
2020 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 12, 2020**

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2020 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 12, 2020**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

VHDA only accepts files via our work center sites on Procorem. Contact TaxCreditApps@vhda.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 VHDA LIHTC Allocation Department staff.

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

VHDA LIHTC Allocation Staff Contact Information

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

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2020 Low-Income Housing Tax Credit Application For Reservation

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

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | \$1,000 Application Fee (MANDATORY) |
| <input 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 checked="" type="checkbox"/> | Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Plans and Unit by Unit writeup (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Specifications (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request) |
| <input checked="" type="checkbox"/> | Electronic Copy of Appraisal (MANDATORY if acquisition credits requested) |
| <input checked="" type="checkbox"/> | Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested) |
| <input checked="" type="checkbox"/> | Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab B: Virginia State Corporation Commission Certification (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab C: Principal's Previous Participation Certification (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab D: List of LIHTC Developments (Schedule A) (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab F: RESNET Rater Certification (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab G: Zoning Certification Letter (MANDATORY) |
| <input type="checkbox"/> | Tab H: Attorney's Opinion (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab I: Nonprofit Questionnaire (MANDATORY for points or pool) |
| | The following documents need not be submitted unless requested by VHDA: |
| | -Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status |
| | -Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable) |
| <input checked="" type="checkbox"/> | Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY) |
| | Tab K: Documentation of Development Location: |
| <input type="checkbox"/> | K.1 Revitalization Area Certification |
| <input checked="" 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 |

2020 Low-Income Housing Tax Credit Application For Reservation

VHDA TRACKING NUMBER

2020-FEB-92

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 12/16/2020

1. Development Name: Magruder Run Apartments 2
2. Address (line 1): 300 Floyd Thompson Blvd.
 Address (line 2):
 City: Hampton State: VA Zip: 23666
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 ▶ Hampton City
5. The site overlaps one or more jurisdictional boundaries..... FALSE
 If true, what other City/County is the site located in besides response to #4?..... ▶
6. Development is located in the census tract of: 103.04
7. Development is located in a **Qualified Census Tract**..... FALSE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** FALSE
10. Development is located in a **Revitalization Area designated by resolution** FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

	3%	10%	12%
	FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 3
- Planning District: 23
- State Senate District: 2
- State House District: 91

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

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

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

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

Magruder Run 2 Apartments is an existing 144-unit LIHTC development built in 1995 using 9% LIHTC's. The development consists of 13 buildings including 12 residential multi-family, low-rise garden style apartment buildings and a maintenance building. The sponsor purchased the property in December of 2019 via cash equity and assumption of the existing first mortgage loan housed with VHDA. The applicant intends to execute a rehab transaction in Q3 of 2020 utilizing 4% tax credits and tax exempt bonds issued by VHDA. The bonds will be secured with a refinanced first mortgage loan originated and held by VHDA.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

7/17/2020

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: Mrs. Mary Bunton
 Chief Executive Officer's Title: City Manager Phone: 757-727-6392
 Street Address: 22 Lincoln Street 8th Floor, City Hall
 City: Hampton State: VA Zip: 23669

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, 2020.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2019, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2019 credits pursuant to Section 42(h)(1)(E).

3. Select Building Allocation type:

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

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

5. Planned Combined 9% and 4% Developments

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

Name of companion development:

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

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

Total Units within 9% allocation request?

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: ENV - Magruder Run 2, LP

Developer Name: Envolve Community Management, LLC

Contact: M/M ▶ Mr. First: Wade MI: A Last: Wood

Address: 105 Tallapoosa Street

City: Montgomery St. ▶ AL Zip: 36104

Phone: (205) 405-1486 Ext. Fax: (334) 954-4496

Email address: wade.wood@envovellc.com

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

Select type of entity: ▶ Limited Partnership Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.
Ty Tyson, ty.tyson@envovellc.com

- 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	
ENV - Magruder Run 2 GP, LLC		GP	0.000%	needs
LRC GP, LLC		Owner	100.000%	
Envolve Communities, LLC		Owner	0.000%	needs
W. Daniel Hughes, Jr.		Owner	0.000%	needs
			0.000%	
			0.000%	
			0.000%	

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

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

C. OWNERSHIP INFORMATION

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

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

- a. as a controlling general partner or managing member, (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments. **TRUE**

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Purchase Contract
Expiration Date: 9/30/2021

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

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

- a. FALSE Owner already controls site by either deed or long-term lease.
- b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 9/30/2021 .
- 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: Envolve Communities, LLC

Address: 105 Tallapoosa Street

City: Montgomery St.: AL Zip: 36104

Contact Person: Wade Wood Phone: (205) 405-1486

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

Please see VH approved identity of interest waiver uploaded to Procorem

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

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

Names	Phone	Type Ownership	% Ownership
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

2020 Low-Income Housing Tax Credit Application For Reservation

E. DEVELOPMENT TEAM INFORMATION

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

- | | | | |
|--------------------------|---|---------------------------|-----------------------------|
| 1. Tax Attorney: | <u>Allison Domson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600 Richmond, VA 23219</u> | | |
| Email: | <u>adomson@williamsmullen.com</u> | Phone: | <u>804.420.6915</u> |
| 2. Tax Accountant: | <u>Kevin Rayfield</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Dixon, Hughes & Goodman, LLP</u> | | |
| Address: | <u>1829 Eastchester Drive High Point, NC 27265</u> | | |
| Email: | <u>kevin.rayfield@dhg.com</u> | Phone: | <u>336.822.4364</u> |
| 3. Consultant: | <u>Charles Wilson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Virginia Capial Advisors, Inc.</u> | Role: | <u>Debt/Loan Consultant</u> |
| Address: | <u>103 Archers Court Williamsburg, VA 23185</u> | | |
| Email: | <u>cwilson@viriniacapitaladvisors.com</u> | Phone: | <u>(757) 434-9002</u> |
| 4. Management Entity: | <u>Debbie Workman</u> | This is a Related Entity. | <u>TRUE</u> |
| Firm Name: | <u>Involve Community Management, LLC</u> | | |
| Address: | <u>105 Tallapoosa Street Montgomery, AL 36104</u> | | |
| Email: | <u>debbie.workman@envolvellc.com</u> | Phone: | <u>334.954.4458</u> |
| 5. Contractor: | <u>Ben Tullis</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Empire Construction</u> | | |
| Address: | <u>3600 Henson Road Knoxville, TN 37921</u> | | |
| Email: | <u>btullis@empireinctn.com</u> | Phone: | <u>856.251.4800</u> |
| 6. Architect: | <u>Dyke Nelson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>DNA Workshop</u> | | |
| Address: | <u>235 South 14th Street Baton Rouge, LA 70802</u> | | |
| Email: | <u>dyke@dna-workshop.com</u> | Phone: | <u>225.224.3363</u> |
| 7. Real Estate Attorney: | <u>Allison Domson</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>Williams Mullen</u> | | |
| Address: | <u>200 South 10th Street, Suite 1600 Richmond, VA 23219</u> | | |
| Email: | <u>adomson@williamsmullen.com</u> | Phone: | <u>804.420.6915</u> |
| 8. Mortgage Banker: | <u>David Glassman</u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u>VHDA</u> | | |
| Address: | <u>601 S Belvidere Street Richmond, VA 23220</u> | | |
| Email: | <u>cwilson@viriniacapitaladvisors.com</u> | Phone: | <u>757.434.9002</u> |
| 9. Other: | <u></u> | This is a Related Entity. | <u>FALSE</u> |
| Firm Name: | <u></u> | Role: | <u></u> |
| Address: | <u></u> | | |
| Email: | <u></u> | Phone: | <u></u> |

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? 1996

- 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 VHDA prior to application submission to receive these points.

