixtures located thereon (the "Improvements"), from Assignor to Assignee, pursuant to that certain Purchase and Sale Agreement of Real Property between Assignor (as Seller) and FRH REALTY LLC, a Delaware limited liability company (as Purchaser), dated as of [_____], 202 [] (the "Purchase and Sale Agreement"), as assigned to Assignee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership ("Assignor"), as of the Effective Date (as hereinafter defined), does hereby convey and assign to [_____] LLC], a Delaware limited liability company ("Assignee"), the following (collectively, the "Assigned Property"):

To the extent assignable and transferable, all right, title and interest of Assignor in licenses, franchises, permits, guarantees, warranties and statutory and contract rights with respect to the Improvements;

All right, title and interest of Assignor in building and site plans, construction specifications, prior surveys and similar items pertaining to the Improvements which are in Assignor's possession or control;

All right, title and interest of Assignor, if any, in and to (i) the name "Grand Oaks Senior Apartments" and all variations thereof when used in connection with the Improvements, but not otherwise and without any warranty that Assignor has any right, title, interest or right to use the name "Grand Oaks Senior Apartments"; (ii) any and all telephone numbers assigned to Assignor with respect to the Improvements to the extent assignable; and (iii) web addresses and social media sites with respect to the Improvements (excluding, however, any web addresses that are maintained as part of Assignor's proprietary website of www.nrpgroup.com); and

Notwithstanding the foregoing, the Assigned Property shall not include any of the Excluded Assets (as defined in the Purchase and Sale Agreement).

Except as provided in the Purchase and Sale Agreement, the foregoing assignments are made without representation or warranty, express or implicit.

By acceptance hereof, Assignee hereby assumes all obligations with regard to the matters assigned by Assignor to Assignee pursuant to this Omnibus Assignment accruing (in the case of contractual liability other than indemnities) or arising from events occurring (in the case of tort liability and contractual indemnities) on or after the Effective Date.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Omnibus Assignment as of this [] day of [], 202_ (the "Effective Date").

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

ASSIGNOR:

GRAND OAKS SENIOR APARTMENTS, L.P.,
a Virginia limited partnership

By: NRP Grand Oaks Senior LLC, its general
partner

By: _____
J. David Heller, as Manager

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

ASSIGNEE:

[] LLC], a
Delaware limited liability company

By: _____
Name: _____
Title: _____

Exhibit "A"

Legal Description of Property

SITUATED, LYING AND BEING ALL THAT CERTAIN PIECE OR PARCEL OF LAND LOCATED IN THE BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF WOMACK ROAD IN A NORTHERLY DIRECTION A DISTANCE OF 656.52 FEET TO A ROD FOUND, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 66 DEGREES 30 MINUTES 57 SECONDS WEST A DISTANCE OF 137.08 FEET TO A POINT, THENCE NORTH 22 DEGREES 14 MINUTES 49 SECONDS WEST A DISTANCE OF 98.81 FEET TO A POINT, THENCE NORTH 31 DEGREES 18 MINUTES 55 SECONDS WEST A DISTANCE OF 88.48 FEET TO A POINT, THENCE NORTH 58 DEGREES 55 MINUTES 07 SECONDS WEST A DISTANCE OF 288.45 FEET TO A POINT, THENCE NORTH 67 DEGREES 34 MINUTES 40 SECONDS WEST A DISTANCE OF 84.86 FEET TO A POINT, THENCE NORTH 41 DEGREES 34 MINUTES 44 SECONDS WEST A DISTANCE OF 53.36 FEET TO A POINT, THENCE NORTH 06 DEGREES 45 MINUTES 42 SECONDS EAST A DISTANCE OF 73.45 FEET TO A POINT, THENCE NORTH 24 DEGREES 21 MINUTES 28 SECONDS WEST A DISTANCE OF 58.58 FEET TO A POINT, THENCE NORTH 33 DEGREES 28 MINUTES 38 SECONDS EAST A DISTANCE OF 150.00 FEET TO A FOUND ROD, THENCE SOUTH 58 DEGREES 35 MINUTES 16 SECONDS EAST A DISTANCE OF 673.52 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 323.15 FEET TO A FOUND ROD, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING AND CONTAINING 4.265 ACRES OF LAND MORE OR LESS.

ALSO BEING ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, SITUATED, LYING AND BEING IN BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND CONSISTING OF ONE PARCEL OF LAND CONSISTING OF 4.265 ACRES OF LAND MORE PARTICULARLY IDENTIFIED AS "PARCEL A" AS SHOWN ON THAT CERTAIN PLAT MADE BY TIMMONS GROUP, DATED APRIL 27, 2004 AND RECORDED IN PLAT BOOK 143, PAGE 45.

BEING THE SAME REAL ESTATE CONVEYED TO GRAND OAKS SENIOR APARTMENTS, L.P., BY DEED FROM GRAND OAKS APARTMENTS, L.P., DATED APRIL 29, 2004, RECORDED MAY 3, 2004, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF CHESTERFIELD, VIRGINIA, IN DEED BOOK 5721, PAGE 643.

TOGETHER WITH THOSE NON-EXCLUSIVE EASEMENTS FOR: (1) USE OF THE AMENITIES; AND (2) INGRESS, EGRESS, ACCESS AND VEHICULAR AND PEDESTRIAN TRAFFIC, AS SET FORTH IN ARTICLE 2, PARAGRAPHS 2.1 AND 2.3 OF RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BY AND BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5741, PAGE 418 ("APPURTENANT EASEMENTS").

EXHIBIT "H"

SERVICE CONTRACTS

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Telecommunications Service – Marketing Agreement for MDUs dated as of April 5, 2010 by and between Verizon Services Corp. and Grand Oaks Apartments, LP.

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Document Shredding Service – Customer Service Agreement (Regular Service) dated August 17, 2018 between Shred-it USA LLC and Grand Oaks Apartments.

EXHIBIT "I"

RENT ROLL

[Attached]

EXHIBIT "J"

[FORM OF]
SELLER'S AFFIDAVIT

[CHECK- SUBJECT TO TITLE COMPANY REVIEW]

STATE OF OHIO
COUNTY OF CUYAHOGA

BEFORE ME, an officer authorized to administer oaths and take acknowledgments, personally appeared this day, J. David Heller ("Affiant"), who, being by me duly sworn, deposes and says that:

1. Affiant is a Manager (the "Manager") of NRP Grand Oaks Senior LLC, a Virginia limited liability company (the "General Partner").
2. The General Partner of GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership (the "Owner"), the owner of that certain land described on Exhibit "A" attached hereto and made a part hereof which is situated in the City of Chester, County of Chesterfield, Commonwealth of Virginia, together with all easements, tenements, hereditaments, privileges, rights-of-way and appurtenances thereto and the buildings, structures and other improvements and fixtures located thereon (the "Improvements").
3. To Affiant's knowledge, no person or entity has asserted any claim to possession of the Improvements or any portion thereof, and no person or entity other than the Owner is in possession of the Improvements or any portion thereof, other than the residential tenants in possession (the "Tenants") pursuant to leases (the "Leases") described on the rent roll attached hereto as Exhibit "B" and incorporated herein by this reference (the "Rent Roll"). The Rent Roll is true, correct and complete in all material respects, and there are no leases or rental agreements or tenants with respect to the apartment units included in the Rent Roll, except as shown on the Rent Roll. To Affiant's knowledge, there are no persons or entities who have possessory rights with respect to the Improvements or any portion thereof under written or oral leases or otherwise, other than the Tenants. To Affiant's knowledge, there are no options to purchase or rights of first refusal with respect to the Improvements or any portion thereof.
4. To Affiant's knowledge, no work or labor has been commenced or performed or materials furnished to, on or about the Improvements, except that which was fully completed more than one hundred twenty (120) days prior to the date hereof or which has been paid for in-full.
5. To Affiant's knowledge, there are no unpaid bills or indebtedness for any labor done or materials furnished at any time upon or in connection with the Improvements which could result in or out of which could arise any construction or other liens against the Improvements or any part thereof.

6. The Owner's title to the Improvements has not been disputed or questioned, and, to Affiant's knowledge, there are no facts by reason of which title to or possession of the Improvements might be disputed or questioned, or by reason of which any claim to the Improvements, or any part thereof, or any interest therein might be asserted adversely to the Owner.

7. To Affiant's knowledge, there is no mortgage, judgment, federal tax lien, construction lien, or any other lien or encumbrance of any kind or nature whatsoever which constitutes, or will constitute a lien, charge or encumbrance on the Improvements, except as set forth in First American Title Insurance Company's Commitment No. _____ with an Effective Date of [_____] at [_____ a.m.] (the "Commitment").

8. To Affiant's knowledge, there are no matters pending which might give rise to a lien or other encumbrance that has attached or could attach to the Improvements between the Effective Date of the Commitment, and the recording of the Special Warranty Deed from the Owner to and in favor of [_____ LLC], a Delaware limited liability company (the "Purchaser"), of even date herewith.

9. This Affidavit is made to induce First American Title Insurance Company (the "Title Company") to issue a title policy insuring the Purchaser's title to the Improvements, and Affiant understands that material reliance will be placed upon this Affidavit by the aforementioned parties.

FURTHER AFFIANT SAYETH NAUGHT.

DATED this [_____] day of [_____], 202__.

Print Name: J. David Heller

STATE OF OHIO
COUNTY OF CUYAHOGA

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by J. David Heller, as Manager of NRP Grand Oaks Senior LLC, as general partner of GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership, on behalf of such company. He is personally known to me or has produced _____ as identification. This is an acknowledgment clause. No oath or affirmation was administered to the signor.

Notary Public, State of Ohio
Print Name: _____
Commission No.: _____
My Commission Expires: _____

Exhibit "A"

Legal Description of Property

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COMMENCING AT A POINT LOCATED AT THE INTERSECTION OF THE WESTERN RIGHT OF WAY LINE OF STATE ROUTE 749, WOMACK ROAD AND STATE ROUTE 10, W. HUNDRED ROAD, THENCE ALONG THE SAID RIGHT OF WAY LINE OF WOMACK ROAD IN A NORTHERLY DIRECTION A DISTANCE OF 656.52 FEET TO A ROD FOUND, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING, THENCE LEAVING SAID RIGHT OF WAY LINE NORTH 68 DEGREES 30 MINUTES 57 SECONDS WEST A DISTANCE OF 137.06 FEET TO A POINT, THENCE NORTH 22 DEGREES 14 MINUTES 49 SECONDS WEST A DISTANCE OF 96.81 FEET TO A POINT, THENCE NORTH 31 DEGREES 18 MINUTES 55 SECONDS WEST A DISTANCE OF 66.46 FEET TO A POINT, THENCE NORTH 56 DEGREES 55 MINUTES 07 SECONDS WEST A DISTANCE OF 289.45 FEET TO A POINT, THENCE NORTH 67 DEGREES 34 MINUTES 40 SECONDS WEST A DISTANCE OF 84.86 FEET TO A POINT, THENCE NORTH 41 DEGREES 34 MINUTES 44 SECONDS WEST A DISTANCE OF 53.36 FEET TO A POINT, THENCE NORTH 06 DEGREES 45 MINUTES 42 SECONDS EAST A DISTANCE OF 73.45 FEET TO A POINT, THENCE NORTH 24 DEGREES 21 MINUTES 28 SECONDS WEST A DISTANCE OF 68.59 FEET TO A POINT, THENCE NORTH 33 DEGREES 26 MINUTES 30 SECONDS EAST A DISTANCE OF 150.00 FEET TO A FOUND ROD, THENCE SOUTH 58 DEGREES 35 MINUTES 16 SECONDS EAST A DISTANCE OF 873.52 FEET TO A FOUND ROD, SAID ROD LYING ON THE WESTERN RIGHT OF WAY LINE OF WOMACK ROAD, THENCE ALONG SAID RIGHT OF WAY SOUTH 13 DEGREES 33 MINUTES 49 SECONDS WEST A DISTANCE OF 323.15 FEET TO A FOUND ROD, SAID ROD BEING THE TRUE POINT AND PLACE OF BEGINNING AND CONTAINING 4.265 ACRES OF LAND MORE OR LESS.

ALSO BEING ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND WITH IMPROVEMENTS THEREON AND APPURTENANCES THERETO BELONGING, SITUATED, LYING AND BEING IN BERMUDA DISTRICT, CHESTERFIELD COUNTY, VIRGINIA AND CONSISTING OF ONE PARCEL OF LAND CONSISTING OF 4.265 ACRES OF LAND MORE PARTICULARLY IDENTIFIED AS "PARCEL A" AS SHOWN ON THAT CERTAIN PLAT MADE BY TIMMONS GROUP, DATED APRIL 27, 2004 AND RECORDED IN PLAT BOOK 143, PAGE 45.

BEING THE SAME REAL ESTATE CONVEYED TO GRAND OAKS SENIOR APARTMENTS, L.P., BY DEED FROM GRAND OAKS APARTMENTS, L.P., DATED APRIL 29, 2004, RECORDED MAY 3, 2004, IN THE CLERK'S OFFICE, CIRCUIT COURT, COUNTY OF CHESTERFIELD, VIRGINIA, IN DEED BOOK 5721, PAGE 643.

TOGETHER WITH THOSE NON-EXCLUSIVE EASEMENTS FOR: (1) USE OF THE AMENITIES; AND (2) INGRESS, EGRESS, ACCESS AND VEHICULAR AND PEDESTRIAN TRAFFIC, AS SET FORTH IN ARTICLE 2, PARAGRAPHS 2.1 AND 2.3 OF RECIPROCAL MAINTENANCE AND EASEMENT AGREEMENT BY AND BETWEEN GRAND OAKS APARTMENTS, L.P., AND GRAND OAKS SENIOR APARTMENTS, L.P., DATED MAY 12, 2004, RECORDED MAY 13, 2004, IN DEED BOOK 5741, PAGE 418 ("APPURTENANT EASEMENTS").

Exhibit "B"

Rent Roll

[Attached]

EXHIBIT "K"

TENANT NOTICE LETTER

[_____, 202__]

RE: Your Lease (the "Lease") in Grand Oaks Senior Apartments, situated in the City of Chester, County of Chesterfield, Commonwealth of Virginia (the "Property").

Dear _____:

You are hereby notified that GRAND OAKS SENIOR APARTMENTS, L.P., a Virginia limited partnership ("Seller"), as owner of the Property and the current owner of the landlord's interest in the Lease, has sold the Property to [_____ LLC], a Delaware limited liability company ("New Owner"), as of the date set forth in this letter, and in connection with such sale, Seller has assigned and transferred its interest in the Lease, and any and all security deposits thereunder or relating thereto, to New Owner, and New Owner has assumed and agreed to perform all of the landlord's obligations under the Lease (including and without limitation, any obligations set forth in the Lease to repay or account for any security deposits thereunder from and after such date) arising after the date hereof. Accordingly, (a) all your obligations under the Lease from and after the date of this Tenant Notice Letter, including and without limitation, your obligation to pay rent, shall be performable to and for the benefit of New Owner and its successors and assigns, and (b) all the obligations of landlord under the Lease, including and without limitation, any obligations to repay or account for any security deposits thereunder, from and after the date of this Tenant Notice Letter, shall be the binding obligation of New Owner and its successors and assigns. The amount of the security deposit received by New Owner and being held by New Owner with respect to the Lease is [\$_____].

Unless and until you are otherwise notified in writing by New Owner, the address of New Owner for all purposes under the Lease (including and without limitation, the recoupment of any security deposits, and the giving of any notices provided for in the Lease, but not including the payment of rent) is:

Rent payable under the Lease shall be payable to the following address:

If you have any questions, please call [_____], the [_____] at [() - _____].

SELLER:

GRAND OAKS SENIOR APARTMENTS,
L.P., a Virginia limited partnership

By: NRP Grand Oaks Senior LLC, its
general partner

By: _____
J. David Heller, as Manager

NEW OWNER:

[_____] LLC], a
Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT "L"

LIST OF PENDING LITIGATION REGARDING THE PROPERTY

[NONE]

EXHIBIT "M"

FORM OF ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENTS

[*ATTACHED*]

Real Estate Assessment Data

5000 GRAND OAKS FOREST CIR

[OVERVIEW](#) [TAX](#) [OWNERSHIP](#) [ASSESSMENTS](#) [RESIDENTIAL](#) [COMMERCIAL](#) [IMPROVEMENTS](#) !

 [PRINT](#)

Current Tax Information

Tax Account: 106138

January 1 Owner: FAIRFIELD GRAND OAKS LLC

CDA/Special Assessment:

Current balance, as of 06/16/2021

\$0.00

2021 Assessment

	Taxable Land Value	Building value	Total Value
Original	\$512,000.00	\$2,535,200.00	\$3,047,200.00
Adjusted	\$512,000.00	\$2,535,200.00	\$3,047,200.00

2021 Tax Rate Per \$100: \$0.95

Annual Tax: \$28,948.40

 ³² Tax Account History



DISCLAIMER

Please note that the real estate tax bill information located on this website is not the official real estate tax accounts receivable records of Chesterfield County. The official real estate tax accounts receivable records are located in the Treasurer's Office and may include additional collection fees. While the Treasurer's Office has attempted to ensure that the accounts receivable data contained herein is accurate, Chesterfield County makes no warranties, express or implied, concerning the accuracy, completeness, reliability, or suitability of this data. This service is not intended as a title search and the tax bills presented through this service may NOT represent all taxes due on a parcel as tax I.D. splits/changes are not reflected. Please contact the Treasurer's Office at (804) 748-1201 during normal business hours to obtain the total amount due on the parcel including any additional collection fees.



MAKE CHECKS PAYABLE AND MAIL TO:
TREASURER, CHESTERFIELD COUNTY
P.O. BOX 70, CHESTERFIELD, VA 23832

Under Virginia State Law, these real estate assessment records are public information. Display of this property information on the Internet is specifically authorized by the Code of Virginia 58.1-3122.2 (as amended).

Please note that these assessment records are not the official assessment records of Chesterfield County. Official records are located in the Office of the Real Estate Assessor. While the Office of the Real Estate Assessor has attempted to ensure that the assessment data contained herein is accurate and reflects the property's characteristics, Chesterfield County makes no warranties, expressed or implied, concerning the accuracy, completeness, reliability, or suitability of this data. Also, the subdivision plat information available on this website is not the official subdivision plat. The official subdivision plats are located in the Clerk of Circuit Courts office. Chesterfield County does not assume any liability associated with the use or misuse of this real estate assessment data or subdivision plat information.

Quick Links

[County Response to COVID-19](#)
[Health & Well-Being](#)
[Safety & Security](#)
[Payments & Permits](#)
[Parks & Recreation](#)
[Community Activities](#)

Helpful Links

[County Response to COVID-19](#)
[Phased Reopening Information](#)
[Newsroom](#)
[Assistance & Support](#)
[Real Estate Assessments](#)
[Freedom of Information Act Requests](#)

Other County Sites

[Blueprint Chesterfield](#)
[County Social Media](#)
[Experience Chesterfield](#)
[Libraries](#)
[Schools](#)
[Video Tours](#)

Frequently Asked Questions

[Where is Citizen Wi-Fi available?](#)
[How do I obtain a dog license?](#)
[How do I sign up for Chesterfield Alert?](#)
[What is Government Citizens Academy?](#)

F

Third-Party RESNET
Rater Certification
(MANDATORY)



Appendix F

RESNET Rater Certification of Development Plans

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

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

In addition provide HERS rating documentation as specified in the manual

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

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

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

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

Signed: _____

Date: 07.19.2021 _____

Printed Name: Jacob Hauser _____

RESNET Rater

Resnet Provider Agency
Southern Energy Management _____

Signature [Signature] _____

Provider Contact and Phone/Email Daniel Connor | Daniel@southern-energy.com | 919.730.8356

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: 3LMnazJd

HERS® Index Score:

85

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

Annual Savings

\$261

*Relative to an average U.S. home

Home:

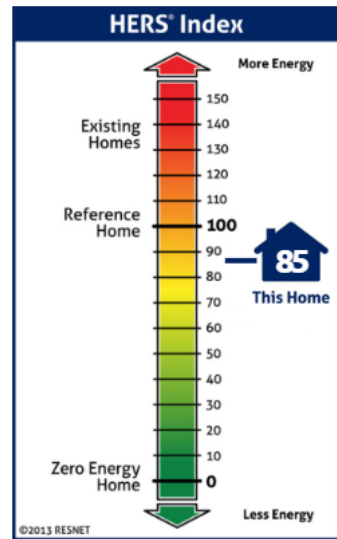
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	9.0	\$167
Cooling	3.3	\$65
Hot Water	4.4	\$85
Lights/Appliances	13.3	\$257
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	30.1	\$652

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	A1 ground
Community:	Grand Oaks
Conditioned Floor Area:	895 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 7.7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	32.716 CFM @ 25Pa (3.66 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: yvP58QG2

HERS® Index Score:

87

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

Annual Savings

\$261

*Relative to an average U.S. home

Home:

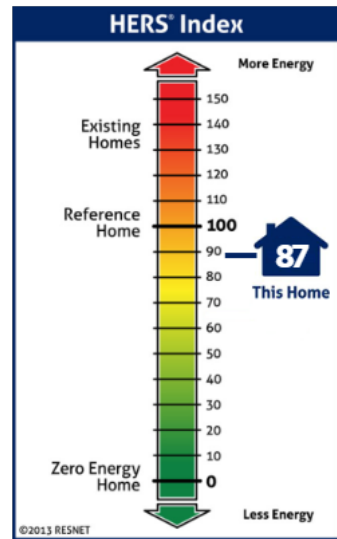
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	8.0	\$150
Cooling	4.0	\$78
Hot Water	4.4	\$85
Lights/Appliances	13.3	\$258
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	29.8	\$651

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	A1 top
Community:	Grand Oaks
Conditioned Floor Area:	895 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 7.7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	32.716 CFM @ 25Pa (3.66 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: B26RNeD2

HERS® Index Score:

89

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

Annual Savings

\$303

*Relative to an average U.S. home

Home:

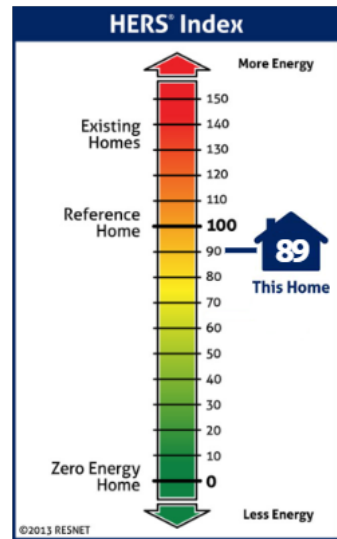
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	15.5	\$270
Cooling	4.4	\$86
Hot Water	6.4	\$119
Lights/Appliances	16.4	\$307
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	42.7	\$862

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	B2 ground
Community:	Grand Oaks
Conditioned Floor Area:	1,283 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	46.914 CFM @ 25Pa (3.66 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: 123bqmRv

HERS® Index Score:

92

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

Annual Savings

\$303

*Relative to an average U.S. home

Home:

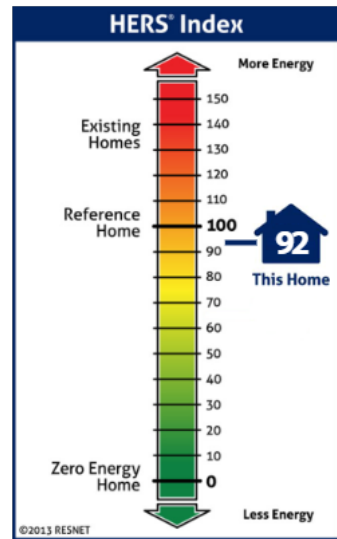
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	13.6	\$240
Cooling	5.4	\$107
Hot Water	6.4	\$120
Lights/Appliances	16.4	\$310
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	41.9	\$855

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	B2 middle
Community:	Grand Oaks
Conditioned Floor Area:	1,283 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	23.457 CFM @ 25Pa (1.83 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: VdGPO0zv

HERS® Index Score:

85

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

Annual Savings

\$368

*Relative to an average U.S. home

Home:

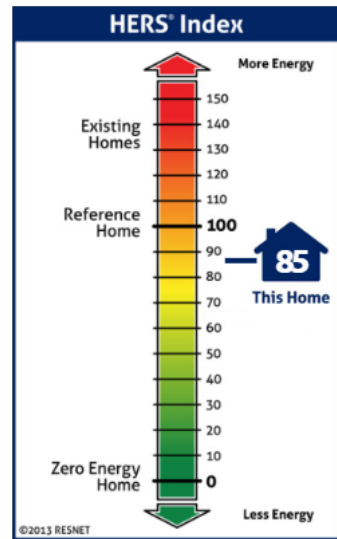
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	17.9	\$305
Cooling	5.3	\$105
Hot Water	8.6	\$158
Lights/Appliances	18.3	\$339
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	50.1	\$986

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	C1 ground
Community:	Grand Oaks
Conditioned Floor Area:	1,429 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 7.7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	18.519 CFM @ 25Pa (1.3 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: b2J4OgGd

HERS® Index Score:

89

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

Annual Savings

\$359

*Relative to an average U.S. home

Home:

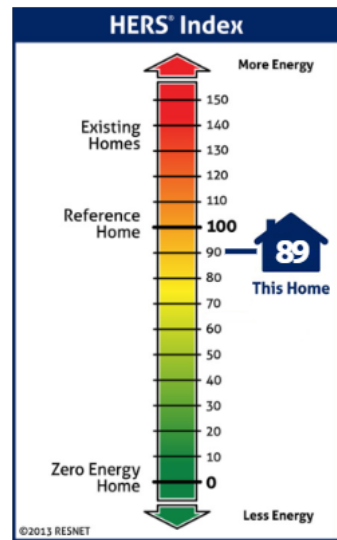
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	15.3	\$263
Cooling	6.5	\$129
Hot Water	8.6	\$159
Lights/Appliances	18.3	\$341
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	48.7	\$971

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	C1 top
Community:	Grand Oaks
Conditioned Floor Area:	1,429 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 7.7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	18.519 CFM @ 25Pa (1.3 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM



Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: ILXZONev

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

Annual Savings

\$310

*Relative to an average U.S. home

Home:

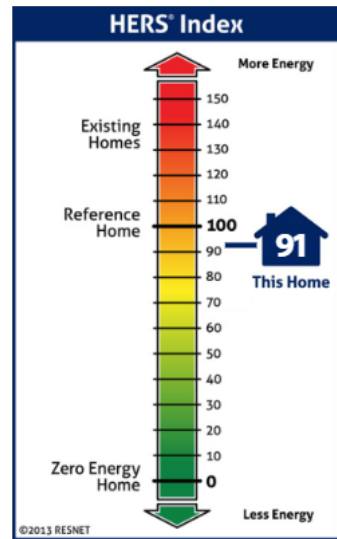
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	20.3	\$342
Cooling	6.2	\$123
Hot Water	8.2	\$149
Lights/Appliances	18.2	\$336
Service Charges		\$79
Generation (e.g. Solar)	0.0	\$0
Total:	52.8	\$1,030

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	T5
Community:	Grand Oaks
Conditioned Floor Area:	1,407 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 7.7 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 11 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	7 ACH50
Ventilation:	None
Duct Leakage to Outside:	12.346 CFM @ 25Pa (0.88 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:08 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: gdEb7obv

HERS® Index Score:

27

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

Annual Savings

\$655

*Relative to an average U.S. home

Home:

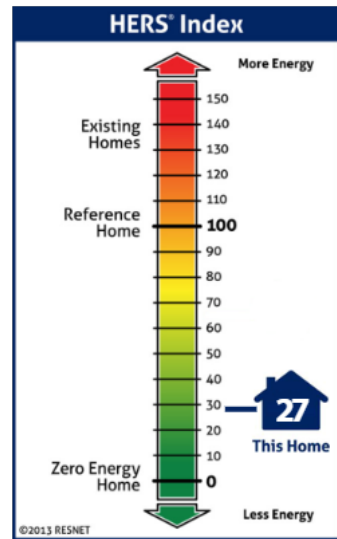
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	7.8	\$150
Cooling	2.2	\$43
Hot Water	4.0	\$78
Lights/Appliances	10.0	\$193
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$284
Total:	24.0	\$258

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	A1 ground
Community:	Grand Oaks
Conditioned Floor Area:	895 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	32.716 CFM @ 25Pa (3.66 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: ILKbopk2

HERS® Index Score:

28

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

Annual Savings

\$658

*Relative to an average U.S. home

Home:

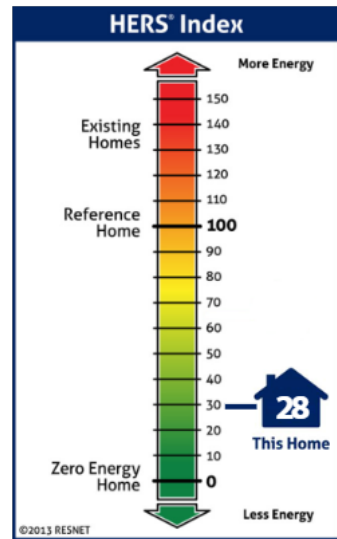
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	7.0	\$135
Cooling	2.7	\$53
Hot Water	4.0	\$78
Lights/Appliances	10.0	\$194
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$286
Total:	23.7	\$253

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	A1 top
Community:	Grand Oaks
Conditioned Floor Area:	895 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	32.716 CFM @ 25Pa (3.66 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: pdWVgN6L

HERS® Index Score:

40

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

Annual Savings

\$735

*Relative to an average U.S. home

Home:

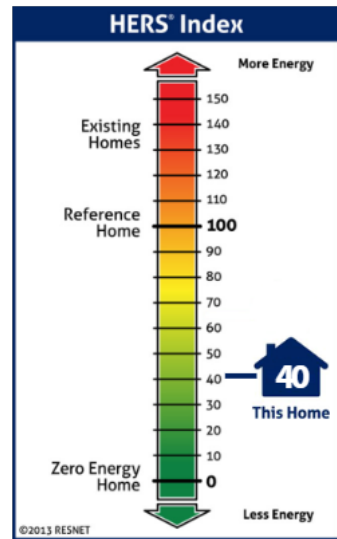
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	12.1	\$219
Cooling	2.9	\$57
Hot Water	5.9	\$112
Lights/Appliances	12.3	\$234
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$271
Total:	33.2	\$429

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	B2 ground
Community:	Grand Oaks
Conditioned Floor Area:	1,283 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	46.914 CFM @ 25Pa (3.66 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: jL9IEkx2

HERS® Index Score:

41

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

Annual Savings

\$739

*Relative to an average U.S. home

Home:

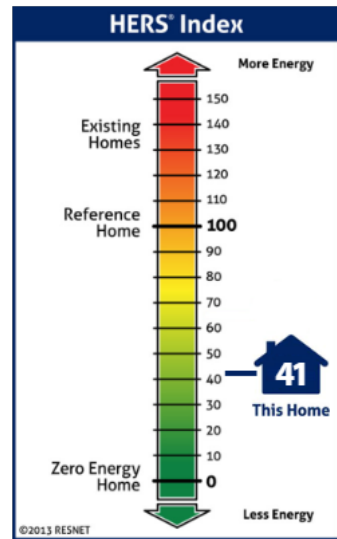
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	10.7	\$195
Cooling	3.6	\$71
Hot Water	5.9	\$113
Lights/Appliances	12.3	\$235
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$274
Total:	32.5	\$420

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	B2 middle
Community:	Grand Oaks
Conditioned Floor Area:	1,283 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	23.457 CFM @ 25Pa (1.83 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: zLObIN82

HERS® Index Score:

45

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

Annual Savings

\$794

*Relative to an average U.S. home

Home:

Chester, VA

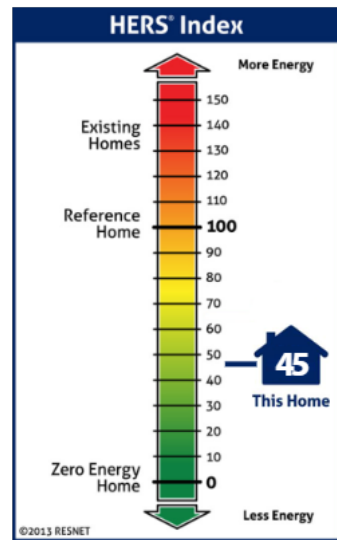
Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	15.5	\$272
Cooling	3.5	\$69
Hot Water	8.0	\$148
Lights/Appliances	13.7	\$256
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$264
Total:	40.7	\$560

This home meets or exceeds the criteria of the following:

2006 International Energy Conservation Code



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	C1 ground
Community:	Grand Oaks
Conditioned Floor Area:	1,429 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	18.519 CFM @ 25Pa (1.3 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: bLbXWo6v

HERS® Index Score:

46

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

Annual Savings

\$793

*Relative to an average U.S. home

Home:

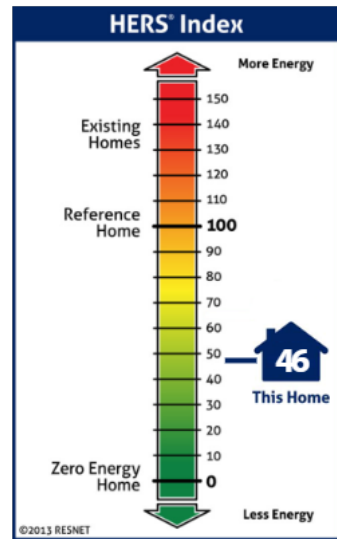
Chester, VA

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	13.2	\$234
Cooling	4.3	\$84
Hot Water	8.0	\$150
Lights/Appliances	13.7	\$258
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$267
Total:	39.2	\$537

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	C1 top
Community:	Grand Oaks
Conditioned Floor Area:	1,429 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	18.519 CFM @ 25Pa (1.3 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

Home Energy Rating Certificate

Projected Report

Rating Date: 06/25/2021
 Registry ID:
 Ekotrope ID: j2rmop4v

HERS® Index Score:

48

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

Annual Savings

\$744

*Relative to an average U.S. home

Home:

Chester, VA

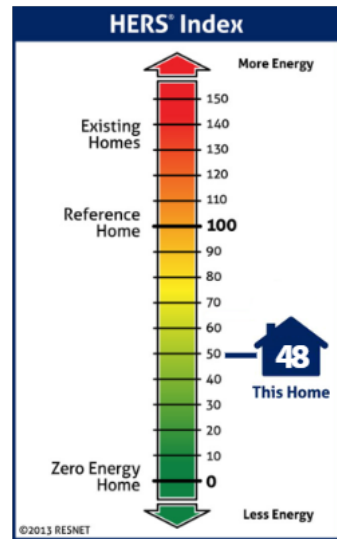
Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	17.2	\$298
Cooling	4.2	\$83
Hot Water	7.6	\$140
Lights/Appliances	13.9	\$259
Service Charges		\$79
Generation (e.g. Solar)	14.8	-\$263
Total:	42.9	\$596

This home meets or exceeds the criteria of the following:

2006 International Energy Conservation Code



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	T5
Community:	Grand Oaks
Conditioned Floor Area:	1,407 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.93 Energy Factor
House Tightness:	5 ACH50
Ventilation:	None
Duct Leakage to Outside:	12.346 CFM @ 25Pa (0.88 / 100 ft ²)
Above Grade Walls:	R-13
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.39, SHGC: 0.33
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Jacob Hauser MES
 RESNET ID: 4496262

Rating Company: Southern Energy Management
 5908 Triangle Drive

Rating Provider: Southern Energy Management
 5908 Triangle Drive, Raleigh, NC 27617
 919-836-0330



Jacob Hauser MES, Certified Energy Rater
 Date: 7/14/21 at 2:16 PM

G

Zoning Certification Letter
(MANDATORY)



**Chesterfield County, Virginia
Department of Planning**

9800 Government Center Parkway – P.O. Box 40 – Chesterfield, VA 23832-0040
Phone: (804) 748-1050 – Fax: (804) 717-6295 – Internet: chesterfield.gov

ANDREW G. GILLIES, AICP
Director

DATE: July 20, 2021

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

RE: ZONING CERTIFICATION

Name of Development: Grand Oaks Apartments
Name of Owner/Applicant: Fairfield Grand Oaks LLC
Name of Seller/Current Owner: Fairfield Grand Oaks LLC

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

DEVELOPMENT DESCRIPTION:

Development Address:
5301 Grand Oaks Forest Circle, Chester, VA 23831

Legal Description:
SEE ATTACHED.

Proposed Improvements:

New Construction: _____ # Units _____ # Buildings _____ Total Floor Area Sq. Ft.

<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	216	# Units	26	# Buildings	242,610	Total Floor Area Sq. Ft.

Current Zoning: Multi-family Residential (R-MF) allowing a density of 7.83 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.



 Signature

Greg E. Allen

 Printed Name

Planning Manager-Plans Review

 Title of Local Official or Civil Engineer

1-804-748-1072

 Phone:

July 20, 2021

 Date:

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and Consisting of one parcel of land containing 23.527 acres of land more particularly identified as "PARCEL B" as shown on that certain plat entitled "Plat Showing Parcel A - 4.265 Acres and Parcel B - 23.527 Acres, located on the Western line of Womack Road S.R. 749" made by Timmons Group, dated April 27, 2004 and recorded May 3, 2004 in Deed Book 5721 at Page 641, re-recorded in Deed Book 5739 at Page 378 and in Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of State Route 10 in a Western direction a distance of 219.92 feet to a rod set, said rod being the true point and place of beginning, thence South 78 degrees 35 minutes 54 seconds West a distance of 272.26 feet to a rod set, thence leaving said right of way line of State Route 10, thence North 46 degrees 16 minutes 15 seconds West a distance of 649.41 feet to a pipe found 0.83 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 241.92 feet to a pipe found 1.19 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 275.00 feet to a pipe found, thence North 46 degrees 16 minutes 15 seconds West a distance of 29 feet plus or minus to a point, said point lying in the centerline of Great Branch Creek, thence along the centerline of Great Branch Creek as it meanders in a Northern direction a distance of 1114 feet plus or minus to a point, thence South 56 degrees 33 minutes 21 seconds East a distance of 7 feet plus or minus to a rod found, thence South 56 degrees 33 minutes 21 seconds East a distance of 370.78 feet to a rod found, thence South 24 degrees 21 minutes 29 seconds East a distance of 58.59 feet to a set rod, thence South 06 degrees 45 minutes 42 seconds West a distance of 73.45 feet to a set rod, thence South 41 degrees 34 minutes 44 seconds East a distance of 53.36 feet to a set rod, thence South 67 degrees 34 minutes 40 seconds East a distance of 84.86 feet to a set rod, thence South 56 degrees 55 minutes 07 seconds East a distance of 288.45 feet to a set rod, thence South 31 degrees 16 minutes 55 seconds East a distance of 66.46 feet to a set rod, thence South 22 degrees 14 minutes 49 seconds East a distance of 99.81 feet to a set rod, thence South 66 degrees 30 minutes 57 seconds East a distance of 137.08 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way line South 13 degrees 33 minutes 49 seconds West a distance of 276.00 feet to a rod found, thence leaving said right of way line North 56 degrees 49 minutes 14 seconds West a distance of 270.23 feet to a rod found, thence South 13 degrees 32 minutes 53 seconds West a distance of 129.34 feet to a rod found, thence North 56 degrees 51 minutes 41 seconds West a distance of 158.67 feet to a rod found, thence South 36 degrees 41 minutes 38 seconds West a distance of 70.38 feet to a rod found, thence South 53 degrees 04 minutes 38 seconds East a distance of 40.01 feet to a rod found, thence South 26 degrees 52 minutes 04 seconds West a distance of 154.64 feet to a rod found, thence South 63 degrees 33 minutes 28 seconds East a distance of 151.50 feet to a rod found, thence South 11 degrees 38 minutes 31 seconds East a distance of 222.31 feet to a rod set, said rod being the True Point and Place of Beginning, and containing 23.5 +/- acres of land more or less.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at

Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of one parcel of land containing 4.265 acres of land more particularly identified as "PARCEL A" as shown on that certain plat made by Timmons Group, dated April 27, 2004 and recorded in Deed Book 5721 at page 641, re-recorded in Deed Book 5739 at page 378 and Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of Womack Road in a Northerly direction a distance of 656.52 feet to a rod found, said rod being the true point and place of beginning, thence leaving said right of way line North 66 degrees 30 minutes 57 seconds West a distance of 137.08 feet to a point, thence North 22 degrees 14 minutes 49 seconds West a distance of 99.81 feet to a point, thence North 31 degrees 16 minutes 55 seconds West a distance of 66.46 feet to a point, thence North 56 degrees 55 minutes 07 seconds West a distance of 288.45 feet to a point, thence North 67 degrees 34 minutes 40 seconds West a distance of 84.86 feet to a point, thence North 41 degrees 34 minutes 44 seconds West a distance of 53.36 feet to a point, thence North 06 degrees 45 minutes 42 seconds East a distance of 73.45 feet to a point, thence North 24 degrees 21 minutes 29 seconds West a distance of 58.59 feet to a point, thence North 33 degrees 26 minutes 39 seconds East a distance of 150.00 feet to a found rod, thence South 56 degrees 35 minutes 16 seconds East a distance of 673.52 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way South 13 degrees 33 minutes 49 seconds West a distance of 323.15 feet to a found rod, said rod being the True Point and Place of Beginning and containing 4.265 acres of land more or less.

Being the same real estate conveyed to Grand Oaks Senior Apartments, L.P., by Deed from Grand Oaks Apartments, L.P., dated April 29, 2004, recorded May 3, 2004, in the Clerk's Office, Circuit Court, County of Chesterfield, Virginia, in Deed Book 5721, Page 643.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

H

Attorney's Opinion
(MANDATORY)

July 20, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Grand Oaks
Name of Owner: Fairfield Grand Oaks 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 July 21, 2021 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs sections of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. Reserved.

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

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

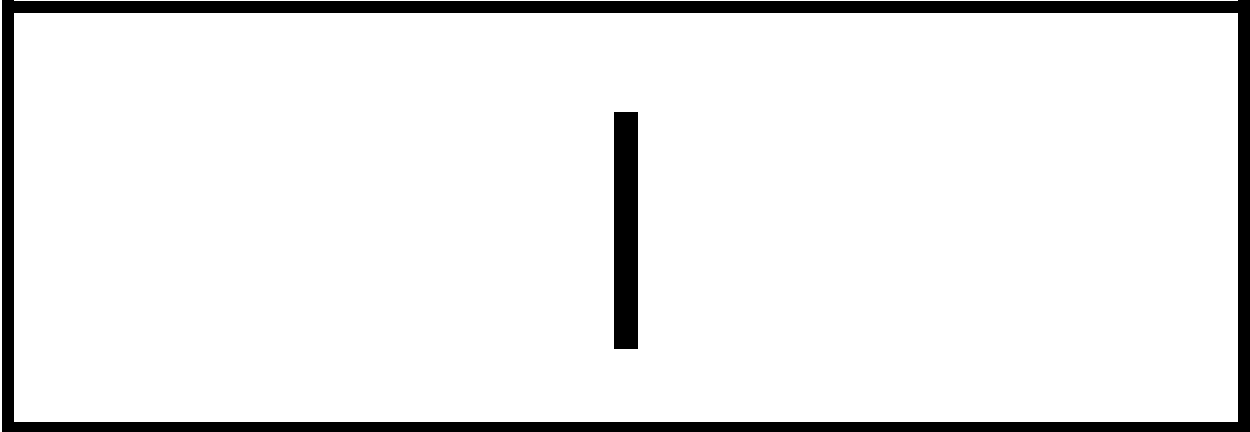
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

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

Very truly yours,

A handwritten signature in blue ink that reads "Kyle Arndt" with a stylized flourish at the end.

Kyle Arndt
of BOCARSLY EMDEN COWAN
ESMAIL & ARNDT LLP



Nonprofit Questionnaire

(MANDATORY for points or pool)

This deal does not require
information behind this tab.

J

Relocation Plan
Including Unit
Delivery Schedule
(MANDATORY, if tenants are displaced)

Relocation Policy and Plan For Grand Oaks Residents

A. PURPOSE

This document represents FAIRFIELD GRAND OAKS LLC's (MRP) and FF PROPERTIES L.P.'s Relocation Plan for the Grand Oaks Apartments. This document was prepared to inform Residents who will be temporarily or permanently relocated by the Grand Oaks renovation and to guide staff working with the Residents who will be temporarily relocated on relocation policies and procedures.

Owner:

FAIRFIELD GRAND OAKS LLC
5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121

Management Company:

FF PROPERTIES L.P.
5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121

B. PROJECT OVERVIEW AND SCOPE

Owner intends to use Low Income Housing Tax Credits (LIHTC) and a mortgage loan to be determined, to renovate Grand Oaks Apartments.

Owner plans to renovate the apartments in phases which will likely overlap one another to some degree and require coordination by the general contractor, sub-contractors and staff overseeing the renovation. Renovations are planned to commence upon closing on the acquisition and the financing around December 2021. Renovation of all units is expected to be completed by the end of December 2022. These estimated start and completion dates may change depending on when the acquisition and financing closings occur. Fairfield Grand Oaks LLC plans to renovate 216 units, the property community room and leasing office. Twenty-two apartments (4 one-bedroom units, 17 two-bedroom units, and 1 three-bedroom unit) will be reconfigured to comply with the Section 504 of the Rehabilitation Act/Americans with Disabilities regulations (Accessible Units).

Following the completion of construction, units will be LIHTC units and will be occupied by households with incomes equal to or less than 60% of area median gross income (AMGI), as adjusted for family size, in accordance with the LIHTC program.

As a result of the renovation to be conducted at the property, some Residents of the Grand Oaks Apartments will be temporarily relocated. It is anticipated that Residents, if any, residing in the twenty-two units that will be accessible units, will need to be temporarily relocated to various hotels in the area or have the option of receiving financial compensation to make their own arrangements. All other units are expected to be renovated without the need to relocate Residents. Residents that will be temporarily relocated are entitled to assistance under this

Relocation Plan, with the exception of those households that moved (or move) pursuant to a Notice to Quit and/or were (are) legally evicted or under an eviction process.

This Relocation Plan outlines the supportive services, counseling and relocation assistance offered to temporarily and permanently relocated Residents and the estimated timetables for relocation. All lease-compliant Residents that will be temporarily or permanently relocated will be counseled and provided relocation assistance in accordance with this Relocation Plan. Households which move prematurely (i.e. before the scheduled dates for relocation) may not have an opportunity to receive comprehensive relocation counseling offered under this Relocation Plan. This Relocation Plan is intended to meet the federal and state requirements relating to relocation (including, the VHDA Relocation Assistance Guidelines (copy attached)).

Residents must meet all applicable certification requirements. All relocation housing will be decent, safe, and sanitary and will comply with all applicable requirements.

Currently, the units set forth below are planned to be converted to accessible units and may require temporary relocation to a local hotel or another unit within Grand Oaks (financial compensation may be provided in-lieu of relocation at the discretion of the tenant). Final determination of which twenty-two units will be converted to accessible units will be made when construction plans are finalized and may change during construction.

Units to be converted or updated to HUD Section 504 Requirements:

Unit 6004-104	2 Bedroom (existing accessible unit update)
Unit 12301-101	3 Bedroom (existing accessible unit update)
Unit 12203-106	1 Bedroom (existing accessible unit update)
Unit 5021-101	2 Bedroom (existing accessible unit update)
Unit 5062	2 Bedroom (existing accessible unit update)
Unit 5016	2 Bedroom (existing accessible unit update)
Unit 12323-101	2 Bedroom (conversion to an accessible unit)
Unit 5200-101	2 Bedroom (conversion to an accessible unit)
Unit 12405-106	1 Bedroom (conversion to an accessible unit)
Unit 12209-101	2 Bedroom (conversion to an accessible unit)
Unit 5217-104	2 Bedroom (conversion to an accessible unit)
Unit 5101-101	2 Bedroom (conversion to an accessible unit)
Unit 5107-106	1 Bedroom (conversion to an accessible unit)
Unit 5127-106	1 Bedroom (conversion to an accessible unit)
Unit 5082	2 Bedroom (conversion to an accessible unit)
Unit 5088	2 Bedroom (conversion to an accessible unit)
Unit 5068	2 Bedroom (conversion to an accessible unit)
Unit 5042	2 Bedroom (conversion to an accessible unit)
Unit 5048	2 Bedroom (conversion to an accessible unit)
Unit 5022	2 Bedroom (conversion to an accessible unit)
Unit 5028	2 Bedroom (conversion to an accessible unit)
Unit 5006	2 Bedroom (conversion to an accessible unit)

C. PLANNED MEASURES TO MINIMIZE CONSTRUCTION IMPACT

With respect to units that will be remodeled with tenants in place, the following measures will be taken to minimize impact on the tenants: Tenants will be given advance notice of the day and type of work to be performed in their unit on a particular day. Work in units will begin no earlier than 8:00 am and end no later than 5:00 pm (unless there are extenuating circumstances). All work in a particular unit will be completed such that the tenant will have use of the unit by the end of each day. For example, when windows are replaced, each window that is removed will be re-installed or replaced on the same day that it is removed.

D. RELOCATION SCHEDULE

No Resident will be required to relocate until after they have received the proper notices as outlined in this Relocation Plan. However, Residents will have the opportunity to relocate earlier than the dates provided in the notices outlined in this Relocation Plan on a voluntary basis. Fairfield Grand Oaks LLC expects that most relocations will be to local hotels. Fairfield Grand Oaks LLC expects the temporary or permanent relocation to take place according to the following timeline (these dates may very well change based on closing on the tax credit financing, timing of voluntary relocations, if any, and the progress of the renovations):

October 2021	FF Properties L.P. staff to send written notice regarding relocation to tenants that will need to be temporarily or permanently relocated
February 2022	Move Residents from four units to temporary locations (to accommodate the rehabilitation of accessible units)
March 2022	Move Residents from four units to temporary locations (to accommodate the rehabilitation of accessible units)
April 2022	Move Residents from four units to temporary locations (to accommodate the rehabilitation of accessible units)
May 2022	Move Residents from four units to temporary locations (to accommodate the rehabilitation of accessible units)
June 2022	Move Residents from four units to temporary locations (to accommodate the rehabilitation of accessible units)
July 2022	Move Residents from two units to temporary locations (to accommodate the rehabilitation of accessible units)

E. REGULATORY AUTHORITY

Virginia Housing Development Agency Relocation Assistance Guidelines

The policies and procedures regarding relocation in this Relocation Plan will be performed in compliance with Section 55-222 of the Code of Virginia and the VHDA “Relocation Assistance Guidelines” for Low Income Housing Tax Credits (please see the attached copy of these guidelines). This Relocation Plan follows these guidelines specifically regarding (1) relocation payments, (2) relocation assistance, (3) the 120-day notice to vacate period and (4) the full communication of renovation and temporary relocation plans to all existing tenants that will be temporarily relocated by the renovation. Pursuant to VHDA guidelines, a Relocation Plan has been submitted to the Virginia Housing Development Authority, Multi-Family Development Division, to the attention of the Tax Credit Program Administrator.

F. MOVING COST REIMBURSEMENT

MRP’s moving cost reimbursement to the Resident is limited to \$100.00 if either of the following applies:

- a. A Resident has minimal possessions and occupies a dormitory style room, or
- b. A Resident move is performed by an agency at no cost to the tenant.

If neither 'a' nor 'b' above applies, and the tenant opts to move his/her belongings, the reimbursement to the Resident may be based on one or a combination of the following:

1. Based on the Federal Highway Administration's Fixed Residential Moving Cost Schedule (see Virginia)
2. Based on Resident's actual reasonable moving and related expenses

The Fixed Residential Moving Cost Schedule includes moving costs and utility connection expenses and is based on the number of rooms of furniture, not the number of bedrooms per unit.

Resident's actual reasonable moving and related expenses are defined as

- i. The lower of two bids or estimates prepared by a commercial mover; or
- ii. Receipted bills for labor and equipment

Hourly labor rates should not exceed the rates paid by a commercial mover to employees performing the same activity and, equipment rental fees should be based on the actual rental cost of the equipment not to exceed the cost paid by a commercial mover.

Fairfield Grand Oaks LLC plans to move each Resident that needs to be temporarily or permanently relocated in which case the moving cost reimbursement amount to each such Resident will be limited to \$100 as set forth above.