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

- ii. Applicant has obtained a waiver of this requirement from VHDA prior to the application submission deadline..... TRUE

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...
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 part III.)

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: [Redacted]

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

Contact Person: [Redacted]

Street Address: [Redacted]

City: [Redacted] State: [Redacted] Zip: [Redacted]

Phone: [Redacted] Extension: [Redacted] Contact Email: [Redacted]

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:

[Redacted]

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

FALSE

[Redacted]

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	144	bedrooms	336
Total number of rental units in development	144	bedrooms	336
Number of low-income rental units	116	bedrooms	274
Percentage of rental units designated low-income	80.56%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	144	bedrooms	336
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			149,277.00 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			6,537.00 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			142,740.00 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	9.570		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			FALSE
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

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	0.00	SF	0	0
2BR Garden	962.00	SF	74	96
3BR Garden	1185.00	SF	42	48
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			116	144

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)..... 12
- b. Age of Structure:..... 25 years
- c. Number of stories:..... 3
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: 0
- f. Development consists primarily of : **(Only One Option Below Can Be True)**
 - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
 - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
 - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

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

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>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 ▶ Vinyl

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>TRUE</u>
c. Exercise Room.....	<u>FALSE</u>	h. Pool.....	<u>TRUE</u>
d. Gated access to Site.....	<u>FALSE</u>	i. Rental Office.....	<u>TRUE</u>
e. Laundry facilities.....	<u>FALSE</u>	j. Sports Activity Ct..	<u>FALSE</u>
		k. Other:	_____

l. Describe Community Facilities: Monitored and cleaned. Accessible.

m. Number of Proposed Parking Spaces..... 310
 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 structureNotes must indicate basic materials in structure, floor and exterior finish.

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

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

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

6. Market Study Data:

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

Project Wide Capture Rate - LIHTC Units	6.10%
Project Wide Capture Rate - Market Units	60.00%
Project Wide Capture Rate - All Units	2.90%
Project Wide Absorption Period (Months)	6

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.
- 15.00% 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.
- TRUE 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.
- FALSE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- 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.
- FALSE 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:

J. ENHANCEMENTS

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

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

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

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

If not, please explain:

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

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	88	124	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	0	0	0	0
Hot Water	0	0	0	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$88	\$124	\$0

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

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

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.
(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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

(60 points)

FALSE

- b. Any development in which the greater of 5 units or 10% of the units (i) have rents within HUD's Housing Choice Voucher ("HCV") payment standard; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits (30 points)

TRUE

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

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

JDN

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..... FALSE

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

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

3. Leasing Preferences

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

Organization which holds waiting list:

Contact person:

Title:

Phone Number

Action: Provide required notification documentation (TAB L)

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

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

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

% of total Low Income Units

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

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

TRUE Section 8 Vouchers

FALSE State Assistance

TRUE Other: Housing Choice Vouchers

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: 0
 How many years in rental assistance contract? 0.00
 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%
0	0.00%	50% Area Median	0%
116	80.56%	60% Area Median	60.00%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
28	19.44%	Market Units	
144	100.00%	Total	60.00%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
0	0.00%	50% Area Median	0%
116	80.56%	60% Area Median	60.00%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
28	19.44%	Market Units	
144	100.00%	Total	60.00%

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

2. Unit Detail

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	2 BR - 2 Bath	60% AMI	2	2	945.00	\$954.00	\$1,908
Mix 2	2 BR - 2 Bath	60% AMI	26	26	945.00	\$954.00	\$24,804
Mix 3	2 BR - 2 Bath	60% AMI	21	21	939.00	\$948.00	\$19,908
Mix 4	2 BR - 2 Bath	60% AMI	25	25	928.00	\$937.00	\$23,425
Mix 5	3 BR - 2 Bath	60% AMI	12	12	1078.00	\$1,089.00	\$13,068
Mix 6	3 BR - 2 Bath	60% AMI	15	15	1122.00	\$1,133.00	\$16,995
Mix 7	3 BR - 2 Bath	60% AMI	15	15	1062.00	\$1,072.00	\$16,080
Mix 8	2 BR - 2 Bath	Market 100%	4	0	958.00	\$967.00	\$3,868
Mix 9	2 BR - 2 Bath	Market 100%	11	0	962.00	\$971.00	\$10,681
Mix 10	2 BR - 2 Bath	Market 100%	7	0	963.00	\$972.00	\$6,804
Mix 11	3 BR - 2 Bath	Market 100%	4	0	1079.00	\$1,089.00	\$4,356
Mix 12	3 BR - 2 Bath	Market 100%	1	0	1097.00	\$1,108.00	\$1,108
Mix 13	3 BR - 2 Bath	Market 100%	1	0	1097.00	\$1,108.00	\$1,108
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0

2020 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

Mix 17								\$0
Mix 18								\$0
Mix 19								\$0
Mix 20								\$0
Mix 21								\$0
Mix 22								\$0
Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
Mix 31								\$0
Mix 32								\$0
Mix 33								\$0
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Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
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Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0
Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0

L. UNIT DETAILS

Mix 74								\$0
Mix 75								\$0
Mix 76								\$0
Mix 77								\$0
Mix 78								\$0
Mix 79								\$0
Mix 80								\$0
Mix 81								\$0
Mix 82								\$0
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Mix 86								\$0
Mix 87								\$0
Mix 88								\$0
Mix 89								\$0
Mix 90								\$0
Mix 91								\$0
Mix 92								\$0
Mix 93								\$0
Mix 94								\$0
Mix 95								\$0
Mix 96								\$0
Mix 97								\$0
Mix 98								\$0
Mix 99								\$0
Mix 100								\$0
TOTALS			144	116				\$144,113

Total Units	144	Net Rentable SF:	TC Units	115,075.00
			MKT Units	27,665.00
			Total NR SF:	142,740.00

Floor Space Fraction (to 7 decimals)	80.61861%
---	------------------

2020 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$15,000
2. Office Salaries			\$95,212
3. Office Supplies			\$2,700
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$71,124
<u>4.00%</u> of EGI	<u>\$493.92</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$20,000
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$8,000
11. Telephone & Answering Service			\$0
12. Tax Credit Monitoring Fee			\$5,000
13. Miscellaneous Administrative			\$17,300
Total Administrative			\$234,336

Utilities

14. Fuel Oil			\$0
15. Electricity			\$20,667
16. Water			\$88,305
17. Gas			\$68
18. Sewer			\$0
Total Utility			\$109,040

Operating:

19. Janitor/Cleaning Payroll			\$11,702
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$6,970
23. Trash Removal			\$14,359
24. Security Payroll/Contract			\$19,782
25. Grounds Payroll			\$19,110
26. Grounds Supplies			\$0
27. Grounds Contract			\$26,744
28. Maintenance/Repairs Payroll			\$67,594
29. Repairs/Material			\$113,500
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$0
37. Miscellaneous			\$40,500
Totals Operating & Maintenance			\$320,261