G. ADVISORY SERVICES (PERMANENT RELOCATION)

If a Resident cannot return to Resident's original unit, then the Resident is considered to be "displaced" and the relocation is considered a "permanent relocation." It is anticipated that all Residents that need to be permanently relocated will be relocated to another unit within Grand Oaks Apartments. If a Resident is displaced, then FF Properties L.P. will provide the Resident with Advisory Services in addition to Moving Cost Reimbursement. Advisory Services include:

- Providing information about units available within the development
- Providing tenants with written information
- Providing appropriate translation and counseling for tenants who are unable to read and understand notices
- Communicating the name and telephone number of a contact person who can answer questions or provide other needed help
- Providing transportation for tenants needing to look at other housing, especially those who are elderly
- Giving special consideration for the needs of families with school age children
- Extending regular business hours, including evenings and weekends, so that tenants won't have to miss work
- Relocation counseling and assistance completing the necessary claim forms.

H. TEMPORARY RELOCATION

A Resident who is temporarily relocated is not "displaced" if the Resident can return to the original unit (e.g. the unit occupied by the Resident). A Resident that is temporarily relocated is not eligible for Advisory Services as noted above; however, Fairfield Grand Oaks LLC

1. Guarantees that the Resident can return to Resident's same unit
2. Pays the Resident's moving costs to and from the temporary location (two moves) in accordance with the Moving Cost Reimbursement provision above

A temporarily relocated Resident may agree in writing to permanently relocate to (a) the unit which has been designated their temporary unit, if the Resident agrees to permanently relocate to the temporary unit, in which case the Resident will only be entitled to Moving Cost Reimbursement for the one move; or (b) another newly renovated unit, in which case the Resident will be entitled to Moving Cost Reimbursement for the two moves. Such written agreement will be kept by FF Properties L.P. in the Resident file.

FF Properties L.P. will contact any Resident who has been temporarily relocated for longer than one year and provide Advisory Services to that Resident in addition to the Moving Cost Reimbursement.

I. RELOCATION PROCEDURE

Duties and Responsibilities of Grand Oaks Apartments Residents

The Resident shall:

- Read the General Information Notice.
- Read, sign and return to FF Properties L.P. a copy of the signed Notice of Eligibility.
- Move upon notice during the specific time period, irrespective of any pending grievance

related to relocation or continuing occupancy. However, Resident rights to a grievance will not be waived by such a move provided the grievance is filed prior to the move.

- Pack all belongings and prepare furniture and appliances for moving (**everything but furniture must be packed in boxes, taped and the top of the boxes must be flat**).
- Arrange with utility companies to have services transferred to the new dwelling, and to cover all associated arrearage as may be required.
- Prepare, disconnect and/or dismount all applicable appliances for moving. If a Resident household qualifies as elderly or disabled, and requests assistance in writing from FF Properties L.P. within 14 days of receiving its 30-day notice, FF Properties L.P. will provide the necessary moving assistance.
- Notify the US Postal Service, schools, other appropriate government agencies (Social Security, etc.), individuals, and companies of the change in address.
- Be ready to move all belongings on the specified date, and to be home and ready when the movers arrive.

FF Properties L.P. Staff

The Regional Manager and Property Manager as necessary shall:

- Plan moves and consider resident needs
- Secure safe, sanitary and descent apartments for all residents.
- Schedule moves/move-ins
- Schedule residents with mover according to schedule established. Obtain insurance on all stored belongings.
- Monitor, coordinate, document and maintain records of all relocation activity for Grand Oaks Apartments according to applicable regulations.
- Ensure that copies of Notices are signed by leaseholders, returned to FF Properties L.P. and properly filed.
- Review and approve all requests for reimbursement of relocation expenses or allowable relocation payments, according to the Relocation Plan.
- Ensure that all households considered for relocation receive a General Information Notice and a copy of the Relocation Plan at the beginning of the planning process for the renovation project.
- Ensure that all households receive a written Notice of Eligibility for Relocation Assistance at least 120 days in advance of the deadline for being relocated, which

outlines the assistance to which they are entitled.

- Ensure that a member of the FF Properties L.P. staff with relocation, and community and supportive services responsibilities meets with each household at least 30 days prior to the relocation deadline to discuss the relocation details and the household's needs.

The Property Manager and Maintenance Staff shall:

- Assure that all vacated units are cleaned out and secured immediately.
- Provide moving assistance for the elderly and disabled when requested as reasonable accommodation.
- Ensure other units are turned over quickly to facilitate the relocation.
- Receive a scope of work and become familiar with the scope to better answer residents questions. The Property Manager will assist with on-going inspections of construction underway.
- Upon construction completion, Property Manager, architect, construction manager, EarthCraft staff, VHDA staff, and other necessary personnel will perform an inspection and create a joint punch list.

The Regional Manager shall:

- Certify families that qualify for relocation assistance.
- Continue follow-up counseling through individual needs assessment.
- Initiate eviction proceedings for households that do not comply with the requirements of the Relocation Plan and related notices and instructions received in implementation of the plan.
- Determine eligibility using Verification Forms for the Low-Income Housing Tax Credit programs. Document total income of each household unless verification is on file that is less than three months old. Income from employment, military pay, social services, social security, pension, workers compensation, unemployment, child support, alimony/spousal support, self-employment and cash contribution.
- Work with all eligible Residents to get their receipts for utility hook-ups. All requests for reimbursement should be submitted within 45 days of the move. Residents should expect their check within 30 days.
- Receive a scope of work and become familiar with the scope to better answer residents questions.

J. APPEALS AND GRIEVANCES

If a leaseholder or individual disagrees with the determination of FF Properties L.P. concerning the relocation payment(s) or other relocation assistance for which the Resident is eligible, the Resident may file a written appeal with FF Properties L.P. according to FF Properties L.P.'s Grievance Procedure. A household or individual may file an appeal with FF Properties L.P. in which the leaseholder believes that FF Properties L.P. has failed to:

- properly determine that the household or individual qualifies or will qualify (upon moving) as a temporarily relocated person who is eligible for relocation assistance
- properly determine the amounts of relocation payment(s) as required by this plan.

K. SPECIAL EVICTION POLICY

In addition to the causes for eviction outlined in the current lease and/or rules with FF Properties L.P., a Resident's refusal to accept the reasonable offer of relocation housing made in accordance with this Relocation Plan will be determined to have caused a lease violation and may be the subject to an eviction action.

This eviction policy is necessary in order to ensure that Residents will comply with this Relocation Plan and thereby enable the renovation of Grand Oaks Apartments to proceed. This eviction policy will only be enforced for violations pertaining to the relocation effort; all other lease and occupancy violations will be handled under FF Properties L.P.'s normal procedures. This policy should only be used as a last resort and every reasonable effort will be made to avoid eviction.

L. PROJECTED RENTS AND RENTAL POLICIES AFTER RENOVATION

After the renovation, all will be for households with income levels at or below 60% of AMI. Rent levels after the renovations will be will also be at 60% AMI. All tenants will need to be timely re-certified and meet the income and rent restrictions applicable.

M. RECORDKEEPING

Good record keeping is necessary to carry out a sound, thorough and comprehensive relocation program. FF Properties L.P. shall keep records that comply with VHDA requirements and those necessary to insure that Residents that are temporarily or permanently relocated receive the services that are needed and required. This Relocation Plan will be located in plain sight in the office for Residents to review. All documentation related to relocation, including formal notices, bill receipts and canceled checks will be included in the applicable Resident's files.

APPENDIX

1. Units That May Not Be Renovated With Tenants in Place
2. Notice of Intent to Renovate, General Information Notice and 120-Day Notice
3. VHDA Guidelines

4. Willingness to Move Early Form
5. Relocation 30-Day Notice (Temporary Relocation)
6. Relocation 30-Day Notice (Permanent Relocation)
7. Monthly Relocation Report

**Grand Oaks Units
That May Not Be Renovated With Tenants in Place
Subject to Change once Construction Plans are Finalized**

Unit 6004-104	2 Bedroom (existing accessible unit update)
Unit 12301-101	3 Bedroom (existing accessible unit update)
Unit 12203-106	1 Bedroom (existing accessible unit update)
Unit 5021-101	2 Bedroom (existing accessible unit update)
Unit 5062	2 Bedroom (existing accessible unit update)
Unit 5016	2 Bedroom (existing accessible unit update)
Unit 12323-101	2 Bedroom (conversion to an accessible unit)
Unit 5200-101	2 Bedroom (conversion to an accessible unit)
Unit 12405-106	1 Bedroom (conversion to an accessible unit)
Unit 12209-101	2 Bedroom (conversion to an accessible unit)
Unit 5217-104	2 Bedroom (conversion to an accessible unit)
Unit 5101-101	2 Bedroom (conversion to an accessible unit)
Unit 5107-106	1 Bedroom (conversion to an accessible unit)
Unit 5127-106	1 Bedroom (conversion to an accessible unit)
Unit 5082	2 Bedroom (conversion to an accessible unit)
Unit 5088	2 Bedroom (conversion to an accessible unit)
Unit 5068	2 Bedroom (conversion to an accessible unit)
Unit 5042	2 Bedroom (conversion to an accessible unit)
Unit 5048	2 Bedroom (conversion to an accessible unit)
Unit 5022	2 Bedroom (conversion to an accessible unit)
Unit 5028	2 Bedroom (conversion to an accessible unit)
Unit 5006	2 Bedroom (conversion to an accessible unit)



FF PROPERTIES, L.P.

_____, 20__

Resident of Grand Oaks Apartments

Re: Notice of Intent to Renovate, General Information Notice, and 120-Day Notice

Dear _____,

This letter is a follow-up to the news letters in which you were notified that we are planning upcoming renovations to your home. Fairfield Grand Oaks LLC (MRP) intends to renovate the property you currently occupy, Grand Oaks Apartments. MRP has applied for Low Income Housing Tax Credits and a construction loan and a mortgage loan from _____ to complete the acquisition and renovation. The renovation will include new kitchen cabinets and countertops, energy efficient appliances, windows, patio doors, and heating and air conditioning units. We will also be installing water conserving commodes and faucets. We will be improving the outside appearance with improved landscaping, re-paving the parking lots, and a new sign.

We plan to complete the renovations without moving you from your home. We will give everyone ample notice of all work to be done in each unit every day. Work will start each day at or after 8:00 am and will stop no later than 5:00 pm. The renovation process is expected to take about ten months from the start date. We will make sure that no one will be without the necessary accommodations during the renovation period.

However, you may need to temporarily be relocated to a hotel or permanently move to another unit at Grand Oaks Apartments. The earliest anyone will be required to move is _____. FF Properties L.P. staff will contact you to coordinate the planned moving date. Therefore, we urge you not to move at this time. However if you have already submitted a notice to move or have received a lease termination notice, you will **not** be eligible for relocation assistance. If you have received a 21-30 Day Notice of Lease Violation and Potential Lease Termination you may not be eligible for relocation assistance. If you do elect to move for reasons of your choice, you will **not** be eligible nor be provided relocation assistance. With the above exceptions, stay where you are. To maintain your eligibility, you must continue to pay your usual rent and otherwise comply with the standard lease terms and conditions.

If we determine that you need to temporarily or permanently move, (i) you will be reimbursed for all reasonable moving expenses and reasonable related costs such as transfer fees for utility hook-ups and other related expenses in accordance with the Relocation Plan a copy of which is located in the Grand Oaks Apartments office; (ii) if you need to permanently move, you will receive relocation advisory services in accordance with the Relocation Plan, and (iii) you will receive written notice at least 30 days before the date when you must move stating (1) the specific date by which you are required to move, (2) the unit to which you will be relocated, (3) if applicable, the date on which the move-in inspection will be completed, and (4) if applicable,

the date that you will receive keys to your unit. **You will not have to move earlier than 30 days after a comparable replacement dwelling is made available to you.**

After the renovation of your unit, you may then choose whether or not to move back into your original unit (unless you are no longer eligible for that particular unit) or another suitable, decent, safe and sanitary unit at Grand Oaks Apartments. If your income makes you ineligible to remain in the completed project, under the new federal funding restrictions, we will move you to a comparable unit that meets your household needs and that complies with decent, safe and sanitary standards.

Your rent will remain the same until your lease renewal at which time you will need to be re-certified and your rent will be determined in accordance with VHDA requirements.

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. Should any resident's lease be terminated while living in their apartment at Grand Oaks Apartments during the renovations, he/she would **not** be eligible for relocation assistance. Should any resident's lease be terminated during the time residents are temporarily relocated in other apartments at Grand Oaks Apartments, other FF Properties L.P. managed properties or other sites owned by another company, those residents would **not** be eligible to return to Grand Oaks Apartments once renovations have been completed.

As we continue with this project, you can rest assured that we will make every effort to accommodate your needs. You will be protected by the United States Department of Housing and Urban Development's (HUD) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as applicable. This assistance is more fully explained in the attached brochure, "Relocation Assistance to Tenants Displaced From Their Homes". Please review the attached Virginia Housing and Development Authority's (VHDA) "Relocation Assistance Guidelines." Please notice that some of the information related to purchasing a home and permanent relocation does not apply to this specific relocation situation. The information in the notices covers all types of relocation.

We cannot require you to move unless we make at least one comparable replacement dwelling available to you. You have the right to appeal if you believe that we did not properly evaluate your application for assistance.

NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child. All persons seeking URA relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

Caution:

Please remember, you must contact us before making any moving plans. We want to help you obtain all relocation benefits you qualify for. Additionally, we will make reasonable accommodations for persons with disabilities and provide language assistance for persons with limited English proficiency. Please let us know if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

This notice does not establish your eligibility for relocation payments or assistance at this time. If we determine that the project will displace you and require you to vacate the premises, we will inform you in writing. If the proposed project does not proceed, or if we determine that the project will not displace you, we will notify you of that in writing.

Again, please do not move out before you receive definite guidance from us about your eligibility or ineligibility for relocation benefits. We will do everything we can to respect your rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as applicable.

Please retain this letter for your records. We will contact you soon about relocation eligibility. If you have any questions about this notice or the proposed project, please contact our representative:

Sincerely,

Vice President

I _____, have received this Notice of Relocation.
(print name)

Resident Signature

Date

Staff Witness

Date

Grand Oaks Apartments
Willingness to Move Early Relocation Form

I received the Notice of Intent to Renovate, General Information Notice, and 120-Day Notice letter concerning the renovation of Green Hills Apartments (to be renamed as Grand Oaks Apartments) and the [temporary] [permanent] relocation of my household. I have reviewed the Relocation Plan and received a copy of the Virginia Housing Development Authority publication “*Relocation Assistance Guidelines*.” I attended a meeting on _____, 20____ with the property manager.

I understand due to the upcoming renovations of the Green Hills Apartments (to be renamed as Grand Oaks Apartments), I will be required to [temporarily] [permanently] move. By signing below, I agree to pack and be ready to move by the _____, 20____.

Tenant Name: _____

My current address is: _____

My [temporary] [permanent] address will be: _____
(this is the anticipated address as of ____/20____ and should it change property management staff will contact you prior to moving)

Tenant Signature

Date

Staff Signature

Date



FF PROPERTIES, L.P.

_____, 20__

Resident of Grand Oaks Apartments (to be renamed as Grand Oaks Apartments)

Re: 30-Day Notice to Move; By required move date
Temporary Relocation

Dear name of tenant,

On _____, 20__ we sent you a letter regarding Notice of Intent to Renovate, General Information Notice and 120-Day Notice for the acquisition and renovation of Apartments by Grand Oaks Apartments, LLC. Virginia Housing and Development Authority (VHDA) has approved the project and the funding for it.

We have determined that you will need to temporarily relocate to another unit at Grand Oaks Apartments.

You must move from your current unit by _____.

We have identified the following comparable unit for you at Grand Oaks Apartments: _____. You will be able to move back into your original unit after the renovation is completed. Your rent will remain the same as it was for your original unit until the time of lease renewal.

Your move-in inspection is schedule to occur: _____

Please come by the office to get the key to your temporary unit on or after _____.

If you disagree with the estimated amount of relocation assistance or the comparability of the representative replacement dwelling you may file an administrative appeal to VHDA. We will provide contact information for the appeal to VHDA. For low-income persons and those unable to prepare a written appeal, or who require assistance in preparing an appeal, we shall provide such assistance and/or refer you to an appropriate third party who will provide such assistance at no cost to you.

In order to help you protect your rights and benefits in the relocation process, we will reasonably accommodate persons with disabilities and provide language assistance for persons with limited English proficiency. Please tell our representative if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact relocation coordinator, [name], [title], at [phone], [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance under the Uniform Relocation Action, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact relocation counselor, [name], [title], at [phone], [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

Sincerely,

(Name and title) _____

Tenant Affidavit: I acknowledge and understand the contents of this letter.

Signature of Tenant

Unit Number

Date Signed



FF PROPERTIES, L.P.

_____, 20__

Resident of Apartments (to be renamed as Grand Oaks Apartments)

Re: 30-Day Notice to Move; By required move date
Permanent Relocation

Dear name of tenant,

On _____, 20__ we sent you a letter regarding Notice of Intent to Renovate, General Information Notice and 120-Day Notice for the acquisition and renovation of Green Hills Apartments by Grand Oaks Apartments, LLC. Virginia Housing and Development Authority (VHDA) has approved the project and the funding for it.

We have determined that you will need to permanently relocate to another unit at Grand Oaks Apartments.

You must move from your current unit by _____.

We have identified the following comparable unit for you at Grand Oaks Apartments: _____. Your rent will remain the same as it was for your original unit until the time of lease renewal. Please contact us immediately if you believe this unit does not compare reasonably to your current home. We can explain our basis for selectin this dwelling as most representative of your current home and discuss your concerns.

Your move-in inspection is schedule to occur: _____

Please come by the office to get the key to your new unit on or after _____.

If you disagree with your designation as a displaced person, the estimated amount of relocation assistance, or the comparability of the representative replacement dwelling you may file an administrative appeal to VHDA. We will provide contact information for the appeal to VHDA. For low-income persons and those unable to prepare a written appeal, or who require assistance in preparing an appeal, we shall provide such assistance and/or refer you to an appropriate third party who will provide such assistance at no cost to you.

In order to help you protect your rights and benefits in the relocation process, we will reasonably accommodate persons with disabilities and provide language assistance for persons with limited English proficiency. Please tell our representative if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact relocation coordinator, [name], [title], at [phone], [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance under the Uniform Relocation Action, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact relocation counselor, [name], [title], at [phone], [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

Sincerely,

(Name and title) _____

Tenant Affidavit: I acknowledge and understand the contents of this letter.

Signature of Tenant

Unit Number

Date Signed

Monthly Relocation Report

Monthly Report Form – Complete at end of each month, due at same time as usual monthly reports. Fax a copy to Regional Manager. Form must be completed every month until relocations have been completed.

Property Name: Grand Oaks Apartments

Month: _____

- 1. On-Property Moves (Summary to Date):
 - _____ Number On-Property at start of relocation
 - _____ Number moving On-Property into un-rehabbed units during relocation
 - _____ Number attending residents meeting held
 - _____ Number completed paperwork

 - A. _____ Number scheduled to move next

<u>Current Unit</u>	<u>Date Move Scheduled</u>	<u>To Unit</u>	<u>Temp or Perm.</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____

B. _____ Number Moved to Permanent Unit
 _____ Previously (Detail until check has been shown distributed)
 _____ This month (Detail)

<u>New Unit</u>	<u>Date of Actual Move</u>	<u>Date Check Requested</u>	<u>Date Check Distributed</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

C. _____ Number Moved to Temporary Unit
 _____ Previously (Detail until check has been shown distributed)
 _____ This month (Detail)

<u>New Unit</u>	<u>Date of Actual Move</u>	<u>Date Check Requested</u>	<u>Date Check Distributed</u>	<u>Move to Perm. Scheduled for Date</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

 Property Manager's Signature

 Date

K

Documentation of
Development Location

This deal does not require
information behind this tab.

K.1

Revitalization Area
Certification

Census Tract

Census Tract Information

The address entered is situated in Census Tract 1004.10 in Chesterfield County.

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

Points associated with being in a tract with less than 12% poverty? No

Points associated with being in a tract with less than 10% poverty? Yes

Points associated with being in a tract with less than 3% poverty? No

The tract's poverty is 10%

This location falls within Richmond MSA geographic pool. It is also subject to current square footage cost limits of \$275 for new construction.

Additional information regarding this site:

Is it located within the New Construction pool? No

Is it located within a Difficult to Develop Area (DDA)? No

It is located in Congressional District: 4

It is located in Planning District: 15

It is located in State Senate District: 11

It is located in State House District: 66

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

K.2

Location Map

GRAND OAKS

APARTMENT HOMES



5301 Grand Oaks Forest Circle • Chester, VA 23831

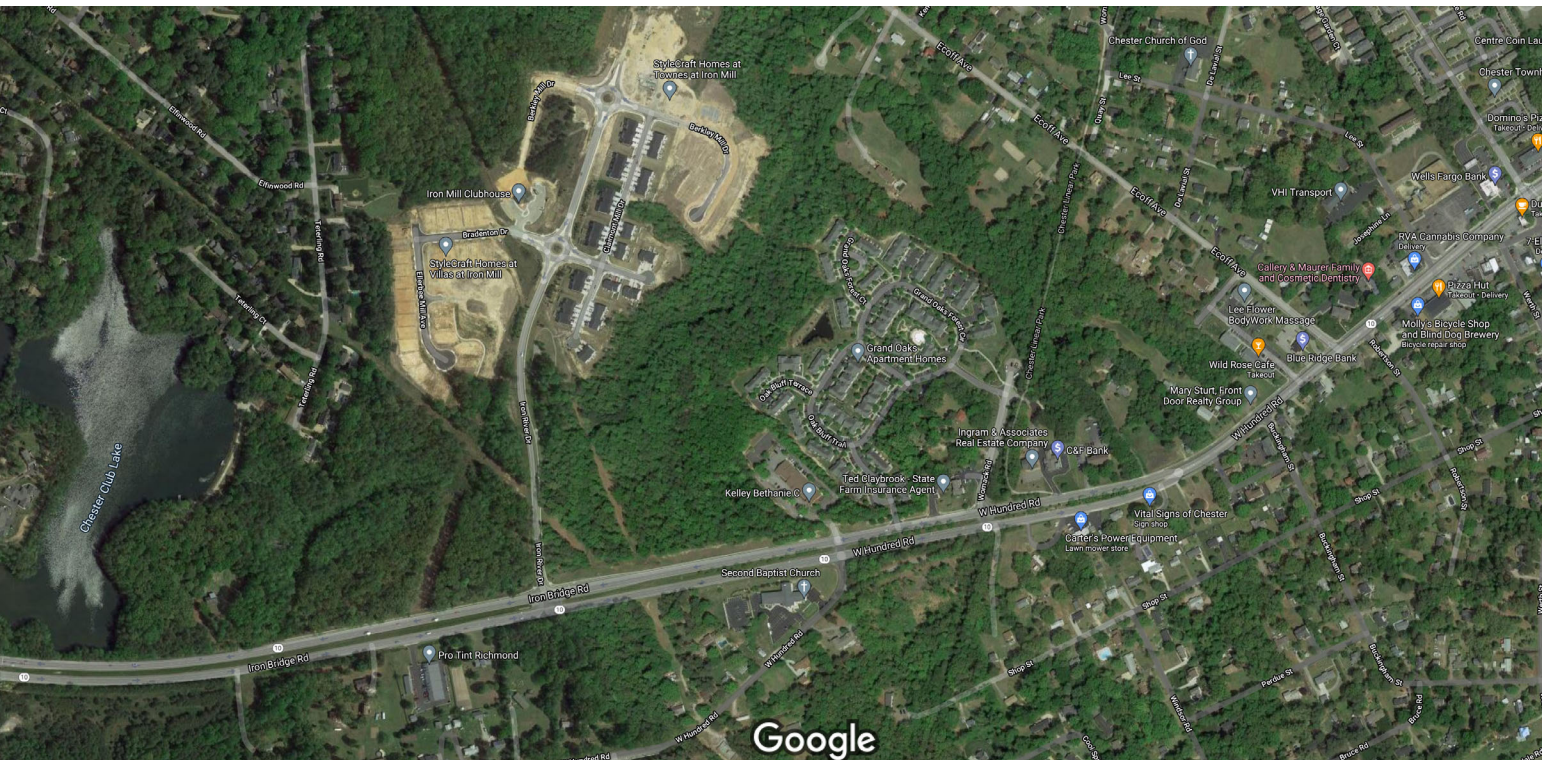
804-706-9435 • leasing@livegrandoakspts.com

LIVEGRANDOAKSPTS.COM

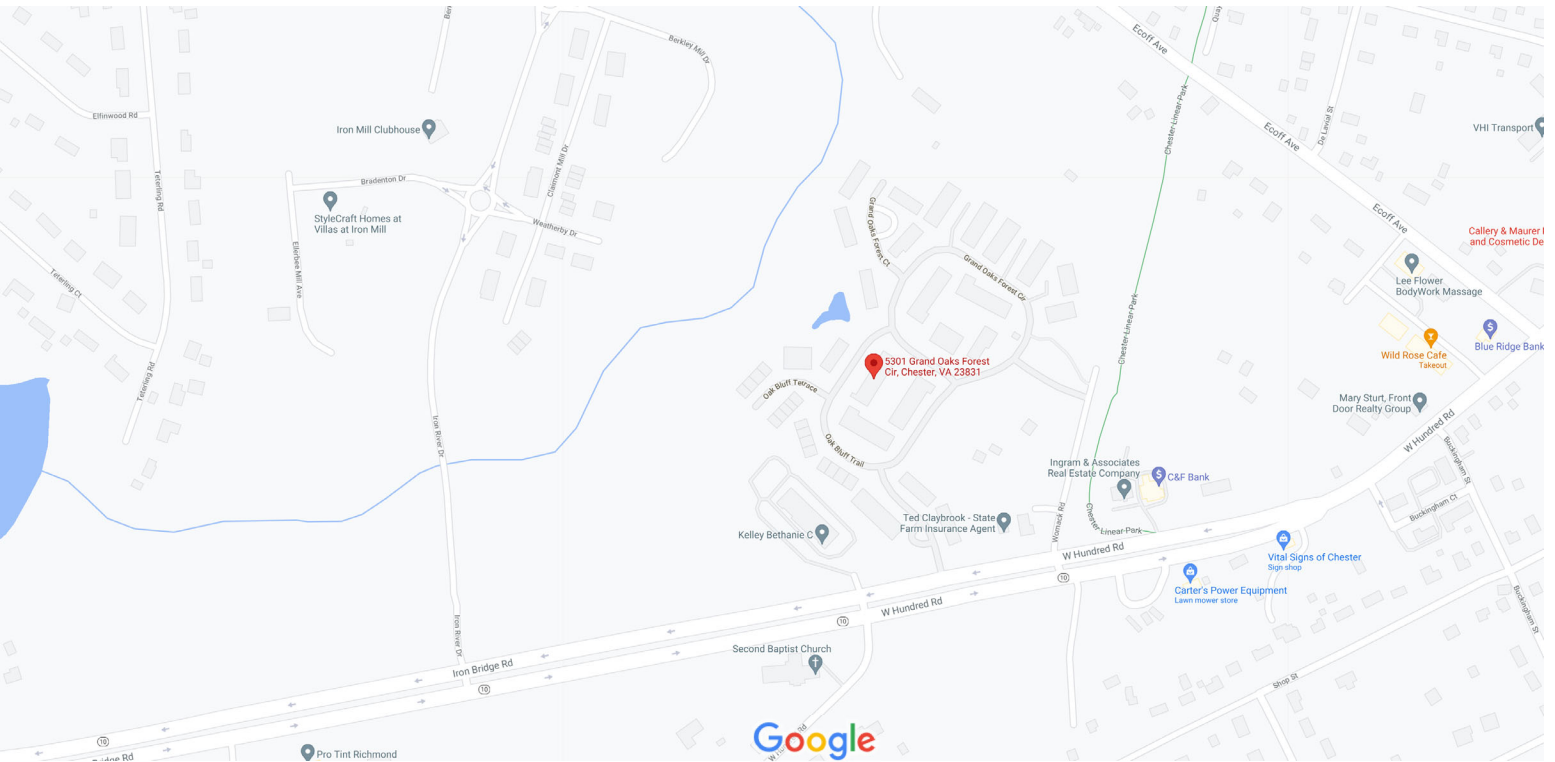
Creating Better Living for Better Lives

FAIRFIELD.
residential





5301 Grand Oaks Forest Cir



Map data ©2021 Google 200 ft



5301 Grand Oaks Forest Cir

Chester, VA 23831
Building



Directions



Save



Nearby



Send to your
phone



Share

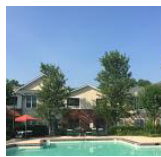
At this location

Grand Oaks Apartment Homes

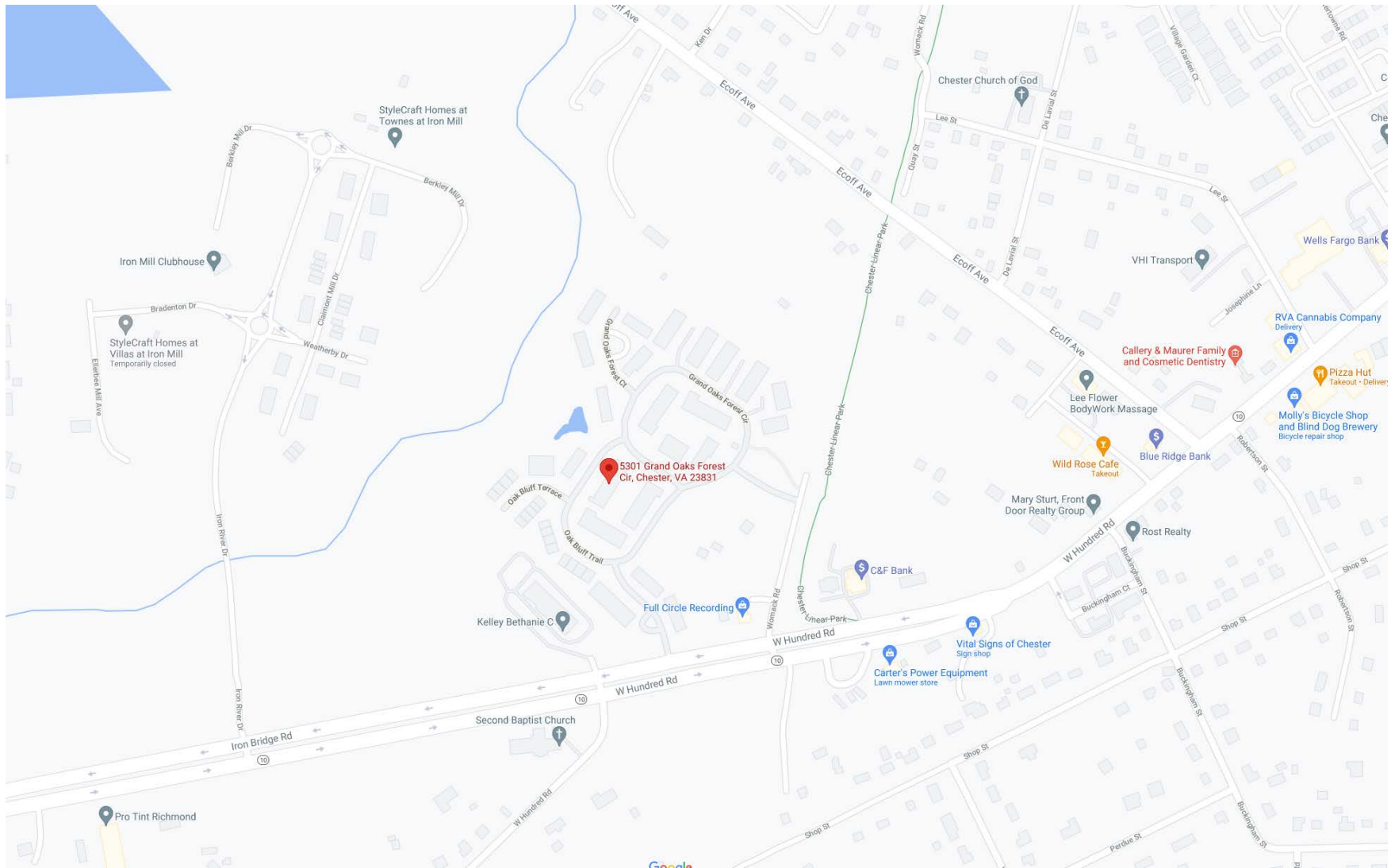
3.7 ★★★★★ (68)

Apartment complex ·

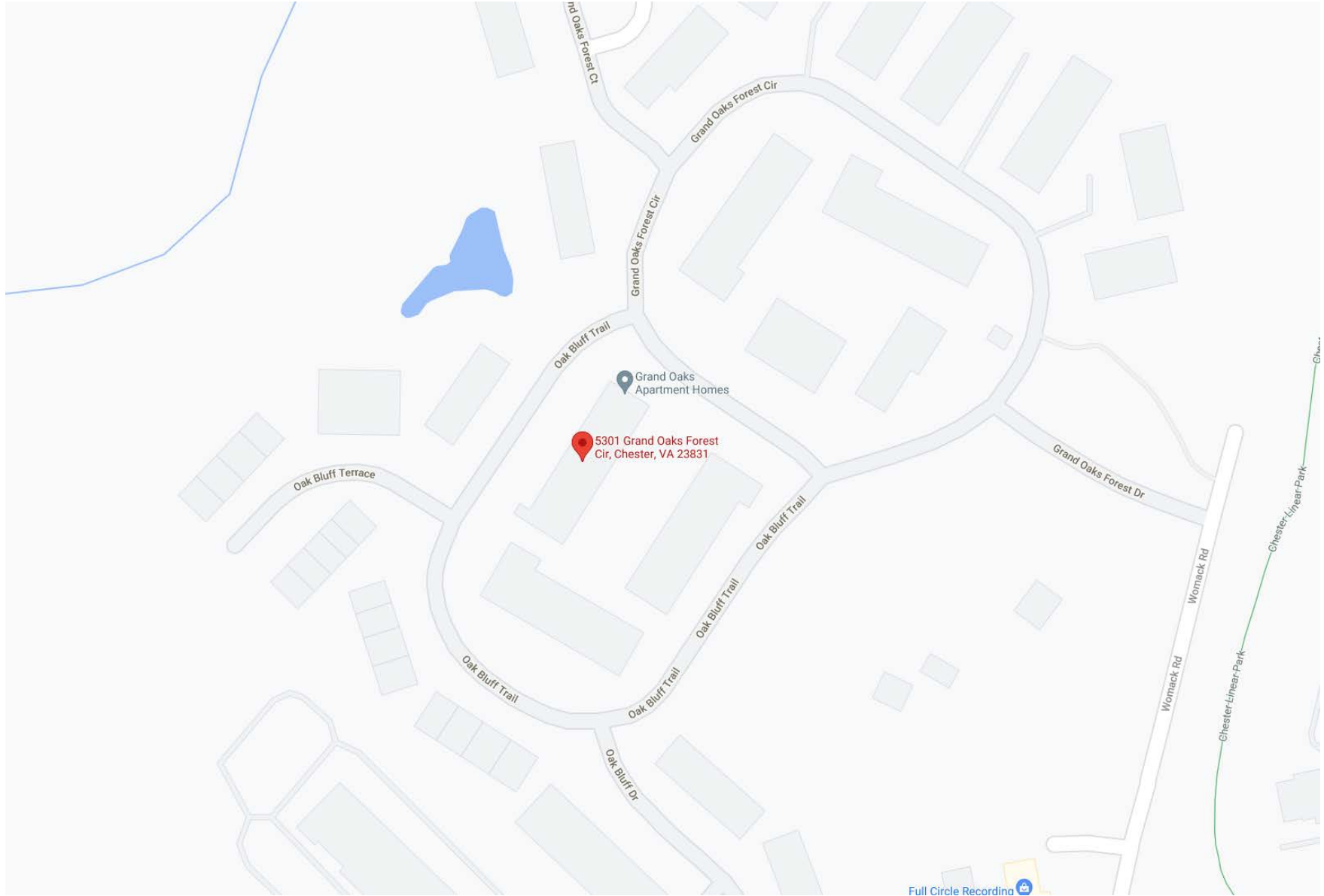
5301 Grand Oaks Forest Cir



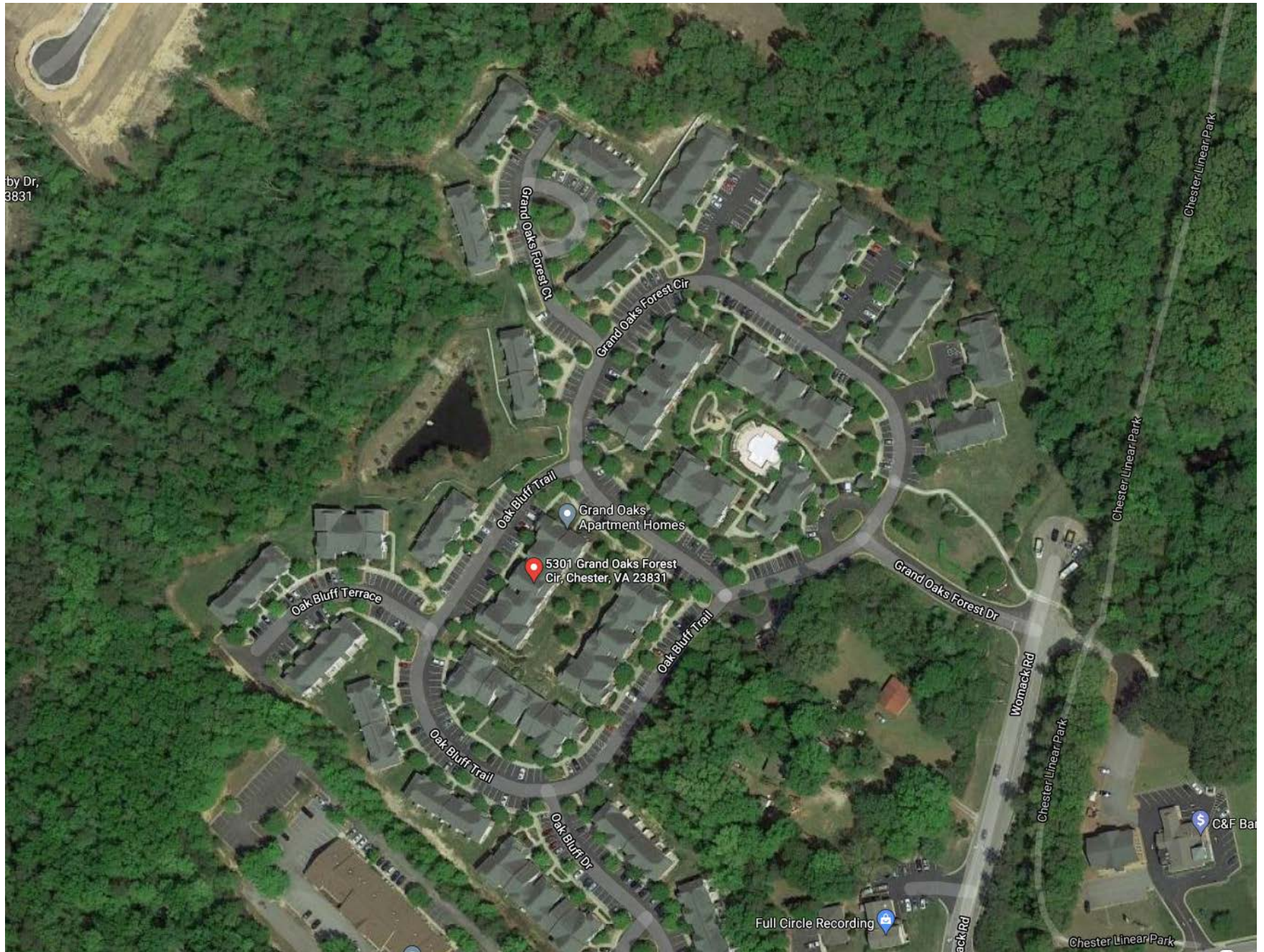
TAB K.2 - LOCATION MAP



TAB K.2 - LOCATION MAP



TAB K.2 - LOCATION MAP



K.3

Surveyor's Certification of
Proximity to Public
Transportation

This deal does not require
information behind this tab.



L

PHA/Section 8 Notification
Letter



TRACK ANOTHER SHIPMENT

281673020595



[ADD NICKNAME](#)

Delivered
Wednesday, July 21, 2021 at 10:26 am



DELIVERED

Signed for by: R.RHA

[GET STATUS UPDATES](#)

[OBTAIN PROOF OF DELIVERY](#)

Adult signature required

FROM

San Diego, CA US

TO

Richmond, VA US

Travel History

TIME ZONE

Local Scan Time



Wednesday, July 21, 2021

10:26 AM	Richmond, VA	Delivered
8:48 AM	MECHANICSVILLE, VA	On FedEx vehicle for delivery
7:48 AM	MECHANICSVILLE, VA	At local FedEx facility
6:52 AM	RICHMOND, VA	At destination sort facility
4:21 AM	MEMPHIS, TN	Departed FedEx hub
12:26 AM	MEMPHIS, TN	Arrived at FedEx hub

Tuesday, July 20, 2021

5:27 PM	SAN DIEGO, CA	Picked up
5:14 PM	SAN DIEGO, CA	Picked up
6:00 PM		Shipment information sent to FedEx

4:00 PM

SAN DIEGO, CA

Picked up
Tendered at FedEx Office

Shipment Facts

TRACKING NUMBER

281673020595

SERVICE

FedEx Priority Overnight

WEIGHT

0.5 lbs / 0.23 kgs

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Receptionist/Front Desk

TOTAL PIECES

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TOTAL SHIPMENT WEIGHT

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TERMS

Shipper

PACKAGING

FedEx Envelope

SPECIAL HANDLING SECTION

Deliver Weekday, Adult Signature Required

SHIP DATE7/20/21 [?](#)**SIGNATURE SERVICES**Adult signature required [?](#)**STANDARD TRANSIT**7/21/21 by 10:30 am [?](#)**ACTUAL DELIVERY**

7/21/21 at 10:26 am

PHA or Section 8 Notification Letter

DATE:

TO:

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: _____

Name of Owner: _____

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

The following is a brief description of the proposed development:

Development Address:

Proposed Improvements:

- New Constr.: _____ # units _____ # Bldgs
- Adaptive Reuse: _____ # units _____ # Bldgs
- Rehabilitation: _____ # units _____ # Bldgs

Proposed Rents:

- Efficiencies: \$ _____ / month
- 1 Bedroom Units: \$ _____ / month
- 2 Bedroom Units: \$ _____ / month
- 3 Bedroom Units: \$ _____ / month
- 4 Bedroom Units: \$ _____ / month

Other Descriptive Information:

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

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

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

Sincerely yours,

Name

Title

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

Seen and Acknowledged By: _____

Printed Name: _____

Title: _____

Phone: _____

Date: _____

M

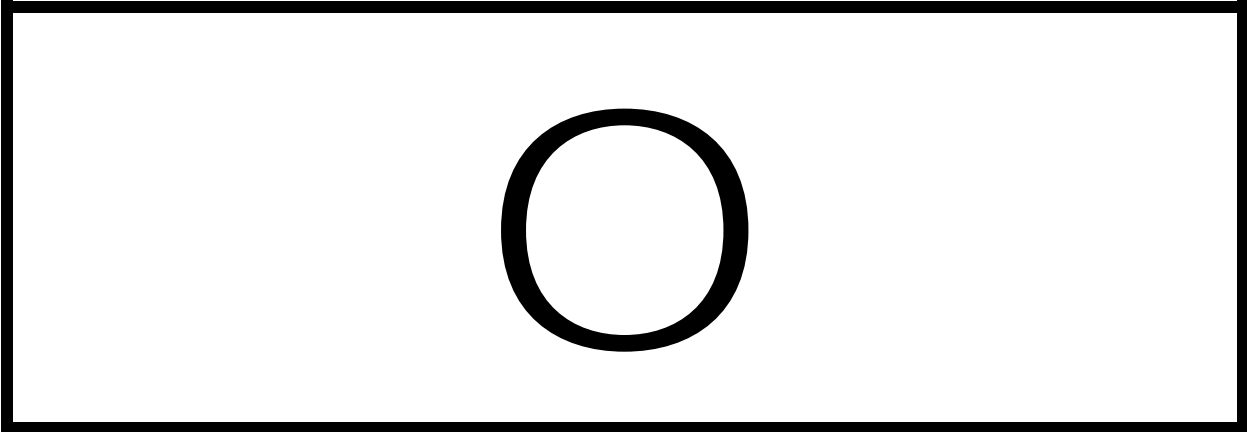
Locality CEO Response
Letter

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



**Chesterfield County, Virginia
Department of Planning**

9800 Government Center Parkway – P.O. Box 40 – Chesterfield, VA 23832-0040
Phone: (804) 748-1050 – Fax: (804) 717-6295 – Internet: chesterfield.gov

ANDREW G. GILLIES, AICP
Director

DATE: July 20, 2021

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

RE: PLAN OF DEVELOPMENT CERTIFICATION

Name of Development: Grand Oaks Apartments

Name of Owner/Applicant: Fairfield Grand Oaks LLC

Name of Seller/Current Owner: Fairfield Grand Oaks LLC

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

DEVELOPMENT DESCRIPTION:

Development Address:
5301 Grand Oaks Forest Circle, Chester, VA 23831

Legal Description:
SEE ATTACHED.

Proposed Improvements:

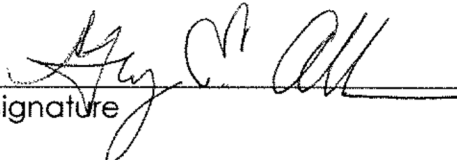
<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>216</u>	# Units	<u>26</u>	# Buildings	<u>242,610</u>	Total Floor Area Sq. Ft.

Other Descriptive Information:

LOCAL CERTIFICATION:

Check one of the following as appropriate:

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



Signature

Greg E. Allen

Printed Name

Planning Manager-Plans Review

Title of Local Official or Civil Engineer

1-804-748-1072

Phone:

July 20, 2021

Date:

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and Consisting of one parcel of land containing 23.527 acres of land more particularly identified as "PARCEL B" as shown on that certain plat entitled "Plat Showing Parcel A - 4.265 Acres and Parcel B - 23.527 Acres, located on the Western line of Womack Road S.R. 749" made by Timmons Group, dated April 27, 2004 and recorded May 3, 2004 in Deed Book 5721 at Page 641, re-recorded in Deed Book 5739 at Page 378 and in Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of State Route 10 in a Western direction a distance of 219.92 feet to a rod set, said rod being the true point and place of beginning, thence South 78 degrees 35 minutes 54 seconds West a distance of 272.26 feet to a rod set, thence leaving said right of way line of State Route 10, thence North 46 degrees 16 minutes 15 seconds West a distance of 649.41 feet to a pipe found 0.83 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 241.92 feet to a pipe found 1.19 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 275.00 feet to a pipe found, thence North 46 degrees 16 minutes 15 seconds West a distance of 29 feet plus or minus to a point, said point lying in the centerline of Great Branch Creek, thence along the centerline of Great Branch Creek as it meanders in a Northern direction a distance of 1114 feet plus or minus to a point, thence South 56 degrees 33 minutes 21 seconds East a distance of 7 feet plus or minus to a rod found, thence South 56 degrees 33 minutes 21 seconds East a distance of 370.78 feet to a rod found, thence South 24 degrees 21 minutes 29 seconds East a distance of 58.59 feet to a set rod, thence South 06 degrees 45 minutes 42 seconds West a distance of 73.45 feet to a set rod, thence South 41 degrees 34 minutes 44 seconds East a distance of 53.36 feet to a set rod, thence South 67 degrees 34 minutes 40 seconds East a distance of 84.86 feet to a set rod, thence South 56 degrees 55 minutes 07 seconds East a distance of 288.45 feet to a set rod, thence South 31 degrees 16 minutes 55 seconds East a distance of 66.46 feet to a set rod, thence South 22 degrees 14 minutes 49 seconds East a distance of 99.81 feet to a set rod, thence South 66 degrees 30 minutes 57 seconds East a distance of 137.08 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way line South 13 degrees 33 minutes 49 seconds West a distance of 276.00 feet to a rod found, thence leaving said right of way line North 56 degrees 49 minutes 14 seconds West a distance of 270.23 feet to a rod found, thence South 13 degrees 32 minutes 53 seconds West a distance of 129.34 feet to a rod found, thence North 56 degrees 51 minutes 41 seconds West a distance of 158.67 feet to a rod found, thence South 36 degrees 41 minutes 38 seconds West a distance of 70.38 feet to a rod found, thence South 53 degrees 04 minutes 38 seconds East a distance of 40.01 feet to a rod found, thence South 26 degrees 52 minutes 04 seconds West a distance of 154.64 feet to a rod found, thence South 63 degrees 33 minutes 28 seconds East a distance of 151.50 feet to a rod found, thence South 11 degrees 38 minutes 31 seconds East a distance of 222.31 feet to a rod set, said rod being the True Point and Place of Beginning, and containing 23.5 +/- acres of land more or less.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and Consisting of one parcel of land containing 23.527 acres of land more particularly identified as "PARCEL B" as shown on that certain plat entitled "Plat Showing Parcel A - 4.265 Acres and Parcel B - 23.527 Acres, located on the Western line of Womack Road S.R. 749" made by Timmons Group, dated April 27, 2004 and recorded May 3, 2004 in Deed Book 5721 at Page 641, re-recorded in Deed Book 5739 at Page 378 and in Plat Book 143 Page 45.

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Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of State Route 10 in a Western direction a distance of 219.92 feet to a rod set, said rod being the true point and place of beginning, thence South 78 degrees 35 minutes 54 seconds West a distance of 272.26 feet to a rod set, thence leaving said right of way line of State Route 10, thence North 46 degrees 16 minutes 15 seconds West a distance of 649.41 feet to a pipe found 0.83 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 241.92 feet to a pipe found 1.19 feet North East of property line, thence North 46 degrees 16 minutes 15 seconds West a distance of 275.00 feet to a pipe found, thence North 46 degrees 16 minutes 15 seconds West a distance of 29 feet plus or minus to a point, said point lying in the centerline of Great Branch Creek, thence along the centerline of Great Branch Creek as it meanders in a Northern direction a distance of 1114 feet plus or minus to a point, thence South 56 degrees 33 minutes 21 seconds East a distance of 7 feet plus or minus to a rod found, thence South 56 degrees 33 minutes 21 seconds East a distance of 370.78 feet to a rod found, thence South 24 degrees 21 minutes 29 seconds East a distance of 58.59 feet to a set rod, thence South 06 degrees 45 minutes 42 seconds West a distance of 73.45 feet to a set rod, thence South 41 degrees 34 minutes 44 seconds East a distance of 53.36 feet to a set rod, thence South 67 degrees 34 minutes 40 seconds East a distance of 84.86 feet to a set rod, thence South 56 degrees 55 minutes 07 seconds East a distance of 288.45 feet to a set rod, thence South 31 degrees 16 minutes 55 seconds East a distance of 66.46 feet to a set rod, thence South 22 degrees 14 minutes 49 seconds East a distance of 99.81 feet to a set rod, thence South 66 degrees 30 minutes 57 seconds East a distance of 137.08 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way line South 13 degrees 33 minutes 49 seconds West a distance of 276.00 feet to a rod found, thence leaving said right of way line North 56 degrees 49 minutes 14 seconds West a distance of 270.23 feet to a rod found, thence South 13 degrees 32 minutes 53 seconds West a distance of 129.34 feet to a rod found, thence North 56 degrees 51 minutes 41 seconds West a distance of 158.67 feet to a rod found, thence South 36 degrees 41 minutes 38 seconds West a distance of 70.38 feet to a rod found, thence South 53 degrees 04 minutes 38 seconds East a distance of 40.01 feet to a rod found, thence South 26 degrees 52 minutes 04 seconds West a distance of 154.64 feet to a rod found, thence South 63 degrees 33 minutes 28 seconds East a distance of 151.50 feet to a rod found, thence South 11 degrees 38 minutes 31 seconds East a distance of 222.31 feet to a rod set, said rod being the True Point and Place of Beginning, and containing 23.5 +/- acres of land more or less.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at

Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

Exhibit "A"

Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

Parcel A:

All those certain lots, pieces or parcels of land with improvements thereon and appurtenances thereto belonging, situate, lying and being in Bermuda District Chesterfield County, Virginia and consisting of one parcel of land containing 4.265 acres of land more particularly identified as "PARCEL A" as shown on that certain plat made by Timmons Group, dated April 27, 2004 and recorded in Deed Book 5721 at page 641, re-recorded in Deed Book 5739 at page 378 and Plat Book 143 Page 45.

ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of Womack Road in a Northerly direction a distance of 656.52 feet to a rod found, said rod being the true point and place of beginning, thence leaving said right of way line North 66 degrees 30 minutes 57 seconds West a distance of 137.08 feet to a point, thence North 22 degrees 14 minutes 49 seconds West a distance of 99.81 feet to a point, thence North 31 degrees 16 minutes 55 seconds West a distance of 66.46 feet to a point, thence North 56 degrees 55 minutes 07 seconds West a distance of 288.45 feet to a point, thence North 67 degrees 34 minutes 40 seconds West a distance of 84.86 feet to a point, thence North 41 degrees 34 minutes 44 seconds West a distance of 53.36 feet to a point, thence North 06 degrees 45 minutes 42 seconds East a distance of 73.45 feet to a point, thence North 24 degrees 21 minutes 29 seconds West a distance of 58.59 feet to a point, thence North 33 degrees 26 minutes 39 seconds East a distance of 150.00 feet to a found rod, thence South 56 degrees 35 minutes 16 seconds East a distance of 673.52 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way South 13 degrees 33 minutes 49 seconds West a distance of 323.15 feet to a found rod, said rod being the True Point and Place of Beginning and containing 4.265 acres of land more or less.

Being the same real estate conveyed to Grand Oaks Senior Apartments, L.P., by Deed from Grand Oaks Apartments, L.P., dated April 29, 2004, recorded May 3, 2004, in the Clerk's Office, Circuit Court, County of Chesterfield, Virginia, in Deed Book 5721, Page 643.

Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

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Legal Description

Real property in the City of Chester, County of Chesterfield, State of Virginia, described as follows:

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ALSO DESCRIBED AS FOLLOWS:

Situated, lying and being all that certain piece or parcel of land located in the Bermuda District, Chesterfield County, Virginia and more particularly described as follows:

Commencing at a point located at the intersection of the Western right of way line of State Route 749, Womack Road and State Route 10, W. Hundred Road, thence along the said right of way line of Womack Road in a Northerly direction a distance of 656.52 feet to a rod found, said rod being the true point and place of beginning, thence leaving said right of way line North 66 degrees 30 minutes 57 seconds West a distance of 137.08 feet to a point, thence North 22 degrees 14 minutes 49 seconds West a distance of 99.81 feet to a point, thence North 31 degrees 16 minutes 55 seconds West a distance of 66.46 feet to a point, thence North 56 degrees 55 minutes 07 seconds West a distance of 288.45 feet to a point, thence North 67 degrees 34 minutes 40 seconds West a distance of 84.86 feet to a point, thence North 41 degrees 34 minutes 44 seconds West a distance of 53.36 feet to a point, thence North 06 degrees 45 minutes 42 seconds East a distance of 73.45 feet to a point, thence North 24 degrees 21 minutes 29 seconds West a distance of 58.59 feet to a point, thence North 33 degrees 26 minutes 39 seconds East a distance of 150.00 feet to a found rod, thence South 56 degrees 35 minutes 16 seconds East a distance of 673.52 feet to a found rod, said rod lying on the Western right of way line of Womack Road, thence along said right of way South 13 degrees 33 minutes 49 seconds West a distance of 323.15 feet to a found rod, said rod being the True Point and Place of Beginning and containing 4.265 acres of land more or less.

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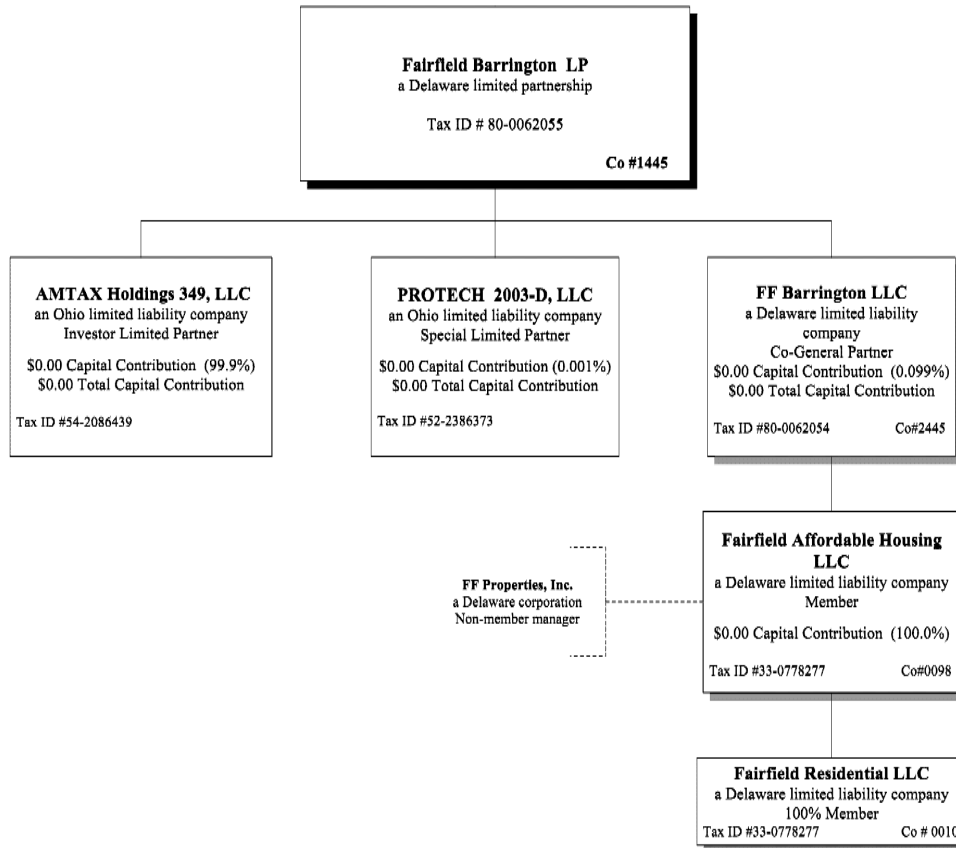
Parcel B:

Together with the non-exclusive easements for amenities, ingress, egress and access set forth in the Reciprocal Maintenance and Easement Agreement dated May 12, 2004 and recorded May 13, 2004 at Deed Book 5741 page 418 as amended by Amendment to Reciprocal Maintenance and Easement Agreement dated June 20, 2005 and recorded June 29, 2005 at Deed Book 6475, Page 223.

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

Barrington Apartments
 Silver Spring, MD
 416 Units



11/26/03
 08:05 AM

Low-Income Housing Credit Allocation and Certification

Part I Allocation of Credit.

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 1957-1958 Rosemary Hill Drive Silver Spring, MD 20910	B Name and address of housing credit agency Community Development Administration 100 Community Place Crownsville, MD 21032-2023
C Name, address, and TIN of building owner receiving allocation Fairfield Barrington Limited Partnership 5510 Morehouse Drive, Suite 200 San Diego, CA 92121 TIN ▶ 80-0062055	D Employer identification number of agency 52-6002033 E Building identification number (BIN) MD-03-20022

1a Date of allocation ▶/...../.....	b Maximum housing credit dollar amount allowable	1b	9,449
2 Maximum applicable credit percentage allowable		2	3.44% %
3a Maximum qualified basis		3a	274,680
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 — — %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(C) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	73 %
5 Date building placed in service ▶ 10 / 24 / 2003			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

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

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

	Patricia Rynn Sylvester, Director, MH <small>Name (please type or print)</small>	3/4/08 <small>Date</small>
<small>Signature of authorized official</small>		

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

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

Under penalties of perjury, I declare that the above building continues to qualify as a part of a qualified low-income housing project and meets the requirements of Internal Revenue Code section 42. I have examined this form and attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

_____ <small>Signature</small>	_____ <small>Taxpayer identification number</small>	_____ <small>Date</small>
_____ <small>Name (please type or print)</small>	_____ <small>Tax year</small>	

FAIRFIELD BARRINGTON LP
A DELAWARE LIMITED PARTNERSHIP
AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
DATED EFFECTIVE AS OF DECEMBER 1, 2003

TABLE OF CONTENTS

	<u>Page</u>
Preliminary Statement	1
ARTICLE I	1
Defined Terms	1
ARTICLE II	18
Continuation; Name; Purpose and Term	18
Section 2.1 Continuation	19
Section 2.2 Name and Office; Agent for Service	19
Section 2.3 Purpose	19
Section 2.4 Authorized Acts	19
Section 2.5 Term and Dissolution	20
ARTICLE III	21
Financing and Disposition of Property	21
ARTICLE IV	22
Partners; Capital	22
Section 4.1 General Partner	22
Section 4.2 Limited Partners	22
Section 4.3 Partnership Capital and Capital Accounts	23
Section 4.4 Liability of Limited Partners	24
Section 4.5 Certain Rights of Investor Limited Partner	24
ARTICLE V	27
Capital Contributions of Investor Limited Partner	27
Section 5.1 Installments of Capital Contributions	27
Section 5.2 Adjustments to Capital Contributions	29
Section 5.3 Repurchase of Investor Limited Partner's Interest	32
ARTICLE VI	33
Distributions of Cash; Allocations of Profits, Losses and Tax Credits	33
Section 6.1 Profits and Losses and Tax Credits	33
Section 6.2 Application and Distributions Prior to Dissolution	34
Section 6.3 Liquidation	36
Section 6.4 Special Allocation Provisions	37

Section 6.5	Order of Application	40
ARTICLE VII.....		40
Rights, Powers and Duties of the General Partner		40
Section 7.1	Restrictions on Authority	40
Section 7.2	Independent Activities	42
Section 7.3	Business Management and Control; Designation of Managing General Partner.....	42
Section 7.4	Duties and Obligations of the General Partner	44
Section 7.5	Representations and Warranties; Certain Indemnities	47
Section 7.6	Indemnification	50
Section 7.7	Liability of General Partner to Limited Partners.....	50
Section 7.8	Reserves	51
Section 7.9	Obligation To Provide for Project Expenses.....	51
Section 7.10	Certain Payments to the General Partner and Affiliates	52
Section 7.11	Several Obligations	53
Section 7.12	Grant of Security Interest	53
Section 7.13	Tax Matters Partner.....	54
Section 7.14	Special Limited Partner.....	55
ARTICLE VIII.....		55
Withdrawal of a General Partner; New General Partner		55
Section 8.1	Voluntary Withdrawal.....	55
Section 8.2	Right To Continue.....	56
Section 8.3	Successor General Partner.....	56
Section 8.4	Interest of Predecessor General Partner	57
Section 8.5	Designation of New General Partners.....	57
Section 8.6	Amendment of Certificate; Approval of Certain Events.....	58
Section 8.7	Admission of a General Partner	58
ARTICLE IX		58
Transfer of Limited Partner Interests; Additional Limited Partners.....		58
Section 9.1	Right To Assign	58
Section 9.2	Restrictions.....	58
Section 9.3	Substitute Limited Partners.....	59
Section 9.4	Assignees.....	59

Section 9.5	Additional Limited Partners	60
ARTICLE X.....		60
Loans.....		60
ARTICLE XI.....		61
Management Agent.....		61
ARTICLE XII.....		62
Books and Reporting, Accounting, Tax Elections, Etc.		62
Section 12.1	Books, Records and Reporting.....	63
Section 12.2	Bank Accounts	67
Section 12.3	Elections.....	67
Section 12.4	Special Adjustments.....	67
Section 12.5	Fiscal Year	67
ARTICLE XIII.....		67
General Provisions.....		67
Section 13.1	Notices.....	67
Section 13.2	Word Meanings.....	68
Section 13.3	Binding Provisions.....	68
Section 13.4	Applicable Law	68
Section 13.5	Counterparts.....	68
Section 13.6	Paragraph Titles	68
Section 13.7	Separability of Provisions; Rights and Remedies	68
Section 13.8	Effective Date of Admission.....	70
Section 13.9	Amendment Procedure.....	70
Section 13.10	Delivery of Certificate.....	71
Section 13.11	Requirements of the Lender and the Agency.....	71
Section 13.12	Partition.....	71
Section 13.13	Securities Law Representations	71
Section 13.14	Requirements for Bonds.....	73
Section 13.15	Special Power of Attorney	75
Section 13.16	Provisions for US Treasury Office of Foreign Asset Control OFAC Regulations	75

FAIRFIELD BARRINGTON LP

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF FAIRFIELD BARRINGTON LP, dated effective as of December 1, 2003, among FF BARRINGTON LLC, a Delaware limited liability company, as General Partner; PROTECH 2003-D, LLC, an Ohio limited liability company ("PROTECH"), as Special Limited Partner; AMTAX HOLDINGS 349, LLC, an Ohio limited liability company ("AMTAX"), as Investor Limited Partner and [FAIRFIELD AFFORDABLE HOUSING LLC], a Delaware limited liability company ("Affordable"), as Withdrawing Limited Partner.

Preliminary Statement

The Partnership was organized as a limited partnership in the laws of the State of Delaware pursuant to a Certificate of Limited Partnership (the "Certificate") under the name Fairfield Rosemary Village L.P. The Certificate was filed with the Secretary of State of Delaware (the "Filing Office") on April 23, 2003, by FF Barrington LLC, as General Partner. The Certificate was amended pursuant to that certain Amendment to the Certificate of Limited Partnership dated April 25, 2003, and filed with the filing office on April 28, 2003, to change the name of the Partnership to Fairfield Barrington LP.

WHEREAS, the Partnership has been formed to acquire, develop, construct, rehabilitate, own and maintain an 416-unit multi-family apartment complex partially intended for rental to persons of low and moderate income to be known as Barrington Apartments (397 tax credit units and 19 market rate units) and located in Silver Spring, Maryland (the "Apartment Complex"); and

The purposes of this Partnership Agreement are to (i) admit the Partners, including AMTAX as the Investor Limited Partner and Protech as the Special Limited Partner, (ii) permit Affordable to withdraw as the Limited Partner, and (iii) set out more fully the rights, obligations and duties of the Partners.

Now, therefore, it is agreed and certified as follows:

ARTICLE I

Defined Terms

The defined terms used in this Agreement shall have the meanings specified below:

"Accountants" means Reznick, Fedder & Silverman or other firm of independent certified public accountants to be engaged by the General Partner and with the Consent of the Investor Limited Partner for the purpose of reviewing, preparing, and certifying various reports as required by this agreement or by applicable government agencies.

"ADA Laws" means the Americans with Disabilities Act and the conforming Federal, state and local rules and regulations thereto.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of a Partnership Fiscal Year, after giving effect to the following adjustments:

(i) Such Capital Account shall be increased by the amount of any Deficit Restoration Obligation of such Partner.

(ii) Such Capital Account shall be decreased by the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Allocation Regulations.

The foregoing definition of Adjusted Capital Account Deficit and the application of such term in the manner provided in Article IV hereof is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Allocation Regulations and shall be interpreted consistently therewith.

“Admission Date” means the date on which AMTAX and Protech are admitted to the Partnership as the Investor Limited Partner and Special Limited Partner, respectively, pursuant to Section 13.8.

“Adjustment Payment” has the meaning set forth in Section 5.2(c).

“Affiliate” or **“Affiliated Person”** means, when used with reference to a specified Person: (i) any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; (iii) any Person that, directly or indirectly, is the beneficial owner of, or controls, 10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest (10% or more) in, the specified Person, or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities, or in which the specified Person has a substantial beneficial interest (10% or more); and (iv) any relative or spouse of the specified Person. Affiliate or Affiliated Person of the Partnership or a General Partner does not include a Person who is a partner in a partnership or joint venture with the Partnership (or any other Affiliated Person) if that Person is not otherwise an Affiliate or Affiliated Person of the Partnership or General Partner.

“Agency” means, as applicable, the Authority and/or any other government agency having jurisdiction over the particular matter to which reference is being made.

“Agreement” or **“Partnership Agreement”** means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time. In the event that the Allocation Regulations are revised or amended subsequent to the date of this Agreement, references herein to sections or paragraphs of the Allocation Regulations shall be deemed to be references to the applicable sections or paragraphs of the Allocation Regulations as then in effect.

"AMTAX" means AMTAX Holdings 349, LLC, an Ohio limited liability company and its successors.

"Apartment Complex" means the Buildings of the Project owned or to be owned by the Partnership.

"Asset Management Fee" means the annual cumulative fee payable by the Partnership to the Investment Manager, or an Affiliate thereof, for their services in monitoring Partnership activities in an amount equal to 1.5% of the Partnership's Gross Collected Income in the year in which the Asset Management Fee is earned. No Asset Management Fee shall be earned or payable in calendar year 2003. The Asset Management Fee shall accrue during the period beginning January 1, 2004 through Final Closing and the Asset Management Fee shall be due and paid thirty (30) days after Final Closing. This fee will not be subtracted from Net Operating Income for purposes of calculating any debt coverage ratio herein. Such fee shall be payable from Cash Flow as set forth in Section 6.2, provided, however, that if, after Final Closing, there is insufficient Cash Flow in any year, the General Partner shall make a Subordinated Loan to the Partnership to enable the Partnership to pay the fee currently. Should the General Partner fail to make Subordinated Loans to pay such fee, any such fee not payable currently due to insufficient Cash Flow shall accrue and be payable from subsequent years' Cash Flow and Capital Proceeds as set forth in Section 6.2.

"Assignment" shall mean any assignment, transfer or sale, and the words "assign," "assignee" and "assignor" shall have correlative meanings, except in each case where the sense of this Agreement requires a different construction.

"Auditors" means Reznick, Fedder & Silverman or other firm of independent certified accountants as may be engaged by the General Partner and for the purpose of reviewing, preparing, certifying various reports as required by this Agreement or by applicable government agencies.

"Authority" means the Maryland Department of Housing and Community Development.

"Bonds" means the debt instruments issued pursuant to the Bond Documents.

"Bond Documents" means all the documents in connection with the issuance and delivery of the AAA-rated tax-exempt variable rate demand Multifamily Housing Revenue Bonds (Barrington Apartments Project) Series 2003A in the approximate amount of \$40,000,000, to be initially credit enhanced and rated by Fannie Mae with a thirty-three (33) year term, a thirty (30) year amortization from the conversion date, and an all-in variable interest rate of approximately 4.388% (consisting of an actual interest rate based on the 52-week BMA Index of 3% and total fees of 1.388%), and an initial interest rate "cap" which is 200 basis points higher than the all-in-rate.

"Budget" means an annual operating budget that is to be approved by the Investor Limited Partner prior to the Admission Date.

"Builder" means FF Development L.P., a Delaware limited partnership.

"Buildings" means the building or buildings located on the Land which, in the aggregate, are to contain upon completion of rehabilitation 416 apartment dwelling units.

"Business Days" means the days of the week, Monday through Friday, for which business is normally conducted in the United States. It does not include national holidays, but does include state and local holidays.

"Capital Account" means, with respect to any Partner, the Capital Account maintained by the Partnership with respect to such Partner in accordance with the provisions of Section 4.3B.

"Capital Contribution" means the total amount of cash and the Gross Asset Value of any property contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule (minus any liabilities secured by such contributed property that the Partnership assumes or takes subject to). Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner in respect to the Partnership interest of such then Partner.

"Capital Proceeds" means the gross proceeds resulting from any Capital Transaction less the expenses of the Partnership incident to such Capital Transaction, before any application or distribution of such proceeds pursuant to this Agreement.

"Capital Transaction" means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the sale, refinancing or other disposition of all or substantially all of the assets of the Partnership, but excluding loans to the Partnership (other than a refinancing of any Mortgage Loan) and contributions of capital to the Partnership by the Partners.

"Capital Transaction Disposition Fee" means the fee payable by the Partnership to the General Partner as provided in Section 7.10E.

"Cash Flow" means, with respect to any Fiscal Year or applicable period, (a) (i) all cash receipts of the Partnership from operations, subsidy payments or rental interruption insurance recoveries received by the Partnership during such period; (ii) Surplus Cash (not used for reserves); (iii) any amounts from construction or lease-up savings realized prior to Final Closing which are not used to pay any deferred Development Fee; plus (iv) any interest or like earnings of the Partnership and any amounts which the General Partner and release upon approval of Investment Partnership from any Partnership reserve as being no longer necessary to hold as part of such reserve, less (b) (i) cash funds used to pay Project Expenses of the Partnership during the period, including any fees and expenses paid to the Investment Manager or the General Partner (other than the Asset Management Fee, the Partnership Management Fee, and the Incentive Management Fee or any other fees or loans payable from Cash Flow or Capital Proceeds), (ii) all cash payments during such period to discharge Partnership indebtedness (other than Subordinated Loans), (iii) any amounts added to Partnership reserves and other reserves or cash hold-backs as allowed under Section 7.8 (other than Operating Reserves) during such period, and (iv) until Final Closing, the payment of any rehabilitation expenses not paid from Permanent Mortgage Loan proceeds or Capital Contributions.

"Certificate" means the certificate of limited partnership of the Partnership as amended from time to time in accordance with the terms hereof.

"Change of Control" means for any entity in any one or series of transactions: (i) in the case of a corporation, a sale, transfer, assignment or other disposition of fifty percent (50%) or more of the voting stock of the corporation or a change in the majority of directors of the board of directors of the corporation; (ii) in the case of a partnership, a sale, transfer, assignment or other disposition of a general partner's interest in the partnership or, in addition, in the case of a corporate general partner, a sale, transfer, assignment or other disposition as set out in (i) herein; (iii) in the case of a limited liability company, a sale, transfer, assignment or other disposition of the managing member's interest in the limited liability company, or, in addition, in the case of a corporate managing member, a sale, transfer, assignment or other disposition as set out in (i) herein, or, in the case of more than one managing member (or if all members share management or non-member managers), any change in the majority of members; or (iv) in the case of any other entity, a change substantially in effect as set forth in (i) through (iii) herein, to the extent applicable. Further a transfer described as follows shall not be deemed a Change of Control as to FF Barrington LLC: A transfer made to an Affiliate of the General Partner of substantially equivalent net worth and liquidity (or such net worth and liquidity is guaranteed by the General Partner) and either comparable management experience or such Affiliate remains owned either directly or indirectly, not less than 51% by either Fairfield Residential LLC or FF Barrington LLC.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder at the time of reference thereto.

"Completion Date" means the date as of which the Inspecting Architect or Supervising Engineer certifies that the work to be performed by the Builder under the Construction Contract is substantially complete in conformity with any applicable building code requirements or authorized final payment to the general contractor. Any representation by a General Partner under this Agreement that the Completion Date has occurred shall be subject to confirmation by the Investor Limited Partner pursuant to a physical inspection of the Property; provided, however, that in the event that the Investor Limited Partner does not make such physical inspection of the Property within 15 business days after having received any such General Partners' representation, then the Investor Limited Partner will be deemed to have waived the physical inspection requirement.

"Compliance Period" means the compliance period (as defined in Section 42(i)(1) of the Code) applicable to the Project.

"Consent of the Investor Limited Partner(s)" means the prior written consent or approval of the Investor Limited Partner, or, if at any time there is more than one Investor Limited Partner, the prior written consent or approval of at least 51% in interest of the Investor Limited Partner.

"Construction Contract" means the construction contract between the Partnership and the Builder providing for the rehabilitation of the Improvements.

"Construction Lender" means the Bank of America, N.A.

"Construction Loan" means, collectively, (a) the standby construction period letter of credit issued by the Construction Lender to Fannie Mae as additional credit support for the Partnership's repayment and other obligations to Fannie Mae, and (b) the standby letter of credit issued by Construction Lender to Issuer under that certain Completion Assurance Agreement dated as of December 1, 2003, among Issuer, the Partnership and Builder.

"Construction Loan Document" means the documents evidencing and/or securing the Construction Loan.

"Cost Certification" means the date upon which the Investor Limited Partner has received a certification by the General Partner of the rehabilitation and development costs of the Apartment Complex and the Eligible Basis of the Apartment Complex for purposes of Tax Credits, together with a report thereon issued by the Auditors in a form and substance as approved by Investor Limited Partner.

"County Loan" means the loan from Montgomery County, Maryland to the Partnership in the amount of \$3,000,000, with a thirty (30) year amortization and an interest rate of 3.0%, with payments to be made from 75% of available Cash Flow, as more particularly defined in the County Loan documents.

"County Loan Lender" means Montgomery County, Maryland, as the maker of the County Loan, together with its successors and assigns.

"Credit Agency" means the Authority.

"Credit Deficiency" shall mean when there has been a Final Determination for each calendar year of the difference between the Projected Credit (or adjusted Projected Credit if a Credit Shortfall that occurred previously has already been taken into account and an adjustment to the Projected Credit has been made) and the amount of the Tax Credit actually available to the Investor Limited Partner for the calendar year. Tax Credits actually available for any such year shall not offset or reduce the Credit Deficiency for any prior or subsequent year.

"Credit Period" means the period of ten (10) years beginning with the taxable year in which the Project is placed in service or, if an election has been made pursuant to Section 42(f)(1) of the Code to defer the commencement of the Credit Period, and the Consent of the Investor Limited Partner has been obtained, the succeeding taxable year.

"Credit Recovery Loan" has the meaning set forth in Section 5.2C.

"Credit Shortfall" shall mean the difference, as of the Completion Date and based upon the Cost Certification, between the Maximum Annual Credit and the amount of annual Tax Credits for which the Property will be eligible.

"Deficit Restoration Obligation" means, for each Partner, the sum of (i) any amounts which such Partner is obligated to restore to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the

Allocation Regulations, (ii) such Partner's Share of Partnership Minimum Gain if any, and (iii) such Partner's Share of Partner Nonrecourse Debt Minimum Gain, if any.

"Depreciation" means, for the Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis.

"Designated Prime Rate" means the annual rate of interest which is at all times equal to the lesser of (i) the Base Rate plus 1%, with calculations of interest to be made on a daily basis and on the basis of a 365-day year and (ii) the maximum rate permitted by law; the term "Base Rate" in this sentence means the rate of interest published from time to time by The Wall Street Journal as the prime rate.

"Developer" means Fairfield Affordable Housing LLC, a Delaware limited liability company, acting in its capacity as developer of the Project.

"Developer Fee" or "Development Fee" means the fees payable to the Developer under the terms of the Developer Agreement and Section 7.10 of this Agreement.

"Development Agreement" means the Development Agreement of even date herewith among the Partnership and the Developer.

"Development Advances" has the meaning set forth in the Development Agreement.

"Development Amount" has the meaning set forth in the Development Agreement.

"Eligible Basis" shall mean the adjusted basis of the Project as determined under Section 42(d) of the Code.

"Entity" means any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, cooperative or association.

"Environmental Laws" means all present and future federal, state or local laws, statutes, ordinances, rules or regulations and other requirements of government authorities relating to the protection or conservation of the environment or to any Hazardous Substance or Hazardous Substance Activity, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as now or hereinafter amended ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., as now or hereafter amended; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., as now or hereafter amended; the Clean Water Act, 33 U.S.C. Section 1251, et seq., as now or hereafter amended; the Clean Air Act, 42 U.S.C. Section 7401, et seq., as now or hereafter amended; the Toxic Substances Control Act, 15 U.S.C. Sections 2601 through 2629, as now or hereafter amended, the Coastal Zone Management Act and the rules of the Office of Coastal Zone Management, as now or hereafter amended; the Safe Drinking Water Act, 42 U.S.C. Sections 300f through 300j, as now or hereafter amended; and any similar State

and local environmental protection laws and ordinances and the regulations now or hereafter adopted, published and/or promulgated pursuant thereto.

"Event of Bankruptcy" means, as to a specified Person:

(i) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(ii) The commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the failure of such Person generally to pay his debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Exit Taxes" means, in the event of a sale of the Project solely for an amount equal to its outstanding debt and/or when the Investor Limited Partner has a negative capital account, then, in such events, an amount equal to the Federal and State taxes which would be attributable solely to such negative capital account and would be payable therefore by the limited partners of the Investor Limited Partner due to such realized income, gain or profit from the negative capital account, upon a transfer, sale or other disposition of the Project, or of the Interest of the Investor Limited Partner in the Partnership, assuming corporate tax rates and a reasonably average State tax rate, and the taxes on such amount, plus any applicable penalties, interest or Recapture amounts.

"Extended Use Agreement" means the Extended Low-Income Housing Covenant for Tax Credits required pursuant to Section 42(h) of the Code to be executed by the Partnership and delivered to the Agency setting forth certain terms and conditions under which the Apartment Complex is to be operated.

"Facility" shall have the meaning given to it in the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., as amended, and shall also include any meaning given to analogous property under other Hazardous Waste Laws.

"Fannie Mae" means Fannie Mae, in its capacity as credit enhancer of the Bonds.

"Filing Office" has the meaning given it in the Preliminary Statement of this Agreement.

"Final Closing" means the date upon which all of the following events have occurred: (i) Permanent Mortgage Commencement, (ii) the Project's being free of any mechanics' or other liens (except for liens disclosed on the Title Policy accepted for closing at the time of the acquisition of the Property, the Mortgage[s] and other liens either bonded against in such a manner as to preclude the holder thereof from having any recourse to the Project or the Partnership for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Partnership for any loss incurred by the insurer) by a policy of title insurance issued to the Partnership by a reputable title insurance company in an amount satisfactory to Special Investor Limited Partner Tax Counsel (or by an endorsement of either such title policy), and (iii) all amounts due in connection with the rehabilitation of the Project have been paid or provided for.

"Final Determination" means the earliest to occur of: (a) the date on which a decision, judgment, decree or other order has been issued by a court of competent jurisdiction and has become final (i.e., all allowable appeals have been exhausted), (b) the date on which the Service has entered into a binding agreement with the Partnership or on which the Service has reached a final administrative determination which whether by law or agreement is not subject to appeal, (c) the date upon which the Partnership's right to institute a claim for refund has lapsed, (d) the date upon the applicable statute of limitations with respect to the Partnership raising the issue has expired, or (e) the date the Accountants have filed a tax return which indicates the manner in which the Partnership is reporting an item.

"General Partner" or **"General Partners"** means any Person or Persons designated as a General Partner in the Schedule or any Person who becomes a General Partner as provided herein, in such Person's capacity as a General Partner of the Partnership. If at any time the Partnership shall have a sole General Partner, the term "General Partners" shall be construed as singular.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the Partnership;

(ii) The Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the General Partner, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership; and (c) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Allocation Regulations; provided, however, that the adjustments pursuant to clauses (a) and (b) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) The Gross Asset Value of any Partnership asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution; and

(iv) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Allocation Regulations and Section 3.04 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the General Partner determines that an adjustment pursuant to clause (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section (i), (ii) or (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits or Losses.

"Gross Collected Income" means the gross rental income from the operation of the Apartment Complex and all other income from the operation of the Partnership received on a cash basis (other than any governmental subsidies which shall be deemed received on the accrual basis), and all proceeds from business interruption or rental insurance.

"Gross Revenues" means total income, revenue (including gross rental income of the Project prior to any reduction of payments for fees, costs and reimbursements to Management Agent), profit, and gain, proceeds from a sale or refinancing of the Property (all as adjusted by refunds and amounts held in escrow, but not by amounts held or placed in reserves) from all sources, including interest, royalties and dividends, whether taxable, nontaxable or exempt from taxation.

"Hazardous Material" shall have the collective meanings given to the terms "hazardous material," "hazardous substances," "hazardous wastes," "toxic substances" and analogous terms in the Hazardous Waste Laws. In addition, the term "Hazardous Material" shall also include oil and any other substance known to be hazardous to human health or the environment.

"Hazardous Substance" means any substance that is at any time defined or listed in, or otherwise classified pursuant to the Environmental Laws, as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," "pollutant or contaminant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or "EP toxicity," including, without limitation, asbestos, polychlorinated biphenyls, ureaformaldehyde, dioxin, radon, mold, fungus, and toxic or mycotoxin spores, and also including petroleum products, by-products and wastes or by-products associated with the extraction, refining or use of petroleum or petroleum products, whether or not so listed or classified in such laws or regulations. Provided, however, that such term "Hazardous Substance" shall not include cleaning materials and other products customarily found at similar apartment complexes and which are necessary for the rehabilitation and operation of the Apartment Complex.

"Hazardous Substance Activity" means any actual or threatened storage, holding, existence, use, release, migration, emission, discharge, generation, processing, abatement, removal, repair, alteration, cleanup or detoxification, disposition, handling or transportation of any Hazardous Substance from, under, into or on the Property or the surrounding property, or any of its coastal areas, swamps, marshes, wetlands, bogs, floodplanes, estuaries, beaches, dunes, reefs, fish, wildlife and their habitat, or any other activity or occurrence that causes or would cause such event to exist or would otherwise be in violation of an Environmental Law.

"Hazardous Waste Laws" means and includes the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act; the Toxic Substances Control Act and any other federal, state or local statutes, ordinances, regulations or by-laws dealing with Hazardous Material, as the same may be amended from time to time and including any regulations promulgated thereunder.

"Improvements" means the Buildings and any related facilities to be constructed and/or rehabilitated in accordance with the Commitments.

"Incentive Management Fee" means the fee payable to the General Partner as provided in Section 7.10E.

"Initial Closing" means the date upon which the Net Bond Proceeds (as defined in the Bond Documents) available from the issuance and delivery of the Bonds are applied to fund the Mortgage Loan Fund, Revenue Fund, Cost of Issuance Fund and certain other funds and reserves.

"Initial 95% Occupancy Date" means the first date upon which not less than 95% of the Low Income Units in the Project are leased to or have been leased to, and are occupied by, Qualified Tenants under executed Lender approved leases, if any such approval is applicable.

"Initial 100% Occupancy Date" means the first date upon which not less than 100% of the Low Income Units in the Project are leased to or have been leased to, and are occupied by, Qualified Tenants under executed Lender approved leases, if any such approval is applicable.

"Inspecting Architect" means the architect approved by the General Partner or the Supervising Engineer designated by the Lender, or any successors to such firms.

"Installment" means the First, Second, Third, Fourth or Fifth Installment (or any subsequent Installment), as the context may require, of Capital Contributions of the Investor Limited Partner as described in Section 5.1A.

"Interest" means all the interest of a Partner in Cash Flow, Capital Proceeds and other distributions, capital, Profits or Losses, Tax Credits, and otherwise in the Partnership, including all allocations and distributions and all rights under this Agreement, and also shall include such interests and rights of such Partner in any successor partnership formed pursuant to this Agreement.

"Invested Amount" means (i) as to the Investor Limited Partner, an amount equal to the Capital Contribution of the Investor Limited Partner paid pursuant to Section 5.1 hereof divided

by .865 and reduced by any distributions of Cash Flow and/or other Capital Proceeds and/or other distributions and other returns of capital (including any payments made to the Investor Limited Partner under Section 5.2), and (ii) as to any other Partner, an amount equal to its Capital Contribution actually paid, reduced by any distributions or any returns of capital.

"Investment Closing" means the date of execution and delivery of this Agreement.

"Investment Manager" or **"Investment General Partner"** means Paramount Properties, Inc., and any successor thereto as the Manager of the Investor Limited Partner.

"Investor Limited Partner(s)" means, initially, AMTAX Holdings 349, LLC, an Ohio limited liability company, and shall include any other Persons admitted as Investor Limited Partners and their successors in such capacity.

"Land" means the parcels of land on which the Improvements known as Barrington Apartments are located in Silver Spring, Maryland.

"Lender" means the Construction Lender, the Permanent Lender and the County Loan Lender, as the context requires.

"Limited Partner" or **"Limited Partners"** mean any or all of those Persons designated as Limited Partners in the Schedule, any Person admitted as a Limited Partner pursuant to Section 9.5, or any Person who becomes a Substitute Limited Partner as provided herein, in each such Person's capacity as a Limited Partner of the Partnership.

"Low Income Unit" means any of the 397 dwelling units in the Project and which are to be held for occupancy by the Partnership in such manner as to qualify such units as qualified low-income housing units under Section 42(i)(3) of the Code.

"Management Agent" means the FF Properties L.P., a Delaware limited partnership, or any successor thereto as the management agent for the Project.

"Management Agreement" means the management contract or agreement by and between the Partnership and the Management Agent which has received all Requisite Approvals.

"Management Fee" means the amount payable from time to time by the Partnership to the Management Agent for management services in accordance with the Management Agreement which shall be subject to any Requisite Approvals.

"Maximum Annual Credit" shall mean an aggregate \$1,550,324 per year for the Partnership for the total Credit Period.

"Minimum Set-Aside Test" means the set aside test selected by the Partnership pursuant to Section 42(g) of the Code whereby at least 40% of the units in the Apartment Complex must be occupied by individuals with incomes equal to 60% or less of area median income, as adjusted for family size.

"Mortgage" means any mortgage indebtedness of the Partnership evidenced by any Note and secured by any mortgage on the Property from the Partnership to any Lender; and, where the context allows, "Mortgage" shall mean and include any of the mortgages securing said indebtedness and any other documents pertaining to said indebtedness which were required by the Lender as a condition to making such Mortgage Loan. In case any Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages. The term "mortgage" means any mortgage, mortgage deed, deed of trust, deed to secure debt or any similar security instrument, and "foreclose" and words of like import include the exercise of a power of sale under a mortgage or comparable remedies.

"Mortgage Loan" means a loan made, or a letter of credit issued, pursuant to a Mortgage Loan Commitment and secured by a Mortgage.

"Mortgage Loan Commitments" means and includes the letters of credit provided by the Bank of America, N.A., and the commitment of Fannie Mae (through Berkshire Mortgage Finance) to credit enhance the Bonds in an amount not to exceed approximately \$40,000,000.

"Mortgage Loan Documents" means the documents entered into in connection with any Mortgage Loan, including but not limited to the Mortgage.

"Note" means and includes (a) any Note from the Partnership to a Lender evidencing a Mortgage Loan, and shall also mean and include any note supplemental to said original note issued to a Lender or any note issued to a Lender in substitution for any such original note, and (b) any reimbursement agreement evidencing the Partnership's obligation to reimburse any Lender for any drawing under any letter of credit or credit enhancement issued.

"Partner" means any General Partner or Limited Partner.

"Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Allocation Regulations.

"Partner Nonrecourse Debt Minimum Gain" has the meaning set forth in Sections 1.704-2(i)(2) and (3) of the Allocation Regulations.

"Partner Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(i)(1) of the Allocation Regulations.

"Partnership" means the Limited Partnership governed by this Agreement as said limited partnership may from time to time be constituted.

"Partnership Counsel" means Cox Castle & Nicholson LLP or such other counsel as the General Partner may designate from time to time as counsel for the Partnership.

"Partnership Management Fee" has the meaning set forth in Section 7.10D.

"Partnership Minimum Gain" has the meaning set forth in Section 1.704-2(d) of the Allocation Regulations.

"Payment Certificate" has the meaning given it in Section 5.1B(i).

"Permanent Lender" means each maker of the Permanent Mortgage Loan, together with its successors and assigns in such capacity.

"Permanent Mortgage Commencement" means the date of the termination of the "Construction Phase" as set forth in the "Construction Phase Financing Agreement" for the Bonds and the conversion (the "Conversion" as defined therein) to the "Permanent Phase" as set forth therein.

"Permanent Mortgage Loan" means and includes the following loans, all of which will be non-recourse to the Partners of the Partnership: (i) the commitment of Fannie Mae (through Berkshire Mortgage Finance) to credit enhance the Bonds; (ii) the AAA tax-exempt bonds in the approximate amount not to exceed \$40,000,000, with a thirty-three (33) year term, a thirty (30) year amortization after Final Closing, and an all-in variable interest rate of approximately 4.388% (consisting of an actual interest rate based on the 52-week BMA Index of 3% and total fees of 1.388%), and an initial interest rate "cap" which is 200 basis points higher than the all-in rate (the Developer shall escrow funds annually in an amount sufficient to purchase additional interest rate "caps" such that an interest rate "cap" shall be in place during the entire Compliance Period, as defined by the Code), and (iii) the County Loan in the amount of \$3,000,000, with a thirty (30) year amortization and an interest rate of 3.0%, with payments to be made from 75% of available Cash Flow. The Permanent Mortgage Loan funded from the proceeds of the Bonds and the County Loan will be non-recourse to the Partners. The General Partner shall also be responsible for providing additional sources of funds, either from deferral of the Development Fee or from additional Subordinated Loans or the purchase of borrower bonds (as defined in the Bond Documents) or other subordinate debt, if the Permanent Mortgage Loan is resized at Conversion in an amount less than \$40,000,000 and a smaller than anticipated Permanent Mortgage Loan is closed (the "Permanent Mortgage Loan Sizing Undertaking").

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

"Profits or Losses" means, for each Fiscal Year or other period, an amount equal to the Partnership's taxable income or loss for such Fiscal Year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(i) Any items described in Sections 705(a)(1)(B) and 705(a)(1)(C) of the Code which are not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss.

(ii) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Allocation Regulations, and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss.

(iii) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value.

(iv) In the event of a distribution of Partnership assets to a Partner (whether in connection with a liquidation or otherwise), or in the event the Gross Asset Value of any Partnership asset is adjusted upon the acquisition of an additional interest in the Partnership, unrealized income, gain, loss and deduction inherent in such distributed or adjusted assets (not previously reflected in Capital Accounts) shall be allocated pursuant to Section 6.1 hereof as if there had been a taxable disposition of such distributed or adjusted assets at fair market value.

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of "Depreciation" set forth herein.

(vi) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 6.5 hereof shall be taken into account in computing Profits or Losses only if the Accountants determine that such items should be so reflected.

"Profits or Losses from a Capital Transaction" means the Profits or Losses, if any, recognized by the Partnership as a result of a Capital Transaction, as determined for federal income tax purposes by the Accountants, but without regard to any adjustments to basis pursuant to Section 734 and 743 of the Code.

"Project" or "Property" means the Land and the Improvements.

"Project Documents" means and includes the Construction Contract, the Mortgage Loan Documents, the Regulatory Agreement, the Commitments, the Management Agreement and all other documents relating to the Project which are required by, or have been executed in connection with, any of the foregoing documents.

"Project Expenses" means (i) up to and including the Completion Date, those expenses, properly accruable through such date which may be properly charged as operating expenses of the Project under standard accounting procedures and which are allocable, in accordance with generally accepted accounting principles, to apartment units for which all requisite approvals for occupancy have been obtained (if necessary); such operating expenses may include real estate taxes and debt service [and mortgage insurance premiums] with respect to the Mortgage Loan[s] (to the extent such operating expenses are not funded out of Capital Contributions or Mortgage Loan Proceeds), but shall not include any costs required to be capitalized in accordance with generally accepted accounting principles; and (ii) after the Completion Date, all the costs and expenses of any type incurred incidental to the ownership and operation of the Project, including, without limitation, taxes, capital improvements reasonably deemed necessary by the General

Partner and not funded out of any reserves for such, [mortgage and bond insurance premiums] and the cost of operations, debt service, maintenance and repairs, and the funding of any reserves required to be maintained by the Lender and the Agency, but shall not include (i) repayments of Subordinated Loans or (ii) fees, loans and distributions to Partners pursuant to Article VI.

"Projected Credit" means the Tax Credits on a year-by-year basis in the amount of \$215,541 for 2004, \$866,065 for 2005, \$1,453,195 for 2006, \$1,548,774 per year for each of the years 2007 through 2013, \$1,333,233 for 2014, \$682,709 for 2015 and \$95,579 for 2016 which the General Partner has projected to be the total amount of the Tax Credits which will be allocated to the Investor Limited Partner by the Partnership, constituting ninety-nine point nine per cent (99.9%) of the total Tax Credits in the aggregate amount of \$15,524,570 which are projected to be available to the Partnership. Such Projected Credit will be adjusted to reflect any upward or downward adjustments caused by Section 5.2.

"Purchase Obligation" has the meaning given that term in Section 5.3(a).

"Purchaser" means the General Partner, as purchaser under the Purchase Obligation set forth in Section 5.3(a).

"Qualified Tenant" means a tenant (i) with income as allowed pursuant to the HAP contract for the Project, or not exceeding the percentage of area gross median income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases an apartment unit in the Project under a lease having an original term of not less than twelve months at a rent paid by the tenant not in excess of that specified in Section 42(g)(2) of the Code, and (ii) complying with any other requirements imposed by the Project Documents.

"Recapture Amount" means the "credit recapture amount" as defined in Section 42(j)(2) of the Code.

"Recapture Event" means when there has been a Final Determination that an event has occurred which results in the "recapture" of Tax Credits pursuant to Section 42(j) of the Code and which was not the result of an action on the part of the Investor Limited Partner.

"Regulations" means the rules and regulations of any Agency which are applicable to the Project or the Partnership.

"Regulatory Agreement" means the Regulatory Agreement, if any, entered or to be entered into between the Partnership and the Authority and also includes the Bond Regulatory Agreement.

"Regulatory Allocations" means the allocations set forth in Sections 6.4A through 6.4S hereof.

"Related Agreements" means the Development Agreement and each other agreement (other than this Agreement) constituting an exhibit thereto or executed in connection therewith.

"Related Person" has the meaning set forth in Section 1.752-4(b) of the Allocation Regulations.

"Requisite Approvals" means any required approvals of the Lender or any Agency to an action proposed to be taken by the Partnership.

"Rent Restriction Test" means the test pursuant to Section 42 of the Code whereby the gross rent charged to tenants of the low-income units in the Apartment Complex may not exceed thirty percent (30%) of the qualifying income levels.

"Schedule" means the schedule of partners annexed hereto as Schedule A as amended from time to time and as so amended at the time of reference thereto.

"Service" means the Internal Revenue Service.

"Share of Partner Nonrecourse Debt Minimum Gain" means, for each Partner, an amount equal to such Partner's "share of partner nonrecourse debt minimum gain," determined in accordance with the provisions of Section 1.704-2(i)(5) of the Allocation Regulations.

"Share of Partnership Minimum Gain" means, for each Partner, an amount equal to such Partner's "share of partnership minimum gain," determined in accordance with the provisions of Section 1.704-2(g) of the Allocation Regulations.

"Special Investor Limited Partner Tax Counsel" means Nixon Peabody LLP or other counsel acceptable to the Investment Partnership.

"Special Limited Partner" means Protech 2003-D, LLC or its successors.

"State" means the State of Delaware.

"Subordinated Loan" means a loan by a General Partner pursuant to Sections 7.4, 7.8, 7.9 and 7.10.

"Substitute Limited Partner" means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 9.3.

"Surplus Cash" means any unrestricted cash remaining on hand after (1) the payment of (a) all sums due or currently required to be paid under the terms of any Mortgage or Note; (b) all amounts required to be deposited in the reserve fund for replacement and all reasonably necessary reserves established by the General Partner; and (c) all obligations of the Partnership other than the Mortgage Loan unless funds for payment are set aside excluding fees, loans and distributions paid from Cash Flow or Capital Proceeds; and (2) the segregation and recording of (a) an amount equal to the aggregate of all special funds to be maintained by the Partnership under the Project Documents or this Agreement, including full funding of all mortgage insurance premium, real estate tax, insurance, and other escrows; (b) all tenant security deposits or prepaid rents held; and (c) all accounts and accrued items payable. Notwithstanding the foregoing, Surplus Cash as of a given date shall also include any applicable rental assistance payments properly accrued but not received through such date but received thereafter.

"Tax Credit" means the Tax Credits authorized by Section 42 of the Code.

"Tax Credit Reservation" means the receipt by the Partnership of a credit reservation from the Credit Agency or conditional commitment therefor in the annual amount of at least \$1,550,324.

"Tax Matters Partner" means the Partner designated as the Tax Matters Partner of the Partnership pursuant to the provisions of Section 7.13.

"Terminating Capital Transaction" means a Capital Transaction resulting in or involving the termination and winding up of the business of the Partnership or any other event resulting in the "liquidation" of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Allocation Regulations.

"Terminating Event" means with regard to any person or any entity, the death or permanent disability of, or an adjudication of insanity or incompetence as to, an individual General Partner (unless the Consent of the Investor Limited Partner to a substitute General Partner is received, and such substitute General Partner is admitted to the Partnership by the first to occur of (i) the sixtieth day following such event or (ii) such earlier date as is necessary to prevent a dissolution of the Partnership under the Act), an Event of Bankruptcy as to or dissolution of a General Partner, except as permitted by the terms of this Agreement, the transfer of its Partnership Interest by a General Partner, removal of a General Partner, or the voluntary or involuntary withdrawal of a General Partner from the Partnership. For purposes of the foregoing, an individual General Partner shall be deemed to be permanently disabled if he or she becomes disabled during the term of this Agreement through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his or her duties and responsibilities hereunder for 120 days during any period of 365 consecutive calendar days. Involuntary withdrawal shall occur whenever a General Partner may no longer continue as a General Partner by law or pursuant to any terms of this Agreement. In the case of a General Partner which is an Entity, a transfer of a majority of the voting stock (or other beneficial interest) of the General Partner to a Person who is not an Affiliate of the General Partner shall be deemed to be a transfer by the General Partner of its Partnership Interest.

"Title Policy" means the ALTA owner's policy of title insurance issued to the Partnership as endorsed to increase the amount thereof to an amount equal to the appraised value of the Project, but in no event less than the sum of all Permanent Mortgage Loans and Capital Contributions of the Partners, and to update such policy to a date not earlier than 10 days prior to the date of the Investment Closing.

"Uniform Act" means the Delaware Revised Uniform Limited Partnership Act as in effect under the laws of the State, as amended from time to time.

"Vessel" shall have the meaning given to it in the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., as amended, and shall also include any meaning given to analogous property under other Hazardous Waste Laws.

ARTICLE II

Continuation; Name; Purpose and Term

Section 2.1 Continuation

The parties hereto hereby agree to continue the limited partnership known as FAIRFIELD BARRINGTON LP, pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office; Agent for Service

A. The Partnership shall be conducted under the name and style set forth in Section 2.1. The principal office of the Partnership shall be at 5510 Morehouse Drive, Suite 200, San Diego, CA 92121. The General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Limited Partners.

B. The name and address of the agent for service of process required to be maintained under the Uniform Act shall be:

Lexis Nexis Document Solutions, Inc.
30 Old Rudnick Lane
Dover, Delaware 19901

Section 2.3 Purpose

The primary purpose of the Partnership is to further the purposes of providing low income housing to poor and distressed persons by acquiring the Land and the Apartment Complex and developing, financing, constructing, rehabilitating, owning, maintaining, operating and selling or otherwise disposing of the Land and the Apartment Complex in a business-like manner to maximize the income produced by the Apartment Complex in accordance with sound management practices and in accordance and compliance with the Regulatory Agreement. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement including, but not limited to, Article VII, the Partnership is hereby authorized:

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

(ii) To acquire, construct, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership and to secure the same by mortgage, pledge

or other lien on the Property or any other assets of the Partnership, to the extent permitted by the Permanent Loan Commitments.

(iv) To prepay in whole or in part, refinance, recast, increase, modify or extend any Mortgage and in connection therewith to execute any extensions, renewals, or modifications of such Mortgage.

(v) To employ any Person, including any Affiliate, to perform services for, or to sell goods to, the Partnership (including without limitation management services) and to pay for such goods and services; provided that (except with respect to any contract specifically authorized by this Agreement) the terms of any such transaction with an Affiliate shall not be less favorable to the Partnership than would be arrived at by unaffiliated parties dealing at arms' length.

(vi) To execute any and all notes, mortgages and security agreements in order to secure loans from the Lender and any and all other documents, including but not limited to the Project Documents, required by the Lender or any Agency in connection with each Mortgage and Mortgage Loan and the acquisition, construction, rehabilitation, repair, development, improvement, maintenance and operation of the Property, or otherwise required by the Lender or any Agency in connection with the Property.

(vii) To execute contracts with any Agency.

(viii) To execute leases of some or all of the apartment units of the Project.

(ix) To modify or amend the terms of any agreement or contract which the General Partner is authorized to enter into on behalf of the Partnership; provided, however, that such terms as amended shall not (a) materially adversely affect the Partnership or the Limited Partners or (b) be in contravention of any of the terms or conditions of this Agreement.

(x) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(xi) To execute the Related Agreements and any notices, documents or instruments permitted or required to be executed or delivered in connection therewith or pursuant thereto.

Section 2.5 Term and Dissolution

A. The Partnership shall continue in full force and effect until [December 31, 2058], except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

(i) The sale or other disposition of all or substantially all the assets of the Partnership;

(ii) A Terminating Event with respect to a General Partner unless the business of the Partnership is continued pursuant to Article VIII;

(iii) The election to dissolve the Partnership made in writing by the General Partner with the Consent of the Investor Limited Partner and any Requisite Approvals or by the Investor Limited Partner pursuant to Section 4.5; or

(iv) The entry of a final decree of dissolution of the Partnership by a court of competent jurisdiction.

B. Upon dissolution of the Partnership (unless the business of the Partnership is continued pursuant to Article VIII), the General Partner (or for purposes of this paragraph its trustee, receiver, successor or legal representative) shall cause the cancellation of the Certificate and liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 6.3. Notwithstanding the foregoing, in the event such liquidating General Partner shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partner may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (other than Subordinated Loans).

ARTICLE III

Financing and Disposition of Property

A. The Partnership is authorized to obtain the Construction Loan, the County Loan and the Permanent Mortgage Loan to finance the acquisition, development and rehabilitation of the Property and (to the extent permitted by the Lender) to meet the initial expenses of operating the Project and, as applicable, to secure the same by the Mortgage. Upon Permanent Mortgage Commencement, no Partner or Related Person shall bear the economic risk of loss for all or any part of such Mortgage Loan other than as provided in standard "carve-out" exceptions and indemnities.

The General Partner is specifically authorized, for and on behalf of the Partnership, to execute the Project Documents and any permitted amendments thereto and, subject to the limitations set forth herein, such other documents as they deem necessary or appropriate in connection with the acquisition, development, operation and financing of the Property.

B. Each General Partner shall be bound by the terms of the Project Documents. Any incoming General Partner shall as a condition of receiving any interest in the Property agree to be bound by the Project Documents to the same extent and on the same terms as the other General Partner. Upon any dissolution of the Partnership or any transfer of the Property while any Mortgage is held by any Lender, no title or right to the possession and control of the Property and no right to collect the rents therefrom shall pass to any Person who is not, or does not become, bound in a manner satisfactory to the Lender and the Agency to the Project Documents and the provisions of this Agreement. The Project Documents shall be binding upon

and shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successors and assigns as long as the corresponding Mortgage Loan shall be outstanding.

C. The Partnership may increase the amount of the Permanent Mortgage Loan or refinance any Mortgage, including any required transfer or conveyance of Partnership assets for security or mortgage purposes, and may sell, lease, exchange or otherwise transfer or convey all or substantially all the assets of the Partnership; provided, however, that the terms of any such increase, refinancing, sale, exchange or other transfer or conveyance effected after the Admission Date must receive the Consent of the Investor Limited Partner before such transaction shall be binding on the Partnership. The Investor Limited Partner shall Consent to any such increase or refinancing which is: (a) comparable to existing financing, or (b) reasonable in view of generally acceptable standards among lenders as to debt coverage ratios at the time of the change, or (c) that which otherwise would not result in an adverse economic effect on the Partnership or on the value of the Interests of the Investor Limited Partner. Notwithstanding the foregoing, no such Consent shall be required for the leasing of apartments to tenants in the normal course of operations; provided, however, unless such Consent is obtained the Partnership shall lease the Project in such a manner as to qualify as a "qualified low-income housing project" under Section 42(g)(1) of the Code, and shall lease all of the Low Income Units in the Project to Qualified Tenants.

Upon the sale of the Property by the Partnership, no Person may pay to any Person, including the General Partner and its Affiliates, real estate commissions in excess of the lesser of (i) that which is reasonable, customary, and competitive with those paid in similar transactions in the same geographic area or (ii) 6% of the sales price of the Property.

ARTICLE IV

Partners; Capital

Section 4.1 General Partner

The General Partner of the Partnership is FF Barrington LLC. Its address and Capital Contributions are set forth in Schedule A.

Section 4.2 Limited Partners

A. AMTAX HOLDINGS 349, LLC is hereby admitted as the Investor Limited Partner. Its address and Capital Contribution are set forth in the Schedule. The payment of its Capital Contribution is governed by Section 5.1.

B. Protech 2003-D, LLC is hereby admitted as the Special Limited Partner its address and Capital Contribution are set forth in the Schedule.

C. The Original Limited Partner is Fairfield Affordable Housing LLC. By its execution of this Agreement, the Original Limited Partner withdraws as a Limited Partner and acknowledges and agrees that the Original Limited Partner, as such, shall have no further rights, obligations or liabilities with respect to the Partnership as of the Admission Date.

Section 4.3 Partnership Capital and Capital Accounts

A. The capital of the Partnership shall be the aggregate amount of the cash and the Gross Asset Value of property contributed by the General Partner and by the Limited Partners as set forth in Schedule A. Except as specifically set forth herein, no Partner shall have any right to make voluntary Capital Contributions to the Partnership. No interest shall be paid by the Partnership on any Capital Contribution to the Partnership. Schedule A shall be amended from time to time to reflect the withdrawal or admission of Partners, any changes in the Partnership Interests held by a Partner arising from the transfer of a Partnership Interest to or by such Partner and any change in the amounts to be contributed or agreed to be contributed by any Partner.

B. An individual Capital Account shall be established and maintained for each Partner, including any additional or substituted Partner who shall hereafter receive an interest in the Partnership. The Capital Account of each Partner shall be maintained in accordance with the following provisions:

(i) To each Partner's Capital Account there shall be credited such Partner's Capital Contributions, such Partner's distributive share of Profits, and any items in the nature of income or gain that are specially allocated pursuant to Section 6.4 hereof, and the amount of any Partnership liabilities that are assumed by such Partner or that are secured by any Partnership Property distributed to such Partner;

(ii) To each Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Partnership Property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Losses, and any items in the nature of expenses or losses that are specially allocated pursuant to Section 6.4 hereof, and the amount of any liabilities of such Partner that are assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership.

In the event that the Gross Asset Values of Partnership assets are adjusted pursuant to this Agreement, the Capital Accounts of all Partners shall be adjusted simultaneously to reflect the aggregate net adjustment as if the Partnership recognized gain or loss equal to the amount of such aggregate net adjustment.

C. The original Capital Account established for any substituted Partner shall be in the same amount as, and shall replace, the adjusted Capital Account of the Partner which such substituted Partner succeeds, and, for the purposes of the Agreement, such substituted Partner shall be deemed to have made the Capital Contribution, to the extent actually paid in, of the Partner which such substituted Partner succeeds. The term "substituted Partner," as used in this paragraph, shall mean a Person who shall become entitled to receive a share of the Profits or Losses, Tax Credits and distributions of the Partnership by reason of such Person succeeding to the Partnership Interest of a Partner by assignment of all or any part of a Partnership Interest. To the extent a substituted Partner receives less than 100% of the Partnership Interest of a Partner, its Capital Account and Capital Contribution shall be in proportion to the Partnership Interest it receives, and the Capital Account and Capital Contribution of the Partner who retains a partial

interest in the Partnership shall continue, and not be replaced, in proportion to the Partnership Interest it retains.

D. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of the Capital Accounts are intended to comply with the Allocation Regulations and shall be interpreted and applied in a manner consistent with such Allocation Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with the Allocation Regulations, the General Partner may make such modification, subject to the provisions of Section 6.3D. The General Partner shall adjust the amounts debited or credited to Capital Accounts with respect to (i) any property contributed to the Partnership or distributed to the Partners, and (ii) any liabilities that are secured by such contributed or distributed property that are assumed by the Partnership or the Partners, in the event the General Partner shall determine such adjustments are necessary or appropriate pursuant to Section 1.704-1(b)(2)(iv) of the Allocation Regulations. Subject to the provisions of Section 6.3D, the General Partners also shall make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with the Allocation Regulations.

The Partnership shall not redeem or repurchase any Partnership Interest, and no Partner shall have the right to withdraw, or receive any return of, its Capital Contribution, except as specifically provided herein. The General Partner shall have no personal liability for the repayment of the Capital Contribution of any Limited Partner. Nothing in this Section 4.3 shall alter the limitation on liability of a General Partner or its Affiliates pursuant to Section 7.7.

Section 4.4 Liability of Limited Partners

No Limited Partner shall be liable for any debts, liabilities, contracts, or obligations of the Partnership. A Limited Partner shall be liable only to make payments of its Capital Contribution as and when due hereunder. After its Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act, be required to make any further capital contributions or payments or lend any funds to the Partnership.

Section 4.5 Certain Rights of Investor Limited Partner

A. Subject to the provisions hereinafter set forth in this Section 4.5, and to the Regulations, in addition to the other rights provided for in this Agreement, the Investor Limited Partner shall have the right to:

(i) Amend this Agreement, subject to the provisions of Section 13.9; provided that such amendment (a) shall not in any manner allow the Limited Partners to take any action which would constitute their taking part in the control of the Partnership's business within the meaning of the Uniform Act, and (b) shall not in any manner, without the consent of any General Partner affected, except in the case of a removal pursuant to Section 4.5A(iv), alter the authority, rights, powers, obligations, duties, liability, standard of care, or indemnification of the affected General Partner or its interest in the Profits and Losses of the Partnership, Tax Credits, Cash Flow, Capital Proceeds or distributions or alter any of the provisions of Section 4.5B, and (c) shall not in any manner, without the

consent of the General Partner, grant to, expand or increase the Limited Partners' voting rights, authority or power;

(ii) Dissolve the Partnership upon the consent of the General Partner;

(iii) Approve or disapprove, with the consent of the General Partner, the sale of all or substantially all of the assets of the Partnership; and

(iv) Remove a General Partner and elect one or more new General Partners upon the occurrence of any of the following caused by such General Partner:

(1) In the event of any repeated incompetence, reckless disregard for the Partnership's welfare, or repeated dereliction of duty with respect to any material matter in the discharge of its duties and obligations as General Partner where the affected General Partner has received ongoing written notification of the alleged pattern of misconduct or failure and has been given a reasonable opportunity to make cures or corrections within a reasonable time in light of the nature of the alleged misconduct or failure and has been notified of why such cures or corrections have not been sufficient;

(2) The General Partner shall have violated any material provisions of any loan agreements, the Extended Use Agreement, or any material provisions of any other Project Document, Related Agreement or Bond Documents, or any material provisions of the Lender applicable to the Apartment Complex and/or Agency regulations applicable to the Tax Credits, in each case upon written notice after disclosure to the Investor Limited Partner by a General Partner of such event, or discovery without such disclosure, and failure to cure within thirty (30) days of such notice provided that if such violation is not reasonably susceptible to being cured within 30 days, the General Partner shall have a reasonable period to cure; or failure to disclose to the Investor Limited Partner of a violation hereunder within thirty (30) days of actual knowledge of such violation by the General Partner; or an event sufficient for a Purchase Obligation to arise under Section 5.03 hereof shall have occurred (other than Lender or Agency disapproval); or

(3) The General Partner shall have violated any material rights, powers, duties, representations or warranties as set forth in Article VII herein or shall have violated any material provision of this Agreement, defaulted on a guarantee herein or the timely payment of an Adjustment Payment or violated any material provision of applicable law, in each case upon written notice after disclosure to the Investor Limited Partner by a General Partner of such event, or the discovery without such disclosure, and failure to cure within thirty (30) days of such notice provided that if such violation is not reasonably susceptible to being cured within thirty (30) days, the General Partner shall have a reasonable period to cure or failure to disclose to the Investor Limited Partner of a violation hereunder within thirty (30) days of actual knowledge of such violation by the General Partner; or

(4) The General Partner shall have caused the Construction Loan or the Permanent Mortgage Loan to go into default, and failure to cure prior to the initiation of foreclosure actions or failure to disclose to the Investor Limited Partner of a violation hereunder within thirty (30) days of actual knowledge of such violation by the General Partner; or

(5) The General Partner shall have conducted its own affairs or the affairs of the Partnership in such manner as would cause the termination of the Partnership for federal income tax purposes; or cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation; or

(6) The General Partner shall have effected a Change of Control in the Partnership without the Consent of the Investor Limited Partner; or

(7) Repeated failure to furnish reports as required in Section 12.1, and failure to cure within thirty (30) days of receipt of written notice from the Investor Limited Partner of such repeated failure; or

(8) Any amount due the Investor Limited Partner from the General Partner or the Partnership, is not paid within thirty (30) days after written notice, or any operating deficits to the extent required under Section 7.9 are not funded and paid by the General Partner within thirty (30) days when due unless contested in good faith by the General Partner; or

(9) The qualified Low Income Units of the Project fall below eighty percent (80%) of the total Low Income Units for any reason other than a change in the tax law or the actions of the Limited Partners and such decrease is not cured within ninety (90) days and the General Partner has failed to pay a Credit Deficiency within one hundred and eighty (180) days written notice from the Limited Partners.

(v) Provided however, that any removal under Section 4.5 A (iv) shall only be exercisable by the Investor Limited Partner by giving a written notice of removal dispute ("Notice of Dispute") to the affected General Partner which states in reasonable detail the nature of the alleged events giving rise to the removal (including any required prior notices and opportunity to cure) and the proposed effective date for the removal. Within thirty (30) business days of receipt of the Notice of Dispute, the affected General Partner shall have the right to contest any proposed removal if it in good faith believes that such removal is not warranted. The right to contest shall be exercised by the affected General Partner by giving written notice ("Contest Notice") of such contest to the Investor Limited Partner within thirty (30) Business Days of the General Partner's receipt of the Notice of Dispute. In such event the affected General Partner shall, within thirty (30) Business Days of the date of the Contest Notice, institute an action to resolve said dispute through the courts or through the arbitration procedures provided for in this Agreement. Failure to timely commence a court action or an arbitration proceeding shall result in the affected General Partner being removed without any further act of any Partner upon the expiration of said thirty (30) Business Days. If a court proceeding or arbitration is

commenced, the removal of the affected General Partner shall not be effective, if at all, until there has been a final decision or adjudication in any such court action or arbitration commenced in accordance with these terms. Only the affected General Partner shall be subject to removal pursuant to this Section. Any removal of a General Partner subject to this Section shall be subject to the Investor Limited Partner obtaining any requisite approvals from the Lenders and the Authority

B. The Interest of any General Partner removed pursuant to this Section 4.5 shall be subject to the provisions of Article VIII.

C. Upon written request to the General Partner by the Investor Limited Partner, the General Partner shall call a meeting of the Partners for any matters for which the Partners may vote, as set forth herein. Upon receipt of a written request either in person or by certified mail stating the purpose(s) of the meeting, the General Partner shall provide all Partners within ten days after receipt of said request, written notice (either in person or by certified mail) of a meeting and the purpose of such meeting to be held on a date not less than 15 nor more than 60 days after receipt of said request, at a time and place convenient to the Partners.

ARTICLE V

Capital Contributions of Investor Limited Partner

Section 5.1 Installments of Capital Contributions

A. The Investor Limited Partner shall contribute as its Capital Contribution the total sum of \$12,421,167 payable in the following Installments:

(i) \$3,750,913 (\$100 from the Special Limited Partner) upon the latest to occur of (i) Tax Credit Reservation or equivalent Code Section 42(m)(2)(D) determination or valid commitment letter to issue the 42(m)(2)(D) commitment or, (ii) Initial Closing, or (iii) receipt of a commitment acceptable to the Investor Limited Partner for the Permanent Mortgage Loan, or (iv) the Admission Date (the "First Installment"). At the time of payment of the First Installment, the funds shall be placed into an escrow account held by the Lender or by a title company approved by the Investor Limited Partner and disbursed pursuant to either a standard AIA Document G702 for draw requests, Requisition Certificate to the Bond Trustee, closing statement, or similar comparable documentation. In addition to the draw requests, invoices, lien waivers and any certifications, required by law or the Bond Documents, shall be submitted;

(ii) \$3,715,824 upon the latest to occur of (i) 50% completion of construction (as evidenced by standard AIA Document G702, or a certification by the Supervising Engineer, or other documentation reasonably acceptable to the Investor Limited Partner), or (ii) satisfaction of all of the conditions to the payment of the First Installment (the "Second Installment"). Proceeds of the Second Installment shall also be placed in an escrow account and disbursed in accordance with the procedures for the First Installment; and

(iii) \$3,715,824 upon the latest to occur of (i) 80% completion of construction (as evidenced by standard AIA Document G702, or a certification by the Supervising Engineer, or other documentation reasonably acceptable to the Investor Limited Partner), or (ii) satisfaction of all of the conditions to the payment of the First and Second Installments (the "Third Installment"). Proceeds of the Third Installment shall also be placed in an escrow account and disbursed in accordance with the procedures for the First Installment; and

(iv) \$619,304 upon the latest to occur of (i) the Completion Date, or (ii) satisfaction of all of the conditions to the payment of the First, Second and Third Installments (the "Fourth Installment"); and

(v) \$619,302 upon the latest to occur of (i) Cost Certification, (ii) Initial 95% Occupancy Date, or (iii) Final Closing, or (iv) receipt of Forms 8609 for all buildings, or (v) three (3) consecutive months of 1.15 debt coverage computed in the same manner as the Permanent Mortgage Loan, or (vi) attestation by the Partnership Accountant providing a detailed analysis of the depreciable asset including personal property, land improvements, and building, or (vii) satisfaction of all the conditions to the payment of the First, Second, Third and Fourth Installments (the "Fifth Installment")

If the amount necessary to pay fees and costs charged by counsel for the Investor Limited Partner for legal services rendered to the Investor Limited Partner in connection with this Agreement and related documents exceeds \$35,000, then the Investor Limited Partner shall make an additional Capital Contribution to the Partnership in an amount equal to such excess not later than thirty (30) days after receiving an invoice for such amount. The Partnership shall then pay such amount to counsel for the Investor Limited Partner promptly after receiving such sum.

B. The obligation of the Investor Limited Partner to make each Installment (except as otherwise provided) is subject to each of the following conditions:

(i) The General Partner shall have executed and delivered to the Investor Limited Partner a certificate (the "Payment Certificate"), in the form attached hereto as Exhibit 1, dated the date such Installment is to be paid to the Partnership and attaching the Title Policy endorsement referred to therein.

(ii) In the case of the First Installment, all Requisite Approvals, if any to the admission of the Investor Limited Partner pursuant to this Agreement shall have been obtained.

(iii) Each of the representations and warranties set forth in Section 7.5 which are capable of being satisfied as of such time shall in all material respects be true and correct.

(iv) No event shall have occurred which would permit AMTAX to give an Election Notice under the Purchase Obligation.

The Investor Limited Partner shall be obligated to make each Installment of its Capital Contribution (other than the First Installment) within twenty-one (21) days of its receipt of the Installment Payment Certificate.

C. Notwithstanding the foregoing, if an Installment has not become due because of a failure to satisfy any condition to the payment thereof, but such condition can be satisfied by the payment of money, then in the discretion of the Investor Limited Partner such Installment may be collected notwithstanding the failure to satisfy such condition, provided that when such Installment is paid (1) the amount required to satisfy such condition is disbursed directly to the requisite parties for the purpose of satisfying such condition, and (2) any acceleration of maturity of indebtedness and any other default and any action or proceeding which was the basis of the failure to satisfy such condition or which resulted from such failure has been effectively waived and, in the case of any such action or proceeding, terminated with prejudice.

Section 5.2 Adjustments to Capital Contributions

The Capital Contribution of the Investor Limited Partner shall be subject to adjustments in the manner provided in this Section 5.2.

A. If, as of the Completion Date and based upon the Cost Certification, it is determined that the amount of annual Tax Credits for which the Project will be eligible over the term of the Credit Period is less than the Maximum Annual Credit, such difference being hereinafter referred to as a "Credit Shortfall," then there shall be a reduction in the Investor Limited Partner's Capital Contribution in an amount equal to the product of (i) the Credit Shortfall and (ii) \$7.92 (referred to as the "Credit Shortfall Adjustment"). Such reduction shall be applied by decreasing the amount of the next Installment due, and, if necessary, further Installments (reducing the earliest ones first) by the amount of the Credit Shortfall Adjustment. If all Installments of Capital Contribution have been paid at the time of a Credit Shortfall, or the aggregate amount of Installments remaining at the time of the Credit Shortfall is less than the amount of the Credit Shortfall Adjustment, then the Credit Shortfall Adjustment, or any balance of the Credit Shortfall Adjustment over the amount of the remaining Installments, as the case may be, shall be immediately paid, in cash, to the Investor Limited Partner. The Projected Credit shall thereafter be adjusted by the Credit Shortfall.

B. In the event there is a Credit Deficiency or any Recapture Event within sixty (60) months after the Completion Date for any reason other than a change in the tax law or the actions of the Investor Limited Partner or Special Limited Partner, then the Investor Limited Partner shall be entitled to an adjustment payment from the General Partner (the "Adjustment Payment"). The Adjustment Payment will be in a total amount equal to the sum of: (i) the product of (a) the total of the Credit Deficiency for each of the years of Projected Credit and (b) .792 and (ii) the Recapture Amount and any additional interest and/or penalty that may be assessed by the Service for any year as a result of the Recapture Event. The Adjustment Payment shall be paid by the General Partner within thirty (30) days of written notice from the Investor Limited Partner. The General Partner shall pledge the distributions, fees, and deductions arising from its Partnership Interest (the "GP Interest Income") up to the amount due, until, such time as payment in full is made, to secure such payment. The General Partner shall execute such other documents as the Limited Partners reasonably request to create and perfect

the security interest referenced herein. In the event the General Partner fails to make any Adjustment Payment when due, the Investor Limited Partner may, at its sole discretion and upon written notice, pursue one or more remedies including any of the following remedies: (i) attach or otherwise seize any amounts otherwise distributable to the General Partner from Cash Flow or Capital Proceeds of the Partnership; (ii) recover the funds from the General Partner; (iii) assert their rights under the Uniform Commercial Code or other applicable law either against the General Partner's GP Interest Income or other assets of the General Partner it being understood that any foreclosure of such lien shall only be for that portion of the distributions, fees and deductions necessary to satisfy the amount payable by the General Partner hereunder and shall not extend to any other fees, distributions or deductions. Upon payment in full of the amount due for the Adjustment Payment, the pledge of the GP Interest Income shall be terminated. Either party may, in good faith, contest the impositions or amount of an adjustment payment. The procedures for dispute resolution generally set forth in Section 4.5 A (v), as reasonably applied and adapted.

C. If an event which causes a Credit Deficiency or a Recapture Event initially occurs at any time after the sixty (60) months of the Completion Date, except as set forth in subparagraph B above, then the Investor Limited Partner shall be deemed to have made a loan (a "Credit Recovery Loan") to the Partnership in an amount equal to the sum of: (i) the product of (a) the total of the Credit Deficiency for each of the years of Projected Credit and (b) .792 and (ii) the Recapture Amount and any additional interest or penalty that may be assessed by the Service for any year as a result of the Recapture Event. Credit Recovery Loans shall bear simple interest at 6% per annum and shall be repaid only as provided in Section 6.2B. The General Partner and the Developer shall pledge and collaterally assign their interest and all their partnership distributions, all amounts due to them for Subordinated Loan repayments, and all fees due to them to secure payment of such Credit Recovery Loans.

D. In the event the Partnership receives Tax Credits in excess of the Projected Credit, the Investor Limited Partner shall, if funds are available from either the Investor Limited Partner or an Affiliate investment fund, purchase (or if funds are not so available, shall cause such Affiliate fund to purchase and such obligation to purchase by an Affiliate is hereby unconditionally guaranteed by the Investor Limited Partner) such Tax Credits at a price of \$.792 per additional Tax Credits as shown on the forms 8609 for the Project (the "Additional Purchase"). If all Installments have already been paid by the Investor Limited Partner, then the price shall be paid to the Partnership in cash within thirty (30) days of the exercise notification. If any Installments are outstanding, the price shall be paid in the same proportion, and at the time of, the outstanding Installments. In the event the Investor Limited Partner does not exercise the Additional Purchase within such time, in addition to all other rights and remedies available at law or in equity, the General Partner shall have the right to reallocate such additional Tax Credits to the General Partner or to sell such Tax Credits to any third party and admit such third party as a Limited Partner with an Interest proportionate to the price paid. In no event however, shall the Investor Limited Partner ever have less than a majority Interest in the Partnership, regardless of the price paid herewith. All adjustments made pursuant to this Section 5.2.D shall be reflected in the determination of Projected Credit for all subsequent years.

E. After Admission of the Investor Limited Partner, the General Partner shall be entitled to a return of capital in an amount equal to their respective capital contributions made

prior to Admission, subject to the General Partner maintaining an aggregate Capital Contribution of no more than .1% of the Capital Contributions of all Partners. This return of capital will be funded from the proceeds of Investor Limited Partner's Capital Contributions.

F. (a) Upon the execution hereto, the Investor Limited Partner shall deposit into an interest bearing escrow account, an amount equal to the First Installment of Capital Contribution. The escrow amount shall be released to the Partnership for payment of the First Installment (and interest earned on the escrow account refunded to the Invested Limited Partner) upon:

(i) satisfaction of all the conditions for payment of the First Installment of Capital Contribution pursuant to Section 5.1; and

(ii) execution and delivery to the Investor Limited Partner of the documentation, certificates and legal opinions requested by the Investor Limited Partner in connection with the Investment Closing.

(b) In the event the provisions of (i) and (ii) above are not completed by December 11, 2003, the escrow amount and interest earned thereon, shall be returned to the Investor Limited Partner.

G. Prior to the payment of the Fifth Installment of the Investor Limited Partner's Capital Contribution, and each calendar year thereafter, the Capital Contribution of the Investor Limited Partner will be adjusted, upward or downward, based on a price equal to \$.26 for each dollar of Taxable Losses delivered to the Investor Limited Partner based upon actual Taxable Losses for such calendar year which is less than, or in excess of, as the case may be, the Taxable Losses contained in Exhibit "B" attached hereto and incorporated herein by this reference (the Taxable Loss Adjustment"). The Installments of Capital Contribution in Section 5.1 shall be adjusted by either increasing or reducing the amount of the next Installment due, and if necessary, further Installments (increasing or reducing the earliest ones first) by the amount of the Taxable Loss Adjustment. If all Installments of Capital Contribution have been paid at any time it is determined that the amount of annual Taxable Losses to be delivered to the Investor Limited Partner is less than the Taxable Losses contained in Exhibit "B" attached hereto, such difference being hereinafter referred to as a "Taxable Loss Shortfall," or if the aggregate amount of Installments remaining at the time of a Taxable Loss Shortfall is less than the amount of the Taxable Loss Adjustment, then the Taxable Loss Adjustment, or any balance of the Taxable Loss Adjustment over the amount of the remaining Installments, as the case may be, shall be immediately paid, in cash, to the Investor Limited Partner.

H. The Investor Limited Partner pledges and grants a security interest to the General Partner in its Partnership Interest to secure payment of the Installments of Capital Contribution. In the event the Investor Limited Partner has received a Payment Certificate for an Installment of Capital Contribution, and the Investor Limited Partner does not make payment in full within ten (10) business days of receipt, then the General Partner may accelerate the remaining Installments and sell the entire Partnership Interest pledged at any public or private sale, in accordance with the provisions and procedures for such sales in the Uniform Commercial Code, upon an

additional ten (10) business days written notice and opportunity to bid at any such sale to the Investor Limited Partner, unless the Investor Limited Partner:

- (a) gives written notice to the General Partner, within ten (10) business days of receipt of the Payment Certificate, of the specific reasons why it contends the Installment is not then due (the "Contest Notice"); and
- (b) such written notice is given in good faith.

Upon receipt of the Contest Notice, the General Partner shall have, at its sole discretion, the option of choosing the forum in which the decision as to the disposition of the Installment will be made, either in court proceedings, or at an arbitration in accordance with the procedures set forth herein. Any late payment of an Installment shall bear interest at the prime rate as published from time to time by the Wall Street Journal plus 5% ("Installment Interest"), unless it has been determined by the court proceedings or arbitration that such Installment was not in fact due when demanded. In such case, the Investor Limited Partner shall be entitled to the Installment Interest from the General Partner. The General Partner shall also be entitled to participate and bid at any public or private sale and they may pay the purchase price by unsecured promissory note or comparable obligation. The Limited Partner shall execute such other documents as the General Partner may reasonable request to create and perfect the security interest referenced herein.

Section 5.3 Repurchase of Investor Limited Partner's Interest

A. The General Partner hereby agrees to purchase the Interest of the Investor Limited Partner and the Special Limited Partner if any of the following events shall occur:

- (a) The Partnership is not in compliance with Section 42 of the Code, as evidenced by a failure of Forms 8609 to be issued for an allocation of Tax Credits to the Project by November 30, 2006, or (b) during the first twelve (12) months after the Completion Date, the Apartment Complex has not initially met the Minimum Set Aside Test or the Rent Restriction Test, or (c) at any time during the first sixty (60) months after initial achievement of the Minimum Set Aside or the Rent Restriction Test, the Partnership fails to meet either the Minimum Set Aside Test or the Rent Restriction Test, or (d) the General Partner fails to provide in a form satisfactory to the Special Limited Partner (i) an update to the Phase I Environmental Assessment of the Rosemary Village Cooperative prepared by ATC Associates, Inc., dated November 7, 2002, and (ii) a reliance letter to that certain Market Study for the Rosemary Village Apartments dated March 14, 2003 performed by Joseph J. Blake & Associates, Inc., or (e) the Completion Date has not occurred by June 30, 2006, or (f) Final Closing has not been achieved within twelve (12) months after the Completion Date, or (g) foreclosure proceedings have commenced under the Mortgage prior to Final Closing, or (h) if the Lender or Agency disapproves the Investor Limited Partner within 180 days after its Admission Date.

B. If any such event set forth in Section 5.3A shall occur, the General Partner shall give notice to the Investor Limited Partner and the Special Limited Partner of the obligations of the General Partner hereunder to purchase the Limited Partnership Interests of the Investor

Limited Partner and the Special Limited Partner (such obligation being herein called a "Purchase Obligation" and such notice the "Purchase Obligation Notice") within fifteen (15) days after the occurrence of any event giving rise to such obligation. If the Investor Limited Partner and the Special Limited Partner elect to sell their Limited Partnership Interests hereunder, they shall give the General Partner notice of such election (an "Election Notice") within thirty (30) days after such Purchase Obligation Notice from the General Partner is received by the Investor Limited Partner and the Special Limited Partner (or, in the event that such Purchase Obligation Notice from the General Partner is not given, at any reasonable time after the occurrence of such event).

C. Within fifteen (15) business days after delivery to the General Partner of an Election Notice from the Investor Limited Partner and the Special Limited Partner, the General Partner shall pay the Investor Limited Partner and the Special Limited Partner a purchase price (the "Purchase Price") in cash (with interest thereon at the Designated Prime Rate commencing on the fifth day following the date of such delivery) equal to the Investor Limited Partner's and the Special Limited Partner's respective Invested Amounts.

D. Upon the giving of its Election Notice, the Investor Limited Partner and the Special Limited Partner shall have no further obligations or rights under the Partnership Agreement, and the General Partner shall indemnify and defend the Investor Limited Partner and the Special Limited Partner and hold it harmless against any such obligations. The General Partner shall take all action and shall pay all costs necessary to enable the Investor Limited Partner and the Special Limited Partner to receive and retain the Purchase Price as against any creditor of any General Partner or the Partnership. Notwithstanding the purchase by the General Partner of the Limited Partnership Interests of the Investor Limited Partner and the Special Limited Partner pursuant to Section 5.3A, to the extent permitted under the applicable provisions of the Code, the Investor Limited Partner and the Special Limited Partner shall be allocated any Profits or Losses and Tax Credits in respect of said Limited Partnership Interest for the period prior to the date of the receipt by the Investor Limited Partner and the Special Limited Partner of payment therefor. Upon such payment, the General Partner shall forthwith cause an amendment to this Agreement and any other necessary papers to be filed, recorded and published wherever required showing such substitution of the Investor Limited Partner and the Special Limited Partner.

E. No agreement affecting the Project shall prevent the exercise by the Investor Limited Partner and the Special Limited Partner of their right to require the purchase by the General Partner of their respective Limited Partnership Interests in the manner described in this Section 5.3.

ARTICLE VI

Distributions of Cash; Allocations of Profits, Losses and Tax Credits

Section 6.1 Profits and Losses and Tax Credits

A. The provisions of this Article VI shall be applied to effect a proportionate sharing between the Limited Partners at any time there is more than one Investor Limited Partner. Each Partner shall receive allocations and distributions in accordance with its percentage interest as set forth on Schedule A.

B. After giving effect to the special allocation provisions of Section 6.4, Profits or Losses and Tax Credits for any Partnership Fiscal Year shall be allocated .099% to the General Partner, .001% to the Special Limited Partner and 99.9% to the Investor Limited Partner.

C. After giving effect to the special allocation provisions of Section 6.4, Profits or Losses from a Capital Transaction in any Partnership Fiscal Year shall be allocated to and among the Partners as follows:

As to Profits:

First, an amount of Profits equal to the aggregate negative balances (if any) in the Capital Accounts of all Partners having negative balance Capital Accounts shall be allocated to such Partners in proportion to their negative Capital Account balances until all such Capital Accounts have zero balances; and

Second, an amount of Profits shall be allocated to each of the Partners until the positive balance in the Capital Account of each Partner equals the amount of cash which would be distributed to such Partner in accordance with the provisions of Clauses Second, Eighth, Ninth, Tenth and Thirteenth of Section 6.2B(ii) exclusive of fees or loan payments.

As to Losses:

First, an amount of Losses equal to the aggregate positive balances (if any) in the Capital Accounts of all Partners having positive balance Capital Accounts shall be allocated to such Partners in proportion to their positive Capital Account balances until all such Capital Accounts have zero balances; provided, however, that if the amount of Losses so to be allocated is less than the sum of the positive balances in the Capital Accounts of those Partners having positive balances in their Capital Accounts, then such Losses shall be allocated to the Partners in such proportions and in such amounts so that the Capital Account balances of each Partner shall equal, as nearly as possible, the amount of cash such Partner would in accordance with the provisions of Clauses Second, Eighth, Ninth, Tenth and Thirteenth of Section 6.2B(ii) exclusive of fees or loan payments; and

Second, the balance, if any, of such Losses shall be allocated .099% to General Partner, .001% to the Special Limited Partner and 99.9% to the Investor Limited Partner.

Section 6.2 Application and Distributions Prior to Dissolution

A. Application and Distribution of Cash Flow

(i) Except as otherwise provided below, the General Partner shall determine, as of the end of each calendar quarter after Final Closing, the amount of Cash Flow that is available as of the end of such period to be applied as provided in Section 6.2A. Cash Flow that is so determined as available for distribution as of the end of any period shall be deemed Cash Flow for such period even if distributed after such period.

(ii) Prior to Final Closing, Cash Flow in an amount equal to all Profits (other than profits from a Capital Transaction) as of the end of each fiscal year shall be distributed by the General Partner. The amount of Cash Flow after Final Closing shall be distributed by the General Partner as follows, subject to payment of amounts due the Investor Limited Partner for Credit Deficiencies, Credit Recovery Loans and Adjustment Payments:

First, beginning within 30 days after Final Closing, to the payment of the Asset Management Fee to the Investor Limited Partner and to any penalties or any interest for such year and for any previous year as to which the Asset Management Fee, penalties or interest has not been paid in full to the Investor Limited Partner;

Second, to the payment of a portion of the Partnership Management Fee equal to two percent (2%) of Gross Collected Income to the General Partner;

Third, to the payment of the Deferred Developer Fee in accordance with Section 6(d) of the Development Agreement;

Fourth, to the repayment of any Subordinated Loans of the General Partner;

Fifth, to the payment of the Partnership Management Fee to the General Partner;

Sixth, a priority distribution in an amount equal to five percent (5%) of the balance to the Investor Limited Partner;

Seventh to the payment of the Incentive Management Fee to the General Partner;

Eighth, the balance, .09% to the Investor Limited Partner, 99.9% to the General Partner ("GP Distribution") and .01% to the Special Limited Partner.

B. Distributions of Capital Proceeds from a Capital Transaction

(i) The General Partner shall determine, within 45 days after the Partnership's receipt thereof, the amount of Capital Proceeds available to be applied as provided in Section 6.2B(ii).

(ii) Subject to the provisions of Section 5.2 with respect to any Credit Deficiency or Recapture Amount or other amounts due the Investor Limited Partner, including Adjustment Payments, and further subject to the provisions of Section 6.3 below, any Capital Proceeds shall be distributed to and among the Partners in the following amounts and order of priority:

First, to the payment of all debts and liabilities of the Partnership excluding those owed to Partners, and to the establishment of any required reserves;

Second, in the event of a sale of the Project, to the Investor Limited Partner an amount, the after-tax value of which is sufficient to pay the Exit Taxes of the Investor Limited Partner (the "Exit Tax Distribution");

Third, to the payment of the Asset Management Fee to the Investment Manager of such year and for previous year as to which the Asset Management fee has not been paid in full;

Fourth, to the repayment to the Investor Limited Partner of any Credit Recovery Loans and any interest thereon;

Fifth, to the payment of any accrued and unpaid Partnership Management Fee to the General Partner;

Sixth, to the payment of the Deferred Developer Fee in accordance with Section 6(d) of the Development Agreement;

Seventh, to the repayment to the General Partner of any Subordinated Loans or any other loans owed to Partners;

Eighth, to the Investor Limited Partner, in an amount equal to its Invested Amount (less any Exit Tax Distribution);

Ninth, to the General Partner, in an amount equal to its respective Invested Amounts;

Tenth, a priority distribution to the Investor Limited Partner in an amount equal to 10% of the remaining balance;

Eleventh, to the repayment of any outstanding principal and interest on Cost Overrun Loans of the Developer as set forth in the Development Agreement;

Twelfth, to the payment of the Capital Transaction Disposition Fee to the General Partner, an amount as provided in Section 7.10D;

Thirteenth, the balance, .09% to the Investor Limited Partner, .01% to the Special Limited Partner and 99.9% to the General Partner.

Section 6.3 Liquidation

A. Upon the liquidation and dissolution of the Partnership, unless the business of the Partnership is continued pursuant to the provisions of Sections 8.2 or 8.3 hereof, the General Partner shall liquidate the assets of the Partnership and cause the business of the Partnership to

be wound up in accordance with the Uniform Act and cause the Certificate to be cancelled in accordance with the provisions of Section 2.5B.

B. Subject to the provisions of Section 6.3C below, any Capital Proceeds from a Terminating Capital Transaction remaining after payment of the debts and obligations of the Partnership and the establishment of adequate reserves shall be distributed in compliance with Section 1.704-1(b)(2)(ii) of the Regulations to those Partners with positive Capital Account balances (after taking into account all Capital Account adjustments including under Section 6.1.B, for the Partnership taxable year) in proportion to said Capital Account balances.

C. Except to the extent of his or its Share of Partnership Minimum Gain or Partner Nonrecourse Debt Minimum Gain, if any, no Partner shall have a Deficit Restoration Obligation nor shall any Partner otherwise be required to restore any deficit balance in his or its Capital Account at any time.

D. The parties intend that, as a result of the application of the allocation and distribution provisions contained in this Article VI, any Capital Proceeds from a Terminating Capital Transaction under Section 6.3B will be distributed in the same manner as Capital Proceeds are distributed under the provisions of Section 6.2B. If the Partnership is advised at any time by the Accountants or counsel that an actual distribution of Capital Proceeds at the end of any Fiscal Year in accordance with the provisions of Section 6.3B would not result in each Partner receiving the amount that it would have received if Section 6.2B rather than Section 6.3B applied to such distribution, the General Partner shall so notify the Limited Partners and, with the Consent of the Investor Limited Partner, are authorized and empowered to amend the provisions of this Article VI relating to the allocation of Profits or Losses (other than the Regulatory Allocations) for such Fiscal Year (and for subsequent Fiscal Years if necessary) to cure such defect consistent with the principles set forth in the first sentence of this Section 6.3D.

Section 6.4 Special Allocation Provisions

Notwithstanding anything to the contrary contained herein:

A. Nonrecourse Deductions shall be allocated 99.9% to the Investor Limited Partner, .001% to the Special Limited Partner and .099% to the General Partner.

B. Partner Nonrecourse Deductions shall be allocated to and among the Partners in the manner provided in the Allocation Regulations.

C. Subject to the provisions of Section 6.4P, if there is a net decrease in Partnership Minimum Gain for a Partnership Fiscal Year, the Partners shall be allocated items of Partnership income and gain in accordance with the provisions of Section 1.704-2(f) of the Allocation Regulations.

D. Subject to the provisions of Section 6.4P, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain for a Partnership Fiscal Year, then any Partner with a Share of such Partner Nonrecourse Debt Minimum Gain shall be allocated items of Partnership income and gain in accordance with the provisions of Section 1.704-2(i)(4) of the Allocation Regulations.

E. Subject to the provisions of Sections 6.4A through 6.4D above, in the event that any Limited Partner (who is not also a General Partner) unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Allocation Regulations, items of Partnership income and gain shall be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Allocation Regulations, the Adjusted Capital Account Deficit of such Limited Partner as quickly as possible. This Section 6.4E is intended to constitute a "qualified income offset" provision within the meaning of the Allocation Regulations and shall be interpreted consistently therewith.

F. Subject to the provisions of Sections 6.4A through 6.4E above, in no event shall any Limited Partner be allocated Losses that would cause it to have an Adjusted Capital Account Deficit as of the end of any Partnership Fiscal Year. Any Losses that are not allocated to a Limited Partner by reason of the application of the provisions of this Section 6.4F shall be allocated to the General Partner.

G. Subject to the provisions of Sections 6.4A through 6.4F above, in the event that any Limited Partner (who is not also a General Partner) has an Adjusted Capital Account Deficit at the end of any Partnership Fiscal Year, items of Partnership income and gain shall be specially allocated to each such Limited Partner in the amount of such Adjusted Capital Account Deficit as quickly as possible.

H. Without limiting the generality of Section 6.4B above, (i) if the Partnership incurs recourse obligations to fund the payment of deductible items which are not anticipated to be paid in the ordinary course of business or (ii) if the Partnership incurs losses from extraordinary events which are not recovered from insurance or otherwise and which are not anticipated to be paid in the ordinary course of business (the obligations and losses under clauses (i) and (ii) being referred to herein collectively as "Excess Expenses") in respect of any Fiscal Year, then the calculation and allocation of Losses shall be adjusted as follows: first, an amount of deductions equal to such Excess Expenses for the Fiscal Year in question shall be allocated to the General Partner; and second, the balance of such deductions and all gross income shall be allocated as provided in Section 6.1A. For purposes of this Section 6.4H, extraordinary events include casualty losses, losses resulting from liability to third parties for tortious injury, losses resulting from a breach of a legal duty by the Partnership or by the General Partners, and deductions resulting from other liabilities which are not incurred in the ordinary course of business. Nothing in this Section 6.4H shall prevent the Partnership from recovering an extraordinary loss from a General Partner who is liable therefor by law or under this Agreement. If any Excess Expenses shall be repaid from Cash Flow generated in respect of any Fiscal Year, then the allocation of Profits and Losses under Section 6.1A for such Fiscal Year shall be adjusted as follows: first, the General Partner shall be allocated an amount of the gross income of the Partnership equal to the amount of the Excess Expenses repaid in such Fiscal Year; and second, the balance of such gross income and all deductions shall be allocated as provided in Section 6.1(A).

I. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income

tax purposes and its initial Gross Asset Value. In the event that the Gross Asset Value of any Partnership Property is adjusted pursuant to the terms of this Agreement, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the General Partner in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 6.4I are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

J. Syndication expenses, if any, for any Fiscal Year or other period shall be specially allocated to the Investor Limited Partner.

K. For purposes of determining the Profits, Losses, Tax Credits or any other items allocable to any period, Profits, Losses, Tax Credits and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partner using any permissible method under Code Section 706 and the Treasury Regulations thereunder.

L. To the extent that interest on loans (or other advances which are deemed to be loans) made by any General Partner to the Partnership is determined to be deductible by the Partnership in excess of the amount of interest actually paid by the Partnership, such additional interest deduction(s) shall be allocated solely to such General Partner.

M. If the Service successfully disallows the deduction of all or any part of any fee paid by the Partnership to either General Partner or its Affiliates by recharacterizing such fee as a distribution to such General Partner, there shall be, to the extent permitted by the Code, a special allocation of gross income to such General Partner for the Fiscal Year with respect to which such disallowed deduction was claimed by the Partnership in the amount of such disallowed deduction.

N. For purposes of determining each Partner's proportionate share of the excess Nonrecourse Liabilities of the Partnership pursuant to Section 1.752-3(a)(3) of the Allocation Regulations, the Investor Limited Partner shall be deemed to have a 99.9% interest in Profits, the Special Limited Partner shall be deemed to have a .001% interest in Profits and the General Partner shall be deemed to have a .099% interest in Profits.

O. In accordance with Treasury Regulation Section 1.704-1(b)(4)(ii), all expenditures giving rise to the allowance of any Tax Credits, including credits under Section 42, shall be allocated .099% to the General Partner, .001% to the Special Limited Partner, and 99.9% to the Investor Limited Partner for the relevant taxable year, it being the intention that Tax Credits be allocated .099% to the General Partner, .001% to the Special Limited Partner, and 99.9% to the Investor Limited Partner.

P. Any recapture of any Tax Credits shall be allocated among the Limited Partners, as a class, and the General Partner, as a class, in the same manner in which such classes shared the Tax Credits

Q. If for any Fiscal Year the application of the minimum gain chargeback provisions of Section 6.4C or Section 6.4D would cause a distortion in the economic arrangement among the Partners and it is not expected that the Partnership will have sufficient other income to correct that distortion, the General Partner may request a waiver from the Commissioner of the Service of the application in whole or in part of Section 6.4C or Section 6.4D in accordance with Section 1.704-2(f)(4) of the Allocation Regulations. Furthermore, if additional exceptions to the minimum gain chargeback requirements of the Allocation Regulations have been provided through revenue rulings or other Service pronouncements, the General Partner is authorized to cause the Partnership to take advantage of such exceptions if to do so would be in the best interest of a majority in interest of the Partners.

R. There shall be, to the extent permitted by the Code and the Regulations under Section 704 of the Code, a special allocation of gross income to the General Partner for the amount of Cash Flow distributed to the General Partner pursuant to the first sentence of Section 6.2A(ii).

S. There shall be allocated to the General Partner each year an amount of gross income equal to any GP Distribution made to the General Partner pursuant to Section 6.2A.

Section 6.5 Order of Application

The provisions of this Article VI shall be applied in the order required by the applicable provisions of the Allocation Regulations or if no such order is specified, in the manner determined by the Accountants.

ARTICLE VII

Rights, Powers and Duties of the General Partner

Section 7.1 Restrictions on Authority

A. Notwithstanding any other provisions of this Agreement, the General Partner shall have no authority to perform any act in respect of the Partnership or the Project in violation of (i) any applicable law or regulation, or (ii) any agreement between the Partnership and any Lender or Agency.

B. The General Partner shall not have any authority to do any of the following acts, without the Consent of the Investor Limited Partner and any Requisite Approvals:

(i) To incur indebtedness for money borrowed in excess of \$50,000 on the general credit of the Partnership, except as specifically permitted by Article III or Article X, or

(ii) Following completion of the rehabilitation of the Improvements, to construct any new capital improvements, or to replace any existing capital improvements if construction or replacement would substantially alter the use of the Property, or

(iii) To acquire any real property in addition to the Property (other than easements or similar rights necessary or convenient for the operation of the Project), or

(iv) To bear, or cause or permit any Related Person to bear, the economic risk of loss with respect to all or any portion of any Note or Mortgage or the indebtedness secured thereby, except as may be provided in Article IIIA or

(v) To cause the Partnership to make any loan or advance to any Person (for purposes of this clause 7.1B(v), accounts receivable in the ordinary course of business from Persons other than the General Partner or its Affiliates shall not be deemed to be advances or loans), or

(vi) To operate the Project in such a manner or take any action which could cause the Low Income Units in the Project to fail to be treated as a qualified low-income housing units under Section 42(i)(3) of the Code or which would cause a Recapture Event, or

(vii) To amend any Project Document, or to permit any party thereunder to waive any provision thereof, to the extent that the effect of such amendment or waiver would be to eliminate, diminish or defer any material obligation or undertaking of the Partnership, the General Partner or its Affiliates which accrues, directly or indirectly, to the benefit of, or provides additional security or protection to, the Investor Limited Partner (notwithstanding that the Investor Limited Partner is neither a party to nor express beneficiary of such provision or was not a Partner when such provision became effective), or

(viii) To increase or refinance any Mortgage (but excluding any re-marketing or refunding of the Bonds which does not materially adversely affect the economic interest of the Investor Limited Partner) or to sell or convey the Property, except as provided in Article IIIC, and except that the General Partner may cause the Partnership to grant easements and similar rights affecting the Land to obtain utility services for the Project or for other purposes necessary or convenient for the operation of the Project, or

(ix) To cause the Partnership to commence a proceeding seeking any decree, relief, order or appointment in respect to the Partnership under the federal bankruptcy laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Partnership or for any substantial part of the Partnership's business or property, or to cause the Partnership to consent to any such decree, relief, order or appointment initiated by any Person other than the Partnership, or

(x) To pledge or assign any of the Capital Contribution of the Investor Limited Partner or the proceeds thereof, or

(xi) To amend any of the Related Agreements; or

(xii) To approve any changes to the scope of work for the rehabilitation of the Project which would result, either individually or in the aggregate, in an overall development cost increase in excess of \$100,000.00 or to make material modifications to the approved Tax Credit Application (provided, however, that any Consent of the Investor Limited Partner required under this clause (xii) shall not be unreasonably withheld.).

C. The General Partner shall not (a) cause the Partnership to utilize Cash Flow to acquire interests in other limited partnerships or (b) cause the Partnership to invest or reinvest the proceeds of any sale or refinancing of the Project (other than short-term obligations).

Section 7.2 Independent Activities

Any Partner may engage independently or with others in other business ventures of every nature and description including, without limitation, the ownership, operation, management, and development of real estate, regardless of whether such real estate directly competes with the Project, and neither the Partnership nor any Partner shall have any rights by reason of this Agreement in and to such independent ventures or the income or profits derived therefrom.

Section 7.3 Business Management and Control.

A. Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article II, shall make all decisions affecting the business, assets and affairs of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use best efforts to carry out the purpose of the Partnership. In so doing, the General Partner shall take all actions necessary or appropriate to protect the interests of the Partners and of the Partnership. The General Partner shall manage the day-to-day operation of the Partnership and shall participate in all major management decisions of the Partnership. In doing so, the General Partner shall devote such time as is necessary to the affairs of the Partnership. The General Partner may, in the proper and reasonable exercise of its management authority, delegate certain of its powers, rights and obligations hereunder and may appoint, employ, contract or otherwise deal with any person for the transaction of business of the Partnership, which person may under the supervision of the General Partner perform any acts or services for the Partnership which the General Partner may approve; provided, however, that such delegation shall not excuse the General Partner from overseeing on an ongoing basis, the activities assigned.

The General Partner shall undertake the following specific Partnership management duties:

(i) execute and deliver all Partnership documents on behalf of the Partnership;

(ii) monitor compliance with all government regulations and file or supervise the filing of all required documents with governmental entities;

(iii) employ at Partnership expense all persons necessary for operation of the Partnership business, including the property management agent, auditors, attorneys and other professionals rendering services to the Partnership;

(iv) prepare the annual Partnership budget; and

(v) prepare or cause to be prepared all reports to be provided to the Partners.

In addition to the duties of the General Partner specifically set forth above, to the extent not already designated as duties of the General Partner in the Partnership Agreement, the General Partner with the written consent of all Partners may also undertake any or all of the following specific management duties:

(i) acquire, hold, assign or dispose of property or any interest in property;

(ii) borrow money on behalf of the Partnership, encumber Partnership assets, place title in the name of nominee to obtain financing;

(iii) prepay in whole or in part, refinance, increase, modify or extend any obligation;

(iv) determine the amount and timing of distributions;

(v) function as the federal and state tax matters person;

(vi) prepare and/or supervise preparation of all reports required by any Lender;

(vii) coordinate all present and future development, construction or rehabilitation of projects;

(viii) maintain the Partnership books and records;

(ix) maintain the Partnership bank account;

(x) pay organizational expenses incurred in creation of the Partnership and all operational expenses;

(xi) obtain and maintain all required reserves;

(xii) establish and maintain all required reserves;

(xiii) enforce all contracts, including any agreements with property management firms; and

(xiv) manage the property, rental of units, maintenance and repair.