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$132,060
39. Payroll Taxes	\$0
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$31,317
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$48,404
45. Other Insurance	\$0
Total Taxes & Insurance	\$211,781

Total Operating Expense	\$875,418
--------------------------------	------------------

Total Operating Expenses Per Unit	\$6,079	C. Total Operating Expenses as % of EGI	49.23%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$43,200
---	-----------------

Total Expenses	\$918,618
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ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

2020 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract		
b. Site Acquisition	12/12/2019	Wade Wood
c. Zoning Approval	4/1/2020	Allison Domson
d. Site Plan Approval		
2. Financing		
a. Construction Loan		
i. Loan Application	6/1/2020	Wade Wood
ii. Conditional Commitment	1/15/2021	Wade Wood
iii. Firm Commitment	1/15/2021	Wade Wood
b. Permanent Loan - First Lien		
i. Loan Application	6/1/2020	Wade Wood
ii. Conditional Commitment	1/15/2021	Wade Wood
iii. Firm Commitment	1/15/2021	Wade Wood
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	3/10/2020	Allison Domson
3. IRS Approval of Nonprofit Status		
4. Closing and Transfer of Property to Owner	3/15/2021	Wade Wood
5. Plans and Specifications, Working Drawings	1/15/2021	Dyke Nelson
6. Building Permit Issued by Local Government	2/1/2021	Dyke Nelson
7. Start Construction	4/1/2021	Ben Tullis
8. Begin Lease-up	4/1/2021	Debbie Workman
9. Complete Construction	4/1/2022	Ben Tullis
10. Complete Lease-Up	4/15/2022	Debbie Workman
11. Credit Placed in Service Date	6/1/2022	Wade Wood

2020 Low-Income Housing Tax Credit Application For Reservation

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	4,603,167	0	4,603,167	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	4,603,167	0	4,603,167	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	4,603,167	0	4,603,167	0
q. General Requirements	230,158	0	230,158	0
r. Builder's Overhead (2.0% Contract)	92,063	0	92,063	0
s. Builder's Profit (6.0% Contract)	276,190	0	276,190	0
t. Bonds	52,541	0	52,541	0
u. Building Permits	45,000	0	45,000	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Cost Cert.	23,669	0	23,669	0
y. Other 2:	0	0	0	0
z. Other 3:	0	0	0	0
Contractor Costs	\$5,322,788	\$0	\$5,322,788	\$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	0	0	0	0
b. Architecture/Engineering Design Fee \$1,109 /Unit)	159,684	0	159,684	0
c. Architecture Supervision Fee \$0 /Unit)	0	0	0	0
d. Tap Fees	0	0	0	0
e. Environmental	11,700	11,700	0	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	8,500	0	5,000	0
i. Market Study	0	0	0	0
j. Site Engineering / Survey	10,500	9,573	0	0
k. Construction/Development Mgt	13,500	0	13,500	0
l. Structural/Mechanical Study	4,900	0	4,900	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest (0.0% for 0 months)	0	0	0	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee (0.0%)	229,594	0	0	0
r. Other Permanent Loan Fees	118,625	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	10,000	0	0	0
v. Title and Recording	110,000	102,498	0	0
w. Legal Fees for Closing	40,000	0	20,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	32,047			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	10,000	0	0	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	837,616	0	0	0
ad. Contingency	608,319	0	608,319	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify: Travel	7,500	0	0	0
(2) Other* specify: Insurance	31,317	0	0	0
(3) Other* specify: RE Taxes	66,030	0	0	0
(4) Other* specify: VHDA LHITC App/Monitor	4,060	0	0	0
(5) Other* specify: VHDA RESNET	25,000	0	0	0
(6) Other* specify: Relocation Escrow/AE Con.	7,500	0	0	0
(7) Other* specify: Engineering Reports	10,000	0	0	0
(8) Other* specify: Termite Inspection	2,700	0	0	0
(9) Other* specify: Equity Syndication Fee	15,000	0	0	0
(10) Other* specify: Sewer Scope	7,975			0
Owner Costs Subtotal (Sum 2A..2(10))	\$2,382,067	\$123,771	\$811,403	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$7,704,855	\$123,771	\$6,134,191	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	1,898,388	1,423,791	474,597	0
4. Owner's Acquisition Costs				
Land	940,000			
Existing Improvements	9,710,000	9,510,000		
Subtotal 4:	\$10,650,000	\$9,510,000		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$20,253,243	\$11,057,562	\$6,608,788	\$0

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

(Provide documentation at Tab E)

\$0	Land
\$0	Building

Maximum Developer Fee: \$1,898,388

Proposed Development's Cost per Sq Foot \$64 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$147

2020 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	20,253,243	11,057,562	6,608,788	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)		11,057,562	6,608,788	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			6,608,788	0
5. Applicable Fraction		80.55556%	80.55556%	80.55556%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		8,907,481	5,323,746	0
7. Applicable Percentage (Beginning with 2016 Allocations, use the standard 9% rate.) (For tax exempt bonds, use the most recently published rates.)		3.09%	3.09%	3.09%
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)		\$275,241	\$164,504	\$0
			\$439,745 Combined 30% & 70% P. V. Credit	

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. Construction Financing: List individually the sources of construction financing, including any such loans financed through grant sources:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1. First Mortgage	06/01/20	08/01/20	\$9,150,000	Charles Wilson
2. First Mortgage (REACH)	06/01/20	08/01/20	\$5,425,000	Charles Wilson
3.				
Total Construction Funding:			\$14,575,000	

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

Source of Funds	Date of Application	Date of Commitment	<i>(Whole Numbers only)</i>		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
			Amount of Funds	Annual Debt Service Cost			
1. First Mortgage	6/1/2020	8/1/2020	\$9,150,000	\$499,201	3.60%	30.00	30.00
2. First Mortgage (REACH)	6/1/2020	8/1/2020	\$5,425,000	\$272,712	2.95%	30.00	30.00
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$14,575,000	\$771,913			

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..... **TRUE**

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$10,000,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$5,425,000
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$2,250,000
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: **53.17%**

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**

2020 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit					
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	=	\$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	=	\$0

b. Equity that Sponsor will Fund:

i. Cash Investment	\$0	
ii. Contributed Land/Building	\$0	
iii. Deferred Developer Fee	\$1,427,667	(Note: Deferred Developer Fee cannot be negative.)
iv. Other: <u>Seller Note</u>	\$569,029	

ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at **TAB A**.

Equity Total	<u>\$1,996,696</u>
---------------------	--------------------

2. Equity Gap Calculation

a. Total Development Cost	\$20,253,243
b. Total of Permanent Funding, Grants and Equity	- \$16,571,696
c. Equity Gap	\$3,681,547
d. Developer Equity	- \$365
e. Equity gap to be funded with low-income tax credit proceeds	\$3,681,182

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	<u>Hunt Capital Partners</u>		
Contact Person:	<u>Dana Mayo</u>	Phone:	<u>818-380-6130</u>
Street Address:	<u>15910 Ventura Blvd. Suite 1100</u>		
City:	<u>Encino, CA</u>	State:	<u>CA</u>
		Zip:	<u>91436</u>

b. Syndication Equity

i. Anticipated Annual Credits	\$438,280.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.840
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	\$438,236
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$3,681,182

c. Syndication:	<u>Private</u>
d. Investors:	<u>Corporate</u>

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	<u>\$3,681,182</u>
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5. Net Equity Factor

Must be equal to or greater than 85%	<u>83.9999579040%</u>
--------------------------------------	-----------------------

2020 Low-Income Housing Tax Credit Application For Reservation

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$20,253,243</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$16,571,696</u>
3. Equals Equity Gap		<u>\$3,681,547</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>83.9999579040%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$4,382,796</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$438,280</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$439,745</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$438,280</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$3,778.2759</u>	
Credit per LI Bedroom	<u>\$1,599.5620</u>	
	Combined 30% & 70% PV Credit Requested	\$438,280

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		\$116,188
Plus Other Income Source (list):	<input type="text"/>	\$12,645
Equals Total Monthly Income:		\$128,833
Twelve Months		x12
Equals Annual Gross Potential Income		\$1,545,996
Less Vacancy Allowance	7.0%	\$108,065
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$1,437,931

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

Total Monthly Income for Market Rate Units:		\$27,925
Plus Other Income Source (list):	<input type="text"/>	\$2,570
Equals Total Monthly Income:		\$30,495
Twelve Months		x12
Equals Annual Gross Potential Income		\$365,940
Less Vacancy Allowance	7.0%	\$25,579
Equals Annual Effective Gross Income (EGI) - Market Rate Units		\$340,361

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$1,437,931
b. Annual EGI Market Units	\$340,361
c. Total Effective Gross Income	\$1,778,292
d. Total Expenses	\$918,618
e. Net Operating Income	\$859,674
f. Total Annual Debt Service	\$771,913
g. Cash Flow Available for Distribution	\$87,761

T. CASH FLOW

4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	1,778,292	1,813,858	1,850,135	1,887,137	1,924,880
Less Oper. Expenses	918,618	946,177	974,562	1,003,799	1,033,913
Net Income	859,674	867,681	875,573	883,339	890,967
Less Debt Service	771,913	771,913	771,913	771,913	771,913
Cash Flow	87,761	95,768	103,660	111,426	119,054
Debt Coverage Ratio	1.11	1.12	1.13	1.14	1.15

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	1,963,378	2,002,645	2,042,698	2,083,552	2,125,223
Less Oper. Expenses	1,064,930	1,096,878	1,129,784	1,163,678	1,198,588
Net Income	898,448	905,767	912,914	919,874	926,635
Less Debt Service	771,913	771,913	771,913	771,913	771,913
Cash Flow	126,535	133,854	141,001	147,961	154,722
Debt Coverage Ratio	1.16	1.17	1.18	1.19	1.20

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	2,167,728	2,211,082	2,255,304	2,300,410	2,346,418
Less Oper. Expenses	1,234,546	1,271,582	1,309,730	1,349,022	1,389,492
Net Income	933,182	939,500	945,574	951,388	956,926
Less Debt Service	771,913	771,913	771,913	771,913	771,913
Cash Flow	161,269	167,587	173,661	179,475	185,013
Debt Coverage Ratio	1.21	1.22	1.22	1.23	1.24

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 12

Total Qualified Basis should equal total on Elig Basis Tab

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

DO NOT use the CUT feature

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		9	3	6 Derby Drive		Hampton	VA	23666	\$691,098	06/01/21	3.09%	\$21,355	\$413,050	06/01/21	3.09%	\$12,763				\$0
2.		8	4	6 Derby Drive		Hampton	VA	23666	\$614,309	06/01/21	3.09%	\$18,982	\$367,155	06/01/21	3.09%	\$11,345				\$0
3.		10	2	6 Derby Drive		Hampton	VA	23666	\$767,886	06/01/21	3.09%	\$23,728	\$458,943	06/01/21	3.09%	\$14,181				\$0
4.		9	3	6 Derby Drive		Hampton	VA	23666	\$691,098	06/01/21	3.09%	\$21,355	\$413,050	06/01/21	3.09%	\$12,763				\$0
5.		10	2	6 Derby Drive		Hampton	VA	23666	\$767,886	06/01/21	3.09%	\$23,728	\$458,943	06/01/21	3.09%	\$14,181				\$0
6.		8	4	6 Derby Drive		Hampton	VA	23666	\$614,309	06/01/21	3.09%	\$18,982	\$367,156	06/01/21	3.09%	\$11,345				\$0
7.		11	1	6 Derby Drive		Hampton	VA	23666	\$844,675	06/01/21	3.09%	\$26,100	\$504,838	06/01/21	3.09%	\$15,599				\$0
8.		10	2	6 Derby Drive		Hampton	VA	23666	\$767,886	06/01/21	3.09%	\$23,728	\$458,943	06/01/21	3.09%	\$14,181				\$0
9.		11	1	6 Derby Drive		Hampton	VA	23666	\$844,675	06/01/21	3.09%	\$26,100	\$504,838	06/01/21	3.09%	\$15,599				\$0
10.		9	3	6 Derby Drive		Hampton	VA	23666	\$691,098	06/01/21	3.09%	\$21,355	\$413,049	06/01/21	3.09%	\$12,763				\$0
11.		11	1	6 Derby Drive		Hampton	VA	23666	\$844,675	06/01/21	3.09%	\$26,100	\$504,838	06/01/21	3.09%	\$15,599				\$0
12.		10	2	6 Derby Drive		Hampton	VA	23666	\$767,886	06/01/21	3.09%	\$23,728	\$458,943	06/01/21	3.09%	\$14,181				\$0
13.												\$0				\$0				\$0
14.												\$0				\$0				\$0
15.												\$0				\$0				\$0
16.												\$0				\$0				\$0
17.												\$0				\$0				\$0
18.												\$0				\$0				\$0
19.												\$0				\$0				\$0
20.												\$0				\$0				\$0
21.												\$0				\$0				\$0
22.												\$0				\$0				\$0
23.												\$0				\$0				\$0
24.												\$0				\$0				\$0
25.												\$0				\$0				\$0
26.												\$0				\$0				\$0
27.												\$0				\$0				\$0
28.												\$0				\$0				\$0
29.												\$0				\$0				\$0
30.												\$0				\$0				\$0
31.												\$0				\$0				\$0
32.												\$0				\$0				\$0
33.												\$0				\$0				\$0
34.												\$0				\$0				\$0
35.												\$0				\$0				\$0

116 28

Totals from all buildings

\$8,907,481

\$5,323,746

\$0

\$275,241

\$164,504

\$0

Qualified basis should not exceed values on Elig Basis.

Number of BINS: 12

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

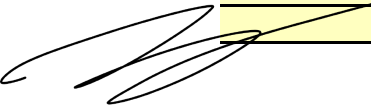
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses,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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: ENV - Magruder Run 2, LP

By: 

Its: W. Daniel Hughes, Jr., Chairman & CEO
(Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all VHDA 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:	Dyke Nelson/Theresa Bartlett
Virginia License#:	0401017290
Architecture Firm or Company:	DNA Workshop

By:  (J. Dyke Nelson)

Its: Architect/Managing Member
(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 VHDA's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Item 5f requires a numeric value to be entered.