Section 7.4 Duties and Obligations of the General Partners

A. The General Partner shall use its best efforts to carry out the purposes, business and objectives of the Partnership referred to in Section 2.3, and shall devote to Partnership business such time and effort as may be necessary to (i) supervise the activities of the Management Agent, (ii) make inspections of the Project to determine if the Project is being properly maintained and that necessary repairs are being made thereto, (iii) prepare or cause to be prepared all reports of operations which are to be furnished to the Partners or which are required by any Lender or Agency, (iv) elect to defer the commencement of the Credit Period for all or any portion of the Tax Credits allowable to the Partners under Section 42(g) of the Code, to the extent that any such deferral may be in the best economic interest of the Investor Limited Partner or shall otherwise be requested by the Investor Limited Partner, (however, such deferral shall not serve to reduce any Credit Deficiency unless the deferral is requested by the Investor Limited Partner) (v) cause the Project to be insured against fire and other risks covered by such insurance in the maximum amount required by any Lender and/or the Agency or, following termination of the Regulatory Agreement, good management practices, in any event in an amount equal to the full replacement value of the Improvements, (vi) obtain and keep in force during the term of the Partnership adequate business or rental interruption and workmen's compensation insurance satisfactory to each Lender and Agency, (vii) obtain and keep in force during the term of the Partnership public liability insurance for the benefit of the Partnership and its Partners in amounts from time to time reasonably acceptable to the Agency and the Lenders, (viii) enforce all contracts entered into for the benefit of the Partnership, (ix) rehabilitate and operate the Property in compliance with all applicable Hazardous Waste Laws, and (x) do all other things which may be reasonably necessary to manage the affairs and business of the Partnership. Further, in the event of any casualty and provided that the insurance proceeds shall be made available therefor, the General Partner shall repair any damage to the Project which was caused by such event, so as to restore the Project (as nearly as possible) to the condition and status thereof immediately prior to such occurrence. All of the insurance policies required by this Section 7.4A shall (a) be written by insurance companies rated A or better by Best's, (b) include the Investor Limited Partner as a named insured, and (c) include a provision requiring the insurance company to notify the Investor Limited Partner in writing 30 days prior to the cancellation of any such policy. In addition, the General Partner shall promptly provide the Investor Limited Partner or its representatives with copies of such insurance policies upon request from time to time. The General Partner shall review regularly all of the Partnership and Project insurance coverage to insure that it is adequate. In particular, the General Partners shall review at least annually the insurance coverage required by Section 7.4A(v) to insure that it is in an amount at least equal to the then current full replacement value of the Improvements. In addition, the General Partner will insure that adequate insurance coverage is maintained at all times including liability insurance of not less than \$3,000,000.00 per occurrence with a \$5,000,000 umbrella coverage including fire, theft, hazard and liability insurance for replacement costs and all such policies to have the Investor Limited Partner named as an additional insured. The Investor Limited Partner may require earthquake insurance if a seismic report for the Apartment Complex discloses a Probable Maximum Loss rating greater than 20%. The maximum probable earthquake used to calculate this loss is defined as the event that has a 10% chance of exceedance in a 50-year exposure period (475-year event). If an earthquake insurance policy is required pursuant to the preceding sentence, such insurance shall satisfy the

requirements of the Lender or, if Lender is not requiring earthquake insurance, on the same basis as is then being obtained by the General Partner or its Affiliates on its other properties, and such earthquake insurance coverage shall remain in place throughout the construction period until the later of (i) Conversion (as defined in the Bond Documents) or (ii) receipt of an updated seismic report for the Apartment Complex that discloses a Probable Maximum Loss rating of less than 20%, as long as the earthquake insurance coverage continues to meet these criteria. The General Partner shall purchase and maintain an insurance policy reasonably acceptable to the Investor Limited Partner covering acts of terrorism (policies consistent with those provided to GMAC on other recent transactions shall be deemed acceptable). The terrorism insurance policy shall be obtained by the General Partner on behalf of the Partnership on such form as is required by the Lender, or such other coverage as is commercially reasonable, and such coverage shall remain in place throughout the Compliance Period as long as it continues to meet these criteria. The Investor Limited Partner acknowledges and agrees that such earthquake and/or terrorism insurance may be obtained on a blanket coverage basis. The failure of the General Partner to obtain and maintain terrorism insurance in accordance with this paragraph, shall be deemed by the parties as sufficient grounds for removal pursuant to Section 4.5 (iv).

B. Subject to the terms of the Project Documents, the requirements of Section 42 of the Code and the Regulatory Agreements, the General Partner shall use reasonable efforts consistent with sound management practice to cause the Project to maximize income produced by the Project, including, if necessary, seeking any necessary approvals of, and implementing, appropriate adjustments in the rent schedule of the Property.

C. The General Partner shall hold for occupancy such percentage of the apartments in the Project in such a manner as to qualify the apartment units comprising the Project as a "qualified low income housing project" under Section 42(g) of the Code as interpreted from time to time in regulations and rulings promulgated thereunder. The General Partner shall not take any action which would cause the termination or discontinuance of the qualification of the Project as a "qualified low income housing project" under Section 42(g) of the Code or which would cause the recapture of any Tax Credits without the Consent of the Investor Limited Partner.

D. The General Partner shall prepare and submit, or cause to be prepared and submitted, to the Secretary of the Treasury (or any other Agency designated for such purpose), on a timely basis, any and all annual reports, information returns and other certifications and information and shall take any and all other action required (i) to insure that the Partnership (and its Partners) will continue to qualify for the Tax Credits for all Low Income Units in the Project and (ii) unless the Consent of the Investor Limited Partner is received to act otherwise in a particular instance, to avoid a Recapture Event.

E. The General Partner agrees that, except as provided in or contemplated by Article III, neither it nor any Related Person will at any time bear the economic risk of loss for payment of any Mortgage Loan. The General Partner agrees that it will not cause any Limited Partner at any time to bear the economic risk of loss for payment or performance under any Note or Mortgage; provided, however, that the Limited Partners shall be liable for the performance of their obligations set forth in this Agreement and as provided in Article III. Each Limited Partner

agrees not to take any action which would cause it to bear the economic risk of loss for payment of any Mortgage Loan.

F. The General Partner shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in their immediate possession or control. The General Partner shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the Partnership.

G. No General Partner shall contract away the fiduciary duty owed at common law to the Limited Partners.

H. The General Partner shall (i) not, nor shall any Affiliate of the General Partner or any Person whose conduct any General Partner or Affiliate of the General Partner is or was responsible, knowingly store (except in compliance with applicable Hazardous Waste Laws) or dispose of any Hazardous Material at the Project, or at or on any other Facility or Vessel owned, occupied, or operated by the General Partner; (ii) neither directly nor indirectly knowingly transport or arrange for the transport of any Hazardous Material (except in compliance with applicable Hazardous Waste Laws); (iii) provide the Limited Partners with written notice (x) upon any General Partner's obtaining knowledge of any potential or known release, or threat of release, of any Hazardous Material at or from the Project or any other Facility or Vessel owned, occupied, or operated by any General Partner, any Affiliate of a General Partner or any Person for whose conduct any General Partner or Affiliate of a General Partner is or was responsible or whose liability may result in a lien on the Project; (y) upon any General Partner's receipt of any written notice to such effect from any Federal, state, or other governmental authority; and (z) upon any General Partner's obtaining knowledge of any incurrence of any expense or loss by any such governmental authority in connection with the assessment, containment, or removal of any Hazardous Material for which expense or loss any General Partner may be liable or for which expense or loss a lien may be imposed on the Project.

I. Notwithstanding the foregoing, if requested to do so by the Consent of the Investor Limited Partner, at any time after the date which is thirty-six (36) months after the Compliance Period (as defined in Section 42(i)(1) of the Code), the General Partner shall submit a written request to the Credit Agency to find a Person to acquire the Partnership's interest in the low-income portion of the Project and/or take such other action permitted or required by the Code as the Investor Limited Partner may reasonably request to effect a sale of the Project or to terminate the Extended Use Commitment of Section 42(h)(6)(B) of the Code.

J. In the event any deferred portion of the Developer Fee is still outstanding immediately prior to the end of the thirteen (13) year period following the placed in service date of the first Building of the Apartment Complex, the General Partner shall make an additional Capital Contribution to the Partnership in an amount equal to such outstanding amount, prior to the end of such thirteenth (13th) year. Such additional Capital Contribution shall be used solely to pay the outstanding deferred Developer Fee. Such Capital Contribution shall be returned to the General Partner to the extent available from Distributions of Cash Flow or proceeds from a Sale or Refinancing in the same priority, but prior to, the repayment of Subordinated Loans of the General Partner.

Section 7.5 Representations and Warranties; Certain Indemnities

A. The General Partner, to the extent of its actual knowledge, represents and warrants to the Investor Limited Partner that the following are true as of the date hereof and will be true on the due date for each Installment:

(i) The Partnership is a duly organized limited partnership validly existing under the laws of the State and has complied with all recording requirements with each proper governmental authority necessary to establish the limited liability of the Limited Partners as provided herein.

(ii) No litigation or proceeding against the Partnership, any General Partner, the Builder or the Developer, nor any other litigation or proceeding directly affecting the Project, is to its knowledge pending before any court, administrative agency or other governmental authority which would, if adversely determined, have a material adverse effect on the Partnership, any General Partner, the Builder, the Developer or their respective businesses or operations, except for such matters as to which the likelihood of such a determination adverse to the Partnership is, in the opinion of Partnership Counsel or other counsel acceptable to the Investor Limited Partner, remote.

(iii) (a) To its knowledge, no default by any General Partner, any Affiliate thereof having any relationship with the Project, or the Partnership, in any material respect has occurred and is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default in any material respect) under any of the Project Documents.

(b) The Project Documents are in full force and effect subject to the limitations on enforceability (except to the extent fully performed in accordance with their respective terms).

(c) All replacement reserves are fully funded to the extent required by the Project Documents and this Agreement.

(d) To its knowledge, no default under the Bond Documents has occurred or is continuing.

(iv) No Partner or Related Person bears the economic risk of loss with respect to the indebtedness evidenced by any Note and secured by any Mortgage, except as may be permitted by Article III.

(v) To its knowledge, all building, zoning and other applicable certificates, permits and licenses necessary to permit the rehabilitation, repair, use, occupancy and operation of the Project have been obtained (or will be obtained in a timely manner) and neither the Partnership nor the General Partner has received any written notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any governmental authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been, or will be, cured and notices or citations which have been

withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction.

(vi) Based on its review of the Title Policy and its knowledge, the Partnership owns, or will own upon the payment of the First Installment of Capital Contribution, the fee simple interest in the Property and has good and marketable title thereto, free and clear of any liens, charges or encumbrances other than the Mortgage[s], matters set forth in the Title Policy delivered at Investment Closing, encumbrances the Partnership is permitted to create under Sections 2.4 and 7.1, and mechanics' or other liens which have been bonded or insured or reserved against in such a manner as to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the Partnership for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions set forth in the Title Policy delivered at Investment Closing has or will have a material adverse effect upon the construction or operation of the Project.

(vii) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Property by any General Partner or Affiliate thereof which is a corporation have been or will be duly authorized by all necessary corporate or other action, and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the charter or by-laws of any such corporation or any agreement by which any such corporation or any of its properties is bound, nor to its knowledge constitute a violation of any law, administrative regulation or court decree. Each such corporation is duly organized and validly existing under the law of the state of its incorporation.

(viii) No General Partner is in default in any material respect in the observance or performance of any provision of this Agreement to be observed or performed by such General Partner.

(ix) The Related Agreements are in full force and effect and to its knowledge no default by any party thereto (other than the Investor Limited Partner or its Affiliates) has occurred or is continuing thereunder (nor has there occurred any event which, with the giving of notice or the passage of time, or both, would constitute such a default in any material respect thereunder).

(x) No Event of Bankruptcy has occurred and is continuing with respect to the Partnership, any General Partner, the Developer.

(xi) All tax returns, financial statements, Schedules K-1 and reports due under Article XII which are then due have been properly filed and/or transmitted, as applicable.

(xii) No General Partner has ever: (i) knowingly owned, occupied, or operated a Facility or Vessel on which any Hazardous Material was or is stored, transported, or disposed of (except if such storage, transport or disposition was or is at all times in compliance with applicable Hazardous Waste Laws); (ii) directly or indirectly knowingly

transported, or arranged for transport, of any Hazardous Material (except if such transport was or is at all times in compliance with applicable Hazardous Waste Laws); (iii) caused or was legally responsible for any release of any Hazardous Material in violation of Hazardous Waste laws; (iv) received written notification from any Federal, state or other governmental authority of (x) any potential, known, or threat of release of any Hazardous Material from the Project or any other Facility or Vessel owned, occupied, or operated by any General Partner, Affiliate of a General Partner, or Person for whose conduct any General Partner or Affiliate of a General Partner is or was responsible or whose liability may result in a lien on the Project; or (y) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment, or removal of any release or threat of release of any Hazardous Material from the Project or any such Facility or Vessel.

(xiii) Except as disclosed to the Investor Limited Partner: (a) the Property is in compliance with all applicable Environmental Laws relating to the Property and the use of the Property, (b) the General Partner has not engaged in any Hazardous Substance Activity in violation of any applicable Environmental Laws with respect to the Property; (c) no investigations, inquiries, orders, hearing, actions or other proceedings by or before any governmental agency are pending or are threatened in connection with any Hazardous Substance Activity or alleged Hazardous Substance Activity; (d) the use of the Property for its intended purpose will not result in any Hazardous Substance Activity in violation of any applicable Environmental Laws; (e) no notice of any order, directive, complaint or other communication, written or oral, has been made or issued by any Governmental agency nor has Indemnitor received a written notice from any other third party alleging the occurrence of any Hazardous Substance Activity in violation of any application Environmental Laws or demanding payment or contribution for environmental damage or injury to the Property; (f) no underground storage tanks or underground Hazardous Substance deposits are or were located on the Property or were subsequently removed or filled and (g) the Property is in full compliance with the ADA laws.

(xiv) Prior to the First Installment, the Partnership will have received a Tax Credit Reservation in an annual amount not less than \$1,550,324.

(xv) Bonds have been or will be properly issued for the benefit of the Project in accordance with Section 142 (d) of the Code and the Project is or will be financed in accordance with Section 42(h)(4) of the Code. The General Partner shall use its best efforts to cause the Partnership to comply with the requirements of the Bond Documents, including owning and operating the Project as a "qualified residential rental project" within the meaning of Section 142(d) of the Code for the required period.

(xvi) Based upon information currently available to the General Partner, at least 50% or more of the aggregate basis of the land and building will be financed with tax-exempt bond proceeds and the entire Project is eligible for credits without receiving a LHC allocation.

B. The General Partner agrees promptly to indemnify, defend, and hold harmless the Partnership and the Limited Partners from and against any claims, costs, litigation, proceedings, investigations, loss, damage, liability, fine, penalty, assessment or expense and/or loss from the Partnership to the Investor Limited Partner (as well as from and against any and all attorneys' fees and other costs and expenses incurred in connection therewith) on account of the presence or escape of any Hazardous Material at or from the Property (or at any other location) or arising from, or as a result of, or relating to, any Hazardous Substance, Hazardous Substance Activity or violation of Environmental Laws, or violation of ADA Laws, on the, or adversely affecting the Property (collectively referred to as "Environmental Liability"). Any claim, loss, damage or liability described in the immediately preceding sentence may be defended, compromised, settled, or pursued by the Limited Partners with counsel of the Limited Partners' selection, but at the expense of the General Partner. Notwithstanding anything else set forth in this Agreement, this indemnification shall survive the withdrawal of any General Partner and/or the termination of this Agreement.

Section 7.6 Indemnification

Each General Partner (including any Retired General Partner) shall be indemnified by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by him or it in connection with the Partnership from parties other than the Partnership or the Investor Limited Partner, provided that the same were not the result of: (w) willful misconduct, (x) incompetence, (y) reckless disregard for the Partnership's welfare, (z) or dereliction of duty, on the part of the General Partner or any of its "Designated Affiliates" (as such term is defined in Section 7.7B.) and were the result of a course of conduct which the General Partner, in good faith, determined was in the best interest of the Partnership. Any indemnity under this Section 7.6 shall be provided out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof; provided, however, that no indemnification shall be provided for any losses, liabilities or expenses arising from or out of any alleged violation of federal or state securities laws by the General Partner unless (1) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves indemnification of litigation costs; (2) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves indemnification of litigation costs; or (3) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made. In any claim for indemnification in connection with a settlement which was so approved, the party seeking indemnification shall place before the court the position of the Securities and Exchange Commission and the relevant State Securities Commission and any state securities administrator whose rules or published policies require such disclosure with respect to the issue of indemnification for securities law violations.

Section 7.7 Liability of General Partner to Limited Partners

A. No General Partner shall be liable, responsible or accountable for damages or otherwise to the Partnership or to any Limited Partner for any loss suffered by the Partnership which arises out of any action or inaction of such General Partner if that General Partner, in good faith, determined that such course of conduct was in the best interests of the Partnership and such

course of conduct did not constitute willful misconduct, incompetence, reckless disregard for the Partnership's welfare or dereliction of duty on the part of that General Partner or Designated Affiliate.

Section 7.8 Reserves

The General Partner shall establish all reserves required by any of the Project Documents and Bond Documents and maintain them in accordance with the terms thereof. At their discretion, the General Partner may establish such additional reserves, or may hold back cash for payment of anticipated costs or expenses, as may be reasonably necessary.

B. Additionally, the General Partner shall establish a reserve account for capital replacements, which account shall be funded by annual deposits as set forth in the Project Documents. Withdrawals from such reserve shall be utilized solely to fund capital repairs and improvements, or schedule maintenance or turnover costs, deemed necessary by the General Partner and shall be made in accordance with the Project Documents. All withdrawals must be disclosed in writing to the Investor Limited Partner within 14 days thereof. Such withdrawals may be expensed or capitalized as determined by the General Partner in consultation with the Investor Limited Partner.

Section 7.9 Obligation To Provide for Project Expenses

The General Partner agrees that [during the "Coverage Period" as set forth herein], if the Partnership requires funds, beyond that available from Cash Flow to: (i) discharge Project Expenses (other than to make payments to Partners, payments of any outstanding Subordinated Loans or other obligations herein provided to be payable solely out of Cash Flow or distributions of Capital Proceeds) during or in respect of the period commencing on the Admission Date or comply with Tax Credit rules or regulations, (ii) pay the Asset Management Fee or (iii) assure maintenance by the Partnership of Surplus Cash of at least \$1.00 at all times during such period, the General Partner shall furnish to the Partnership the funds required (subsections (i) through (iii) are referred to herein as the "Expense Obligations"). All amounts so furnished shall constitute Subordinated Loans and shall be limited to a maximum aggregate amount equal to the Developer Fee for the Coverage Periods. Any such Subordinated Loan shall not be interest-bearing and shall be repayable only as provided in Article VI. The "Coverage Period" consists of the period ending five (5) consecutive years following the Fifth Installment of Capital Contribution in which no year has a debt coverage ratio that is less than 1.20, as determined by the Accountants. For purposes of this Section 7.9, debt coverage ratio shall mean the difference between Gross Collected Income for the applicable year and Project Expenses for the applicable year (other than principal and interest payments on the Permanent Mortgage Loan) divided by regularly scheduled principal and interest payments with respect to the Permanent Mortgage Loan for the applicable year.

Failure to timely pay any Expense Obligations within thirty (30) days of written notice to pay the Expense Obligation shall be grounds for removal of the General Partner from the Partnership. However, if the removal is initiated against the General Partner at any time the General Partner is not within a Coverage Period for failure to timely pay any Expense Obligations, the General Partner shall not be liable for any accrued but unpaid Expense

Obligations initially arising after the Coverage Period, such subsequent amount to be forgiven upon the uncontested removal of the General Partner from the Partnership.

Section 7.10 Certain Payments to the General Partner and Affiliates

A. For its services in connection with the development of the Property and the supervision to completion of the rehabilitation of the Improvements and as reimbursement for Development Advances, the Developer shall be entitled to receive the amounts set forth in the Development Agreement. For their services in connection with the Property and the Partnership the General Partner shall be entitled to receive certain fees as set forth in this agreement. To the extent permissible pursuant to Section 707(c) of the Code (Regulation Section 1.707-1(c)) such payments of fees to General Partner shall be treated as "guaranteed payments" as defined therein.

B. All of the Partnership's expenses shall be billed directly to, and paid by, the Partnership to the extent practicable. Subject to the terms of this Agreement, reimbursements to a General Partner or any of its Affiliates by the Partnership shall be made subject to the following conditions:

(i) Such goods or services must be necessary for the prudent formation, development, organization or operation of the Partnership;

(ii) Reimbursement for goods or services provided by Persons who are not affiliated with a General Partner shall not exceed the cost to a General Partner or its Affiliates of obtaining such goods or services; and

(iii) Reimbursement for goods and services obtained directly from a General Partner or its Affiliates shall not exceed the amount the Partnership would be required to pay independent parties for comparable goods and services in the same geographic location.

C. The Partnership shall pay to the Investment Manager of the Investor Limited Partner an Asset Management Fee as previously set forth in this Agreement. The Asset Management Fee shall be payable from Cash Flow or Capital Proceeds (or from the General Partner's Subordinated Loan) as provided in Section 6.2.

D. The Partnership shall pay to the General Partner a non-cumulative annual Partnership Management Fee in an amount equal to 3.5% of the Partnership's Gross Collected Income; provided, however, that should the amount of the Management Fee payable to the Management Agent increase from 4% of Gross Collected Income to 5% of Gross Collected Income, the Partnership Management Fee shall be decreased to 2.5% of Gross Collected Income. The Partnership Management Fee shall be due and paid annually beginning thirty (30) days after Final Closing. The Partnership Management Fee shall be payable solely from Cash Flow or Capital Proceeds as provided in Section 6.2.

E. The Partnership shall pay to the General Partner: (i) a non-cumulative Incentive Management Fee payable solely out of Cash Flow pursuant to Section 6.2A, to the extent available, in an amount equal to 7% of the Gross Revenues of the Project for the immediately preceding fiscal year (as determined by the Accountants); and (ii) in any year in which a Capital

Transaction occurs, a Capital Transaction Disposition Fee payable solely out of Capital Proceeds pursuant to Section 6.2B hereof, to the extent available, in an amount equal to 6% of the sale proceeds derived from such Capital Transaction (as determined by the Accountants).

F. In the event the actual annual Cash Flow of the Partnership for any fiscal year of the Partnership after Final Closing exceeds the annual projected Cash Flow of the Partnership for such fiscal year, which projected Cash Flow for each fiscal year is set forth on the schedule attached hereto as Exhibit "C" and incorporated herein by reference, the Partnership may, in the sole discretion of the Investor Limited Partner, pay to the General Partner, a fee equal to the difference between such actual Cash Flow and projected Cash Flow for the applicable fiscal year. Any such payment shall be distributed prior to the end of the fiscal year and shall be deemed paid as of the end of the fiscal year even if distributed after such period. In the event the Investor Limited Partner elects not to pay such fee to the General Partner, the projected Taxable Losses for such fiscal year contained on Exhibit "B" attached hereto shall be reduced by the difference between the actual Cash Flow for such fiscal year and the projected Cash Flow for such fiscal year as set forth on Exhibit "C" attached hereto and any adjustment to the Investor Limited Partner's Capital Contribution pursuant to Section 5.2G shall be calculated based upon the projected Taxable Losses, as reduced pursuant to this sentence.

H. Neither the General Partner nor any of its Affiliates shall be entitled to any other compensation, fees or profits from the Partnership in connection with the acquisition, rehabilitation, development or rent-up of the Land or Improvements or for the administration of the Partnership's business or otherwise, except for (i) payments provided for or referred to in Sections 2.4(v) or 7.10, (ii) payments of the Management Fee referred to in Article XI or the Incentive Management Fee and Development Fee set forth in the Development Agreement, (iii) fees and distributions under Article VI and (iv) such other fees and distributions as otherwise stated herein, or as negotiated with the Limited Partners or as may be permitted to be paid by the Lenders or the Agency out of the proceeds of any Mortgage Loan or as provided in the Bond Documents or the other agreements executed in connection with this Agreement.

Section 7.11 Several Obligations

Subject to Section 7.7C, any obligations of a General Partner hereunder are several but not joint obligations of the General Partner, except as herein expressly provided to the contrary. Protech shall be indemnified as to all joint and several liabilities of the Partnership until such time as Protech takes any action hereunder pursuant to Section 7.14.

Section 7.12 Grant of Security Interest

In order to secure the performance by the General Partner and the Developer of their obligations to the Investor Limited Partner under this Agreement and all other agreements or instruments delivered concurrently herewith, the General Partner and the Developer hereby collaterally assign to the Investor Limited Partner all amounts otherwise payable to the General Partner and the Developer under this Agreement and the Development Agreement (as fees, distributions and deductions), which assignment shall be deemed a grant of a security interest. However, the security interest granted herein shall not be deemed a security interest in the General Partner Interest itself, but only in the fees, distributions and deductions arising therefrom.

up to the amount due to the Investor Limited Partner from the General Partner and the Developer, it being understood that any foreclosure of such lien shall only be for that portion of the distributions, fees and deductions necessary to satisfy the amount payable hereunder and shall not extend to any other fees, distributions and deductions. The General Partner and the Developer hereby represent and warrant to the Investor Limited Partner that the security interest granted hereunder is and shall remain a security interest in the collateral herein described subject and subordinate to the Bond Documents, the Mortgage Loan Documents and the Permanent Mortgage Loan. At the request of the Investor Limited Partner, the General Partner and the Developer shall execute such documents and take such other actions as may be reasonably necessary or appropriate, upon the written request of the Investor Limited Partner, to further evidence and perfect the security interest granted hereby.

Notwithstanding any of the foregoing, unless and until there occurs an event of default of a material obligation of the General Partner or Developer hereunder, the Investor Limited Partner agrees to forebear exercising their rights to all fees payable to Developer or the General Partner, and the Developer or the General Partner shall have the right to receive all such fees and retain and enjoy the same. Upon payment of all amounts due to the Investor Limited Partner from the General Partner and the Developer, such security interest shall be terminated.

Section 7.13 Tax Matters Partner

A. The Tax Matters Partner ("TMP") for the Partnership shall be the General Partner serving in such capacity from time to time.

B. The TMP shall have the right to resign as the TMP by giving thirty (30) days written notice to each Partner, provided there is another General Partner willing to serve in such capacity. Upon the resignation, death, legal incompetency or Event of Bankruptcy of the Person serving as the TMP, any successor to the interest of the TMP pursuant to the applicable provisions of this Section 7.13 shall be designated as the successor TMP, but such designee shall not become the TMP until the designation of such Person has been approved by the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld or delayed.

C. The TMP shall employ experienced tax counsel to represent the Partnership in connection with any audit or investigation of the Partnership by the Service, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Partnership expense and shall be paid by the Partnership. Such counsel shall be responsible for representing the Partnership; it shall be the responsibility of the General Partner and of the Investor Limited Partner, at their expense, to employ tax counsel to represent their respective separate interests.

D. The TMP shall keep the Partners informed of all administrative and judicial proceedings, as required by Section 6623(g) of the Code, and shall furnish to each Partner who so requests in writing, a copy of each notice or other communication received by the TMP from the Service (except such notices or communications as are sent directly to such requesting Partner by the Service). All third party costs and expenses incurred by the TMP in serving as the TMP shall be Partnership expenses and shall be paid by the Partnership.

E. The TMP shall not have the authority, unless such action has been approved by the Consent of the Investor Limited Partner, to do all or any of the following:

- (i) To enter into a settlement agreement with the Service which purports to bind partners other than the TMP,
- (ii) To file a petition as contemplated in Section 6226(a) or 6228 of the Code,
- (iii) To intervene in any action as contemplated in Section 6226(b) of the Code,
- (iv) To file any request contemplated in Section 6227(b) of the Code, or,
- (v) To enter into an agreement extending the period of limitations as contemplated in Section 6229(b)(1)(B) of the Code.

F. The relationship of the TMP to the other Partners is that of a fiduciary, and the TMP has a fiduciary obligation to perform its duties in such manner as will serve the best interests of the Partnership and the Partners.

G. The Partnership shall indemnify the TMP (including the officers and directors of a corporate TMP) from and against judgments, fines, amounts paid in settlement, and expenses (including attorneys' fees) reasonably incurred by them in any civil, criminal or investigative proceeding in which they are involved or threatened to be involved by reason of being the TMP, provided that the TMP acted in good faith, within what is reasonably believed to be the scope of its authority and for a purpose which it reasonably believed to be in the best interests of the Partnership or the Partners. The TMP shall not be indemnified under this provision against any liability to the Partnership or its Partners to any greater extent than the indemnification allowed by Section 7.6 of this Agreement. The indemnification provided hereunder shall not be deemed to be exclusive of any other rights to which those indemnified may be entitled under any applicable statute, agreement, vote of the Partners, or otherwise.

Section 7.14 Special Limited Partner

Unless the General Partner is removed in accordance with the provisions of Section 4.5, the Special Limited Partner shall have no right or authority to act in any capacity on behalf of the Partnership to vote on or approve any Partnership matters or to represent or bind the Partnership in any capacity or in any manner. If FF Barrington LLC shall be removed in accordance to Section 4.5, the Special Limited Partner shall be the General Partner subject to the Consent of the Investor Limited Partner.

ARTICLE VIII

Withdrawal of a General Partner; New General Partner

Section 8.1 Voluntary Withdrawal

A. No General Partner shall have the right to withdraw or retire voluntarily from the Partnership or sell, assign or encumber his or its Interest without the Consent of the Investor Limited Partner and, if required, any Requisite Approvals; provided however, that the Consent of the Investor Limited Partner shall not be withheld for any transfer made to an Affiliate of the General Partner of substantially equivalent net worth and liquidity (or such net worth and liquidity is guaranteed by the General Partner) and either comparable management experience or such Affiliate remains owned, either directly or indirectly, not less than 51% by Fairfield Residential, LLC.

B. Notwithstanding the foregoing, a General Partner may at any time propose to the Investor Limited Partner a Person to serve as his or its successor, or if at such time there be more than one General Partner, to serve as a successor to one or more of the General Partners desiring to withdraw. If the Consent of the Investor Limited Partner is obtained, and all Requisite Approvals are obtained to such withdrawal and the admission of such successor, all Partners hereby agree that this Agreement and the Certificate shall be appropriately amended to effect such withdrawal and admission.

Section 8.2 Right To Continue

In the event of the occurrence of a Terminating Event with respect to any General Partner, the remaining General Partner, if any, and any successor General Partner, shall have the right to elect to continue the business of the Partnership employing its assets and name, all as contemplated by the laws of the State. Within thirty (30) days after the occurrence of such Terminating Event, the remaining General Partner, if any, shall notify the Investor Limited Partner thereof and of their decision whether or not to continue the business of the Partnership.

Section 8.3 Successor General Partner

A. Upon the occurrence of any Terminating Event referred to in Section 8.2, the remaining General Partner may (but are not required to) designate a Person to become a successor General Partner to the General Partner as to whom such event shall have occurred. Any Person so designated, subject to the Consent of the Investor Limited Partner (and, if required by the Act or any other applicable law, the consent of any other Partner so required), shall become a successor General Partner upon its written agreement to be bound by the Project Documents and by the provisions of this Agreement.

B. If any Terminating Event referred to in Section 8.2 shall occur at a time when there is no remaining General Partner and no successor becomes a successor General Partner pursuant to the preceding provisions of this Section 8.3 or if the remaining General Partners do not elect to continue the business of the Partnership (in which case such Partners shall also be considered "Retired General Partners" for purposes of this Article VIII), then the Investor Limited Partner shall have the right to designate a Person to become a successor General Partner upon his or its written agreement to be bound by the Project Documents and by the provisions of this Agreement.

C. If the Investor Limited Partner elects to reconstitute the Partnership pursuant to this Section 8.3 and admit a successor General Partner pursuant to this Section 8.3, the relationship of the parties in the reconstituted Partnership shall be governed by this Agreement.

Section 8.4 Interest of Predecessor General Partner

A. Except as provided in Sections 8.1 or 8.3, no assignee or transferee of all or any part of the Partnership Interest of a General Partner shall have any automatic right to become a General Partner. Upon the designation of a successor General Partner (if any) pursuant to Section 8.3, and if such Terminating Event was the result of a removal pursuant to Section 4.5A(iv)(1), (5) or (9), such Partner shall have the option to acquire the predecessor General Partner's Partnership Interest by paying to such General Partner or its representatives the fair market value of such Partnership Interest (provided that if the predecessor General Partner is in violation of any of the covenants or undertakings contained in this Agreement, or has violated any representation or warranty contained herein, the designated successor General Partner may pay such amount into escrow until such violation has been corrected). Any dispute as to such fair market value or as to the final disposition of such amount shall be settled by Arbitration in accordance with the procedures set forth herein.

B. Upon the occurrence of a Terminating Event as to any General Partner which is the result of a removal pursuant to Section 4.5A(iv)(2), (3), (4), (6), (7), (8) or (9), such General Partner (the "Retired General Partner") shall be deemed to have the General Partnership Interest of such Retired General Partner converted to that of a Limited Partner Interest and shall become a Special Limited Partner with the right to receive its share of the Profits, Losses, Tax Credits, fees and distributions of the Partnership to which the Retired General Partner as such, would have been entitled had such Terminating Event not occurred, less the amount of such items which is reasonably necessary to compensate the remaining or incoming General Partner, and such Retired General Partner (or his legal representatives in the case of a deceased General Partner) shall not be considered to be a Limited Partner for the purpose of sharing the benefits allocated to the Limited Partners under Article VI hereof and shall not participate in the votes or consents of the Limited Partners hereunder any dispute under this Section 8.4C shall be settled by an arbitration in accordance with Section 13.7 D (iv).

C. Anything herein contained to the contrary notwithstanding, any General Partner who withdraws voluntarily in violation of Section 8.1 or is removed shall remain liable for all of its obligations under this Agreement, for its obligations under the Related Agreements and the Project Documents, for all its other obligations and liabilities hereunder incurred or accrued prior to the date of its withdrawal and for any loss or damage which the Partnership or any of its Partners may incur as a result of such withdrawal, except for any loss or damage attributable to the activities of the remaining and/or successor General Partner subsequent to such withdrawal or removal.

Section 8.5 Designation of New General Partners

A. A General Partner may, with the written consent of all Partners, provided that the consent of all Partners shall not be required for a permitted transfer under Section 8.1, at any

time designate one or more new General Partners with such General Partnership Interest(s) as the General Partner may specify.

B. Any new General Partner shall, as a condition of receiving any interest in Partnership Property, agree to comply with the terms of the Project Documents and by the provisions of this Agreement to the same extent and on the same terms as any other General Partner.

Section 8.6 Amendment of Certificate; Approval of Certain Events

A. Upon the admission of a new General Partner, pursuant to the preceding provisions of this Article VIII, the Schedule shall be amended to reflect such admission and an amendment to the Certificate, also reflecting such admission, shall be filed in the manner and to the extent required by the Uniform Act.

B. Each Partner hereby consents to and authorizes any admission or substitution of a General Partner or any other transaction, including, without limitation, the continuation of the Partnership business, which has been authorized by the requisite percentage of Partners under the provisions of this Agreement, subject to the provisions of Section 8.7, and hereby ratifies and confirms each amendment of this Agreement and/or the Certificate necessary or appropriate to give effect to any such transaction.

Section 8.7 Admission of a General Partner

Except for a permitted transfer pursuant to Section 8.1, notwithstanding any other provisions of this Agreement, no Person shall be admitted as an additional or successor General Partner without the written approval of all Partners and, unless the consummation of such transaction will not cause (i) the Partnership to be treated as an "association" for federal income tax purposes, or (ii) the Limited Partners to be deemed to be taking part in the control of the business of the Partnership within the meaning of the Uniform Act.

ARTICLE IX

Transfer of Limited Partner Interests; Additional Limited Partners

Section 9.1 Right To Assign

The Investor Limited Partner may not make a voluntary assignment of the whole or any portion of its Partnership Interest without the written consent of the General Partner, which said consent may not be unreasonably withheld. Consent to assignments of the Investor Limited Partner's Interest shall be withheld, among other reasons, to the extent necessary to preserve the Partnership's tax status and attributes and to comply with securities laws. Notwithstanding the foregoing, in no event shall any assignee of a Limited Partner have any right to become a Substitute Limited Partner without compliance with all applicable provisions of this Article IX.

Section 9.2 Restrictions

A. No sale or exchange of the Interest of any Person as a Limited Partner shall be made if such sale or exchange would violate the Regulations, except a sale pursuant to the Purchase Obligation.

B. In no event shall all or any part of a Limited Partner's Interest be assigned or transferred to a minor or to an incompetent.

C. The General Partner may require as a condition of any assignment of any Interest that the assignor assume all costs incurred by the Partnership in connection therewith.

D. Any assignment in contravention of any of the provisions of Section 9.1 or this Section 9.2 shall be void and ineffectual and shall not bind, or be recognized by, the Partnership.

Section 9.3 Substitute Limited Partners

A. No Limited Partner shall have the right to substitute an assignee as a Limited Partner in his place. The General Partner, however, may in its exclusive discretion permit any such assignee to become a Substitute Limited Partner and any such permission by the General Partners shall be binding and conclusive without the consent or approval of any other Person, except, if required, any Requisite Approvals. Any Substitute Limited Partner shall, as a condition of receiving any interest in the Partnership assets, agree to be bound (to the same extent as his assignor was bound) by the Project Documents and by the provisions of this Agreement.

B. Upon the admission of a Substitute Limited Partner, the Schedule shall be amended to reflect the name and address of such Substitute Limited Partner and to eliminate the name and address of his assignor and, if necessary, an amendment to the Certificate reflecting such admission shall be filed in accordance with the Uniform Act at least once each calendar quarter during which a Substitute Limited Partner is admitted, in order to effect the substitution thereof. Each Substitute Limited Partner shall execute such instrument or instruments as shall be required by the General Partner to signify its agreement to be bound by all the provisions of this Agreement.

Section 9.4 Assignees

A. In the event of the death or incapacity or dissolution of any Limited Partner, his or its legal representatives shall have such rights as are afforded them by the Uniform Act. The death or dissolution of a Limited Partner shall not dissolve the Partnership.

B. An assignee of a Limited Partner who does not become a Substitute Limited Partner in accordance with Section 9.3 shall, if such assignment is in compliance with the terms of this Agreement, have the right to receive the same share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled if no such assignment had been made by such Limited Partner but shall have no voting or approval or other rights granted to the Limited Partners.

C. Any Limited Partner who shall assign all its Interest shall cease to be a Limited Partner of the Partnership, and shall no longer have any rights or privileges or obligations of a

Limited Partner except that, unless and until the assignee of such Limited Partner is admitted to the Partnership as a Substitute Limited Partner in accordance with Section 9.3, said assigning Limited Partner shall retain the statutory rights and be subject to the statutory obligations of an assignor limited partner under the Uniform Act as well as the obligation to make the Capital Contributions attributable to the Interest in question, if any portion thereof remains unpaid.

D. In the event of any assignment of a Limited Partner's Interest as a Limited Partner, there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such assignment; such instrument must evidence the written acceptance of the assignee to all the terms and provisions of this Agreement; and if such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose.

E. In the case of any assignment of a Limited Partner's Interest as a Limited Partner, where the assignee does not become a Substitute Limited Partner, the Partnership shall recognize the assignment not later than the last day of the calendar month following receipt of notice of assignment and required documentation.

F. An assignee of a Limited Partner's Interest as a Limited Partner who does not become a Substitute Limited Partner as provided in Section 9.3 and who desires to make a further assignment of his Interest shall be subject to the provisions of this Article IX to the same extent and in the same manner as any Limited Partner desiring to make an assignment of its Interest.

Section 9.5 Additional Limited Partners

A. The General Partner may admit additional Limited Partners only with the Consent of the Investor Limited Partner.

B. Any incoming Limited Partner shall, by his or its execution of this Agreement and as a condition to receiving any interest in the Partnership property, agree to be bound by the Project Documents to the same extent and in the same terms as the other Limited Partners.

C. Upon the admission of any additional Limited Partners, an amendment to this Agreement and, if necessary or appropriate, the Certificate reflecting such admission shall be filed with each appropriate governmental authority. Such amendment shall amend the Schedule to reflect the names, addresses and Capital Contributions of such additional Limited Partners, and shall set forth the agreement of such additional Limited Partners to be bound by all the provisions of this Agreement.

ARTICLE X

Loans

A. All Partnership borrowings shall be subject to the restrictions of Section 7.1, this Article, the Project Documents and the Regulations. To the extent borrowings are permitted, they may be made from any source, including Partners and Affiliates. The Partnership may issue instruments evidencing Subordinated Loans pursuant to Section 7.9.

B. If any Partner shall lend any monies to the Partnership, such loan shall be unsecured and the amount of any such loan shall not be an increase of its Capital Contribution. Until such time as the General Partner and the Developer shall have performed fully their obligations to furnish funds pursuant to Section 7.9 hereof and pursuant to the Development Agreement, any loan from a General Partner or an Affiliate of a General Partner shall be an obligation of the Partnership to the Partner or Affiliate only if it constitutes a borrowing permitted by Section 7.9 or pursuant to the Development Agreement and shall be repayable as therein provided. Subject to the preceding, any loans to the Partnership by a General Partner or an Affiliate of a General Partner may be made on such terms and conditions as may be agreed on by the Partnership, consistent with good business practices.

C. Any amounts distributed to the General Partner pursuant to the first sentence of Section 6.2A(ii) of this Agreement shall be considered a 'Development Cost'. Notwithstanding the provisions of Section 3 of the Development Agreement, in the event Designated Proceeds (as defined in the Development Agreement) as available from time to time are insufficient to pay all Development Costs (as defined in the Development Agreement), the General Partner hereby agrees to loan to the Partnership from time to time, as needed, all such funds as are required to pay such deficiencies; provided however, that the aggregate amount off such loans shall not exceed an amount equal to sixty-five percent (65%) of the sums distributed to the General Partner pursuant to first sentence of Section 6.2A(ii) of this Agreement. Any such loan by the General Partner shall be considered a Subordinated Loan which shall not be interest bearing and shall be repayable only as provided by Article VI of this Agreement. Any amounts loaned by the General Partner to the Partnership pursuant to this section shall reduce any Development Advance required to be made by the Developer pursuant to the Development Agreement.

ARTICLE XI

Management Agent

A. Subject to the Consent of the Investor Limited Partner, the General Partner shall have responsibility for obtaining a Management Agent acceptable to each Lender and Agency to manage the Project in accordance with the requirements of each Lender and Agency. The General Partner shall cause the Partnership to enter into the Management Agreement with the Management Agent, which may be an Affiliate of a General Partner. Subject to the Regulations, the Management Agent shall be entitled to receive a reasonable and competitive Property Management Fee (determined by reference to arm's-length property management arrangements for comparable properties in force in the general locality of the Project) not to exceed the lesser of 5% of net rental income or the maximum amount permitted by each Agency or Lender. If at any time after the Completion Date:

(i) The Project fails to maintain a debt coverage ratio of at least 1.05 for any consecutive six (6) month period (exclusive of deferred Development Fees, Asset Management Fee and the Incentive Management Fee or other fees or distribution payable from Cash Flow or Capital Proceeds), or after the first nine (9) months following Final Closing, the occupancy of the Project for any six (6) consecutive months, and/or the average occupancy for any year, falls below 85%, unless, in either event: (a) the average occupancy level for multifamily properties similar in size and quality to the Project in the

Silver Spring, Maryland area for the applicable time period is less than 85%, or (b) such reduced occupancy is solely due to a hazardous condition or disastrous event which is beyond the control of the Management Agent (such as) fire damage or similar casualty or such other catastrophes or due to a notorious or highly publicized crime at or near the property, such crime not due to the negligent supervision of the Management Agent, the reasonable effect of which deters occupancy to the extent such 85% level of occupancy, or 1.05 ratio, as the case may be, is not reasonably attainable for such period,

(ii) The representation and warranty set forth in Section 7.5A(xi) cannot be accurately made or a Recapture Event arising from the management of the Low Income units shall have occurred,

(iii) The Management Agent or its agents or employees have demonstrated incompetence or malfeasance in the management of the Project,

(iv) The Management Agent shall fail to provide the required information to the General Partner in a timely manner to permit the General Partner to make all reports required by Article XII when due,

(v) An Event of Bankruptcy shall occur with respect to the Management Agent,

(vi) The Management Agent shall take any action or omit to take any action which violates in any material respect the terms of the Project Documents or any local, state or federal law applicable to the Tax Credits, and such is not cured within a reasonable time, or

(vii) The Management Agent is an Affiliate of a General Partner and the General Partner is removed as such under the terms of this Agreement.

Then, in any such event, the General Partner shall forthwith give to the Partners notice of such event, and thereafter the Partnership shall, subject to any Requisite Approvals, forthwith terminate its management agreement with the Management Agent, unless the Consent of the Investor Limited Partner is obtained to the retention of the Management Agent as the manager of the Property. If such approval is not so obtained, the General Partner shall immediately proceed to select a qualified Person (which, in the event the terminated Management Agent was an Affiliate of the General Partner, shall be unaffiliated with any General Partner) as the new Management Agent for the Property, which selection shall be subject to any Requisite Approvals including approval of the Investor Limited Partner and General Partner; and, after such selection, no Management Fee shall be payable to any Person which is an Affiliate of a General Partner after the date of termination unless the management contract with any such Person shall provide for the right of the Partnership to terminate the same upon the occurrence of the circumstance described in this Article XI.

ARTICLE XII

Books and Reporting, Accounting, Tax Elections, Etc.

Section 12.1 Books, Records and Reporting

A. The General Partner shall keep or cause to be kept:

(i) A complete and accurate set of books and supporting documentation of transactions with respect to the conduct of the Partnership's business. The books of the Partnership shall be kept on the accrual basis. The books and records of the Partnership (including all records required to be maintained under the Uniform Act) shall at all times be maintained at the principal office of the Partnership. Each of the Partners and their duly authorized representatives shall have the right to examine the books of the Partnership and all other records and information concerning the operation of the Property at reasonable times.

(ii) Prior to Final Closing, and within five (5) days of submission to the Lender, the General Partner shall cause to be distributed to the Limited Partners copies of the monthly draws of the Mortgage Loan along with copies of all change orders prior to each such draw, copy of the Certificate of Occupancy, if any is required to be obtained by the governmental authority having jurisdiction, copy of the certificates submitted to the Lender and a copy of an Insurance Binder listing the Limited Partners as an additional party to be notified as to any changes to the policy. Within fifteen (15) days of the closing thereto, the General Partner shall also provide to the Investor Limited Partner copies of all documents for the Permanent Mortgage Loan.

B. The General Partner shall cause to be prepared and distributed to all persons who were Partners at any time during a fiscal year of the Partnership:

(i) Within thirty (30) days of the Completion Date, a Credit Basis Worksheet for each Building of the Apartment Complex, in a form as specified by the Investment General Partner.

(ii) By November 1 of each calendar year, an operating budget incorporating all reasonably anticipated replacement and capital expenditures for the upcoming Fiscal Year of the Partnership, in the form specified by the Investor Limited Partner.

(iii) By March 1 of each calendar year, and with respect to the previous fiscal year of the Partnership, (A) a balance sheet as of the end of such fiscal year and statements of income, Partners' equity, and changes in financial position and a Cash Flow statement, for the year then ended, all of which, shall be prepared in accordance with generally accepted accounting principles and accompanied by an auditor's report containing an opinion of the Accountants (however, no audit shall be necessary if there is less than one quarter in which the Project has occupancy for such year), and (B) a report of the activities of the Partnership during the period covered by the report. Such report shall set forth distributions to Limited Partners for the period covered thereby and shall separately identify distributions from: (1) Cash Flow from operations during the periods, (2) Cash Flow from operations during a prior period which had been held as reserves, (3) proceeds from disposition of the Apartment Complex or any other investments of the Partnership, (4) lease payments on net leases with builders and sellers, (5) costs

reimbursed to any General Partner and its Affiliates verified by an accountant's review of time records and the specific nature of the work other than fees specifically provided herein, (6) reserves, (7) borrowed monies, loans and additional contributions and (8) transactions outside of the ordinary course of business with a description thereof.

(iv) By February 28 of each calendar year, and with respect to the previous fiscal year of the Partnership, (A) all information necessary for the preparation of the Limited Partners' federal income tax returns, (B) a qualifying occupancy summary in a format reasonably acceptable to the Investment General Partner.

(v) Within twenty-five (25) days of the end of each month for the first year and each quarter thereafter, low income housing credit monitoring form, rent rolls, statement of income and expenses, operating statement and occupancy/rental report, all in the form reasonably specified or approved by the Investment General Partner. Copies of the bank statements for all Reserve and Escrow accounts are also to be provided at these times (monthly mortgage statements will suffice where funds are held by the Lender).

(vi) Within thirty (30) days after the end of each quarter of each fiscal year of the Partnership, a report containing:

- (1) A balance sheet, which may be unaudited;
- (2) A statement of income for the quarter then ended, which may be unaudited;
- (3) A statement of cash flows, which may be unaudited;
- (4) The certification by the General Partner that the Apartment Complex and all tenants thereof are in compliance with all requirements and regulations applicable to Tax Credits; and
- (5) Other pertinent information regarding the Partnership and its activities during the quarter covered by the report reasonably requested by the Limited Partner.

(vii) Immediately upon being informed thereof, written notice of any IRS, Tax Credit Agency, or local municipality audits, investigations, official inquiries, or notices relating to, or arising from, alleged non-compliance or alleged violations of law, regulations, rules or codes.

(viii) As soon as practicable, copies of all correspondence between the General Partner, and/or Management Agent on the one hand, and either the Agency or the Service on the other hand, with regard to this Project.

(ix) Other reports as may be required by Federal or State agencies or by the Investor Limited Partner. If the aggregate cost to the Partnership for such reports required by the Investor Limited Partner exceeds \$5,000 in any one (1) year, the Investor Limited Partner agrees to pay 50% of all costs in excess of \$5,000.

C. Within sixty (60) days after the end of each fiscal year of the Partnership the General Partner shall cause to be provided to the Investment Partnership:

(i) Upon written request reasonably made, a statement by the General Partner, to the best of its knowledge, that (A) all Construction Loan and/or Mortgage Loan payments and taxes and insurance payments with respect to the Apartment Complex are current as of the date thereof, or if there is any default, a description thereof, and (B) there is no building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Apartment Complex or of which the General Partner has received written notice or have actual knowledge, if there is any violation received, a description thereof;

(ii) [Intentionally Omitted];

(iii) Except for transactions expressly contemplated herein, a descriptive statement of all material transactions during the fiscal year between the Partnership and each General Partner and/or any Affiliate, including the nature of the transaction and the payments involved; and

(iv) A copy of the annual report to be filed with the United States Treasury concerning the status of the Apartment Complex as low-income housing and, if required, a certificate to the Credit Agency concerning the same.

D. Upon the reasonable written request of the Investor Limited Partner for further information with respect to any matter covered in items B or C above, the General Partner shall cause to be furnished such reasonable information within 30 days of receipt of such request. The cost of these reports is to be added to the aggregate cost in subparagraph 12.1(B)(viii) above in computing the contribution of the Investor Limited Partner therein. The General Partner, on behalf of the Partnership, shall cause to be sent to the Investor Limited Partner, copies of complete first year tenant files within thirty (30) days of each tenant's initial occupancy date or within thirty (30) days from the placed-in-service date in the case of an occupied unit with rehabilitated property. Upon request, the General Partner shall provide the Investor Limited Partner with current photographs and/or slides of the Apartment Complex and other reports as may be required by federal or state agencies or by the Investor Limited Partner.

E. Upon the written request of the Investor Limited Partner, the General Partner, on behalf of the Partnership, shall cause to be sent to the Investor Limited Partner, on or before July 31 in each year, a report which shall state:

(i) The then occupancy level of the Apartment Complex;

(ii) If there are any operating deficits or anticipated operating deficits, the manner in which such deficits will be funded; and

(iii) Such other matters as shall be material to the operation of the Partnership, including, without limitation, any building, health governmental law, ordinance or regulation by the Apartment Complex of which the General Partners, or any of them, is

(are) aware which may reasonably be anticipated to adversely affect the Low Income units.