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

MANDATORY ITEMS:

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

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

1. READINESS:

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

Y	0 or -50	0.00
N	0 or -25	0.00
N	0 or 40	0.00
N	0 or 10	0.00
N	0 or 15	0.00
N	0 or 15	0.00
Total:		<u>0.00</u>

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy (HUD or RD)
- f. Census tract with <12% poverty rate
- g. Development listed on the Rural Development Rehab Priority List
- h. Dev. located in area with little or no increase in rent burdened population
- i. Dev. located in area with increasing rent burdened population

N	0 or up to 5	0.00
N	0 or 20	0.00
0.00%	Up to 40	0.00
N	0 or 5	0.00
N	0 or 10	0.00
0%	0, 20, 25 or 30	0.00
N	0 or 15	0.00
N	Up to -20	0.00
N	Up to 20	0.00
Total:		<u>0.00</u>

2020 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

a. Amenities (See calculations below)			24.00
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	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	Y	0 or 15	15.00
e. Proximity to public transportation (within Northern VA or Tidewater)	N	0, 10 or 20	0.00
f. Development will be Green Certified	N	0 or 10	0.00
g. Units constructed to meet VHDA's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>39.00</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$79,300	\$57,400

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	36.21%	Up to 15	0.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			<u>0.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	Y	0 or 50	50.00
or b. Developer experience - 3 developments and at least 500,000 in liquid assets	N	0 or 50	0.00
or c. Developer experience - 1 development with 1 x units	N	0 or 10	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements	N	0 or -20	0.00
h. Developer experience - termination of credits by VHDA	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			<u>50.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	149.58
b. Cost per unit		Up to 100	36.65
Total:			<u>186.23</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: 325.23

2020 Low-Income Housing Tax Credit Application For Reservation

Amenities:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	0.00
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	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	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>24.00</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>24.00</u>

X. Development Summary

Summary Information

2020 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Magruder Run Apartments 2

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$438,280
Allocation Type: Acquisition/Rehab **Jurisdiction:** Hampton City
Total Units: 144 **Population Target:** General
Total LI Units: 116
Project Gross Sq Ft: 149,277.00 **Owner Contact:** Wade Wood
Green Certified? FALSE

Total Score
325.23

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$14,575,000	\$101,215	\$98	\$771,913

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$4,603,167	\$31,966	\$31	22.73%
General Req/Overhead/Profit	\$598,411	\$4,156	\$4	2.95%
Other Contract Costs	\$121,210	\$842	\$1	0.60%
Owner Costs	\$2,382,067	\$16,542	\$16	11.76%
Acquisition	\$10,650,000	\$73,958	\$71	52.58%
Developer Fee	\$1,898,388	\$13,183	\$13	9.37%
Total Uses	\$20,253,243	\$140,648		

Total Development Costs	
Total Improvements	\$7,704,855
Land Acquisition	\$10,650,000
Developer Fee	\$1,898,388
Total Development Costs	\$20,253,243

Income	
Gross Potential Income - LI Units	\$1,545,996
Gross Potential Income - Mkt Units	\$365,940
Subtotal	\$1,911,936
Less Vacancy %	6.99%
Effective Gross Income	\$1,778,292

Proposed Cost Limit/Sq Ft: \$64
Applicable Cost Limit/Sq Ft: \$147

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	0
# of 2BR	96
# of 3BR	48
# of 4+ BR	0
Total Units	144

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$234,336	\$1,627
Utilities	\$109,040	\$757
Operating & Maintenance	\$320,261	\$2,224
Taxes & Insurance	\$211,781	\$1,471
Total Operating Expenses	\$875,418	\$6,079
Replacement Reserves	\$43,200	\$300
Total Expenses	\$918,618	\$6,379

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	116	116
>60% AMI	0	0
Market	28	28

Cash Flow	
EGI	\$1,778,292
Total Expenses	\$918,618
Net Income	\$859,674
Debt Service	\$771,913
Debt Coverage Ratio (YR1):	1.11

Income Averaging? FALSE

Extended Use Restriction? 50

2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$129.44** Credits/SF = **3.623406** Const \$/unit = **\$36,963.8056**

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

11000
500
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-TH
AVG UNIT SIZE	0.00	0.00	962.00	1,185.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	74	42	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	206,625	222,938	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	206,625	222,938	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	55,005	59,348	0	0	0	0
COST PARAMETER	0	0	206,625	222,938	0	0	0	0
PROJECT COST PER UNIT	0	0	124,517	153,381	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	14,535	15,683	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	14,535	15,683	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	4,153	4,481	0	0	0	0
CREDIT PARAMETER	0	0	14,535	15,683	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	3,486	4,294	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	25.35	11.30	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	96.99	52.59	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **36.65**

TOTAL CREDIT PER UNIT POINTS **149.58**

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

Credit Parameters - Elderly

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

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Parameter - low rise	0	0	206,625	222,938	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Cost Parameter	0	0	206,625	222,938	0	0	0	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Credit Parameter - low rise	0	0	14,535	15,683	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Credit Parameter	0	0	14,535	15,683	0	0	0	(

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

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

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Cost Parameter - low rise	0	0	150,152	162,007	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Cost Parameter	0	0	150,152	162,007	0	0	0	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Cost Parameter - low rise	0	0	10,668	11,511	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Cost Parameter	0	0	10,668	11,511	0	0	0	(

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2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$129.44** Credits/SF = **3.623406** Const \$/unit = **\$36,963.81**

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

11000
500
3

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(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-TH
AVG UNIT SIZE	0.00	0.00	962.00	1,185.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	74	42	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	206,625	222,938	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	206,625	222,938	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	55,005	59,348	0	0	0	0
COST PARAMETER	0	0	206,625	222,938	0	0	0	0
PROJECT COST PER UNIT	0	0	124,517	153,381	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	14,535	15,683	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	14,535	15,683	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	4,153	4,481	0	0	0	0
CREDIT PARAMETER	0	0	14,535	15,683	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	3,486	4,294	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	25.35	11.30	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	96.99	52.59	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **36.65**

TOTAL CREDIT PER UNIT POINTS **149.58**

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

Credit Parameters - Elderly

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

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Parameter - low rise	0	0	206,625	222,938	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Cost Parameter	0	0	206,625	222,938	0	0	0	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Credit Parameter - low rise	0	0	14,535	15,683	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Credit Parameter	0	0	14,535	15,683	0	0	0	(

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

Cost Parameters - Elderly

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

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

Cost Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Cost Parameter - low rise	0	0	157,211	169,623	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Cost Parameter	0	0	157,211	169,623	0	0	0	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BF
Standard Cost Parameter - low rise	0	0	11,151	12,032	0	0	0	(
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	(
Parameter Adjustment - high rise	0	0	0	0	0	0	0	(
Adjusted Cost Parameter	0	0	11,151	12,032	0	0	0	(

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Partnership or Operating Agreement

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

**AGREEMENT OF LIMITED PARTNERSHIP
OF
ENV-Magruder Run 2, LP**

THIS AGREEMENT OF LIMITED PARTNERSHIP (this "Agreement") is made as of April 23, 2020, by and among ENV-Magruder Run 2 GP, LLC, a Virginia limited liability company ("General Partner"), LRC SLP, LLC, a Delaware limited liability company ("LRC SLP") and LRC Owned, LLC, a Delaware limited liability company ("LRC Owned" and together with LRC SLP, "Limited Partner"), in accordance with the provisions of the Virginia Revised Uniform Limited Partnership Act, Title 50, Chapter 2.1 of the Code of Virginia.

RECITALS:

WHEREAS, the Partnership was formed by General Partner pursuant to a Certificate of Limited Partnership filed with the Virginia State Corporation Commission ("VA SCC") on April 15, 2020; and

WHEREAS, the parties hereto desire to enter into this Agreement pursuant to the terms hereof.

NOW, THEREFORE, the parties hereto hereby agree to as follows:

I. **Name.** ENV-Magruder Run 2, LP.

II. **Business.** The business of the Partnership is to acquire, construct, develop, improve, invest in, hold, lease, maintain, operate and otherwise deal with that certain multi-family affordable housing development located in the City of Hampton, Virginia, commonly known as Magruder Run Apartments, Phase 2 (the "Project").

III. **Principal Office.** The address of the principal office of the Partnership, where records required to be maintained by Section 50-73.8 of the Act are to be kept, is at 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104. The Partnership's registered agent for purposes of the Act is Corporation Service Company having a business address of Bank of America Center, 1111 East Main Street, Richmond, Virginia 23219. The sole duty of the registered agent is to forward to the Partnership any notice that is served on it as registered agent.

IV. **Partners.** The name and the business address of the General Partner and Limited Partners, and the percentages of ownership and cash flow in the Partnership by each such Partner, are as follows:

General Partner:

<u>Name</u>	<u>Address</u>	<u>Percentage of Ownership</u>
ENV-Magruder Run 2 GP, LLC	105 Tallapoosa Street Suite 300 Montgomery, AL 36104	0.01%

Limited Partners:

LRC SLP, LLC	105 Tallapoosa Street Suite 300 Montgomery, AL 36104	0.01%
LRC Owned, LLC	105 Tallapoosa Street Suite 300 Montgomery, AL 36104	99.98%

V. **Term, Dissolution and Winding Up.** The Partnership shall continue in perpetuity, except that the Partnership shall be dissolved, and its affairs wound up, prior to such date upon the happening of any of the following:

A. The sale or other disposition of all or substantially all the assets of the Partnership, or

B. The retirement (which term includes the death, dissolution, adjudication of insanity or incompetence, bankruptcy or withdrawal for any reason) of a General Partner, unless the remaining General Partner(s) or Limited Partners elect to continue the business of the Partnership pursuant to Paragraph XIII hereof, or

C. The retirement of a General Partner if no General Partner remains, or

D. The decision of all the General Partners to terminate the Partnership.

VI. **Capital Contributions - Capital Accounts.** Each Partner has made capital contributions to the Partnership. A capital account shall be maintained for each Partner and such account shall be adjusted for each Partner's share of all items of profit and loss and distributions and each Partner's contributions to the Partnership.

VII. **Additional Contributions.** No Limited Partner has agreed to make any additional capital contribution. Except to the extent required by law, no General Partner shall be

required to make any additional capital contribution.

VIII. **Returns.** No time has been agreed upon for the return of the contributions of the Limited Partner.

IX. **Profits.** All profits, losses and distributions (including profits and proceeds from the sale or disposition of all or substantially all Partnership assets and all proceeds from a refinancing) shall be shared by the Partners in the ratio which the capital contributions of each Partner bear to the aggregate capital contributions of all the Partners. If the Partnership assets are distributed in kind to the Partners upon the dissolution and liquidation of the Partnership, the capital accounts of the Partners shall be adjusted to reflect their share of all unrecognized gains and losses and the assets shall be distributed based on the fair market value of such assets.

X. **Assignments.** In no event shall all or any part of a Limited Partner's interest in the Partnership be assigned or transferred to a minor or incompetent, and such attempted assignment shall be void and ineffectual and shall not bind the Partnership.

No Limited Partner shall have the right to substitute an assignee as a Limited Partner in its place. The General Partner shall, however, have the right to permit any such assignee to become a Substitute Limited Partner and any such permission by the General Partner shall be binding and conclusive without the consent or approval of any Limited Partners. Any such Substitute Limited Partner shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the terms of any financial agreements and other documents required in connection with applicable mortgage financing to the same extent and on the same terms as the other Limited Partners. Any such Substitute Limited Partner shall also execute, acknowledge and deliver an instrument to the General Partner signifying his agreement to be bound by all the provisions of this Agreement, as last amended, and shall accept such other terms as the General Partner in its exclusive discretion may determine as a condition to permitting such substitution.

In the event of the death or incapacity of a Limited Partner, his legal representatives shall have the same status as an assignee of the Limited Partner unless and until the General Partner shall permit such legal representatives to become a Substitute Limited Partner on the same terms and conditions as herein provided for assignees generally. The death of a Limited Partner shall not dissolve the Partnership.

An assignee of a Limited Partner who does not become a Substitute Limited Partner as provided above shall 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.

If any assignment of the interest of a Limited Partner shall be made, there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such assignment, and 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 hereunder.

XI. **Additional Limited Partners.** The General Partner is authorized at any time and from time to time, to admit to the Partnership additional Limited Partners upon each such additional Limited Partner's making, or agreeing to make, such contributions to the capital of the Partnership as the General Partner shall determine.

XII. **Priorities.** No Limited Partner has any right of priority over any other Limited Partner, as to contributions or as to compensation by way of income.

XIII. **Continuation.** Upon the death, dissolution, incapacity, bankruptcy, or withdrawal from the Partnership of a General Partner, any remaining or surviving General Partner or Limited Partners may elect to continue the business of the Partnership.

XIV. **Demands for Property.** A Limited Partner has no right to demand and receive property in return for its capital contribution.

XV. **Additional Provisions.**

A. Management and control of the business and affairs of the Partnership shall be vested in ENV-Magruder Run 2 GP, LLC, as the sole General Partner, and except as otherwise expressly provided herein, no Limited Partner shall have or exercise any rights in connection with the management of such business. The General Partner shall devote to the conduct of the business of the Partnership so much of its time as may be reasonably necessary to efficient operations, but it shall not be precluded from conducting other businesses as well, even if they compete with the Partnership.

B. General Partner is specifically authorized to execute such documents as it deems necessary in connection with the acquisition, development and financing of Partnership property, including without limiting the generality hereof, any note, mortgage, loan and regulatory agreements and any other documents which may be required in connection with the acquisition of the Partnership property or the financing and development thereof; and the Partnership is specifically authorized to execute such documents as it deems necessary in connection with all documents and actions necessary to qualify for, and apply to Virginia Housing Development Authority for financing and an allocation of low income housing tax credits for the Project (as defined below) under Section 42 of the Internal Revenue Code of 1986, as amended.

C. The Partnership is hereby authorized to borrow, by a mortgage loan from any lender, whatever amounts may be required for the acquisition of the Property, the development thereon of improvements constituting the Project, and the operation of the Project. Any such mortgage loan shall provide that neither the Partnership nor any Partner shall have any personal liability for the repayment of all or any part of such mortgage loan after the completion

of the Project.

D. Except as provided in Paragraph XV. C. hereof, the General Partner shall be bound by the terms of any mortgage note, mortgage, loan agreement and regulatory agreement and any other documents required in connection with the financing of the acquisition of the Property and the development of the Project thereon. Any incoming General Partner shall as a condition of receiving any interest in the Partnership property agree to be bound by the terms of such instruments and documents to the same extent and on the same terms as the other General Partners. Upon any dissolution of the Partnership, or any transfer of the Property subject to any applicable mortgage, 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 or entity who is not, or does not become, bound by any regulatory or other agreement applicable to the Partnership or the Property in a manner satisfactory to the regulating agency or authority. In the event of any inconsistency between the provisions of this Agreement and any applicable regulatory agreement, the provisions of such regulatory agreement shall prevail.