F. Prior to October 15 of each year, the General Partner, on behalf of the Partnership, shall cause to be sent to the Investor Limited Partner, an estimate of the Investor Limited Partner's share of the Tax Credits by each building of the Property, estimate of total Tax Credits, and estimates of Profits and Losses for tax purposes of the fiscal year in a form as reasonably specified by the Investor Limited Partner. Such estimate shall be prepared by the General Partner and the Accountants.

G. Within 15 days after the end of any calendar quarter during which:

(i) There is a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt,

(ii) Any reserve (to the extent required under Section 7.8) has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserves was established,

(iii) The General Partners, or any of them, has (have) received any notice of a material fact which may substantially affect further distributions, or

(iv) Any Partner has pledged or collateralized his or its Interest in the Partnership,

Then, the General Partner shall cause to be sent the Investor Limited Partner a detailed report of such event.

H. After the Admission Date, the General Partner, on behalf of the Partnership, shall send to the Investor Limited Partner a copy of all applicable periodic reports covering the status of project operations from the previous period, as may be required by any Lender and/or Agency, as applicable.

I. Failure to provide the reports required under Section 12.1 within the time requirements set forth therein shall result in the assessment of a \$100 per day penalty due (with the exception of information required pursuant to Section 12.1B(iii) which shall result in a \$250 per day penalty) and payable to the Investor Limited Partner by the General Partner until the tax information and/or reports are received. These penalties (the "Report Penalties") will be waived if the required information is received within seven (7) business days after receipt of a written notice of demand from the Investor Limited Partner (including a notice sent by facsimile). Regardless of whether the Report Penalties are paid, should the above applicable reporting requirements not be met with respect to any matter within the control of the Accountants, the Investor Limited Partner may require the removal of the Accountants and the right to approve a replacement.

J. Special Report. Unless otherwise fully reported to the Investor Limited Partner pursuant to this Section 12.1, a special report must be issued within sixty (60) days after the and

of each quarter for real property acquisitions by the Partnership. The report shall contain a description of properties acquired by the Partnership, the present or proposed use of such properties, lease terms, financing terms, title insurance and bonding information.

K. Upon reasonable advance written notice, every Limited Partner shall during normal business hours have access to the records of the Partnership and may inspect and copy any of them. A list of the names and addresses of all of the Limited Partners shall be maintained as part of the books and records of the Partnership and shall be mailed to any Limited Partner upon request. A reasonable charge for copy work may be charged by the Partnership.

Section 12.2 Bank Accounts

The bank accounts of the Partnership shall be maintained in such banking institutions as the General Partner shall determine with the approval of each Lender and Agency, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner shall determine.

Section 12.3 Elections

Subject to the provisions of Section 12.4, all elections required or permitted to be made by the Partnership under the Code shall be made by the Tax Matters Partner in such manner as it considers to be most advantageous to the Partners

Section 12.4 Special Adjustments

In the event of a transfer of all or any part of the interest of any Partner or in the event an election pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) is made by the Investor Limited Partner, the Partnership shall elect, if requested by the transferee or by the Investor Limited Partner (as the case may be), pursuant to Section 754 of the Code (or corresponding provisions of succeeding law) to adjust the basis of Partnership assets. Notwithstanding anything to the contrary contained in Article X, any adjustments made pursuant to said Section 754 shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.5 Fiscal Year

The Fiscal Year of the Partnership shall be the calendar year unless some other year is required by the Code.

ARTICLE XIII

General Provisions

Section 13.1 Notices

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and shall be deemed to have been given: (i) five

(5) days after deposited in the United States mail and sent by certified or registered mail, postage prepaid, return receipt requested, with an additional copy sent by ordinary mail, (ii) the next day when properly deposited with Federal Express or similar national overnight delivery service for overnight delivery, receipt confirmed by such delivery service, (iii) transmitted by télécopier or other facsimile transmission, answerback requested and receipt confirmed, or (iv) delivered personally, in each case, to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership and each Partner:

A. If to the Partnership, at the principal office of the Partnership set forth in Section 2.2.

B. If to a Partner, at his or its address set forth in the Schedule.

Section 13.2 Word Meanings

The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Any references to "Sections" or "Articles" are to Sections or Articles of this Agreement, unless reference is expressly made to a different document.

Section 13.3 Binding Provisions

The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 13.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the internal laws of the State.

Section 13.5 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 13.6 Paragraph Titles

Paragraph titles and any table of contents herein are for descriptive purposes only, and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 13.7 Separability of Provisions; Rights and Remedies

A. Each provision of this Agreement shall be considered separable and (i) if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provision or provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

B. Each of the parties hereto irrevocably waives during the term of the Partnership (including any periods during which the business of the Partnership is continued under Article VIII) any right (i) that such party may have to maintain any action for partition with respect to the property of the Partnership, and (ii) any right to commence an action seeking dissolution of the Partnership (unless the Consent of the Investor Limited Partner has been obtained).

C. The rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be in certain circumstances an inadequate remedy for breach or threat of breach of any provisions hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention by this paragraph to make clear that under this Agreement the respective rights and obligations of the Partners shall be enforceable in equity as well as at law or otherwise.

D. Each Partner irrevocably:

(i) Agrees that any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby (other than those which initially shall be submitted to arbitration) shall be brought in the courts of record of the State of Delaware or the courts of the United States located in Delaware;

(ii) Consents to the jurisdiction of each such court in any such suit, action or proceeding Delaware;

(iii) Waives any objection which he or it may have to the laying of venue of any such suit, action or proceeding in any of such courts;

(iv) Agrees that any arbitration authorized herein shall only be made upon consent of all the parties thereto (other than as set forth in Sections 5.2 and 8.4) and shall be pursuant to the rules for commercial arbitration of the American Arbitration Association (the "AAA") and shall be held before three (3) arbitrators in Wilmington, Delaware, one (1) AAA arbitrator chosen by the General Partner, one (1) AAA arbitrator chosen by the Investor Limited Partner, and the third (3rd) AAA arbitrator chosen by such chosen arbitrators. The Partners consent to entry of judgment of the decision of the

arbitrators. The provisions of the Delaware Code of Civil Procedure shall apply to the arbitration. Any arbitrator selected by the parties shall be knowledgeable in the area of law concerning the subject matter of the dispute and shall have at least five (5) years arbitration experience;

(v) Agrees that this Agreement is intended for the exclusive benefit of the parties hereto and, except as otherwise provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity; and

(vi) Agrees that in any dispute hereunder, regardless if before a court or in an arbitration, the prevailing party shall be entitled to its costs, expenses and reasonable attorney fees from the party that did not prevail.

Section 13.8 Effective Date of Admission

Any Partner admitted to the Partnership during any calendar month shall be deemed to have been admitted as of the first day of such calendar month for all purposes of this Agreement including the allocation of Profits, Losses and Tax Credits under Article VI; provided, however, that if regulations are issued by the Service or an amendment to the Code is adopted which would require, in the opinion of the Accountants, that a Partner be deemed admitted on a date other than as of the first day of such month, then the General Partner shall select a permitted admission date which is most favorable to the Partner.

Section 13.9 Amendment Procedure

This Agreement may be amended by the written consent of each of the General Partners, and with the Consent of the Investor Limited Partner or in the manner provided in Section 4.5, subject to the following:

(i) The term of the Partnership shall not be extended beyond its date stated herein without the written approval of all Partners.

(ii) This Section 13.9 shall not be amended without the written approval of all Partners.

(iii) This Agreement shall not be modified or amended in such a manner as to increase the amount of Capital Contributions or reduce the interest of any Partner in Profits, Losses, Tax Credits, Cash Flow or Capital Proceeds of the Partnership or otherwise increase the liability of any Partner without the written approval of each Partner affected thereby.

(iv) Without the written approval of all Partners, no amendment hereof may reduce the percentage in interest of Partners required hereunder for the taking or omission of any action or for the consent to any action proposed to be taken or omitted.

(v) Notwithstanding any agreement to the contrary contained in this Agreement, no amendment will be made to this Agreement which will affect the rights of

any Lender or Agency under the terms of any Project Document without the prior written approval of such Lender or Agency.

(vi) Article VI may be amended by the General Partner only with the prior written consent of the Investor Limited Partner.

Section 13.10 Delivery of Certificate

Promptly upon the filing of the Certificate and each amendment thereto in the Filing Office, the General Partner shall deliver or mail a copy thereof to each Limited Partner.

Section 13.11 Requirements of the Lender and the Agency

This Agreement, and the Related Agreements referred to herein sets forth all (and is intended by all parties to be an integration of all) of the representations, warranties, promises, agreements, and understandings of the parties hereto with respect to the Partnership, its Partners, its business and its properties; and there are no representations, warranties, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated by reference herein.

Section 13.12 Partition

No Partner nor any successor or assignee of any Partner has the right to partition the Project or any part thereof or interest therein, or file a complaint or institute an action or proceeding at law or in equity to partition the Project or any part thereof or interest therein. Each Partner for itself and its successor and assigns waives any such rights. The Partners intend that during the term of this Agreement, the rights of the Partners and their successors in interest, as among themselves, are governed solely by the Agreement and the Uniform Act.

Section 13.13 Securities Law Representations

A. The Investor Limited Partner represents and warrants for the purpose of compliance with the securities laws of the United States and the individual States that may have jurisdiction that:

- (a) The Limited Partner is purchasing its Interest for its own account and not with a view to or for sale in connection with any distribution of the Interest acquired;
- (b) It has the financial ability to bear the economic risk of its participation in the Partnership, has adequate means of providing for current needs and contingencies and has no need for liquidity with respect to its Partnership Interest;
- (c) It has reviewed the risks and merits of its participation in the Partnership with tax and legal counsel and its advisors to the extent it deems advisable;

- (d) It has the capacity to protect its own interests by reason of its business or financial experience or the business or financial experience of its professional advisors who are unaffiliated with and who are not compensated by the General Partner or any Affiliate of the General Partners, whether directly or indirectly;
- (e) It acknowledges that it has not received or been presented with any advertisement in connection with its participation in the Partnership;
- (f) Except as set forth in (c) above, it acknowledges that it is purchasing its Interest in reliance solely on (I) its inspection of the Project or, if none, its independent determination not to make such an inspection, (II) the Limited Partner's independent verification of the accuracy of any (A) documents delivered by the General Partner to the Limited Partner, and (B) written statements made by the General Partner to the Limited Partner concerning the Project and the Partnership, (III) the opinions and advice concerning the Project and the Partnership of third-party consultants and/or advisors engaged by the Limited Partner, and (IV) the opinions of legal counsel and tax counsel of the General Partner and the Partnership, and (V) the financial information and statements of the Accountants of the Partnership;
- (g) All of its equity owners are "accredited investors" (as defined in Regulation D promulgated under the Securities Act of 1933 [the "Act"] by the Securities and Exchange Commission).

The Investor Limited Partner understands that the General Partner is relying upon the representations, warranties and covenants and acknowledgments made by it in this Section 13.13A and the Investor Limited Partner shall protect, defend, indemnify and hold the General Partner harmless from and against any damages, losses, liabilities, claims or expenses (including the reasonable cost of investigating and defending against any such claims and also including reasonable attorneys' fees) incurred by it as a result of any breach of such representation or warranty made by the Investor Limited Partner.

B. The General Partner represents and warrants for the purpose of compliance with the securities laws of the United States and the State of Delaware that:

- (a) The information being provided by the General Partner and the Partnership to the Investor Limited Partner does not knowingly contain any untrue statement of a material fact the effect of such untrue statement would be a violation of the securities law;
- (b) Neither the General Partner nor the Partnership, nor any person on their behalf, offered or sold the Interests in the Partnership by any form of general solicitation or general advertising, including, but not limited to, the following: (I) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media

or broadcast over television or radio, and (II) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

- (c) Based on the representation of the Investor Limited Partner pursuant to Section 13.13A above, the Interests being sold to the Investor Limited Partner have not been registered under the Act, or under the securities laws of the State of Delaware, as exempt securities or pursuant to an exemption from registration;
- (d) The Interests being sold to the Investor Limited Partner are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Act and the applicable State securities laws, pursuant to registration or exemption therefrom; and
- (e) No securities broker-dealer or underwriter as defined in the Act has been utilized in connection with the offer or sale of the Interests, and no sales commissions, concessions or broker's fees to any such broker-dealers or underwriters are payable in connection with such offers or sales.

The General Partner understands that the Investor Limited Partner is relying upon the representations, warranties and covenants and acknowledgments made by them in this Section 13.13B and each shall protect, defend, indemnify and hold the Investor Limited Partner harmless from and against any damages, losses, liabilities, claims or expenses (including the reasonable cost of investigating and defending against any such claims and also including reasonable attorneys' fees) incurred by it as a result of any breach of such representation or warranty made by such General Partner.

Section 13.14 Requirements for Bonds

A. Notwithstanding any other provision of this Agreement to the contrary, so long as any Bonds shall be outstanding, the Partnership shall not, and the General Partner shall have no authority in respect of the Partnership or the Project to, perform any act or permit any act to be taken on its behalf which:

(i) Is contrary to or would result in a breach or violation of or a default under any requirement, covenant or other obligation of the Partnership set forth in any Bond Document; or

(ii) Would adversely affect the exemption from taxation under the Code of the interest paid on the Bonds.

B. Notwithstanding any other provision in the Agreement to the contrary, for so long as any Bonds shall be outstanding:

(i) Each of the provisions of this Agreement shall be subject to, and the General Partner covenants to act in accordance with the Bond Documents, but in no event shall any Partner be personally liable for the performance of this covenant.

(ii) No amendment of this Agreement which would affect the rights of any party to any Bond Document (other than the Partnership) shall be made without the prior written consent of such party and without prior compliance with the conditions for amending such Bond Document;

(iii) If any provision of this Agreement shall be in conflict with any provision of any Bond Document, such conflicting provision of this Agreement shall be suspended and the provisions of the Bond Document shall control;

(iv) No part of the Project will be sold or otherwise disposed of or leased, and no change in the use of the Project shall be made, except in accordance with the terms and conditions of the Bond Documents or pursuant to a Mortgage;

(v) The Partnership shall not change or permit any change in its identity or ownership (except for admitting additional limited partners), undertake any other obligations, directly or indirectly, or take or permit any other actions which would impair or prevent performance of its obligations, except as permitted thereby, without obtaining the Requisite Approvals under the Bond Documents;

(vi) To the extent reasonably possible, the Partners shall take all actions necessary to amend this Agreement to comply with any amendments to the Code or the Treasury Regulations effective retroactive to the date of such changes that are applicable to the exemption of federal taxation under the Code of the interest paid on the Bonds;

(vii) maintain books and records separate from those of any other person or entity, including its General Partner and the Key Principal (as defined in the Bond Documents);

(viii) except as specifically permitted by the Bond Documents, not commingle assets with those of any other entity, including its General Partners and the Key Principal;

(ix) conduct its own business in its own name or the name of the Project so as to not mislead others as to the identity of such entity;

(x) maintain separate financial statements from any other person or entity, including its General Partners and the Key Principal;

(xi) except as specifically permitted by the Bond Documents, pay its own liabilities out of its own funds;

(xii) pay the salaries of its own employees, if any;

(xiii) observe all Partnership formalities including without limitation holding all meetings and obtaining all consents required by this Agreement;

(xiv) maintain an arm's-length relationship with its Affiliates;

(xv) except as specifically permitted by the Bond Documents, not guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others, including its General Partners and the Key Principal;

(xvi) allocate fairly and reasonably any overhead for shared office space or other similar expenses;

(xvii) use invoices and checks separate from any other person or entity, including its General Partners and the Key Principal;

(xviii) to hold itself out as and operate as an entity separate and apart from any other entity, including its General Partners and the Key Principal; and

(xix) the provision of this Section 13.12 shall not be deleted, amended or modified without the prior written consent of the parties to the Bond Documents.

Section 13.15 Special Power of Attorney

The General Partner hereby constitutes and appoints the Investment Manager of the Investor Limited Partner as its true and lawful attorney-in-fact, with full power and authority to act in its name, place and stead, to make, execute, sign, certify, acknowledge, deliver, file and record on its behalf, any certificate, document, or instrument necessary, to effect the admission of the Special Limited Partner as a General Partner, if authorized in accordance with Section 7.3 herein.

Section 13.16 Provisions for US Treasury Office of Foreign Asset Control OFAC Regulations

A. The General Partner hereby represents and warrants to the Partnership and the Investor Limited Partner as follows as of the date hereof, and continuing for the term of the Partnership:

I. No Illegal Activity as Source of Funds. No portion of the Project has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity.

II. Compliance with Anti-Terrorism, Embargo, Sanctions and Anti-Money Laundering Laws.

(a) None of (i) any General Partner; (ii) any Developer; (iv) any Guarantor; (v) Management Agent; or (vi) or, based solely upon the

representations of the Limited Partners contained in Section 13.16B, Limited Partner (other than AMTAX or its Affiliates), is a Prohibited Person, and no Person who owns an equity interest in or has the ability to control any of the foregoing is a Prohibited Person.

(b) To the best of the knowledge of the General Partner, and solely to the extent required by law, no commercial tenant, or any residential tenant but only to the extent of actual knowledge of the designated Vice President of the General Partner, who is designated at the sole discretion of the General Partner (the "Designated Vice President"), and with no independent investigation of any such residential tenant, at the Project is a Prohibited Person, and no tenant at the Project is owned or Controlled by a Prohibited Person.

(c) None of (i) General Partner; (ii) any Developer; (iii) any Guarantor; (iv) Management Agent; (v) based solely upon the representations of the Limited Partners contained in Section 13.16B, Limited Partners (other than the Investor Limited Partner or its Affiliates), or (vi) to the best of the knowledge of the General Partner and solely to the extent required by law, any commercial tenant, or any residential tenant but only to the extent of actual knowledge of the Designated Vice President and with no independent investigation of any such residential tenant, at the Project, is engaging in transactions or has dealings with a Prohibited Person or Sanctioned Country in violation of any Requirements of Law or is otherwise in violation of any Requirements of Law relating to money laundering, terrorism, embargoes or sanctions.

(d) Each General Partner has implemented procedures, and will consistently apply those procedures throughout the term of the Partnership, to ensure the foregoing representations and warranties remain true and correct during the term of the Partnership to the extent required by law.

B. The Limited Partners hereby represent and warrant to the Partnership and the General Partner as follows as of the date hereof, and continuing for the term of the Partnership:

(a) None of the Limited Partners are a Prohibited Person, and no Person who is a Partner, member or shareholder of a Partner who is in a management position with the Limited Partners, or has the ability to control any of the Limited Partners is a Prohibited Person.

(b) None of the Limited Partners are engaging in transactions or has dealings with a Prohibited Person or Sanctioned Country in violation of any Requirements of Law or is otherwise in violation of any applicable Requirements of Law relating to money laundering, terrorism, embargoes or sanctions.

(c) Each Limited Partner shall comply with all applicable Requirements of Law relating to money laundering, terrorism, embargos and sanctions, now or hereafter in effect. Without limiting the foregoing, each Limited Partner agrees that it will not: (i)

permit a Prohibited Person to own an equity interest in or Control the Limited Partners; or (ii) engage in transactions or have dealings with a Prohibited Person or a Person known by the Limited Partners, after reasonable inquiry to the extent required by law, to be owned or Controlled by a Prohibited Person.

(d) Upon the General Partner's request, from time to time during the term of the Company, the Limited Partners shall certify in writing to the General Partner that the representations, warranties and obligations under this Section 13.16B remain true and correct and have not been breached. The Limited Partners shall notify the General Partner immediately in writing if any of such representations, warranties or covenants are no longer true or have been breached or if the Limited Partners have a reasonable basis to believe that they may no longer be true or have been breached. In connection with such an event, each Limited Partner shall comply with all Requirements of Law and directives of Governmental Authorities and, at the General Partner's request, provide to the General Partners copies of all notices, reports and other communications exchanged with, or received from, Governmental Authorities relating to such an event. The Limited Partners shall also reimburse the General Partner for any expense incurred by the General Partner in evaluating the effect of such an event on the Project and the General Partner's interest in the Project and in complying with all Requirements of Law applicable to the Company or the General Partner as the result of the existence of such an event and for any penalties or fines imposed upon the Company or the General Partner as a result thereof.

(e) The General Partner is hereby authorized to rely solely on the representations and warranties in this Section 13.16B with regards to the Limited Partners for the purpose of making the representations and warranties set forth in Section 13.16A and Section 13.16C.

C. Covenants regarding Compliance with Anti-Terrorism, Embargo, Sanctions and Anti-Money Laundering Laws.

(a) Each General Partner and, to the best of the knowledge of the Designated Vice President, each Limited Partner (other than AMTAX or its Affiliates) shall comply with, and to the best of its ability, shall cause the Partnership, each Developer, each Guarantor, and the Management Agent to comply with, all Requirements of Law relating to money laundering, terrorism, embargos and sanctions, now or hereafter in effect. Without limiting the foregoing, each General Partner agrees that it will not: (i) permit a Prohibited Person to own an equity interest in or Control the Partnership; (ii) solely to the extent required by law, lease space to any commercial tenant, or any residential tenant but only to the extent of actual knowledge and with no independent investigation of the Designated Vice President of any such residential tenant, who is a Prohibited Person or who is known to the Partnership, after reasonable inquiry, to be owned or Controlled by a Prohibited Person; (iii) solely to the extent required by law, lease space to any commercial tenant, or any residential tenant but only to the extent of the actual knowledge of the Designated Vice President and with no independent investigation of any such residential tenant, who is known to the Partnership, after reasonable inquiry, to be engaged in transactions or dealings with a Prohibited Person or a Person owned or

Controlled by a Prohibited Person; or (iv) engage in transactions or have dealings with a Prohibited Person or a Person known by the Partnership, after reasonable inquiry, to be owned or Controlled by a Prohibited Person.

(b) Upon Investor Limited Partner's request from time to time during the term of the Partnership, the General Partner shall certify in writing to Investor Limited Partner that the representations, warranties and obligations under Section 13.16 remain true and correct and have not been breached. The General Partner shall notify the Investor Limited Partner immediately in writing if any of such representations, warranties or covenants are no longer true or have been breached or if General Partner has a reasonable basis to believe that they may no longer be true or have been breached. In connection with such an event, each General Partner shall comply with all Requirements of Law and directives of Governmental Authorities and, at the Investor Limited Partner's request, provide to the Investor Limited Partner copies of all notices, reports and other communications exchanged with, or received from, Governmental Authorities relating to such an event. The General Partner shall also reimburse the Investor Limited Partner for any reasonable expense reasonably incurred by the Investor Limited Partner in evaluating the effect of such an event on the Project and the Investor Limited Partner's interest in the Project and in complying with all Requirements of Law applicable to the Partnership, each General Partner, any Limited Partner, or the Investor Limited Partner as the result of the existence of such an event and for any penalties or fines imposed upon the Partnership or the Investor Limited Partner as a result thereof.

D. Definitions. For purposes of this Section 13.16 the following terms shall have the meanings as set forth below

1. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, beneficial interests, by contract or otherwise. The definition is to be construed to apply equally to variations of the word "Control" including "Controlled," "Controlling" or "Controlled by."

2. "Governmental Authority" means any nation or government, any state or other political subdivision thereof, and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to such government.

3. "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, embargo, sanctions or other prohibitions of United States law, regulation or Executive Order of the President of the United States. The OFAC List is accessible through the internet website www.treas.gov/ofac/t11sdn.pdf.

4. "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust,

unincorporated association, joint venture, governmental authority or other entity of whatever nature.

5. "Prohibited Person" means any Person identified on the OFAC List or with whom a US citizen or entity organized under the laws of a state in the United States may not engage in transactions or have dealings with by any Requirements of Law, including, without limitation, embargo, sanctions or other prohibitions of United States law, regulation or Executive Order of the President of the United States.

6. "Requirements of Law" means (a) the organizational documents of an entity, and (b) any law, regulation, ordinance, code, decree, treaty, ruling or determination of an arbitrator, court or other Governmental Authority, or any Executive Order issued by the President of the United States, in each case applicable to or binding upon such Person or to which such Person, any of its Project or the conduct of its business is subject including, without limitation, laws, ordinances and regulations pertaining to the zoning, occupancy and subdivision of real Project.

7. "Sanctioned Country" means any country or government thereof subject to embargoes or sanctions under the Requirements of Law. These currently include, but are not limited to, Cuba, Iran, Iraq, Libya and Sudan.

Section 13.17 DHCD Provisions (Fannie Mae Financings)

(i) For as long as there is outstanding (i) any bonds issued by the Community Development Administration, an agency in the Division of Development Finance of the Department of Housing and Community Development for the State of Maryland ("CDA"), in connection with the financing of the property (the "Property") owned by the Partnership (the "CDA Bonds") or (ii) any first mortgage loan made with the proceeds of the CDA Bonds (the "Loan") or (2) for any other period required by any agreement, document or instrument previously, now or hereafter executed and delivered in connection with the Loan, any CDA Bonds or any federal low-income housing tax credits (the "Tax Credits") previously, now or hereafter allocated to the Property, including, without limitation, that certain Financing Agreement (the "Financing Agreement") by and among CDA, the Partnership, and the trustee for the CDA Bonds (collectively, the "Loan Documents"):

(ii) Unless CDA gives prior consent to the contrary, each of the provisions of this Agreement shall be subject to, and the general partners covenant to act in accordance with, the "Act" (as defined the Financing Agreement), the Loan Documents and all covenants, conditions and restrictions of record against the Property, but in no event shall the limited partners be personally liable for the performance of this covenant;

(iii) The Loan Documents shall be binding upon the Partnership and its successors and assigns;

(iv) Any partner hereafter admitted to the Partnership, as a condition of receiving an Interest, shall agree to be bound by the Loan Documents to the same extent and on the same terms as the other partners;

(v) Upon any dissolution of the Partnership or any transfer of the Property, no title to or right to the possession and control of the Property, and no right to collect the rent therefrom, shall pass to any person who is not or does not become bound by the Loan Documents in a manner satisfactory to CDA;

(vi) No material amendment of this Agreement shall be made without the prior written consent of CDA;

(vii) If any provisions of this Agreement or any other agreement of the partners pertaining to the Partnership or the Property shall be in conflict with any provisions of the Loan Documents or the Act, then the Loan Documents or the Act, whichever are applicable, shall control; provided, however, that if any more restrictive provision is contained in this Agreement, then such more restrictive provision shall control;

(viii) No distribution or dividends shall be made in violation of the terms of the Loan Documents;

(ix) The Partnership shall not be dissolved voluntarily without the prior written consent of CDA; and

(x) Without the prior written consent of CDA, the Partnership shall not sell, transfer or convey the Property or any interest therein, or change or permit to change the identity, or transfer a controlling interest of: (A) any general partner of the Partnership or (B) any limited partner of the Partnership (if the interest of the transferee equals or exceeds 25% of the beneficial interests in the Partnership). Notwithstanding the foregoing, any limited partner in a limited partnership which is a limited partner in the Partnership may sell, transfer or convey its membership interests in such limited partner without CDA's approval.

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FAIRFIELD BARRINGTON LP

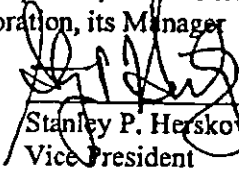
**AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP**

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

GENERAL PARTNER:

FF BARRINGTON LLC, a Delaware
limited liability company

By: FF Properties, Inc, a Delaware
corporation, its Manager

By: 
Stanley P. Herskovitz
Vice President

SPECIAL LIMITED PARTNER:

PROTECH 2003-D, LLC, an Ohio limited
liability company

By: Protech Development Corporation,
its Manager

By: _____
Name:
Title:

INVESTOR LIMITED PARTNER:

AMTAX HOLDINGS 349, LLC, an Ohio
limited liability company

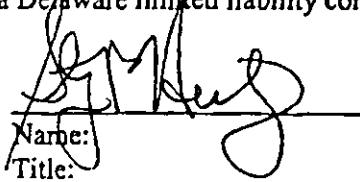
By: Paramount Properties, Inc., its Manager

By: _____
Name:
Title:

WITHDRAWING LIMITED PARTNER:

FAIRFIELD AFFORDABLE HOUSING,
LLC, a Delaware limited liability company

By:


Name:
Title:

FAIRFIELD BARRINGTON LP

**AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP**

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

GENERAL PARTNER:

FF BARRINGTON LLC, a Delaware
limited liability company

By: FF Properties, Inc., a Delaware
corporation, its Manager

By: _____
Stanley P. Herskovitz
Vice President

SPECIAL LIMITED PARTNER:

PROTECH 2003-D, LLC, an Ohio limited
liability company

By: Protech Development Corporation,
its Manager

By: Michael A. Buckley
Name: Michael A. Buckley
Title: President

INVESTOR LIMITED PARTNER:

AMTAX HOLDINGS 349, LLC, an Ohio
limited liability company

By: Paramount Properties, Inc., its Manager

By: Michael A. Buckley
Name: Michael A. Buckley
Title: President

**FAIRFIELD BARRINGTON LP
SCHEDULE A**

Name and Business Address	<u>Original Initial Capital Contributions</u>	<u>Percentage Interests</u>
<u>GENERAL PARTNERS:</u>		
FF Barrington LLC 5510 Morehouse Drive, Suite 200 San Diego, CA 92121	\$100	.099%
<u>SPECIAL LIMITED PARTNER:</u>		
Protech 2003-D, LLC 4009 Columbus Rd., S.W. Granville, OH 43023	\$100	.001%
<u>INVESTOR LIMITED PARTNER:</u>		
AMTAX HOLDINGS 349, LLC 4009 Columbus Rd., S.W. Granville, OH 43023	\$12,421,067 ⁽¹⁾	99.9%
TOTAL	\$ 12,421,267	100%

(1) To be paid in pursuant to Article V, Section 5.1, subject to adjustment and conditions to payment as provided herein.

FAIRFIELD BARRINGTON LP
FORM OF
INSTALLMENT PAYMENT CERTIFICATE

The undersigned, constituting of the General Partner of FAIRFIELD BARRINGTON LP, a Delaware limited partnership (the "Partnership"), do hereby certify to AMTAX Holdings 349, LLC, an Ohio limited liability company ("AMTAX"), pursuant to Section 5.1B(i) of the Amended and Restated Agreement of Limited Partnership of the Partnership, dated effective as of December 1, 2003 (the "Partnership Agreement"), that:

1. All preconditions, representations, warranties and agreements set forth in the Partnership and applicable to the **[First Second Third Fourth Fifth]** Installment(s) have been satisfied.

2. As set forth in Section 5.1A of the Partnership Agreement, the amount of the **[First, Second, Third, Fourth, Fifth]** Installment is **[\$3,750,913 \$3,715,824 \$3,715,824 \$619,304 \$619,302, respectively]**.

3. All of the events listed in Section 5.1A **[(i), (ii), (iii), (iv) or (v)]** have occurred.

4. Each of the representations and warranties set forth the Partnership Agreement, including those set forth in Section 7.5, is in all material respects true and correct.

5. No event has occurred which would permit the Investor Limited Partner to give an Election Notice under the Purchase Obligation.

6. No event has occurred which suspends or terminates the obligations of the Investment Member to pay Installments under the Partnership Agreement which has not been cured as therein provided.

7. **[In the case of the First Installment]** Attached hereto is a true copy of the Title Policy, including all endorsements thereto (the most recent of which is dated within ten (10) days of the date hereof), evidencing the accuracy of the representation contained in Section 7.5A (vi) of the Partnership Agreement. **[In the case of the any other Installment]** Attached hereto is a true copy of the date-down or bring-down endorsement (or title update) to the Title Policy, which such endorsement (or update) is dated within fifteen (15) days of the date hereof.

Capitalized terms not defined herein shall have the meanings given to them in the Partnership Agreement.

FAIRFIELD BARRINGTON LP
INSTALLMENT PAYMENT CERTIFICATE

IN WITNESS WHEREOF, the undersigned has executed this Installment Payment Certificate this ____ day of _____, 200__.

GENERAL PARTNER:

FF BARRINGTON LLC, a Delaware limited liability company

By: FF Properties, Inc., a Delaware corporation, its Manager

By: _____
Stanley P. Herskovitz
Vice President

STATE OF _____)
) : ss.:
COUNTY OF _____)

On this ____ day of _____, 200__ before me personally came _____ on behalf of _____, known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me he executed the same.

Notary Public

My Commission Expires:

SCHEDULE B

**FAIRFIELD BARRINGTON LP
A DELAWARE LIMITED PARTNERSHIP**

SCHEDULE OF PROJECTED LOSSES TO INVESTOR LIMITED PARTNER

YEAR		ANNUAL TAX (LOSSES)	ANNUAL FEDERAL TAX CREDITS
1	2003	(160,085)	
2	2004	(1,716,682)	215,541
3	2005	(2,097,745)	866,065
4	2006	(1,633,517)	1,453,195
5	2007	(750,870)	1,548,774
6	2008	(984,077)	1,548,774
7	2009	(808,787)	1,548,774
8	2010	(804,829)	1,548,774
9	2011	(687,346)	1,548,774
10	2012	(598,924)	1,548,774
11	2013	(627,819)	1,548,774
12	2014	(537,346)	1,333,233
13	2015	(454,032)	682,709
14	2016	(494,816)	95,579
15	2017	(366,025)	
16	2018	(263,741)	
17	2019	(159,696)	
18	2020	(76,355)	

SCHEDULE C

**FAIRFIELD BARRINGTON LP
A DELAWARE LIMITED PARTNERSHIP**

SCHEDULE OF PROJECTED CASH FLOW

YEAR		PROJECTED CASH FLOW
1	2003	159,482
2	2004	2,053,336
3	2005	2,472,567
4	2006	2,904,538
5	2007	1,135,994
6	2008	1,141,245
7	2009	1,185,785
8	2010	1,230,315
9	2011	1,274,789
10	2012	1,298,360
11	2013	1,342,575
12	2014	1,386,579
13	2015	1,430,314
14	2016	1,473,713
15	2017	1,495,908
16	2018	1,538,427
17	2019	1,580,390
18	2020	1,621,712

Delaware

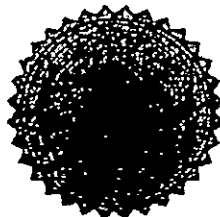
PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "FAIRFIELD BARRINGTON LP" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FOURTEENTH DAY OF OCTOBER, A.D. 2003.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "FAIRFIELD BARRINGTON LP" WAS FORMED ON THE TWENTY-THIRD DAY OF APRIL, A.D. 2003.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE NOT BEEN ASSESSED TO DATE.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3650491 8300

AUTHENTICATION: 2686568

030657292

DATE: 10-14-03

Delaware

PAGE 1

The First State

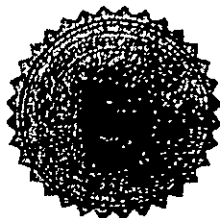
I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "FAIRFIELD BARRINGTON LP" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF LIMITED PARTNERSHIP, FILED THE TWENTY-THIRD DAY OF APRIL, A.D. 2003, AT 3:25 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "FAIRFIELD ROSEMARY VILLAGE LP" TO "FAIRFIELD BARRINGTON LP", FILED THE TWENTY-EIGHTH DAY OF APRIL, A.D. 2003, AT 8:32 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED PARTNERSHIP.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3650491 8100H

AUTHENTICATION: 2686567

030657292

DATE: 10-14-03

CERTIFICATE OF LIMITED PARTNERSHIP

OF

FAIRFIELD ROSEMARY VILLAGE LP

The undersigned, desiring to form a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act, 6 Delaware Code, Chapter 17, does hereby certify as follows:

1. The name of the limited partnership is Fairfield Rosemary Village LP (the "Partnership");
2. The address of the Partnership's registered office in the State of Delaware is 30 Old Rudnick Lane, Dover, County of Kent, 19901. The name of the Partnership's registered agent for service of process at such address is LexisNexis Document Solutions Inc; and
3. The name and mailing address of the general partner is as follows:

Name: FF Rosemary Village LLC

Mailing Address: 5510 Morehouse Drive, Suite 200, San Diego, California 92121.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Limited Partnership as of the 23rd day of April, 2003.

General Partner: FF Lantana LLC,
a Delaware limited liability company

By: /s/ Patrick Gavin
Patrick Gavin
Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:56 PM 04/23/2003
FILED 03:25 PM 04/23/2003
SRV 030264515 - 3650491 FILE

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:55 AM 04/28/2003
FILED 08:32 AM 04/28/2003
SRV 030271925 - 3650491 FILE

**STATE OF DELAWARE
AMENDMENT TO THE CERTIFICATE OF
LIMITED PARTNERSHIP
OF
Fairfield Rosemary Village LP**

The undersigned, desiring to amend the Certificate of Limited Partnership of _____
Fairfield Rosemary Village LP
pursuant to the provisions of Section 17-202 of the Revised Uniform Limited Partnership
Act of the State of Delaware, does hereby certify as follows:

FIRST: The name of the Limited Partnership is
Fairfield Rosemary Village LP

SECOND: Article 1 of the Certificate of Limited Partnership shall be amended
as follows: The name of the limited partnership is
Fairfield Barrington LP (the "Partnership");

IN WITNESS WHEREOF, the undersigned executed this Amendment to the Certificate
of Limited Partnership on this 25th day of April, 20 03.

By: FF Barrington LLC, General Partner
By: /s/ Patrick Gavin, Vice President

Name: Patrick Gavin
Print or Type

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "FF BARRINGTON LLC" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE TWENTY-THIRD DAY OF APRIL, A.D. 2003, AT 3:26 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "FF ROSEMARY VILLAGE LLC" TO "FF BARRINGTON LLC", FILED THE TWENTY-EIGHTH DAY OF APRIL, A.D. 2003, AT 8:28 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID LIMITED LIABILITY COMPANY.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3650492 8100H

030657289

AUTHENTICATION: 2686564

DATE: 10-14-03

CERTIFICATE OF FORMATION

OF

FF ROSEMARY VILLAGE LLC

This Certificate of Formation of FF Rosemary Village LLC is being duly executed and filed by the undersigned for the purpose of forming a limited liability company under the Delaware Limited Liability Company Act (6 Del. Code § 18-101, *et seq.*).

1. The name of the limited liability company is: FF Rosemary Village LLC (the "Company").
2. The address of the Company's registered office in the State of Delaware is 30 Old Rudnick Lane, Dover, County of Kent, 19901. The name of the Company's registered agent for service of process at such address is LexisNexis Document Solutions Inc.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the 23rd day of April, 2003.

By: /s/ Patrick Gavin
Patrick Gavin
Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:56 PM 04/23/2003
FILED 03:26 PM 04/23/2003
SRV 030264522 - 3650492 FILE

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF

FF Rosemary Village LLC

1. Name of Limited Liability Company:
FF Rosemary Village LLC
2. The Certificate of Formation of the limited liability company is hereby amended as follows: 1. The name of the limited liability company is: FF Barrington LLC (the "Company").

[set forth amendment(s)]

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 25th day of April, A.D. 2003

By: /s/ Patrick Gavin
Authorized Person(s)
Name: Patrick Gavin
Print or Type

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:55 AM 04/28/2003
FILED 09:28 AM 04/28/2003
SRV 030271919 - 3650492 FILE

OPERATING AGREEMENT

of

FF BARRINGTON LLC

A Delaware Limited Liability Company

This Operating Agreement (this "Agreement") of FF BARRINGTON LLC, a Delaware limited liability company (the "Company"), is entered into by the undersigned Member and the undersigned Manager, who desire to form and operate a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (Title 6 of the Delaware Code, § 18-101, et set.), as amended from time to time (the "Act"), under the following terms and conditions:

1. **Name.** The name of the limited liability company is FF BARRINGTON LLC (the "Company"). The business of the Company may be conducted under that name, or such other name or names as the Manager deems appropriate. The Manager is authorized to make all appropriate filings on behalf of the Company to enable the Company to conduct business under an assumed or different name, and to secure the Company's proprietary rights to such a name.

2. **Formation and Term.** The Company was formed upon the filing of the Company's Certificate of Formation with the Secretary of State of the State of Delaware. The Company's term shall expire on December 31, 2053, unless extended or sooner terminated as provided in this Agreement or as earlier dissolved in accordance with either the provisions of this Agreement or the Act.

3. **Principal Place of Business; Qualification in Foreign Jurisdiction.** The principal office of the Company is c/o Fairfield Financial A LLC, 5510 Morehouse Drive, Suite 200, San Diego, California 92121. The Company may locate its place of business at any other place or places as the Manager deems advisable; provided, that the Company shall at all times maintain a registered agent within the State of Delaware and the state of the Company's principal place of business. The initial registered agent for service of process in Delaware is stated in the Certificate of Formation. The Manager described below is authorized to execute and file on behalf of the Company all necessary or appropriate documents required to qualify the Company to transact business within any state in which the nature of the activities or property ownership requires qualification.

4. **Appointment of Manager; Authority and Duties.** The operations of the Company shall be conducted by a single manager ("Manager") who shall be appointed by the Member and may be removed by the Member at any time for any reason. In the event no Manager is appointed and serving at any particular time, the Manager shall be the Member. The Manager shall have the responsibility and authority to manage the business, property and affairs of the Company in all respects, to execute and deliver on behalf of the Company such documents and instruments as it shall deem reasonably required in connection therewith and to enter into such contracts and to take such actions as it deems from time to time to be in the best interests of the Company; provided, that without the prior written consent of the Member, the Manager shall

not (i) convey or hypothecate any real property of the Company, (ii) take any action which might cause the Company to dissolve or (iii) initiate or consent to the filing of a petition in bankruptcy of the Company or admit the allegations of such a petition. The initial Manager shall be FF Properties, Inc., a Delaware corporation.

5. **Purpose.** The sole business of the Company is to engage in the following activities and exercise the following powers:

(a) Directly or indirectly, to purchase, own, encumber, develop, improve, operate, hold, finance, refinance and/or exchange, sell or otherwise dispose of real property and all related personal property and any interest therein including the real property described on Exhibit "B" attached to this Agreement (the "Property");

(b) To engage in all other activities necessary, customary, convenient or incidental to any of the foregoing; and

(c) To exercise all other powers necessary to or reasonably connected with the Company's business which may be legally exercised by limited liability companies under the Act and which at any time appear conducive to or expedient for the protection or benefit of the Company and its assets.

6. **Ownership of Company Property.** The Property and all other assets owned by the Company shall be owned by the Company as an entity, and held in the name of the Company. Neither the Member nor the Manager shall have any ownership interest in any Company property in the Member's own name or right and the Member's interest in the Company is personal property for all purposes.

7. **Separateness of Operations.** The Company shall conduct its business and operations in accordance with the following provisions and shall:

(a) maintain books and records and bank accounts separate from those of any other person;

(b) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets;

(c) hold regular meetings, as appropriate, to conduct the business of the Company, and observe all customary organizational and operational formalities;

(d) hold itself out to creditors and the public as a legal entity separate and distinct from any other entity;

(e) prepare separate tax returns and financial statements, but if the Company is part of a consolidated group, then the Company shall arrange to be shown as a separate member of such group;

(f) allocate and charge fairly and reasonably any common employee or overhead costs with affiliates and maintain a sufficient number of employees in light of its contemplated business operations;

(g) transact all business with affiliates on an arm's-length basis and pursuant to enforceable agreements;

(h) conduct business in its own name, and use separate stationery, invoices and checks;

(i) not commingle its assets or funds with those of any other person;

(j) not acquire obligations or securities of its members;

(k) correct any known misunderstanding regarding its separate identity;

(l) intend to maintain adequate capital in light of its contemplated business operations; and

(m) maintain all required qualifications to do business in the state in which the Property is located.

8. **Limited Liability.** Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, are solely the debts, obligations and liabilities of the Company, and neither the Member nor the Manager is personally obligated for any such debts, obligations or liabilities of the Company solely by reason of being a manager or member of the Company.

9. **Capital Contributions.** The Member will contribute to the Company, as its initial capital contribution, the amount set forth on Exhibit "A" attached to this Agreement. The Member is not required to make any additional capital contributions to the Company. A Member may make additional capital contributions to the Company in the Member's sole and absolute discretion. The Manager is neither required nor permitted to make capital contributions to the Company.

10. **Allocation of Profits and Losses.** The Company's profits and losses shall be allocated to the Member.

11. **Distributions.** Distributions shall be made to the Member at the times and in the amounts determined by the Member. Notwithstanding any provision to the contrary in this Agreement, the Company shall not make a distribution to the Member on account of its interest in the Company if such distribution would violate Section 18-607 of the Act or any other similar applicable law.

12. **Officers.** The Manager may, from time to time as the Manager deems advisable, appoint officers of the Company (the "Officers") and assign in writing titles (including, without limitation, President, Vice President, Secretary, and Treasurer) to any such person. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business

corporation formed under the Delaware General Corporation Law, the assignment of such title constitutes the delegation to such person of the authorities and duties that are normally associated with that office, including, without limitation, the execution of documents, instruments and agreements in the name of and on behalf of the Company. Any delegation pursuant to this Section may be revoked at any time by the Manager in writing. As of the date of this Agreement, the Company has no Officers.

13. **Other Business.** The Manager and the Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company has no rights in or to such independent ventures or the income or profits therefrom.

14. **Exculpation and Indemnification.**

(a) No member, manager, officer, director, shareholder or other holder of an equity interest in the Company, the Manager or the Member, shall be personally liable for the obligations of the Company, but the foregoing shall not relieve any such member, manager, officer, director or employee of the Company, the Manager or the Member, of its obligations to the Company, the Manager or the Member.

(b) To the fullest extent permitted by applicable law, a Member, Manager, Officer or employee of the Company, and the officers, directors and employees of the Manager and Member (each of the foregoing a "Person" and collectively the "Persons") shall be indemnified, defended and held harmless by the Company from and against any and all claims, demands, liabilities, costs, damages, expenses and causes of action of any nature whatsoever arising out of or incidental to any act performed or omitted to be performed by any one or more of such indemnified Persons in connection with the business of the Company; provided, however, the indemnity under this Section shall be paid solely out of and to the extent of the assets owned by the Company and shall not be a personal obligation of any Member. All judgments against the Company, the Manager, the Member, such other Persons or any one or more thereof, wherein such Manager or Member is entitled to indemnification, must be satisfied from the assets of the Company.

15. **Assignments.** A Member may transfer its interest in the Company in whole or in part. If a Member transfers its interest in the Company, the transferee shall be admitted to the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement; and if a Member transfers its entire membership interest in the Company and there are no other Members of the Company, the admission of the transferee as a Member of the Company shall be deemed effective concurrent with the termination of the transferor as a Member of the Company. The Manager may not transfer its rights or obligations under this Agreement in whole or in part.

16. **Withdrawal.** A Member may withdraw from the Company. If a Member withdraws from the Company and there are no other Members of the Company at the time, a new Member shall be admitted to the Company, subject to Section 18 below, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement.

The admission of the new Member shall be deemed effective concurrent with the termination of the withdrawing Member.

17. **Admission of Additional Members.** One (1) or more additional members of the Company may be admitted to the Company with the written consent of the Member. If the Company subsequently has more than one Member, then all references in this Agreement to the singular "Member" will refer to all of the Members of the Company, and any matter requiring the consent of the "Member" under this Agreement will require the consent of a majority in interest of the Members.

18. **Dissolution.**

(a) The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (i) the expiration of the term, (ii) the occurrence of any dissolution event set forth in the Certificate of Formation, as the same may be amended from time to time, (iii) the written consent of the Member, (iv) the withdrawal or dissolution of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company unless the business of the Company is continued in a manner permitted by the Act, or (v) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

(b) The bankruptcy of the Member will not cause the Member to cease to be a member of the Company, and upon the occurrence of such an event, the business of the Company shall continue without dissolution.

(c) In the event of dissolution, the Manager shall conduct only such activities as are necessary to wind up the affairs of the Company (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

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

20. **Entire Agreement.** This Agreement and the schedules and exhibits to this Agreement constitute the entire agreement of the Member with respect to the subject matter hereof. The exhibits and schedules to this Agreement are incorporated into and made a part of this Agreement by reference. This Agreement is intended to be a legally binding document.

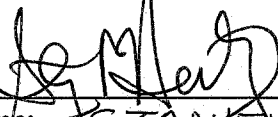
21. **Governing Law.** This Agreement shall be governed by, and construed under, the internal laws of the State of Delaware, all rights and remedies being governed by Delaware law.

22. **Amendments.** This Agreement may not be modified, altered, supplemented or amended except pursuant to a writing executed and delivered by the Member.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement effective as of this ____ day of October, 2003.

MANAGER:

FF PROPERTIES, INC.,
a Delaware corporation

By: 
Name: STANLEY P. HERSKOVITZ
Title: VICE PRESIDENT

MEMBER:

FAIRFIELD AFFORDABLE HOUSING, LLC,
a Delaware limited liability company

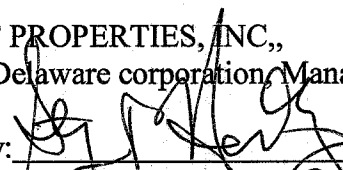
By: FF PROPERTIES, INC.,
a Delaware corporation, Manager
By: 
Name: STANLEY P. HERSKOVITZ
Title: VICE PRESIDENT

EXHIBIT "A"

**INITIAL CAPITAL CONTRIBUTIONS, UNITS AND
PERCENTAGE INTERESTS**

Name and Address of Member	Initial Capital Account and Capital Contribution Balance	Number of Units	Member's Percentage Interest
Fairfield Affordable Housing LLC 5510 Morehouse Drive, Suite 200 San Diego, CA 92121	\$1,000.00	100	100%
TOTALS:	\$1,000.00	100	100%

Name and Address of Manager:

FF Properties, Inc.
5510 Morehouse Drive, Suite 200
San Diego, CA 92121

EXHIBIT "B"

LEGAL DESCRIPTION OF THE PROPERTY

All those three certain pieces or parcels of land and premises situate, lying and being in Montgomery County, State of Maryland, and as described as follows to wit:

A. PARCEL 1: Section I, in the subdivision known as "Rosemary Village", as per plat thereof duly recorded among the Land Records of Montgomery County, Maryland, in Plat Book 45, Plat 3420.

B. PARCEL 2: Section II, in the subdivision known as "Rosemary Village", as per plat thereof recorded among the Land Records of Montgomery County, Maryland, in Plat Book 45, Plat 3420.

C. PARCEL 3: All of the property as shown on the plat entitled "Correction Plat, Armstrong Apartments Site, East-West Highway and Columbia Boulevard, Silver Spring, Maryland", originally recorded among the Land Records of Montgomery County in Plat Book 42, folio 3124, and re-recorded in Plat Book 43, Plat 3142.

Said three parcels of land taken together are described as follows:

I. Parcel 3

BEGINNING for the same at an iron pipe planted at the end of the tenth line of a conveyance from Chester A. Snow, Jr., unmarried, to Henry S. Reich and Anne S. Reich, his wife, and Philip Silverstone and Sadie Silverstone, his wife, by deed dated June 14, 1949, and recorded among the Land Records of Montgomery County, Maryland, in Liber 1265, folio 120, and running thence with the lines of said conveyance reversed North 57 degrees 12 minutes 36 seconds West 260.34 feet to an iron pipe, thence North 13 degrees 13 minutes 24 seconds East 221.89 feet to an iron pipe, thence North 1 degrees 14 minutes 54 seconds East 265.38 feet to an iron pipe planted on the eighth line of said conveyance, thence leaving the outline of said conveyance and running thence North 88 degrees 30 minutes 54 seconds East 352.58 feet to an iron pipe planted on the West line of the future Columbia Boulevard Extension 150 feet wide, thence with said west line, along the arc of a curve bearing to the right and having a radius of 1370.08 feet for an arc distance of 286.75 feet to an iron pipe, (chord bearing and chord distance South 4 degrees 30 minutes 39 seconds West 286.23 feet respectively, thence continuing with the West line South 10 degrees 30 minutes 24 seconds West 210.09 feet to an iron pipe, thence along the arc of a curve bearing to the right and having a radius of 150 feet for an arc distance of 121.95 feet to an iron pipe (chord bearing and chord distance 33 degrees 47 minutes 58 seconds West 118.62 feet respectively) planted on the northerly right-of-way line of the East-West Highway 120 feet wide, thence with the northerly line of said highway in a southwesterly direction South 57 degrees 05 minutes 24 seconds West 76.43 feet to an iron pipe at the point of beginning, and containing 195,832 square feet or 4.4957 acres of land.