E. Each General Partner and each Limited Partner (including a Substitute or additional General Partner or Limited Partner) hereby irrevocably constitutes, and empowers to act alone, the General Partner, as attorney-in-fact for such General Partner and such Limited Partner, with full power of substitution, with authority to execute, acknowledge and swear to all instruments, and file all documents, requisite to carrying out the intention and purpose of this Agreement, including, without limitation, all business certificates and necessary Certificates of Limited Partnership and amendments thereto from time to time in accordance with all applicable laws. The foregoing appointment shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Partners under this Agreement will be relying upon the power of the General Partner to act as contemplated by this Agreement in such filing and other action on behalf of the Partnership and the Partners. The foregoing power of attorney shall survive the assignment by any partner of the whole or any part of his or its interest hereunder or the retirement of any appointing General Partner.

F. This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto. This Agreement may not be changed except in a writing signed by the person(s) against whose interest such change shall operate. If any clause or provision hereof shall be deemed unlawful or unenforceable, in whole or in part, then such clause or provision shall have no force or effect as though not herein contained and the remainder of this Agreement shall remain operative and in full force and effect.

[Signature Pages Follow]

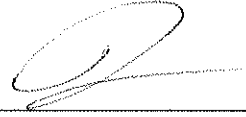
**AGREEMENT OF LIMITED PARTNERSHIP OF
LRC-DERBY RUN 1, LP**

IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals to this Agreement of Limited Partnership effective as of date stated above.

LIMITED PARTNERS:

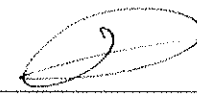
LRC Owned, LLC,
a Delaware limited liability company

By: Envolve Communities, LLC
a Delaware limited liability company,
its sole member

By:  (SEAL)
W. Daniel Hughes, Jr.,
Chairman of the Board

LRC SLP, LLC,
a Delaware limited liability company

By: Envolve Communities, LLC
an Alabama limited liability company,
its sole member

By:  (SEAL)
W. Daniel Hughes, Jr.,
Chairman of the Board

**SIGNATURE PAGE TO
AGREEMENT OF LIMITED PARTNERSHIP OF
ENV-Magruder Run 2, LP**

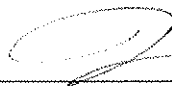
IN WITNESS WHEREOF, the parties hereto have affixed their signatures and seals to this Agreement of Limited Partnership effective as of date stated above.

GENERAL PARTNER:

ENV-Magruder Run 2 GP, LLC,
a Virginia limited liability company

By: LRC GP, LLC,
a Delaware limited liability company,
its sole member

By: Envolve Communities, LLC
a Delaware limited liability company,
its sole member

By:  (SEAL)
W. Daniel Hughes, Jr.,
Chairman of the Board

**OPERATING AGREEMENT
OF
ENV-Magruder Run 2 GP, LLC**

This Operating Agreement (this “Agreement”) of ENV-Magruder Run 2 GP, LLC, a Virginia limited liability company (the “Company”) is adopted and entered into as of April 23, 2020 by LRC GP, LLC, a Delaware limited liability company, as the sole member (the “Member,” which term includes any other persons who may become members of the Company in accordance with the terms of this Agreement and the Act) and the Company pursuant to and in accordance with the Virginia Limited Liability Company Act, as amended from time to time (the “Act”). Terms used in this Agreement which are not otherwise defined shall have the respective meanings given those terms in the Act.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this Agreement, the parties agree as follows:

**ARTICLE ONE
NAME**

The name of the limited liability company is: ENV-Magruder Run 2 GP, LLC.

**ARTICLE TWO
TERM**

The period of duration for the Company is perpetual, unless the Members unanimously agree in writing to limit the duration of the Company.

**ARTICLE THREE
MANAGEMENT**

Management of the Company is vested in its sole Member, which will manage the Company in accordance with the Act as Member-Manager. Any Member-Manager exercising management powers or responsibilities will be deemed to be a manager for purposes of applying the provisions of the Act, unless the context otherwise requires, and that Member-Manager will have and be subject to all of the duties and liabilities of a Manager provided in the Act. The Member-Manager will have the power to do any and all acts necessary or convenient to or for the furtherance of the purposes of the Company set forth in this Agreement, including all powers of Members under the Act.

**ARTICLE FOUR
PURPOSES**

The purpose of the Company is to acquire the general partnership interest in ENV-Magruder Run 2, LP, a Virginia limited partnership, which will own and operate that certain multifamily apartment complex in the City of Hampton, Virginia, known as Magruder Run Apartments, Phase 2.

**ARTICLE FIVE
MEMBER**

The name and the business, residence or mailing address of the Members are as follows:

<u>Name</u>	<u>Address</u>
LRC GP, LLC	105 Tallapoosa Street, Suite 300 Montgomery, Alabama 36104

**ARTICLE SIX
CAPITAL CONTRIBUTIONS**

The Members have contributed to the Company the following amounts, in the form of cash, property or services rendered, or a promissory note or other obligations to contribute cash or property or to render services:

<u>Member</u>	<u>Amount of Initial Capital Contribution</u>	<u>Percentage</u>
LRC GP, LLC	\$1,000.00	100%

**ARTICLE SEVEN
ADDITIONAL CONTRIBUTIONS**

No Member is required to make any additional capital contribution to the Company.

**ARTICLE EIGHT
ALLOCATION OF PROFITS AND LOSSES**

The Company's profits and losses will be allocated in proportion to the value of the capital contributions of the Members.

**ARTICLE NINE
DISTRIBUTIONS**

Distributions shall be made to the Members at the times and in the aggregate amounts determined by the Members. Such distributions shall be allocated among the Members in the same proportion as their then capital account balances.

**ARTICLE TEN
WITHDRAWAL OF MEMBER**

A Member may withdraw from the Company in accordance with the Act.

**ARTICLE ELEVEN
ADMISSION OF ADDITIONAL MEMBERS**

One or more additional Members of the Company may be admitted to the Company with the vote or written consent of a majority in interest of the Members based upon the capital contributions of the Members.

**ARTICLE TWELVE
LIABILITY OF MEMBERS**

The Members do not have any liability for the obligations or liabilities of the Company, except to the extent provided in the Act.

**ARTICLE THIRTEEN
EXCULPATION OF MEMBER-MANAGERS**

A Member exercising management powers or responsibilities for or on behalf of the Company will not have personal liability to the Company or its Members for damages for any breach of duty in that capacity, provided that nothing in this Article shall eliminate or limit (i) the liability of any Member-Manager if a judgment or other final adjudication adverse to it establishes that its acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or that it personally gained in fact a financial profit or other advantage to which it was not legally entitled, or that, with respect to a distribution to Members, its acts were not performed in accordance with the Act, or (ii) the liability of any Member-Manager for any act or omission prior to the date of first inclusion of this paragraph in this Agreement.

**ARTICLE FOURTEEN
GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia, all rights and remedies being governed by those laws.