II. Parcel 1

BEGINNING for the same at the northwest corner of the Armstrong Apartment Site, as originally recorded among the Land Records of Montgomery County, Maryland, in Plat Book No. 42 at Plat 3124 and re-recorded in Plat Book 43 at Plat No. 3142, said point also being the east line of Rosemary Knolls Subdivision, as per plats recorded among the aforesaid Land Records of Plat Book No. 35, Plat No. 2411, and Plat Book No. 38, Plat No. 2649, thence bounding on said east line of said Rosemary Knolls Subdivision, North 01 degrees 14 minutes 54 seconds East 53.87 feet to an angle point, thence North 01 degrees 29 minutes 06 seconds West 651.63 feet, thence across said tract acquired as aforesaid, North 88 degrees 30 minutes 54 seconds East 148.00 feet, thence South 84 degrees 15 minutes 01 seconds East 177.92 feet to a point along the westerly sideline of future Columbia Boulevard (not now dedicated), thence South 5 degrees 44 minutes 59 seconds West 201.23 feet to a point of curvature, thence with the arc of a curve bearing to the left having a radius of 200 feet for an arc distance of 173.44 feet to a point, (chord bearing and chord distance South 19 degrees 05 minutes 37 seconds East 168.06 feet respectively, thence South 01 degrees 29 minutes 06 seconds East 323.23 feet to a point on the north side of Armstrong Apartment Site recorded as aforesaid; thence along the northerly sideline of Armstrong Apartment Site South 88 degrees 30 minutes 54 seconds West 352.58 feet to the point of beginning, containing 230,642 square feet or 5.2948 acres of land, more or less, and which tract is known as "Section 1, Rosemary Village", as per plat recorded in Liber 45 at folio 3420 among the Land Records of Montgomery County, Maryland.

III. Parcel 2

BEGINNING for the same at the northwest corner of the tract of land herein described said point being the northwest corner of a tract of land to be known as "Section 1, Rosemary Village" and on the east line of Rosemary Knolls Subdivision, as per plat recorded among the Land Records of Montgomery County, Maryland, in Plat Book No. 38, Plat No. 2649, and thence bounding on the east line of said subdivision North 01 degrees 29 minutes 06 seconds West 677.02 feet to a point in the southwesterly limit line of the Metropolitan Branch of the Baltimore & Ohio Railroad, thence with said limit line South 61 degrees 22 minutes 06 seconds East 225.90 feet to a point, and thence South 53 degrees 54 minutes 06 seconds East 343.69 feet to a point on the westerly line of future Columbia Boulevard (not now dedicated), thence with the proposed westerly line South 31 degrees 28 minutes 29 seconds West 91.96 feet to a point of curvature, thence with the arc of a curve bearing to the left and having a radius of 553 feet for an arc distance of 248.29 feet to a point of tangency (chord bearing and chord distance South 18 degrees 36 minutes 44 seconds West 246.21 feet respectively), thence South 05 degrees 44 minutes 59 seconds West 68.62 feet to the northerly side of the tract of land to be known as "Section 1, Rosemary Village", and thence bounding on said northerly sideline of said tract of land and across the tract acquired by the grantors as aforesaid, North 84 degrees 15 minutes 01 seconds West 177.92 feet, thence South 88 degrees 30 minutes 54 seconds West 148 feet to the place of beginning, said tract of land containing 216,361 square feet or 4.9670 acres, and known as "Section 2, Rosemary Village", as per plat recorded in Liber 45 at folio 3420 among the Land Records of Montgomery County, Maryland.

CERTIFICATE OF AMENDMENT OF BYLAWS
of
FF PROPERTIES, INC.
A Delaware Corporation

I, James A. Hribar, hereby certify that:

1. I am the duly appointed and acting Secretary of FF Properties, Inc., a Delaware corporation (the "Company"); and

2. Pursuant to the Action by Written Consent of the Sole Shareholder of FF Properties, Inc. dated effective as of December 15, 2001, in accordance with Section 2.09 and Section 8.04 of the Company's Bylaws, the sole Shareholder adopted the amendment to the Bylaws of the Company set forth below, effective as of December 15, 2001:

Section 4.07(c) is hereby added to the Company's Bylaws, to read as follows:

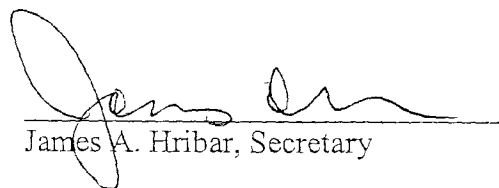
“(c) The Board of Directors may allocate the duties and responsibilities of the Chief Financial Officer to two officers, each of whom may hold the title of Chief Financial Officer and shall have the respective duties and responsibilities prescribed from time to time by the Board of Directors. In the event the duties and responsibilities of the Chief Financial Officer are so allocated to two officers, all references in these Bylaws to Chief Financial Officer in the singular shall mean and refer to both of such officers.”

Section 4.09 is hereby added to the Company's Bylaws, to read in full as follows:

“Section 4.09 VICE-PRESIDENTS.

The Vice Presidents shall have such powers and perform such duties as from time to time may be prescribed by the Board of Directors or the Bylaws. The Vice Presidents may be ranked in order of their seniority as fixed by the Board of Directors from time to time, with such titles and respective duties and responsibilities as may be prescribed by the Board of Directors from time to time.”

IN WITNESS WHEREOF, I have executed this Certificate this 14 day of May, 2002.


James A. Hribar, Secretary

**CERTIFICATE OF AMENDMENT OF BYLAWS
OF
FF PROPERTIES, INC.
A Delaware Corporation**

I, James A. Hribar, hereby certify that:

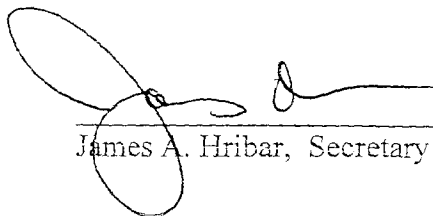
1. I am the Secretary of FF Properties, Inc., a Delaware corporation (the "Company");
and

2. Pursuant to the Action by Written Consent of the Sole Shareholder of FF Properties, Inc. dated October 29, 1998, in accordance with Section 2.09 and Section 8.04 of the Company's Bylaws, the sole Shareholder adopted the amendment to the Bylaws of the Company set forth below, effective as of October 29, 1998:

Section 3.13(d) is hereby added to the Company's Bylaws, to read as follows:

(d) The Company shall have a Transaction Committee. No member of the Transaction Committee is entitled to receive any salary or other compensation or reimbursement for his or her services as a member of the Transaction Committee. The initial members of the Transaction Committee are Michael Foster, John A. Henry, and Gregg O. Dawley (collectively, the "MSREF" members) and Christopher E. Hashioka and James L. Bosler (collectively, the "Fairfield" members). The Transaction Committee shall have and may exercise all the power and authority of the Board in the management of the business and affairs of the Company, subject to Section 3.13 (a) above. The Transaction Committee may take action only by a written consent executed and delivered (including without limitation by facsimile or e-mail transmission) by one or more MSREF members of the Transaction Committee and one or more Fairfield members of the Transaction Committee, and any action by written consent so executed and delivered constitutes binding and conclusive evidence of the decisions reflected therein and all authorizations granted thereby. All such actions by written consent of the Transaction Committee shall be kept in the Company's minute book.

IN WITNESS WHEREOF, I have executed this Certificate as of October 29, 1998.



James A. Hribar, Secretary

By-Laws

of

FF Properties, Inc.
a Delaware corporation

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I OFFICES	1
Section 1.01 REGISTERED OFFICE	1
Section 1.02 PRINCIPAL OFFICE	1
Section 1.03 OTHER OFFICES	1
ARTICLE II MEETINGS OF STOCKHOLDERS	1
Section 2.01 ANNUAL MEETINGS	1
Section 2.02 SPECIAL MEETINGS	1
Section 2.03 PLACE OF MEETINGS	1
Section 2.04 NOTICE OF MEETINGS	2
Section 2.05 QUORUM	2
Section 2.06 VOTING	2
Section 2.07 LIST OF STOCKHOLDERS	3
Section 2.08 INSPECTOR OF ELECTION	4
Section 2.09 STOCKHOLDER ACTION WITHOUT MEETINGS	4
ARTICLE III BOARD OF DIRECTORS	4
Section 3.01 GENERAL POWERS	4
Section 3.02 NUMBER	4
Section 3.03 ELECTION OF DIRECTORS	4
Section 3.04 RESIGNATIONS	5
Section 3.05 VACANCIES	5
Section 3.06 PLACE OF MEETING; TELEPHONE CONFERENCE MEETING	5
Section 3.07 FIRST MEETING	5
Section 3.08 REGULAR MEETINGS	5
Section 3.09 SPECIAL MEETINGS	6
Section 3.10 QUORUM AND ACTION	6
Section 3.11 ACTION BY CONSENT	6
Section 3.12 COMPENSATION	7
Section 3.13 COMMITTEES	7
Section 3.14 OFFICERS OF THE BOARD	7
ARTICLE IV OFFICERS	8
Section 4.01 OFFICERS	8
Section 4.02 ELECTION	8
Section 4.03 SUBORDINATE OFFICERS	8
Section 4.04 REMOVAL AND RESIGNATION	8

TABLE OF CONTENTS

(continued)

	<u>Page</u>
Section 4.05 VACANCIES	8
Section 4.06 PRESIDENT	8
Section 4.07 CHIEF FINANCIAL OFFICER	9
Section 4.08 SECRETARY	9
 ARTICLE V CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.	 10
Section 5.01 EXECUTION OF CONTRACTS	10
Section 5.02 CHECKS, DRAFTS, ETC	10
Section 5.03 DEPOSIT	10
Section 5.04 GENERAL AND SPECIAL BANK ACCOUNTS	10
 ARTICLE VI SHARES AND THEIR TRANSFER	 11
Section 6.01 CERTIFICATES FOR STOCK	11
Section 6.02 TRANSFER OF STOCK	11
Section 6.03 REGULATIONS	11
Section 6.04 LOST, STOLEN, DESTROYED AND MUTILATED CERTIFICATES	 11
Section 6.05 RECORD DATE	12
Section 6.06 REPRESENTATION OF SHARES OF OTHER CORPORATION	 12
 ARTICLE VII INDEMNIFICATION	 12
Section 7.01 ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE COMPANY	 12
Section 7.02 ACTIONS BY OR IN THE RIGHT OF THE COMPANY	13
Section 7.03 DETERMINATION OF RIGHT OF INDEMNIFICATION	13
Section 7.04 INDEMNIFICATION AGAINST EXPENSES OF SUCCESSFUL PARTY	 13
Section 7.05 ADVANCE OF EXPENSES	14
Section 7.06 OTHER RIGHTS AND REMEDIES	14
Section 7.07 INSURANCE	14
Section 7.08 CONSTITUENT CORPORATIONS	14
Section 7.09 EMPLOYEE BENEFIT PLANS	14
Section 7.10 BROADEST LAWFUL INDEMNIFICATION	15
Section 7.11 TERM	16
Section 7.12 SEVERABILITY	16
Section 7.13 AMENDMENTS	16

TABLE OF CONTENTS

(continued)

	<u>Page</u>
ARTICLE VIII OTHER MATTERS	16
Section 8.01 WAIVER OF NOTICES	16
Section 8.02 LOANS AND GUARANTIES	16
Section 8.03 GENDER	17
Section 8.04 AMENDMENTS	17

ARTICLE I

OFFICES

Section 1.01 REGISTERED OFFICE. The registered office of FF Properties, Inc., a Delaware corporation (the "**Company**") shall be at such place in the State of Delaware as shall be designated by the Board of Directors of the Company (the "**Board**").

Section 1.02 PRINCIPAL OFFICE. The principal office for the transaction of the business of the Company shall be at such location, within or without the State of Delaware, as shall be designated by the Board.

Section 1.03 OTHER OFFICES. The Company may also have an office or offices at such other place or places, either within or without the State of Delaware, as the Board may from time to time determine or as the business of the Company may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.01 ANNUAL MEETINGS. Annual meetings of the stockholders of the Company for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings may be held at such time, date and place as the Board shall determine by resolution.

Section 2.02 SPECIAL MEETINGS. Special meetings of the stockholders of the Company for any purpose or purposes may be called at any time by the Board, or by a committee of the Board which has been duly designated by the Board and whose powers and authority, as provided in a resolution of the Board or in the By-Laws, include the power to call such meetings, but such special meetings may not be called by any other person or persons; provided that, if and to the extent that any special meeting of stockholders may be called by any other person or persons specified in any provisions of the Certificate of Incorporation or any amendment thereto or any certificate filed under **Section 151(g)** of the General Corporation Law of the State of Delaware (or its successor statute as in effect from time to time hereafter), then such special meeting may also be called by the person or persons, in the manner, at the time and for the purposes so specified.

Section 2.03 PLACE OF MEETINGS. All meetings of the stockholders shall be held at such places, within or without the State of Delaware, as may from time to time be designated by the person or persons calling the respective meetings and specified in the respective notices or waivers of notice thereof.

Section 2.04 NOTICE OF MEETINGS. Except as otherwise required by law, notice of each meeting of the stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting by delivering a typewritten or printed notice thereof to such stockholder personally, or by depositing such notice in the United States mail, in a postage prepaid envelope, directed to such stockholder at such stockholder's address furnished by such stockholder to the Secretary of the Company for such purpose or, if such stockholder shall not have furnished to the Secretary such stockholder's address for such purpose, then at such stockholder's address last known to the Secretary, or by transmitting a notice thereof to such stockholder at such address by telegraph, cable or wireless. Except as otherwise expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Every notice of a meeting of the stockholders shall state the place, date and hour of the meeting, and, in the case of a special meeting shall also state the purpose or purposes for which the meeting is called. Except as otherwise expressly required by law, notice of any adjourned meeting of the stockholders need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 2.05 QUORUM. The holders of record of a majority in voting interest of the shares of stock of the Company entitled to be voted, present in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of the stockholders of the Company or any adjournment thereof. The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. In the absence of a quorum at any meeting or any adjournment thereof, a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat or, in the absence therefrom of all the stockholders, any officer entitled to preside at or to act as secretary of such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.06 VOTING.

(a) At each meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy each share or fractional share of the stock of the Company which has voting rights on the matter in question and which shall have been held by such stockholder and registered in such stockholder's name on the books of the Company:

(i) on the date fixed pursuant to **Section 6.05** of these By-Laws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting; or

(ii) if no such record date shall have been so fixed, then (A) at the close of business on the day next preceding the day on which notice of the meeting shall be given or (B) if notice of the meeting shall

be waived, at the close of business on the day next preceding the day on which the meeting shall be held.

(b) Shares of its own stock belonging to the Company shall neither be entitled to vote nor be counted for quorum purposes. Persons holding stock of the Company in a fiduciary capacity shall be entitled to vote such stock. Persons whose stock is pledged in a permitted transaction shall be entitled to vote, unless in the transfer by the pledgor on the books of the Company such stockholder shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee, or such pledgee's proxy, may represent such stock and vote thereon. Stock having voting power standing of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety or otherwise, or with respect to which two or more persons have the same fiduciary relationship, shall be voted in accordance with the provisions of the General Corporation Law of the State of Delaware.

(c) Any such voting rights may be exercised by the stockholder entitled thereto in person or by such stockholder's proxy appointed by an instrument in writing, subscribed by such stockholder or by such stockholder's attorney thereunto authorized and delivered to the secretary of the meeting; provided that, no proxy shall be voted or acted upon after three years from its date unless said proxy shall provide for a longer period. The attendance at any meeting of a stockholder who may theretofore have given a proxy shall not have the effect of revoking the same unless such stockholder shall in writing so notify the secretary of the meeting prior to the voting of the proxy. At any meeting of the stockholders all matters, except as otherwise provided in the Certificate of Incorporation, in these By-Laws or by law, shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat and thereon. The stockholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. The vote at any meeting of the stockholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy if there be such proxy, and it shall state the number of shares voted.

Section 2.07 LIST OF STOCKHOLDERS. The Secretary of the Company shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the entire duration thereof, and may be inspected by any stockholder who is present.

Section 2.08 INSPECTOR OF ELECTION. If at any meeting of the stockholders a vote by written ballot shall be taken on any question, the chairman of such meeting may appoint an inspector or inspectors of election to act with respect to such vote. Each inspector so appointed shall first subscribe an oath faithfully to execute the duties of an inspector at such meeting with strict impartiality and according to the best of such inspector's ability. Such inspectors shall decide upon the qualification of the voters and shall report the number of shares represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and, when the voting is completed, shall ascertain and report the number of shares voted respectively for and against the question. Reports of the inspectors shall be in writing and subscribed and delivered by them to the Secretary of the Company. Inspectors need not be stockholders of the Company, and any officer of the Company may be an inspector on any question other than a vote for or against a proposal in which such officer shall have a material interest.

Section 2.09 STOCKHOLDER ACTION WITHOUT MEETINGS. Any action required by the General Corporation Law of the State of Delaware to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 GENERAL POWERS. The property, business and affairs of the Company shall be managed by or under the direction of the Board, which may exercise all of the powers of the Company, except such as are by the Certificate of Incorporation, by these By-Laws or by law conferred upon or reserved to the stockholders.

Section 3.02 NUMBER. The initial number of directors of the Company is four (4) and such number may be revised by resolution of the Board of Directors amending this **Section 3.02**. Directors need not be stockholders in the Company.

Section 3.03 ELECTION OF DIRECTORS. The directors shall be elected by the stockholders of the Company, and at each election the persons receiving the greatest number of votes, up to the number of directors then to be elected, shall be the persons then elected. The election of directors is subject to any provisions contained in the Certificate of Incorporation relating thereto, including any provisions for a classified board.

Section 3.04 RESIGNATIONS. Any director of the Company may resign at any time by giving written notice to the Board or to the Secretary of the Company. Any such resignation shall take effect at the time specified therein, or, if the time is not specified, it shall take effect immediately upon its receipt and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.05 VACANCIES.

(a) Except as otherwise provided in the Certificate of Incorporation, any vacancy in the Board, whether because of death, resignation, disqualification, an increase in the number of directors, or any other cause, may be filled by vote of the majority of the remaining directors, although less than a quorum, or by a sole remaining director. Each director so chosen to fill a vacancy shall hold office until such director's successor shall have been elected and shall qualify or until such director shall resign or shall have been removed. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

(b) Upon the resignation of one or more directors from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided hereinabove in the filling of other vacancies.

Section 3.06 PLACE OF MEETING: TELEPHONE CONFERENCE MEETING. The Board may hold any of its meetings at such place or places within or without the State of Delaware as the Board may from time to time by resolution designate or as shall be designated by the person or persons calling the meeting or in the notice or waiver of notice of any such meeting. Directors may participate in any regular or special meeting of the Board by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting of the Board can hear each other, and such participation shall constitute presence in person at such meeting.

Section 3.07 FIRST MEETING. The Board shall meet as soon as practicable after each annual election of directors and notice of such first meeting shall not be required.

Section 3.08 REGULAR MEETINGS. Regular meetings of the Board may be held at such times as the Board shall from time to time by resolution determine. If any day fixed for a meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting shall be held at the same hour and place on the next succeeding business day which is not a legal holiday. Except as provided by law, notice of regular meetings need not be given.

Section 3.09 SPECIAL MEETINGS.

(a) Special meetings of the Board may be called at any time by the Chairman of the Board or the President or by any two (2) directors, to be held at the principal office of the Company, or at such other place or places, within or without the State of Delaware, as the person or persons calling the meeting may designate.

(b) Notice of the time and place of special meetings shall be given to each director either (i) by mailing or otherwise sending to such director a written notice of such meeting, charges prepaid, addressed to such director at such director's address as it is shown upon the records of the Company, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held, at least seventy two (72) hours prior to the time of the holding of such meeting or (ii) by orally communicating the time and place of the special meeting to such director at least forty eight (48) hours prior to the time of the holding of such meeting. Either of the notices as above provided shall be due, legal and personal notice to such director.

(c) Whenever notice is required to be given, either to a stockholder or a director, under any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these By-Laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting, whether in person or by proxy, shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of directors or committee of directors need be specified in any written waiver of notice.

(d) All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 3.10 QUORUM AND ACTION. Except as otherwise provided in these By-Laws or by law, the presence of a majority of the authorized number of directors shall be required to constitute a quorum for the transaction of business at any meeting of the Board, and all matters shall be decided at any such meeting, a quorum being present, by the affirmative votes of a majority of the directors present. In the absence of a quorum, a majority of directors present at any meeting may adjourn the same from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. The directors shall act only as a Board, and the individual directors shall have no power as such.

Section 3.11 ACTION BY CONSENT. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes

of proceedings of the Board or such committee. Such action by written consent shall have the same force and effect as the unanimous vote of such directors.

Section 3.12 COMPENSATION. No stated salary need be paid to directors, as such, for their services but, as fixed from time to time by resolution of the Board, the directors may receive directors' fees, compensation and reimbursement for expenses for attendance at directors' meetings, for serving on committees and for discharging their duties; provided that, nothing herein contained shall be construed to preclude any director from serving the Company in any other capacity and receiving compensation therefor.

Section 3.13 COMMITTEES.

(a) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Company. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers which may require it; but no such committee shall have any power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Company's property and assets, recommending to the stockholders a dissolution of the Company or a revocation of a dissolution, or amending the By-Laws of the Company; and unless the resolution of the Board expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Any such committee shall keep written minutes of its meetings and report the same to the Board when required.

(b) In the absence of any member of any such committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may appoint another member of the Board to act at the meeting in the place of such absent member.

(c) A majority of the members, or replacements thereof, of any such committee shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the members, or replacements thereof, of any such committee shall be regarded as the act or decision of the entire committee.

Section 3.14 OFFICERS OF THE BOARD. The Board shall have a Chairman of the Board and may, at the discretion of the Board, have one or more Vice Chairmen. The Chairman of the Board and the Vice Chairmen shall be appointed from time to time by the Board and shall have such powers and duties as shall be designated by the Board.

ARTICLE IV

OFFICERS

Section 4.01 OFFICERS. The officers of the Company shall be a President, a Chief Financial Officer, a Vice President and a Secretary. The Company may also have, at the discretion of the Board, one or more Vice Presidents, one or more Assistant Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers and such other officers as may be appointed in accordance with the provisions of **Section 4.03** of these By-Laws. One person may hold two or more offices, except that the Secretary may not also hold the office of President. The salaries of all officers of the Company shall be fixed by the Board.

Section 4.02 ELECTION. The officers of the Company, except such officers as may be appointed in accordance with the provisions of **Section 4.03** or **Section 4.05** of these By-Laws, shall be chosen annually by the Board, and each shall hold such office until such officer shall resign or shall be removed or otherwise disqualified to serve, or until such officer's successor shall be elected and qualified.

Section 4.03 SUBORDINATE OFFICERS. The Board may appoint, or may authorize the President to appoint, such other officers as the business of the Company may require, each of whom shall have such authority and perform such duties as are provided in these By-Laws or as the Board or the President from time to time may specify, and shall hold office until such officer shall resign or shall be removed or otherwise disqualified to serve.

Section 4.04 REMOVAL AND RESIGNATION.

(a) Any officer may be removed, with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board, by the President upon whom such power of removal may be conferred by the Board.

(b) Any officer may resign at any time by giving written notice to the Board, the President or the Secretary of the Company. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for the regular appointments to such office.

Section 4.06 PRESIDENT. The President shall exercise and perform such powers and duties with respect to the administration of the business and affairs of the Company as may from time to time be assigned to him by the Chairman of the Board or by the Board or as is prescribed by the By-Laws. In the absence or disability of the

Chairman of the Board, the President shall perform all of the duties of the Chairman of the Board and when so acting shall have all the powers and be subject to all the restrictions upon the Chairman of the Board.

Section 4.07 CHIEF FINANCIAL OFFICER.

(a) The Chief Financial Officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Company, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of capital, shall be classified according to source and shown in a separate account. The books of account at all reasonable times shall be open to inspection by any director.

(b) The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the Company with such depositories as may be designated by the Board. He shall disburse the funds of the Company as may be ordered by the Board, shall render to the President and to the directors, whenever they request it, an account of all of such officer's transactions as Chief Financial Officer and of the financial condition of the Company, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws.

Section 4.08 SECRETARY.

(a) The Secretary shall keep, or cause to be kept, a book of minutes at the principal office for the transaction of the business of the Company, or such other place as the Board may order, of all meetings of directors and stockholders, with the time and place of holding, whether regular or special, and if special, how authorized and the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at stockholders' meetings and the proceedings thereof.

(b) The Secretary shall keep, or cause to be kept, at the principal office for the transaction of the business of the Company or at the office of the Company's transfer agent, a share register, or a duplicate share register, showing the names of the stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

(c) The Secretary shall give, or cause to be given, notice of all the meetings of the stockholders and of the Board required by these By-Laws or by law to be given, and such officer shall keep the seal of the Company in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws. If for any reason the Secretary shall fail to give notice of any special meeting of the Board called by one or more of the persons identified in **Section 3.09** of these By-Laws, or if such officer shall fail to give notice of any special meeting of the stockholders called by one or more of the persons identified in **Section 2.02** of these By-Laws, then any such person or persons may give notice of any such special meeting.

ARTICLE V

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 5.01 EXECUTION OF CONTRACTS. The Board, except as otherwise provided in these By-Laws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Company, and such authority may be general or confined to specific instances; and unless so authorized by the Board or by these By-Laws, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 5.02 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Company, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board. Each such person shall give such bond, if any, as the Board may require.

Section 5.03 DEPOSIT. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board may select, or as may be selected by any officer or officers, assistant or assistants, agent or agents, attorney or attorneys, of the Company to whom such power shall have been delegated by the Board. For the purpose of deposit and for the purpose of collection for the account of the Company, the President, or the Chief Financial Officer (or any other officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Company who shall be determined by the Board from time to time) may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Company.

Section 5.04 GENERAL AND SPECIAL BANK ACCOUNTS. The Board from time to time may authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositories as the Board may select or as may be selected by an officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Company to whom such power shall have been delegated by the Board. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-Laws, as it may deem expedient.

ARTICLE VI

SHARES AND THEIR TRANSFER

Section 6.01 CERTIFICATES FOR STOCK. Every owner of stock of the Company shall be entitled to have a certificate or certificates, in such form as the Board shall prescribe, certifying the number and class of shares of the stock of the Company owned by him. The certificates representing shares of such stock shall be numbered in the order in which they shall be issued and shall be signed in the name of the Company by the President and the Secretary. Any or all of the signatures on the certificates may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any such certificate shall thereafter have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may nevertheless be issued by the Company with the same effect as though the person who signed such certificate, or whose facsimile signature shall have been placed thereupon, were such officer, transfer agent or registrar at the date of issue. A record shall be kept of the respective names of the persons, firms or corporations owning the stock represented by such certificates, the number and class of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation. Every certificate surrendered to the Company for exchange or transfer shall be canceled, and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so canceled, except in cases provided for in **Section 6.04** of these By-Laws.

Section 6.02 TRANSFER OF STOCK. Transfer of shares of stock of the Company shall be made only on the books of the Company by the registered holder thereof, or by such holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Company, or with a transfer clerk or a transfer agent appointed as provided in **Section 6.03** of these By-Laws, and upon surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Company shall be deemed the owner thereof for all purposes as regards the Company. Whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact shall be stated expressly in the entry of transfer if, when the certificate or certificates shall be presented to the Company for transfer, both the transferor and the transferee request the Company to do so.

Section 6.03 REGULATIONS. The Board may make such rules and regulations as it may deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer and registration of certificates for shares of the stock of the Company. The Board may appoint, or authorize any officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates for stock to bear the signature or signatures of any of them.

Section 6.04 LOST, STOLEN, DESTROYED AND MUTILATED CERTIFICATES. In any case of loss, theft, destruction, or mutilation of any certificate of stock, another may be issued in its place upon proof of such loss, theft, destruction, or

mutilation and upon the giving of a bond of indemnity to the Company in such form and in such sums as the Board may direct; provided that, a new certificate may be issued without requiring any bond when, in the judgment of the Board, it is proper to do so.

Section 6.05 RECORD DATE. In order that the Company may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any other change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If, in any case involving the determination of stockholders for any purpose other than notice of or voting at a meeting of stockholders, the Board shall not fix such a record date, the record date for determining stockholders for such purpose shall be the close of business on the day on which the Board shall adopt the resolution relating thereto. A determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided that, the Board may fix a new record date for the adjourned meeting.

Section 6.06 REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The President or any Vice President and the Secretary or any Assistant Secretary of this Company are authorized to vote, represent and exercise on behalf of this Company all rights incident to all shares of any other corporation or corporations standing in the name of this Company. The authority herein granted to said officers to vote or represent on behalf of this Company any and all shares held by this Company in any other corporation or corporations may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by said officers.

ARTICLE VII

INDEMNIFICATION

Section 7.01 ACTIONS OTHER THAN BY OR IN THE RIGHT OF THE COMPANY. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding

by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that such person's conduct was unlawful.

Section 7.02 ACTIONS BY OR IN THE RIGHT OF THE COMPANY.

The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or as a member of any committee or similar body, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 7.03 DETERMINATION OF RIGHT OF INDEMNIFICATION.

Any indemnification under **Section 7.01** or **Section 7.02** of these By-Laws (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in **Section 7.01** and **Section 7.02** of these By-Laws. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion or (iii) by the stockholders of the Company.

Section 7.04 INDEMNIFICATION AGAINST EXPENSES OF SUCCESSFUL PARTY. Notwithstanding the other provisions of this **Article VII**, to the extent that a director, officer, employee or agent of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in **Section 7.01** or **Section 7.02** of these By-Laws, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 7.05 ADVANCE OF EXPENSES. Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the Board upon receipt of an undertaking by or on behalf of the director

or officer, to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company as authorized in this **Article VII**. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.

Section 7.06 OTHER RIGHTS AND REMEDIES. The indemnification and advancement of expenses provided by, or granted pursuant to, the other Sections of this **Article VII** shall not be deemed exclusive and are declared expressly to be nonexclusive of any other rights to which those seeking indemnification or advancements of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

Section 7.07 INSURANCE. Upon resolution passed by the Board, the Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of this **Article VII**.

Section 7.08 CONSTITUENT CORPORATIONS. For the purposes of this **Article VII**, references to the "**Company**" include in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or as a member of any committee or similar body shall stand in the same position under the provisions of this **Article VII** with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

Section 7.09 EMPLOYEE BENEFIT PLANS. For the purposes of this **Article VII**, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this **Article VII**.

Section 7.10 BROADEST LAWFUL INDEMNIFICATION. In addition to the foregoing, the Company shall, to the broadest and maximum extent permitted by Delaware law, as the same exists from time to time (but, in case of any amendment to or change in Delaware law, only to the extent that such amendment or change permits the Company to provide broader rights of indemnification than is permitted to the Company prior to such amendment or change), indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director or officer of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. In addition, the Company shall, to the broadest and maximum extent permitted by Delaware law, as the same may exist from time to time (but, in case of any amendment to or change in Delaware law, only to the extent that such amendment or change permits the Company to provide broader rights of payment of expenses incurred in advance of the final disposition of an action, suit or proceeding than is permitted to the Company prior to such amendment or change), pay to such person any and all expenses (including attorneys' fees) incurred in defending or settling any such action, suit or proceeding in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer, to repay such amount if it shall ultimately be determined by a final judgment or other final adjudication that he is not entitled to be indemnified by the Company as authorized in this **Section 7.10**. The first sentence of this **Section 7.10** to the contrary notwithstanding, the Company shall not indemnify any such person with respect to any of the following matters: (i) remuneration paid to such person if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law, (ii) any accounting of profits made from the purchase or sale by such person of the Company's securities within the meaning of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law, (iii) actions brought about or contributed to by the dishonesty of such person, if a final judgment or other final adjudication adverse to such person establishes that acts of active and deliberate dishonesty were committed or attempted by such person with actual dishonest purpose and intent and were material to the adjudication, (iv) actions based on or attributable to such person having gained any personal profit or advantage to which such person was not entitled, in the event that a final judgment or other final adjudication adverse to such person establishes that such person in fact gained such personal profit or other advantage to which such person was not entitled or (v) any matter in respect of which a final decision by a court with competent jurisdiction shall determine that indemnification is unlawful; provided that, the Company shall perform its obligations under the second sentence of this **Section 7.10** on behalf of such person until such time as it shall be ultimately determined by a final judgment or other final adjudication that such person is not entitled to be indemnified by the Company as authorized by the first sentence of this **Section 7.10** by virtue of any of the preceding **clauses (i), (ii), (iii), (iv) or (v)**.

Section 7.11 TERM. The indemnification and advancement of expenses provided by, or granted pursuant to, this **Article VII** shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 7.12 SEVERABILITY. If any part of this **Article VII** shall be found, in any action, suit or proceeding or appeal therefrom or in any other circumstances or as to any particular officer, director, employee or agent to be unenforceable, ineffective or invalid for any reason, the enforceability, effect and validity of the remaining parts or of such parts in other circumstances shall not be affected, except as otherwise required by applicable law.

Section 7.13 AMENDMENTS. The foregoing provisions of this **Article VII** shall be deemed to constitute an agreement between the Company and each of the persons entitled to indemnification hereunder, for as long as such provisions remain in effect. Any amendment to the foregoing provisions of this **Article VII** which limits or otherwise adversely affects the scope of indemnification or rights of any such persons hereunder shall, as to such persons, apply only to claims arising, or causes of action based on actions or events occurring, after such amendment and delivery of notice of such amendment is given to the person or persons so affected. Until notice of such amendment is given to the person or persons whose rights hereunder are adversely affected, such amendment shall have no effect on such rights of such persons hereunder. Any person entitled to indemnification under the foregoing provisions of this **Article VII** shall, as to any act or omission occurring prior to the date of receipt of such notice, be entitled to indemnification to the same extent as had such provisions continued as By-Laws of the Company without such amendment.

ARTICLE VIII

OTHER MATTERS

Section 8.01 WAIVER OF NOTICES. Whenever notice is required to be given by these By-Laws or the Certificate of Incorporation or by law, the person entitled to said notice may waive such notice in writing, either before or after the time stated therein, and such waiver shall be deemed equivalent to notice.

Section 8.02 LOANS AND GUARANTIES. The Company may lend money to, or guarantee any obligation of, and otherwise assist any officer or other employee of the Company or of its subsidiaries, including any officer who is a director, whenever, in the judgment of the Board, such loan, guaranty or assistance may reasonably be expected to benefit the Company. The loan, guaranty, or other assistance may be with or without interest, and may be unsecured or secured in such manner as the Board shall approve, including, without limitation, a pledge of shares of stock of the Company.

Section 8.03 GENDER. All personal pronouns used in these By-Laws shall include the other genders, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

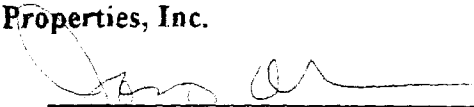
Section 8.04 AMENDMENTS. These By-Laws, or any of them, may be rescinded, altered, amended or repealed, and new By-Laws may be made (i) by the Board, by vote of a majority of the number of directors then in office as directors, acting at any meeting of the Board or (ii) by the stockholders, by the vote of a majority of the outstanding shares of voting stock of the Company, at an annual meeting of stockholders, without previous notice, or at any special meeting of stockholders, provided that notice of such proposed amendment, modification, repeal or adoption is given in the notice of special meeting; provided that, **Section 2.02** of these By-Laws can only be amended if that Section as amended would not conflict with the Company's Certificate of Incorporation. Any By-Law made or altered by the stockholders may be altered or repealed by the Board or may be altered or repealed by the stockholders.

CERTIFICATE OF SECRETARY

THE UNDERSIGNED, being the duly elected and acting Secretary of FF Properties, Inc., a Delaware corporation (the "Company"), hereby certifies that the By-Laws attached hereto constitute the By-Laws of the Company as duly adopted by the Written Consent of the Board of Directors of the Company dated as of the date set forth below.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the 18th day of ~~September~~, 1997.
November

FF Properties, Inc.

By: 
Name: James A. Hribar
Title: Secretary

ACTION BY UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS
OF
FF PROPERTIES, INC.

The undersigned, constituting all of the directors of FF Properties, Inc., a Delaware corporation (the "Corporation"), acting pursuant to the Delaware General Corporation Law and the Bylaws of the Corporation, hereby adopt the following resolutions and consent to the actions authorized thereby:

WHEREAS, pursuant to Section 2.9 and Section 4.04 of the Company's Bylaws, the Board desires to amend the Company's Bylaws as set forth below;

WHEREAS, the Board of Directors have reviewed and considered a proposal to facilitate and improve the Corporation's business activities and practices, by authorizing certain designated officers ("Authorized Officers"), to approve the following business transactions historically undertaken by the Corporation (collectively, "Approved Transactions"), including in the Corporation's respective capacity on behalf of other entities in which the Corporation serves as manager of a limited liability company or general partner of a limited partnership and in which FF World Residential LLC, a Delaware limited liability company, has a direct or indirect equity or other beneficial interest (collectively, "Affiliates"):

- (a) Acquisition, improvement and redevelopment of multifamily housing projects by Affiliates;
- (b) Acquisition by Affiliates of land intended to be utilized principally for the construction and operation of multifamily housing or condominium projects;
- (c) Acquisition and settlement by Affiliates of land for sale to third parties;
- (d) Development and construction by Affiliates of multifamily and condominium projects;
- (e) Management of multifamily and condominium housing projects, for Affiliates and third parties;
- (f) Capital markets activity, including the financing and refinancing of land acquisitions and multifamily housing and condominium projects and entering into joint ventures with capital sources to carry out permitted business activities by Affiliates;
- (g) Sale of the assets of Affiliates;

(b) Any act or thing reasonably necessary or desirable to accomplish the foregoing activities and practices.

WHEREAS, the designation of Authorized Officers to authorize Approved Transactions is intended to supplement, but not to modify or restrict, the existing delegation of authority to the Corporation's Transaction Committee;

WHEREAS, the Corporation desires to issue a dividend of the Corporation's one percent (1%) member interest in Fairfield Financial LLC, a Delaware limited liability company ("Financial"), and the Corporation's one percent (1%) member interest in Fairfield Financial F LLC, a Delaware limited liability company ("Financial F"); and the Board of Directors deems it advisable to declare such a dividend on the common stock of the Corporation;

NOW, THEREFORE, IT IS

RESOLVED, that Section 3.13 of the Company's Bylaws (which was added to the Company's Bylaws by resolution of the Shareholders on October 29, 1998) is hereby deleted and that the Transaction Committee of the Company's Board of Directors is hereby dissolved.

RESOLVED, FURTHER, that the Secretary of the Company is authorized and directed to certify a copy of the foregoing amendment as part of the Bylaws of the Company, and insert the foregoing amendment as so certified in the Company's minute book.

RESOLVED, FURTHER, that the actions taken by the officers and directors of the Company in connection with the transactions contemplated by the foregoing resolutions are approved, ratified and confirmed.

RESOLVED, FURTHER, that the following officers of the Corporation be, and they hereby are, designated as Authorized Officers for purposes of authorizing Approved Transactions in accordance with the foregoing resolutions (without necessity of further action by the Board of Directors or Transaction Committee), to serve with such authority at the pleasure of the Board of Directors until further action by the Board of Directors:

<u>Office</u>	<u>Name</u>
Chairman of the Board	James L. Basler
Chief Executive Officer	James L. Basler
President	Christopher E. Haanjoela
Chief Financial Officer (Western Division)	James A. Huber
Chief Financial Officer (Eastern Division)	Glenn D. Jones
Senior Vice President	Ted Bradford
Senior Vice President	Gerald S. Brand

Senior Vice President
Senior Vice President
Vice President
Vice President
Vice President

Greg Thibault
Francis Rappin
William Hammond
John J. Puchner Jr.
Patrick J. Gavin

RESOLVED, FURTHER, that the execution and delivery by any one or more Authorized Officers of all documents, instruments, agreements and certificates in connection with any Approved Transaction conclusively evidences that the execution and delivery of such documents have been duly and validly authorized by the Corporation and constitute the valid and binding obligations of the Corporation.

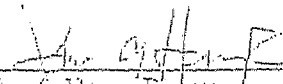
RESOLVED, FURTHER, that any document executed and delivered by an Authorized Officer certifying that a transaction constitutes an "Approved Transaction" for purposes of the foregoing resolutions may be relied upon by the recipient thereof or conclusive evidence that such transaction constitutes an Approved Transaction for purposes of the foregoing resolutions.

RESOLVED, FURTHER, that the Board of Directors hereby declares a dividend of the Corporation's one percent (1%) member interest in Financial and of the Corporation's one percent (1%) member interest in Financial B; and

RESOLVED FURTHER, that the officers of the Corporation are, and each acting alone is, hereby authorized to do and perform any and all acts, including execution of any and all documents, as such officers deem necessary or advisable to carry out the purposes and intent of the foregoing resolutions.

This document may be executed in counterparts, each of which shall be an original, but all of which, taken together, shall constitute one and the same instrument. Executed counterparts delivered by facsimile conclusively evidence the execution and delivery of this document by the undersigned.

IN WITNESS WHEREOF, the undersigned directors have executed this Action By
Unanimous Written Consent of the Board of Directors effective as of May 14, 2005



John G. Henry, Director

Gregg O. Dawley, Director

James L. Busler, Director

Christopher E. Hashioka, Director

IN WITNESS WHEREOF, the undersigned Director have executed this Action By
Unanimous Written Consent of the Board of Directors effective as of May 14, 2002

Joan A. Harty, Director

Gregg D. Purvis, Director

Janet L. Bealer, Director

Christopher F. Hahnke, Director

REGISTRATION.COM

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REF #

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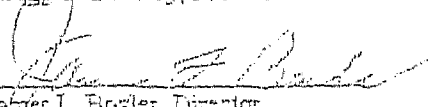
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2 OF 6

IN WITNESS WHEREOF, the undersigned directors have executed this Action By
Unanimous Written Consent of the Board of Directors effective as of May 16 2005

John A. Henry, Director

Gregg G. Lowley, Director



James L. Bogler, Director

Christopher E. Haskinaka, Director

IN WITNESS WHEREOF, the undersigned directors have executed this Action By
Unanimous Written Consent of the Board of Directors effective as of 1 May 2005

John A. Henry, Director

Gregg O. Dawley, Director

James L. Boelker, Director

Christopher E. Hesbicle
Christopher E. Hesbicle, Director

Q

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

This deal does not require
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R

Documentation of
Operating Budget
and Utility Allowance

7.14.21

Cameron Shariati
 Fairfield Residential Co.
 5355 Mira Sorrento Place, Suite 100
 San Diego, CA 92121
 cshariati@ffres.com

Grand Oaks Preliminary Review Utility Allowance Estimation

Dear Cameron,

Thank you for the opportunity to provide a preliminary review and Utility Allowance (UA) for Grand Oaks Apartments in Chester, VA.

In order to estimate the electric utility use, we used RESNET standard approved software (Ekotrope and/or REM/Rate). Below is the projected electric utility allowance cost that represents the 'worst case' unit type (highest projected cost). The inputs used in the energy modeling were from the preliminary plans and attached assumptions of units meeting ENERGY STAR v3 standards. Water and sewer projections below were calculated using the HUD Water & Sewage Calculator, as well as the [VHDA Utility Allowance Schedule](#).

Unit Type	Electricity (with PV)	Water & Sewer (VHDA)	Total UA (VHDA + ekotrope)
1Br	\$22	\$53	\$75
2Br	\$36	\$63	\$112
3Br	\$47	\$73	\$132
3Br Townhome	\$50	\$73	\$123

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

Sincerely,

Jacob Hauser

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



Southern Energy Management
5908 Triangle Drive, Raleigh NC 27617 / (919) 836-0330

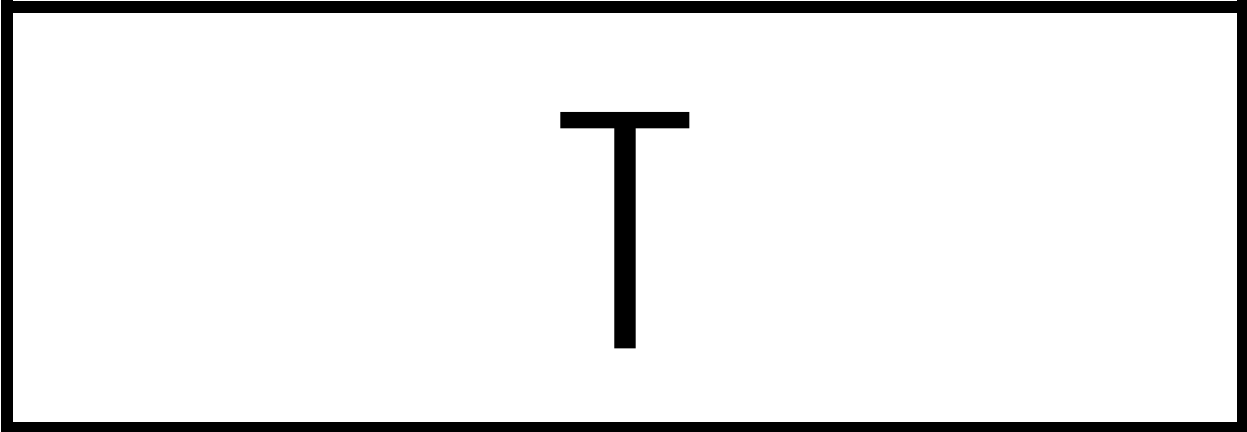
Lead the Change
southern-energy.com



S

Supportive Housing
Certification

This deal does not require
information behind this tab.



T

Funding Documentation

June 15, 2020

Fairfield Grand Oaks LLC
5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121
Attn: Timothy Wray

Re: Grand Oaks Apartments – Taxable Loan Permanent Subsidy

To the Virginia Housing and Development Agency:

California Teachers Retirement System, via its subsidiaries, CSJV FF Affordable Housing I LLC and Fairfield Affordable Housing Tranche V LLC, (the "Taxable Lender"), commits, subject to the terms of this letter, to make a permanent taxable mortgage loan ("Loan") on the following terms and conditions:

Borrower: Fairfield Grand Oaks LP, a Delaware Limited Liability Company

Collateral: Second Deed of Trust

Loan Amount: Currently estimated at \$7,200,000

Disbursement of Loan: The entire Loan will be available for disbursement at construction loan closing.

Term: 55 years

Annual Payments: 50% of residual cash flow, including deductions for the following fees payable to the Borrower partner and its affiliates: deferred developer fee and partnership management fee, limited partner asset management fee.

Interest Rate: Interest will accrue on the loan at the long term applicable federal rate for the month the loan closing occurs, compounded annually.

Non- Recourse: The Loan shall be non-recourse to Borrower and the partners of Borrower, subject to customary non-recourse carve-outs for losses incurred by the Taxable Lender resulting from fraud, misappropriation, willful misrepresentation, and bad faith waste.

<u>Prepayment Fee:</u>	None.
<u>Collateral:</u>	The Loan will be secured by a second priority deed of trust ("Deed of Trust") encumbering the Property. The Second Deed of Trust shall be subordinate to: (i) the lien of deed of trust securing a construction and permanent loan from the proceeds of multifamily housing revenue bonds (the "First Deed of Trust"). The Taxable Lender agrees to execute and deliver the bond loan lender's standard form of subordination agreement in order to evidence the subordination to the First Deed of Trust, provided that Taxable Lender receives customary notice and cure rights acceptable to the senior lender.
<u>Bond / LIHTC:</u>	The Loan will conform to any subordination and terms requirements of Virginia Housing Development Authority.
<u>Loan Documents:</u>	The Loan shall be evidenced by a promissory note and secured by a Second or Third Deed of Trust.
<u>Commitment Expiration Date:</u>	December 31, 2021
<u>Special Terms and Conditions:</u>	The Loan shall be funded at such time as Borrower has obtained commitments for the financing, investment equity and tax credits for the redevelopment of the Property. If requested by the first lien lender, the proceeds of the Loan will be held by the first lien lender and disbursed in accordance with the terms of the first lien lender's loan documents.

The Taxable Lender shall not be obligated to fund the Loan unless Borrower has reasonably satisfied or caused to be satisfied all of the conditions to close provided in this Commitment. The Taxable Lender may terminate this Commitment in the event the Loan has not closed on or before the Expiration Date referred to above.

This Commitment contains the entire understanding between Borrower and the Taxable Lender with respect to the Loan, supersedes all prior oral or written communications, and may not be modified or waived except in writing, and signed by the party to be bound thereby.

This Commitment and all Loan Documents shall be governed by California law. This Commitment to make the Loan is personal to Borrower and is not assignable or transferable by Borrower.


Please indicate your acceptance of this Commitment by signing and returning the enclosed duplicate original copy.

Sincerely,

TAXABLE LENDER:

Fairfield Affordable Housing Fund Tranche V LLC

By: FRH Affordable Manager LLC,
a Delaware limited liability company,
its Non-Member Manager


By: Tracy Stottlemyer
Vice President & Assistant Secretary

The foregoing Commitment by the Taxable Lender to make the Loan is hereby accepted, and the undersigned agrees to accept the Loan, and to borrow the funds thereunder, in accordance with all of the terms and conditions set forth in this Commitment and subject only to Borrower obtaining rights to acquire the Property, a tax credit allocation, proper financing and investor equity for the development of the Property.

BORROWER:

Fairfield Grand Oaks LLC,
a Delaware limited liability company

By: FRH Grand Oak SLP LLC,
a Delaware limited liability company,
Co-General Partner

By: FRH GP LLC,
a Delaware limited liability company,
Non-Member Manager



By:
Paul Kudirka
Senior Vice President



**Multifamily Rental Developments with Rent Restrictions
New Construction and/or Substantial Rehabilitation and/or Term Mortgages
Tax-Exempt “Back-to-Back” Loan Structure
Taxable Loan Structure**

Grand Oaks

July 21, 2021

In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.

PRELIMINARY LOAN TERMS

Transaction

Summary:

CITIBANK, N.A. (“CITI”) proposes to arrange a tax exempt construction/permanent loan to the Issuer (the “Governmental Lender”), where “construction” means: new construction (ground up), moderate rehabilitation or substantial rehabilitation. The proceeds of the Loan to Governmental Lender shall fund an interim construction loan converting into a permanent mortgage loan (“Tax-exempt Loan”) by Governmental Lender to the Borrower for the Property described below. If required by Governmental Lender, a fiscal agent (“Fiscal Agent”) will be appointed and will be responsible for following the terms of the Tax-exempt Loan documents and administering funds held under the Construction Funding Agreement.

The Tax-exempt Loan will have two tranches: Tranche A will be funded first and will provide construction to permanent phase financing. Tranche B will be for additional, Construction Phase (as defined below) only financing.

The Tax-exempt Loan will have two distinct phases: (1) Construction Phase - an initial phase during which funds will be advanced to Governmental Lender in full on the Closing Date or on a “draw-down” basis during the Construction Phase and loaned to Borrower (directly or through a Fiscal Agent, at Governmental Lender’s discretion). Payments on the Tax-exempt Loan during the Construction Phase will be interest only, unless otherwise noted; and (2) Permanent Phase - a subsequent phase when, upon completion of construction and achievement of stabilized operations, no additional funds will be available to Borrower. Payments during the Permanent Phase will include principal reduction payments as well as interest, unless otherwise noted below.

Additionally, CITI proposes to arrange a construction-only taxable loan (the “Taxable Loan” and together with the Tax-exempt Loan, the “Loans”) to the Borrower (defined below) in connection with the acquisition and construction of the Property described below. The Taxable Loan will only have a Construction Phase, during which funds will be made available on a draw down basis and advanced to the borrower to fund project costs. Payments on the Taxable Loan during the Construction Phase will be interest only.

For purposes of this Term Sheet, the term "Construction Phase" means the period from the Closing Date through the day prior to the Conversion Date and the term "Permanent Phase" means the period from the Conversion Date (inclusive) through the maturity date (or earlier termination) of the Project's permanent financing.

- Property:** An existing multifamily project containing 216 units located in Chester, VA. The property is commonly referred to as "Grand Oaks" ("Property").
- Set-Asides:** 216 units are reserved for individuals or families whose income is no greater than 60% of Area Median Income ("AMI") with 10% of the units (22 units) being reserved for families at or below 50% AMI. There are currently 32 units which are further restricted to senior residents (55+) through the end of their existing LURA. At the time that LURA expires those units will convert to Family unit designations allowing people of all ages.
- Applicant:** Fairfield Grand Oaks LLC, a Delaware limited liability company
- Borrower:** A single asset entity whose manager or general partner is the Applicant or an affiliate of Applicant. Borrower entity, its constituent entities and its operating or partnership agreement must be acceptable to CITI in all respects.
- LIHTC Investor/Syndicator:** The Low Income Housing Tax Credit ("LIHTC") Investor/Syndicator, the upper tier investor(s) and the terms and conditions of the partnership or operating agreement must be acceptable to CITI in all respects including, particularly, the timing and conditions to funding capital contributions.
- Guarantor(s):** Affiliates of Fairfield Grand Oaks LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. Guarantees involving multiple entities will be joint and several. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects.
- Subordinate Debt:** The sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Tax-exempt Loan funding unless CITI approves other arrangements.
- Tax-exempt Loan Security:** First lien on land or leasehold estate and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. Ground leases must be subordinate to CITI's lien position unless the fee interest is owned by a government agency to ensure long-term affordability. All income and rent restrictions will be subordinate to the CITI security instrument.
- Construction Phase**
- Recourse Guarantees:** Prior to conversion of the Tax-exempt Loan to the Permanent Phase (described below), the Tax-exempt Loan will be fully recourse to the Borrower and to the Guarantor(s) and Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).
- Guarantees, Permanent Phase:** None, except for industry standard carve outs ("Carve Outs"). Carve Outs include guarantees against fraud, misrepresentation, bankruptcy and environmental issues.

Indemnity for

Loss of Tax Exclusion In connection with having the Tax-Exempt Loan structured as a drawdown loan, the Guarantor will be required to indemnify CITI and Governmental Lender for any losses resulting from any of the undrawn amounts of the Tax-Exempt Loan being deemed taxable.

**Environmental
Indemnity:**

Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

Closing:

Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

Closing Date (est.):

Fourth Quarter 2021.

CONSTRUCTION PHASE

Tax-Exempt Construction

Phase Loan Amount:

An amount currently estimated to be \$32,000,000 but in any event, the combined Tax-Exempt and Taxable Construction Phase Loans shall not exceed 80% of costs covered through the Construction Phase.

Taxable Construction

Phase Loan Amount:

An amount currently estimated to be \$4,375,000, but in any event, the combined Tax-Exempt and Taxable Construction Phase Loans shall not exceed 80% of costs covered through the Construction Phase.

Term:

24 months, plus one 6-month extension(s). Fees for the extension(s) are indicated below under "Fees & Expenses".

Tax-Exempt Construction

Phase Interest Rate –

Tranche A:

A fixed rate equal to 3.61%. This rate does not include Governmental Lender, Fiscal Agent, or miscellaneous third party fees. The rate will be committed at the time of closing of the Construction Phase financing when Borrower has satisfied all conditions required by CITI. Pricing is based on current market conditions and is subject to change.

Tax-Exempt Construction

Phase Interest Rate –

Tranche B:

A fixed rate equal to 2.65%. This rate does not include Governmental Lender, Fiscal Agent, or miscellaneous third party fees. The rate will be committed at the time of closing of the Construction Phase financing when Borrower has satisfied all conditions required by CITI. Pricing is based on current market conditions and is subject to change.

Taxable Construction

Phase Interest Rate:

A fixed rate equal to 2.65%. This rate does not include Governmental Lender, Fiscal Agent, or miscellaneous third party fees. The rate will be committed at the time of closing of the Construction Phase financing when Borrower has satisfied all conditions required by CITI. Pricing is based on current market conditions and is subject to change.

Construction Phase

Interest Day Count:

Actual/360

Interest Reserve:

Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final credit approval. Currently, CITI is underwriting with no cushion.

The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Tax-exempt Loan from the closing of the Construction Phase financing through Conversion.

Availability: Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests limited to one per month.

Loan in Balance: The Loans must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Loans and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for conversion of the Loans to the Permanent Phase; and (2) the sources available at Conversion are sufficient to pay down the Construction Phase Loan Amount to the Permanent Phase Loan Amount, along with any other funding requirements for Conversion.

Amortization: None. Payments on the Loans during the Construction Phase will be interest only.

**Prepayment and
Yield Maintenance –
Tax-Exempt:**

Voluntary prepayment of Tax-exempt Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty unless the Construction Phase Loan Amount is reduced to less than ninety percent (90%) of the Permanent Phase Loan Amount (as defined below).

If the prepayment reduces the Tax-exempt Loan amount to an amount less than ninety percent (90%) of the Permanent Phase Loan Amount, the Borrower shall pay the greater of: (i) 1% of the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount.

In the event that a Tax-exempt Loan prepayment resulting from a Tax-exempt Loan resizing, as determined by CITI in its sole discretion, reduces the Tax-exempt Loan amount to an amount less than the Permanent Phase Loan Amount, the Borrower shall pay the greater of: (i) 1% of the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Tax-exempt Loan prepaid below 90% of the Permanent Phase Loan Amount.

Notwithstanding any of the above, in the event the amount of such prepayment would cause the Tax-exempt Loan amount to fall below 50% of the Permanent Phase Loan Amount, the Borrower shall be required to repay the Tax-exempt Loan in full plus the greater of: (i) 1% of the amount of the Tax-exempt Loan repaid below 90% of the Permanent Phase Loan Amount; or (ii) CITI's standard yield maintenance amount on the amount of the Tax-exempt Loan repaid below 90% of the Permanent Phase Loan Amount.

If Borrower prepays Tax-exempt Loan principal amounts through the application of insurance proceeds or a condemnation award, no prepayment fee shall be payable to CITI.

**Prepayment and
Yield Maintenance –**

Taxable: Prepayment of Taxable Loan principal amounts, partial or full, during the Construction Phase may be made without any prepayment premium.

Budget and Contingencies: The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects and no less than 10% of budgeted hard costs for rehabilitation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and 4) developer fees.

General Contractor and Bonding Requirements: The general contractor and the construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/VIII" or better and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the hard cost budget. LC provider must be rated "BBB" or better. Subject to final credit committee approval, CITI expects to waive the P&P Bond for this transaction since Fairfield Development L.P, a related affiliate of the Sponsor, is the GC.

Retainage: Construction contract will provide for a minimum retainage of 10% of each construction pay application until "substantial completion" (as defined in the Loan documents), unless there are other requirements under State law or unless other arrangements have been approved by CITI. Retainage percentage amounts can be revised, but only down to a minimum of 10% until 50% completion and then 0% retention withheld thereafter. No release of retainage is permitted for achieving 50% completion. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

PERMANENT PHASE

Permanent Phase

Loan Amount: An amount currently estimated to be in the maximum amount of \$32,000,000 or such other loan amount supported by CITI's underwriting of the Property at the time of Conversion in accordance with CITI's underwriting requirements including those listed below.

Maturity Date: Anticipated nominal maturity date of 33 years following the Closing Date, subject to any Governmental Lender restrictions.

Mandatory Prepayment / Term: At the end of the 18th year following the Closing Date, mandatory prepayment of the Tax-exempt Loan will be required in full.

Amortization: 40 years.

Lock-out Period: From the Conversion Date until the 10th anniversary of the Conversion Date.

Yield Maintenance Period: From the Closing Date until 6 months prior to the Mandatory Prepayment.

Permanent Phase

Interest Rate: See "Tax-Exempt Construction Phase Interest Rate – Tranche A."

There will be no fee or rate adder, if the borrower exercises the six-month extension.

**Tax-Exempt Permanent
Phase Interest Day Count:** Actual/360

**Conversion to
Permanent Phase
Requirements:**

Conversion requirements include completion of construction and 90% physical occupancy of Project for three consecutive calendar months. CITI will review the Property's net operating income to determine the maximum Permanent Phase Loan Amount based on the Debt Service Coverage and Loan-to-Value noted below.

Debt Service Coverage: A minimum of 1.15 to 1.00.

Loan-to-Value: 90% of market value, based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming project rents on 80% or more of the units are discounted to a level at least 10% below market. Otherwise, 85%.

**Other Conversion
Requirements:**

As may be required by Governmental Lender and/or permanent Governmental Note Holder.

Replacement Reserve: Upon Conversion, Borrower will be required to fund a Replacement Reserve for each of the first five years following Conversion in a minimum amount of \$300/unit/year for new construction projects or, for renovation projects, in an amount determined by a Physical Needs Assessment acceptable to CITI, but in a minimum amount of \$300/unit/year. For each successive five year period thereafter until Tax-exempt Loan maturity, the Replacement Reserve level will be determined by a new Physical Needs Assessment acceptable to CITI.

Taxes and Insurance: Commencing upon Conversion, real estate taxes and insurance premiums must be escrowed with the Tax-exempt Loan servicer ("Servicer") on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property.

OTHER

**Appraisal, Environmental,
Plan/Cost Reviews:**

Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Otherwise, CITI will commission its own environmental report. Appraisal, environmental and plan/cost reviews must be acceptable to CITI in all respects. CITI reserves the right to either co-engage any vendor providing the foregoing services and/or to share the reports with a LIHTC Investor/Syndicator.

**Property Tax
Abatements, Incentives:**

All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

Developer Fee: Any developer fee paid prior to conversion to the Permanent Phase shall be pre-approved by CITI in its sole discretion.

FEES & EXPENSES

Application Fee: \$25,000, which amount shall be non-refundable (except as set forth in the "Exclusivity" section of the Preliminary Application, if applicable) and due and payable upon acceptance of a Loan Application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of \$5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Tax-exempt Loan (including CITI legal fees).

Origination Fee: A non-refundable Origination Fee equal to 1.00% of the Construction Phase loan amount ("Origination Fee") shall be earned in full by CITI upon the closing of the Tax-exempt Loan, and is due and payable at that time.

CITI Legal Fees (est): Estimated fees of CITI's counsel for the initial closing are TBD and assume no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested.

Course of Construction Inspections (est): \$TBD/monthly report.

Construction Term Extension Fee: See Permanent Phase Interest Rate.

Conversion Fee and Expenses: A Conversion fee equal to \$10,000 will be charged by CITI. Other expenses, including insurance review, site inspection and loan servicer set-up fees are estimated to be \$7,500.

Rate Lock: No earlier than 5 business days prior to Closing. Rate lock must occur on or before one hundred fifty (150) days following the date of the Preliminary Application.

Other Costs: Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses.

Term Sheet Expiration Date: Ten (10) days after the date hereof, unless attached to a Preliminary Application.

The provision of information in this Term Sheet is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if CITI possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other Citi personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

RAYMOND JAMES

July 20, 2021

Paul Kudirka
Fairfield Residential Company LLC
5510 Morehouse Drive, Suite 200
San Diego, CA 92121

Re: Partnership: Fairfield Grand Oaks LP
Property Name: Grand Oaks Apartments
City/State: Richmond, VA MSA

Dear Tim:

This letter will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

CURRENT ASSUMPTIONS:

I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

A. Project:

1. Acquisition/Rehabilitation.
2. Units: 216
3. Estimated Construction Start Date: Jan 5, 2022
4. Estimated Construction Completion Date: April 2023.
5. Estimated 100% Occupancy Date: In placerehab
6. Set-aside Requirements: 10% @50% AMI /90% @ 60% AMI.
7. Rental Assistance: No project based
8. Management:
 - a. Company: Fairfield Properties LP
 - b. Management Fee: 3%
9. General Contractor: Fairfield DevelopmentLP

B. Tax Credit Information:

1. Reserved or Allocated Credits: \$1,588,740
2. Assumed Partnership Annual Credits: \$1,588,740
3. The RJTCF Fund's Share of Partnership Annual Credits: 99.99%.
4. The RJTCF Fund's Annual Credits: \$1,588,581
5. Applicable Fraction: 100%.
6. Applicable Percentage: 4.00% (floor.)
7. First Credit Year: 2022 (partial).

C. Equity Investment:

1. \$0.8562 per dollar of the RJTCF Fund's Federal Credits, subject to final Investment Committee Approval of RJTCF.
2. The RJTCF Fund's Estimated Total Capital: \$13,601,496
Note that the RJTCF Fund's estimated actual contributions are based on actual credits delivered. If actual RJTCF Fund Credits are less than the assumed amount, estimated capital contributions will be reduced by the shortfall times the Credit Price. If actual RJTCF Fund Credits are greater than the assumed amount ("Excess Credits"), then the RJTCF Fund estimated Capital Contributions will be increased by an amount equal to the Excess Credits times the Credit Price up to 105% of the Estimated Total Capital, unless such increase is attributable to an additional reservation of Credits. The RJTCF Fund will specify under which terms it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. The General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.
3. Installment Payment of Estimated Capital Contributions:
 - a. \$2,040,224 (15%) to be funded at closing, of which \$50,000 shall be paid to RJTCF as reimbursement of expenses incurred in connection with due diligence
 - b. \$10,881,196 (80%) to be funded at the later of September 1, 2023 and Stabilized Operations ("Stabilization Capital Contribution")
 - c. \$340,037 (2.5%) to be funded at release of Construction Loan
 - d. \$340,037 (2.5%) to be funded at receipt of IRS Form 8609.

Conditions for payments are described in Appendix B

If RJTCF fails to make a required installment payment after confining all funding conditions have been met, providing notice as such, and failing to cure within 30 days, the Partnership and Co-General Partner shall have all the remedies of a secured creditor under the UCC, including the right to foreclose upon RJTCF's interest in the Partnership.

D. Timing Adjusters:

The capital contribution of the RJTCF Fund shall be reduced by 50% of the shortfall between the Credits actually delivered and the Credits assumed to be delivered in 2022 and 2023. Currently it is assumed that the Partnership will deliver 50% of credits in 2022 and the maximum amount of credits in 2023.

E. Allocation of Distributions:

1. Asset Management Fee: The RJTCF Fund shall receive an annual asset management fee of \$5,000 prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service and will increase at 3% per annum. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid.
2. Cash From Operations: Cash available to be distributed after paying Partnership expenses, funding the Replacement Reserve, and maintaining working capital reserves. Cash From Operations shall be allocated in the following order:
 - a. To RJTCF until reimbursed under Tax Credit Guaranty.
 - b. To pay any accrued but unpaid asset management fees.
 - c. To the Developer, to pay any unpaid Deferred Development Fee (until such fee is paid in full);
 - d. To the developer to pay the subordinate loan.
 - e. To the Guarantors to repay any loans due under the Operating Deficit Guaranty and Construction Completion Guaranty.
 - f. 90% to the General Partner as an Incentive Management Fee
 - g. The balance to the RJTCF Fund.

In all events, the RJTCF Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners (such 10% to include the LP asset management fee).

3. Cash From Sale or Refinancing: Proceeds available after paying all debts and liabilities and establishing any required reserves shall be allocated in accordance with capital accounts, in the following order:
 - a. To the RJTCF Fund until reimbursed under Tax Credit Guaranty, to the extent not reimbursed from Cash from Operations.
 - b. To pay any accrued but unpaid Asset Management Fee.
 - c. To the Developer to pay any unpaid Deferred Development Fee.
 - d. To the developer to pay the subordinate loan.
 - e. To the Guarantors to repay any loans due under the Operating Deficit Guaranty and Construction Completion Guaranty.
 - f. 90% to the General Partner and 10% to the RJTCF Fund.

The distribution of Cash from Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

Additionally, after the close of the credit period, the General Partner, will have an option to purchase the property or the Limited Partner's Partnership interests. The price to purchase the property shall be equal to the greater of i) 94% of the fair market value of the

property, and ii) the principal amount of outstanding indebtedness secured by the building, all Federal, State, and local taxes attributable to such sale and any amounts due to the RJTCF Fund under the Tax Credit Guaranty. The purchase price for the Limited Partner's Partnership interests shall be equal to the greater of (i) Limited Partner exit taxes, or (ii) the fair market value of the interests and shall commence at the end of the tax credit period (year 11) and will end 2 years after the end of the 15-year compliance period. The amount of the purchase price attributable to taxes payable by the RJTCF Fund, if any, shall be distributed to the RJTCF Fund.

F. Allocations of Profits and Losses:

1. Operating Profits and Losses: 99.99% RJTCF Fund; 0.01% General Partner and .001% to Administrative GP.
2. Credits and Depreciation: 99.99% RJTCF Fund; 0.01% General Partner and .001% to Administrative GP.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 90% to the General Partners and 10% to the RJTCF Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
4. Operating Losses Prior to Credit Delivery: At the discretion of the RJTCF Fund, Operating Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

G. Developer and Development Fee:

1. Developer: Fairfield Affordable Housing Tranche X.
2. Estimated Development Fee: \$3,000,000

If necessary, part of the development fee, not to exceed an amount that can be repaid within 14 years after placed-in-service date, will be deferred beyond the date of the RJTCF Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 14 years after placed-in-service date, from General Partners' capital as described below.

RJTCF and the General Partner shall determine the amount of deferred development fee that can be repaid within 14 years and, to the extent the projected deferred development fee at time of closing exceeds that amount, the Managing General Partner will make a loan or capital contribution at closing equal to the difference. The General Partner shall have a right to purchase the Managing General Partner loan or capital contribution.

H. Reserves:

1. **Replacement Reserve:** \$54,000 (\$300 per unit) per year, increasing at 3% annually, beginning at permanent loan conversion. In the aggregate, no more than \$20,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the RJTCF Fund unless provided for in the approved budget.

2. **Operating Reserve:** \$683,472 to be funded at the time of the Stabilization Capital Contribution. The Operating Reserve shall be used to fund operating deficits that occur after the Stabilization Capital Contribution and shall not be used to reimburse the General Partners or Guarantors for amounts expended prior to such contribution, including without limitation for cost overruns or operating deficits. Amounts held in the Operating Reserve shall not be released (other than to fund operating deficits at the consent of RJTCF which consent shall be limited to verifying that an operating deficit exists) and will not become Cash From Operations without the written consent of the RJTCF Fund. The RJTCF Fund must be notified if aggregate draws of more than \$10,000 are made from the Operating Reserve in any year. If the Operating Reserve is drawn down below \$694,809 (the "Operating Reserve Minimum"), it must be replenished from Cash from Operations.

I. Obligations of General Partners:

1. Co-General Partners: TBD
2. General Partners' Capital: TBD
3. The General Partners (co-GP and Managing GP) agree that to the extent any deferred development fee has not been repaid from cash flow at the end of 14 years from the date the property is placed in service, they will contribute sufficient capital so that the partnership can pay any amount of the deferred fee outstanding at that time.

J. Obligations of the Guarantors:

1. Guarantors: Fairfield Affordable Housing Tranche X, subject to the approval of RJTCF.
2. Guaranties:
 - a. **Completion Guaranty** - The Guarantors will guarantee lien-free completion of the Property and will pay any of the below costs that are in excess of the allowed sources of funds (including any allowed deferred development fee). Such costs include costs to:
 - (1) acquire the Property and complete construction substantially in accordance with plans and specifications and free from any defects;
 - (2) pay all acquisition and construction costs, including any construction period interest, costs, fees, and reserves; and
 - (3) pay all operating expenses, debt service and capital maintenance items that exceed rental and other income through the date the RJTCF Fund makes its final capital contribution.

Subject to no adverse effect on the 50% test, cost overruns will be treated as a loan to the partnership. Guarantors will also advance funds as needed during construction if proceeds of financing and/or capital contributions are not yet available to pay such costs. Such advances will be repaid, without interest, once such sources of funds become available.

The General Partners will also guarantee that the permanent financing will close and that the debt service on the permanent financing will not exceed an amount that would allow the Partnership to achieve Stabilized Operations within a reasonable time. Any reduction in principal amount of, or interest rate on, the permanent financing necessary to achieve Stabilized Operations will be considered an excess cost to be funded under the Completion Guaranty

In the event that certain events occur, the RJTCF Fund shall have the right to require the Guarantors to repurchase the RJTCF Fund's interest for a price that returns its investment to date plus interest. Examples of such events include failure to complete construction by an agreed-upon drop dead date, failure to replace withdrawn commitments for permanent financing, failure to qualify for at least seventy (70%) of the expected Credits, failure to achieve Stabilized Operations within a specified period, etc. The repurchase obligation will terminate upon RJTCFs final capital contribution.

- b. **Tax Credit Guaranty** - Guaranty that expected Credits will be available to the RJTCF Fund and Credits taken will not be recaptured. If the actual annual Credits available to the RJTCF Fund in any year are lower than the Credits expected, to the extent there are insufficient partnership funds, the Guarantors shall reimburse the RJTCF Fund (on a present value basis) for the shortfall on a dollar for dollar basis. If it is determined that the shortfall in Credits will apply to future years as well, Guarantors will refund the purchase price (on a present value basis) of those future credits. If the RJTCF Fund is subject to recapture (including disallowance of credits) of previously claimed credits, the Guarantors shall reimburse the RJTCF Fund for its recapture amount.

This guaranty shall apply to a period that ends at the end of the LIBTC compliance period.

The maximum obligations of the Guarantors will not exceed the RJTCF Fund's expected Total Payments. The Guarantors will not be obligated if the reduction in the amount of Credits or recapture is a result of a change in the tax law or regulations, the acts of the Limited Partner, or the disposition by the RJTCF Fund of its interest.

To the extent that payments under the Tax Credit Guaranty are not made or are insufficient to compensate the RJTCF Fund for amounts due the RJTCF Fund because of reduced or recaptured Credits, the amount plus interest, will be paid as a priority from all available cash, including Cash From Operations or Sale Proceeds.

- c. **Operating Deficit Guaranty** - Guaranty that the Partnership will have sufficient funds to remain current in its obligations during a specified period and that Guarantors will make subordinated, interest-free loans to the Partnership to the extent necessary to meet obligations, including debt

service and the funding of reserves, for the period beginning with the Stabilization Capital Contribution and ending on the fifth anniversary of the Stabilization Capital Contribution and on which each of the following is true:

- (1) In the three preceding calendar years, the Partnership has achieved a 1.15 debt service coverage (measured on an annual basis) as shown in the audited financial statements for such years.
- (2) The Partnership is current with regards to all liabilities.
- (3) The balance in the operating reserve equals the Operating Reserve Minimum.

Guarantors shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any property tax abatement expected to be received by the Project.

Operating deficit loans shall not bear interest and shall be payable on a subordinated basis from available cash, including Cash from Operations and Sale Proceeds.

The maximum obligations of the Guarantors under this Operating Deficit Guaranty will not exceed \$1,000,000.

Guaranty of Performance - Guarantor(s) will guarantee that the General Partner will perform all of its monetary obligations under the partnership agreement, including the obligation to make a capital contribution and when required to pay deferred development fee. Notwithstanding the foregoing, the maximum cumulative amount of the guarantor's obligations under sections I2b and c and for environmental indemnities will not exceed the total amount of the Developer Fee

K. Total Depreciable Basis: \$39,718,490

1. Approximately \$39,718,490 to be 30.0-year depreciable property
2. 2021 Bonus Depreciation – To Be Determined upon Cost Segregation.

L. Financing:

1. Construction Financing/Equity Bridge Loan
 - a. Lender: Citibank
 - b. Amount: \$36,375,000

- c. Rate: 3.61%
 - d. Term: 24 months (estimated).
- 2. Construction Financing/Equity Bridge Loan
 - a. Lender: Fairfield Affordable Housing Fund Tranche IX
 - b. Amount: \$7,196,496
 - c. Rate: 4%
 - d. Term 24 months (estimated)
- 3. Permanent Financing - First Mortgage
 - a. Estimated Amount: \$32,000,000
 - b. Lender: Citibank
 - c. Fund at Closing
 - d. Non recourse.
 - e. Term: (years): 18
 - f. Amortization period (years): 40.
 - g. Interest rate: 3.61% underwritten
 - 1. Fixed.
 - ii. Annual payment: Estimated \$1,513,020
 - h. Prepayment provisions: None (penalties, etc.)
 - i. Other provisions: Minimum debt service coverage of 1.15.

M. Other Sources

N/A

N. Definitive Documents

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Agreement of Limited Partnership and a Subscription Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. INFORMATION REQUIRED BY THE RJTCF FUND - DUE DILIGENCE AND REPORTING REQUIREMENTS

The specific information required by the RJTCF Fund prior to Closing, as a condition of making its capital contribution, and on an ongoing basis throughout the term of the Partnership, are as follows:

- A. Before closing, the RJTCF Fund will require receipt of those items set forth in Appendix A.
- B. Before making its various capital contribution installments, the RJTCF Fund will require receipt of those items set forth in Appendix B.
- C. The RJTCF Fund will require reports from time to time, as described in Appendix C.

III. THE RJTCF FUND EXIT RIGHTS

The RJTCF Fund shall have the right to require the General Partner to acquire its interest after the end of the compliance period for a price equal to \$30,000. If the General Partner fails to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

IV. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the ability of the RJTCF Fund and its investor members to request and obtain HUD 2530 approval in accordance with the electronic filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at RJTCF expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. Satisfactory inspection of the property by RJTCF and the RJTCF Fund investors.
5. Approval by the Investment Committee of RJTCF and the RJTCF Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds;
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).

V. TERM

The initial term of this Agreement shall be for a period of 12 months from the date of this letter, with a closing no later than December 15, 2021 providing that either party may terminate this Agreement by giving the other party at least 30 days written notice and both parties can agree in writing to an extension. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement,

the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

VI. EXCLUSIVITY

You acknowledge that RJTCF Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. Furthermore, you agree to reimburse RJTCF Fund for due diligence expenses, up to a maximum of \$35,000, if you violate the conditions set forth herein.

VII. FEES

At the Closing, the Partnership shall pay \$35,000 to the RJTCF Fund for the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. At the Investor's request, and at Partnership expense, the legal opinion(s) must be updated or reissued after Admission to assure continued accuracy of the legal conclusions set forth in such opinions. You will be responsible for payment of the \$35,000 or greater agreed upon due diligence/legal reimbursement fee whether or not the Investment closes, unless such failure to close was due to RJTCF inability to effect the Closing.

VIII. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same required by law.

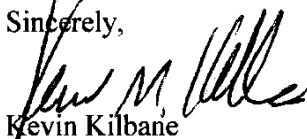
IX. ACCEPTANCE

KK By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 1,200 properties nationwide. We look forward to working with you again.

Agreed and accepted:

Sincerely,



Kevin Kilbane
VP - Director of Acquisitions
Raymond James Tax Credit Funds, Inc.

FF Realty LP



Paul Kudirka
SVP Fairfield Affordable Housing

A PPENDIX A
P RE- C LOSING D UE D ILIGENCE

The closing of the acquisition by the RJTCF Fund of an interest in the Partnership shall be subject to the satisfactory completion of due diligence by the RJTCF Fund. In connection with such due diligence, the General Partners shall provide certain information and closing exhibits at the cost of the Partnership, including but not limited to the following:

I. EVIDENCE OF T AX C REDIT ALLOCATION:

- A. A tax credit reservation approximately equal to the projected Credits.
- B. Intentionally deleted (*N/A* for Bond transactions):

II. EVIDENCE OF Q UALIFICATION FOR ACQUISITION CREDITS

Evidence satisfactory to the RJTCF Fund that the Project meets the requirements of the Code relating to qualification for acquisition credits (Section 42(d)(2)) and the rehabilitation credit (Section 42(e)).

III. MULTI-P HASE PROJECTS

The project cannot be part of a multi-phase development or be subject to or require any cross use or cross easements without the RJTCF Fund's written approval. If it is intended that the project will be part of a multi-phase development or if the project is being built on part of a larger parcel of land controlled by the developer/general partner or any affiliate, this information must be disclosed to the RJTCF Fund as soon as possible and prior to closing so that issues such as cross use and cross easements can be approved by the RJTCF Fund. No cross default provisions with respect to other projects will be permitted. The RJTCF Fund shall have a right of first refusal to invest in any Section 42 project that is part of a subsequent phase. In the case of a second or later phase of a multi-phase project, Stabilized Operation must be achieved without reducing occupancy with respect to prior phases (*i.e.*, the RJTCF Fund must determine in its sole discretion that Stabilized Operation was not achieved at the expense of earlier phases).

IV. L EGAL OPINIONS

The Partnership must provide a legal opinion (form available upon request), in form and substance acceptable to the RJTCF Fund's counsel confirming, among other things:

- A. Valid formation and good standing of the Partnership;
- B. Valid title in the Project;
- C. The RJTCF Fund's admission as the sole limited partner of the Partnership;
- D. No material litigation;
- E. Due execution, delivery and enforceability of documents; and
- F. Limited liability of the limited partner.

V. MANAGEMENT AGREEMENT

The Partnership must provide an executed management agreement, including management plan detailing inspection requirements, tenant screening procedures, etc.

VI. RENT LIMITATIONS (3 LURAS - TCAC, CDLAC, CITY)

The Partnership must provide a list of all rent and income limitations to which the project is subject, including any limitations in excess of those imposed by Section 42 of the Code (e.g. restrictions related to HOME or other financing), or restrictions contained in the extended use agreement.

VII. DOCUMENTATION AND COMMITMENTS FOR CONSTRUCTION AND PERMANENT LOANS.

- A. If the permanent loan documents have not been executed, the General Partners agree that they will provide the RJTCF Fund with drafts of such documents and will not execute such documents until they are in a form acceptable to the RJTCF Fund.
- B. Fixed interest rate. Each permanent loan must bear a fixed interest rate through the end of the 15-year compliance period. Fixed rate does not include "synthetic" fixed rates accomplished through use of swaps or other financial derivatives. The fixed rate shall be locked prior to or at the time of the admission of the RJTCF Fund to the Partnership.
- C. Non-recourse loans.
 - 1. All permanent loans, except as noted above, shall be non-recourse loans.
 - 2. The note for each non-recourse loan shall contain language similar to the following:

"Notwithstanding anything stated herein or elsewhere to the contrary, Borrower and the general and limited partners of the Borrower shall have no personal liability hereunder whatsoever and the Lender's sole recourse for payment shall be to the assets that are subject to the Mortgage."
- D. Each permanent loan shall include the following provisions:
 - 1. To notify the General Partners and the RJTCF Fund of any default.
 - 2. To give the General Partners and the RJTCF Fund the right to cure any default.
- E. No construction or permanent loan will require the RJTCF Fund to execute any document to which the lender is a party, including without limitation any acknowledgement or consent.
- F. No permanent loan may require the Partnership to maintain a debt service coverage ratio on an ongoing basis (*i.e.*, at any time after initial sizing of the permanent loan).
- G. If the property is being financed with tax exempt bonds, evidence reasonably satisfactory to the RJTCF Fund that the bonds are tax exempt under Section 103 of the Code and cause Section 42(h)(4) to apply to the project.

VIII. MARKET STUDY

An independent market study completed at the cost of the Partnership within six months of the RJTCF Fund's closing with its equity investor, in a form acceptable to the RJTCF Fund, indicating the demand for units by prospective tenants with tax credit eligible incomes at the

proposed rents assuming no rental subsidies are available to the property and demonstrating that the proposed rents provide at least a 10% rental rate advantage, acceptable to the RJTCF Fund compared to market alternatives. It is generally expected that a new market study meeting the RJTCF Fund's requirements will be conducted at Partnership expense in connection with the RJTCF Fund's admission to the Partnership.

IX. APPRAISAL

An independent appraisal of the property as engaged by the Lender, completed within one year of closing by a qualified independent appraiser acceptable to the RJTCF Fund, which shall include a projected operating budget for the Project prepared by the appraiser. If the Property consists of the acquisition and rehabilitation of an existing property, the property must conclude an "as is" value for the property and an "as vacant" value for the land.

X. PHASE I ENVIRONMENTAL REPORT

Environmental reports must be completed within six (6) months of the closing date and must be acceptable to the RJTCF Fund and must meet the following requirements:

- A. Must be a Phase I report performed to ASTM E 1527-05 by a qualified third-party environmental firm that is acceptable to the RJTCF Fund and has a minimum of \$2 million in errors and omissions insurance.
- B. The BSA Report shall be completed prior to acquisition of the property, but no more than 180 days prior to the acquisition date. If the property is not acquired within 180 days from the date of the BSA, an update to the BSA must be obtained prior to the property being acquired. If the property is not acquired within the 180 days, but is acquired within one year of the date of the BSA an updated database search including opinion letter should be obtained prior to acquiring the property. If the property will not be acquired within one year from the data of the BSA a full updated or new BSA is required.
- C. The environmental firm must provide a reliance letter allowing the RJTCF Fund to rely on the report and, if the report is addressed to someone other than the partnership, allowing the partnership to rely on the report.
- D. If the Project involves the acquisition of existing buildings, the environmental report shall address lead-based paint, asbestos, radon, lead in drinking water, etc. The environmental firm must test for the presence of such contaminants, provide the results of the testing and make recommendations for abatement and for an O & M plan addressing, to the extent required, continued monitoring and/or maintenance required to address these environmental conditions.

If the environmental reports disclose environmental conditions, the Partnership must provide a plan acceptable to the RJTCF Fund to abate or remediate such conditions.

Any costs required to meet these environmental requirements shall be the responsibility of the Partnership.

XI. CONSTRUCTION CONSULTANT

An independent consulting architect/engineer will be engaged by the RJTCF Fund but paid by the Partnership to undertake the following:

- A. A pre-rehab property inspection, a construction needs assessment review including a cost analysis, and a comparison of its assessment to the proposed rehab scope of work and budget. The independent consulting architect/engineer shall certify that the Project complies with the applicable requirements of the ADA Act and, if the Project was recently constructed or rehabbed and to the extent possible based on available information, that the previous construction was completed in accordance with the plans and specifications or other scope of work.
- B. Periodic work-in-place inspections, as specified by the RJTCF Fund.
- C. After completion, a certification that the project has been built in accordance with the plans and specifications, the recommendations in the soils report, and the applicable requirements of the ADA Act (the RJTCF Fund will pay for the post-completion report).

The following items need to be provided so that the RJTCF Fund can order the report:

- A. Plans/Scope of Work and specifications.
- B. A survey, locating all improvements & matters of public record (easements, rights of way, setback requirements, etc.).
- C. Construction Cost Certification.
- D. Construction budget (itemized by trades).
- E. Construction schedule and construction cash flow projections, including construction period interest and loan advances.
- F. Construction general contract and evidence of 100% payment and performance bond or a letter of credit at least equal to 15% of the construction contract amount.
- G. Copies of agreements between the developer and all design professionals - architectural, engineering, landscaping, etc.
- H. Resumes for the general contractor and architect.
- I. If the property is located in a high-risk earthquake/seismic zone, the pre-construction review should include a discussion regarding the plan's conformance with construction standards for the area as set forth under the Uniform Building Code.

XII. INTENTIONALLY DELETED

XIII. OWNER'S TITLE INSURANCE POLICY

An owner's title insurance policy in the amount equal to the sum of all permanent financing (less deferred development fee) and projected tax credit equity that meets the RJTCF Fund Title Insurance Requirements (available on request).

XIV. SURVEY

An American Land Title Association ("ALTA") or equivalent survey of the property, prepared by a surveyor licensed by the state, and which has been prepared with the benefit of the owner's title insurance

commitment showing the location of all easements, setbacks, and other matters affecting the property. A copy of the RJTCF Fund Survey Requirements is available upon request.

XV. PERFORMANCE BOND

Waived..

XVI. INSURANCE

Copies of all insurance policies required by RTJCF Insurance Requirements (available upon request) as set forth in the definitive documents, including but not limited to:

1. Builder's Risk;
2. Special perils (all risk)insurance;
3. Comprehensive general liability insurance.
4. Rental lossinsurance;
5. Flood insurance, ifrequired;
6. Workmen's Compensation Insurance for Management Company and General Contractor;
7. General Contractor liability insurance;
8. Seismic/earthquake insurance, if required (only if PML >20%)
9. Sinkhole/mine subsidence insurance, if required.

Numbers 2, 4, 5 and 6 above may be deferred to completion unless the Project involves the acquisition and rehabilitation of existing buildings.

XVII. GENERAL PARTNER AND GUARANTOR BACKGROUND INFORMATION

Information with respect to the General Partners and Guarantors, including without limitation organizational, industry experience, reference and financial and tax return information.

APPENDIX B

DUE DILIGENCE REQUIREMENT FOR CAPITAL CONTRIBUTION INSTALLMENTS

The RJTCF Fund will release its capital contribution installments according to the following schedule. In order to allow sufficient time for review by the RJTCF Fund and its legal counsel, please allow not less than five business days from our receipt of all items prior to payment (assuming no issues are identified that would require more time to resolve):

I. CONTRIBUTIONS PRIOR TO COMPLETION OF CONSTRUCTION/REHABILITATION

15% at closing.

The following documentation, without limitation, will be provided prior to the release of any funds:

- A. A certificate from the General Partners confirming construction progress, no defaults, etc.
- B. To the extent not previously delivered to the RJTCF Fund, items described in Appendix A.
- C. Evidence acceptable to the RJTCF Fund that:
 1. The RJTCF Fund has been admitted as the sole limited partner.
 2. Closing of the construction loan will occur concurrently with funding of the contribution;
 3. The Partnership has been issued commitments for each Mortgage Loan.

4. The Partnership has been issued an annual tax credit reservation of approximately \$4,889,869 for Federal Credits and has continued to comply with all requirements of the state agency allocating the credits.

During construction, even if draws of equity are not being made, the General Partners will provide the RJTCF Fund with all copies of AIA draw forms or their equivalent that are submitted to lenders. Such copies do not need to include back-up documentation, but should detail construction progress, costs incurred to date, costs to complete and any change orders.

II. STABILIZATION CAPITAL CONTRIBUTION

85% - to be released at the later of July 1, 2024 or the completion of the items mentioned below:

- A. Receipt of the final certificates of occupancy for all of the units.
- B. Receipt of the audited cost certification.
- C. Receipt of the As-Built Survey
- D. Receipt of updated Owner's Title Insurance policy.
- E. Achievement of 95% physical and 100% qualified occupancy
- F. Closing of the permanent loan (concurrently with funding of the contribution) as evidenced by the achievement of 3 consecutive months of a 1.15 debt service coverage ratio on the full P+I payment of all foreclosable debt.
- G. Other documentation as may be reasonably requested by RJTCF in the final Partnership Agreement to verify the above conditions have been met.

III. 8609 CAPITAL CONTRIBUTION: 5% upon receipt of ORS Form 8609.

**APPENDIX
C
REPORTS**

The General Partners will provide the RJTCF Fund with the following reports or information. To the extent that any item described in II or III below is not provided within 10 days after formal written notice from the RJTCF Fund that it is overdue, a per day penalty of \$100.00 shall apply for the first 30 days with respect to any late item and the penalty shall be increased to \$200 per day thereafter. All penalties shall be paid by the General Partners from their own funds and not funds of the Partnership.

I. ANNUALLY BY JANUARY 31:

A business report. (the RJTCF Fund will provide the form.)

II. ANNUALLY BY FEBRUARY 15: THE PARTNERSHIP TAX RETURN AND SUPPORTING SCHEDULES

III. ANNUALLY BY MARCH 1:

A. Audited financial statements.

B. A report of agreed upon procedures from the partnership's accountants to verify that the property meets the IRS and any other Low Income Housing tenant compliance rules regarding tenant rents and incomes:

1. They will review the completed Tenant Income Rent Summary as of 12/31.
2. They will review with the General Partners the rent and income limitations to which the project is subject and stated the limitations and state the limitations in their report.
3. They will determine that the utility allowances are being correctly calculated.
4. They will compare the tenant income amounts to the income limits applicable to the Project under Section 42 of the Code and any other limitations and determine if the tenant income amounts are at or below the limitations.
5. They will compare the tenant rental charges and utility allowances to the limits applicable to the Project under Section 42 of the Code and any other limitations and determine if the rents are at or below the limitations.
6. They will review 20% of the tenant files and determine that the Partnership has obtained the necessary documentation to support the tenant income certifications (as described in Treasury Regulation § 1.42-5 or its successor);\

IV. ANNUALLY BY JULY 31:

Pictures of the Property.

V. ANNUALLY BY JANUARY 31:

An operating budget for the following calendar year in a form acceptable to the RJTCF Fund, comparing the budgeted revenues and expenses to the actual revenue and expenses for the current year.

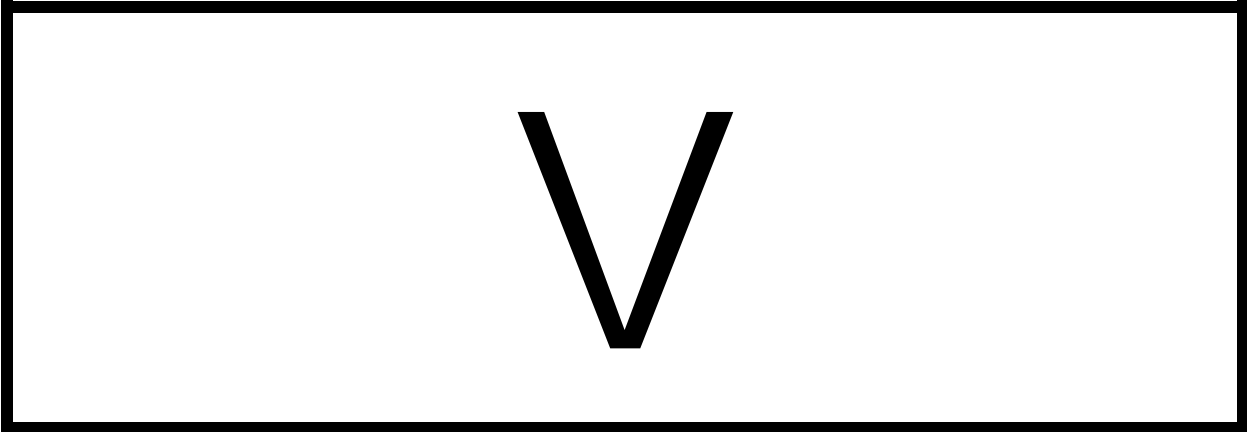
VI. ANNUALLY IN CONJUNCTION WITH INSURANCE POLICY RENEWAL:

Insurance Reports - Evidence of renewal or replacement of required policies.

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.



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

This deal does not require
information behind this tab.

W

Internet Safety Plan and
Resident Information
Form

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 Grand Oaks Apartments Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at The Grand Oaks common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by The Heights at Jackson Village. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in Grand Oaks's Internet Guideline Manual.

Resident Name: _____

Resident Signature: _____

Date: _____

GRAND OAKS

INTERNET SECURITY PLAN

The internet service at Grand Oaks will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect

yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

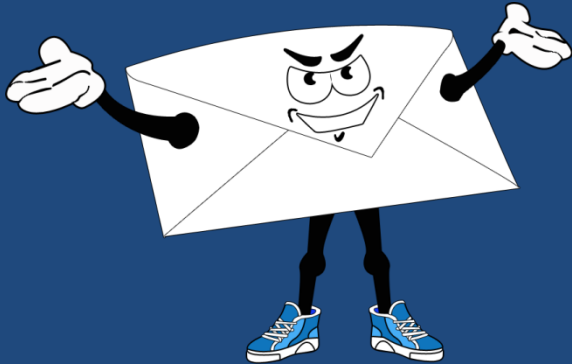
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



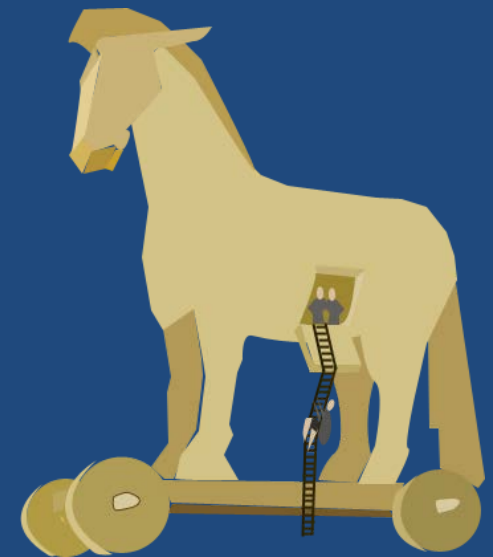
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

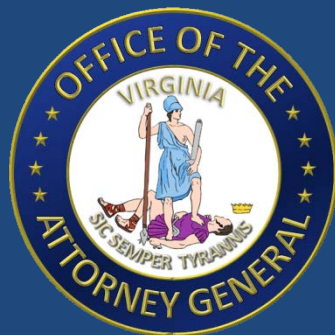
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

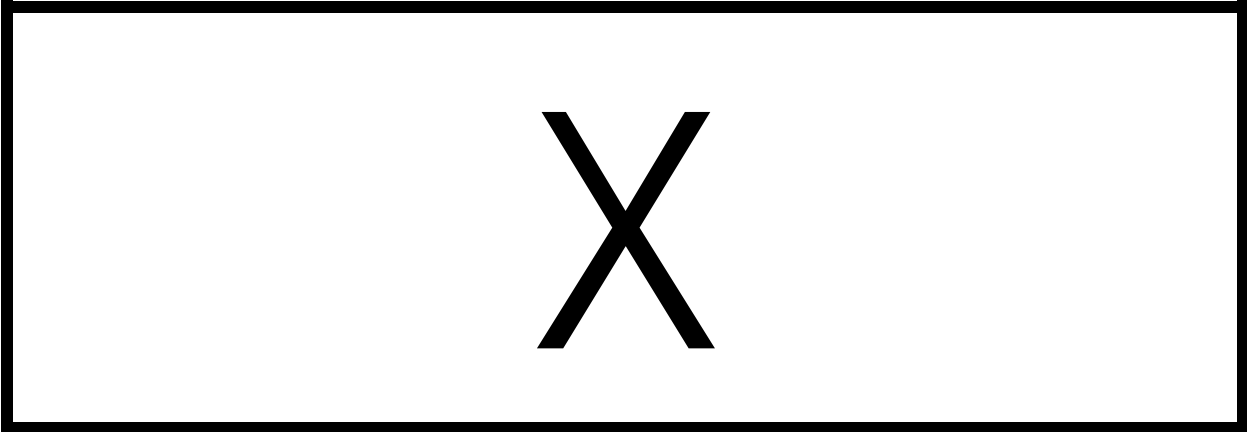
REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:
Office of the Attorney
General
202 North Ninth Street
Richmond, Virginia 23219
(804) 786-2071
www.ag.virginia.gov



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Grand Oaks 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 Grand Oaks 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 effectively manage and maintain the property.

The Management Agent will be responsible for the management of Grand Oaks Apartments. FF PROPERTIES L.P., 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, FF PROPERTIES L.P. will be responsible for the development and management of community and resident services programs.

I. Affirmative Marketing

FF PROPERTIES L.P. 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. FF PROPERTIES L.P., 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 Regional Manager of FF PROPERTIES L.P.

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

FF PROPERTIES L.P. will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- Peninsula on Aging, Inc. – 757-873-0541**
- Peninsula Center for Independent Living – 757-827-0275**
- Colonial Behavioral Health Community Services Board – 757-220-3200**
- Veterans Services Department – 757-722-9961**

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

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

2. Internet Search

Grand Oaks Apartments will also be listed on the following websites:

www.virginiahousingsearch.com

www.hud.gov

www.craigslist.org

accessva.org

dbhds.virginia.gov

3. Print Media

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

4. Resident Referrals

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

5. Marketing Materials

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

These marketing materials include:

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

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

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. FF PROPERTIES L.P. 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..

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 Grand Oaks 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**

A 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 are 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.

Y

Inducement Resolution
for Tax Exempt Bonds

**SUPPLEMENTAL INDUCEMENT RESOLUTION
OF THE ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF CHESTERFIELD
REGARDING FAIRFIELD GRAND OAKS, LLC**

WHEREAS, there has been submitted to the Economic Development Authority of the County of Chesterfield (the "Authority") an application (the "Application") for the Authority's consideration, in which there was described certain aspects of the plan of financing of Fairfield Grand Oaks, LLC, a Delaware limited liability company (or an affiliate thereof) (the "Borrower"), a member of which is Fairfield Affordable Housing Fund Tranche IX, LLC, a Delaware limited liability company, each of whose principal place of business in Virginia is located at 3811 North Fairfax Drive, Suite 750, Arlington, Virginia 22203, relative to the acquisition and rehabilitation of Grand Oaks Family and Senior Affordable Apartments, a multifamily apartment complex located at 5301 Grand Oaks Forest Circle, Chester, Virginia 23831 consisting of 216 apartment units in 25 two-story residential buildings, plus a business center, a clubhouse, a fitness center, a playground and an in-ground swimming pool, and related parking lots and administrative offices, all situated on approximately 27.79 acres of land (collectively, all such facilities are referred to as the "Project"); and

WHEREAS, on May 20, 2021, the Authority adopted an Inducement Resolution (the "Inducement Resolution"), a copy of which is attached hereto as Exhibit A, relating to the Project and the Borrower's Plan of Finance (as defined in the Inducement Resolution, capitalized terms used and not defined herein shall have the meanings given such terms in the Inducement Resolution), in which the Authority agreed, subject to compliance with the requirements of the Act and the Internal Revenue Code of 1986, as amended (the "Code"), to undertake the issuance of Bonds for the Plan of Finance; and

WHEREAS, the Inducement Resolution remains in full force and effect; and

WHEREAS, a public hearing with respect to the Authority's issuance of the Bonds to finance the Plan of Finance through the issuance of up to \$32,000,000 of tax-exempt bonds was properly noticed and has been held by the Authority, as required by the Act and Section 147(f) of the Code, on the date hereof; and

WHEREAS, a public hearing on the issuance of the Bonds to finance the Plan of Finance now having been held, the Authority desires to supplement the Inducement Resolution to reflect the same, and to authorize the presentation of the issuance of the Bonds to the Board of Supervisors of the County (the "County Board"), and request the County Board's approval of the issuance of the Bonds by the Authority, as required by the Code and the Act.

**NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT
AUTHORITY OF THE COUNTY OF CHESTERFIELD:**

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this Resolution.

2. The Authority hereby (i) recommends and requests that the County Board (a) approve the financing of the Project by the Borrower as described to the Authority, including without limitation, the issuance of the Bonds and the execution and delivery by the Authority of the agreements and documents necessary to implement the Borrower's Plan of Finance, and (b) grant its "public approval" of the issuance of the proposed Bonds within the meaning of Section 15.2-4906 of the Act and Section 147(f) of the Code; (ii) directs the Chair or Vice-Chair of the Authority to execute and transmit to the County Board the Fiscal Impact Statement required by Section 15.2-4907 of the Act, a copy of this Resolution (including the Inducement Resolution attached as Exhibit A hereto) and a reasonably detailed summary of the statements made at the Authority's public hearing held this date, and (iii) directs the Chair or Vice-Chair to execute and deliver on behalf of the Authority such documents or applications as are necessary or appropriate under applicable laws, rules and regulations, in the judgment of Bond Counsel and counsel to the Authority, to the issuance of the Bonds by the Authority.

3. The Authority shall perform such other acts as may be appropriate in the judgment of Bond Counsel and counsel to the Authority to implement its undertakings hereinabove set forth.

4. The Inducement Resolution remains in full force and effect, and the provisions thereof are ratified and confirmed, and hereby supplemented to include the resolutions set forth in this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Secretary and Chairman or Vice-Chairman of the Economic Development Authority of the County of Chesterfield, hereby certifies that the foregoing constitutes a true and correct copy of a resolution entitled "Supplemental Inducement Resolution of the Economic Development Authority of the County of Chesterfield Regarding Fairfield Grand Oaks LLC" adopted by the Board of the Authority at a meeting duly held on June 17, 2021, for which proper notice was provided. A record of the roll-call vote by the Board of the Authority is as follows:

NAME	AYE	NAY	ABSTAIN	ABSENT
Jesse Calloway				
Terri Cofer Beirne				X
John Cogbill	X			
Danielle Fitz-Hugh	X			
Faizan Habib	X			
John Hughes	X			
Steven Micas	X			

Date: June 17, 2021

[SEAL]

ATTEST: Steven Micas
Secretary

[Signature]
Chairman or Vice-Chairman

The undersigned hereby certifies that the above Resolution was duly adopted by the directors of the Economic Development Authority of the County of Chesterfield at a meeting duly called and held on June 17, 2021, and that such Resolution is in full force and effect on the date hereof.

Dated: June 17, 2021

Steven Micas
Secretary, Economic Development Authority of the
County of Chesterfield

EXHIBIT A – INDUCEMENT RESOLUTION DATED MAY 20, 2021