**ARTICLE FIFTEEN
INDEMNIFICATION**

To the fullest extent permitted by law, the Company shall indemnify and hold harmless, and may advance expenses to, any Member, manager or other person, or any personal representative of such Member, manager or other person (collectively, the "Indemnitees"), from and against any and all claims and demands whatsoever, provided, however, that no indemnification may be made to or on behalf of any Indemnitee if a judgment or other final adjudication adverse to such Indemnitee establishes: (i) that its acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or (ii) that it personally gained in fact a financial profit or other advantage to which it was not legally entitled. The provisions of this section shall continue to afford protection to each Indemnitee regardless of whether it remains a Member, manager, employee or agent of the Company.

**ARTICLE SIXTEEN
TAX MATTERS**


The Member of the Company and the Company intend that the Company be treated as a sole proprietorship for all income tax purposes, and it will file all necessary and appropriate forms in furtherance of that position.

IN WITNESS, the parties have executed this Agreement the day and year first above written.

SOLE MEMBER:

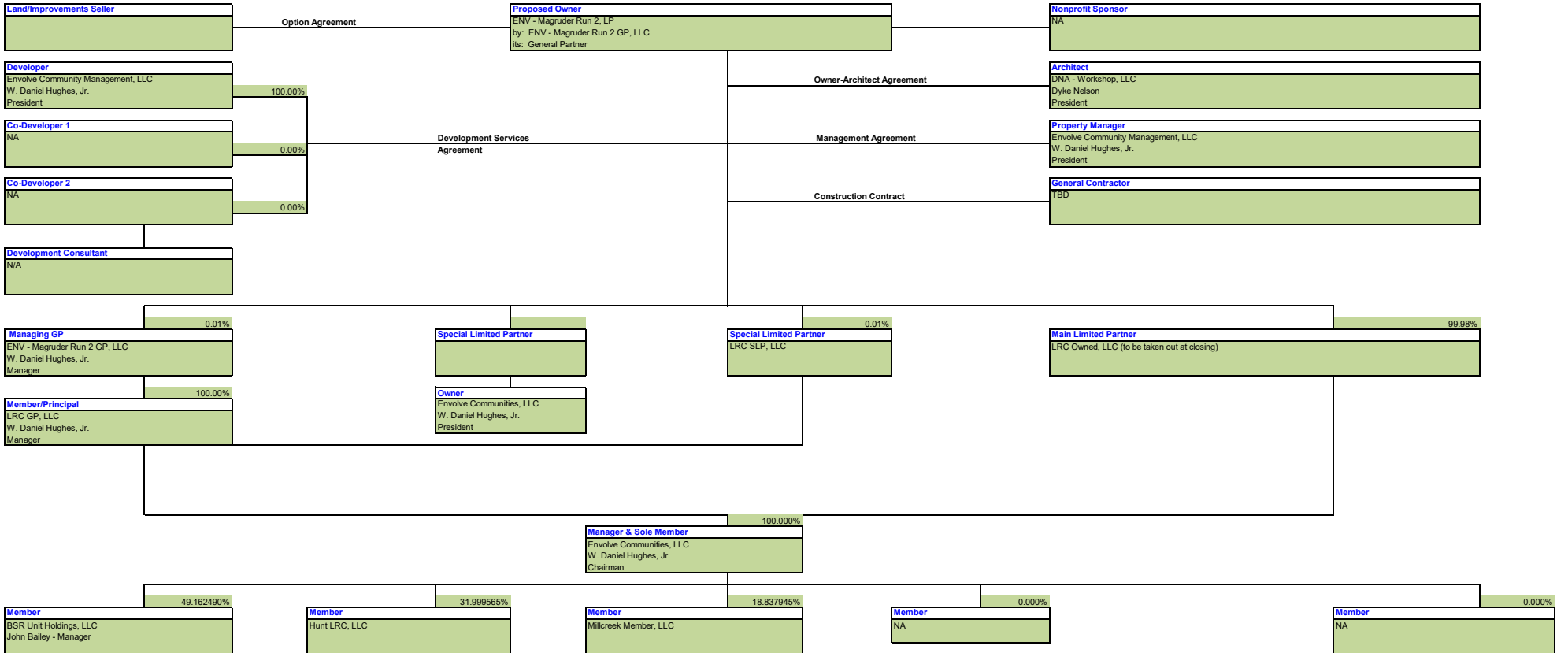
LRC GP, LLC,
a Delaware limited liability company,
its Sole Member

By: Envolve Communities, LLC,
a Delaware limited liability company,
its Sole Member



By: W. Daniel Hughes, Jr.
Its: Chairman of the Board

Organizational Chart for ENV - Magruder Run 2, LP, a Virginia limited partnership



Development Services Agreement

This Development Services Agreement is made on _____ by and between ENV – Magruder Run 2, LP, a Virginia limited partnership (the "Partnership") and Envolve Community Management, LLC, an Alabama limited liability company (the "Developer").

Recitals

1. The Partnership was formed to acquire, construct, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project consisting of 144 dwelling units located in Hampton, Virginia (the "Project").
2. The Project, following the Completion of Construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the Internal Revenue Code of 1986, as amended).
3. The Developer has provided and is obligated hereunder to continue to provide certain services with respect to the development and rehabilitation of the Project.
4. In consideration for such services, the Partnership has agreed to pay to the Developer a fee in the amount set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Defined Terms

Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings specified below:

"Completion of Construction" means the date upon which (i) the Project shall have been completed, as evidenced by the issuance by the inspecting architect and by each governmental agency having jurisdiction, of certificates of substantial completion or occupancy (or local equivalents) with respect to all dwelling units in the Project, and (ii) each such dwelling unit shall have been placed in service.

"State" means the Commonwealth of Virginia.

Section 2. Development Services

(a) The Developer shall supervise and be responsible for the development, rehabilitation and construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the general partners of the Partnership (the "General Partners").

(b) The Developer's services shall be performed in the name and on behalf of the Partnership and shall consist of the duties set forth in the following subparagraphs of this Section 2(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set

forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best efforts to perform such duty and (ii) promptly notify the Partnership that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

- (i) Negotiate and cause to be executed in the name and on behalf of the Partnership agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the rehabilitation of any improvements or tenant improvements to be constructed or installed by the Partnership or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is to be made shall have been approved by the Partnership;
- (ii) Assist the Partnership in dealing with neighborhood groups, local organizations, abutters and other parties interested in the development of the Project;
- (iii) Assist the Partnership in identifying sources of construction and/or rehabilitation financing for the Project and negotiate the terms of such financing with lenders;
- (iv) Establish and implement appropriate administrative and financial controls for the design and rehabilitation of the Project, including but not limited to:
 - (A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design of the Project;
 - (B) administration of any construction contracts on behalf of the Partnership;
 - (C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and rehabilitation procedures;
 - (D) the rendering of advice and recommendations as to the selection procedures for, and selection of, subcontractors and suppliers;
 - (E) the review and submission to the Partnership for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements with any lending institutions providing funds for the benefit of the Partnership for the design, construction or rehabilitation of any improvements;
 - (F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;
 - (G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful rehabilitation of the Project;
 - (H) compliance with all terms and conditions applicable to the Partnership or the Project contained in any governmental permit or approval required or obtained for the lawful rehabilitation of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the rehabilitation and development of the Project as may be reasonably requested from time to time by the Partnership;

(J) keeping the Partnership fully informed on a regular basis of the progress of the design, construction and rehabilitation of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Partnership;

(K) giving or making the Partnership's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

(L) at the Partnership's expense, filing on behalf of, and as the attorney-in-fact for, the Partnership, any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of dwelling units and other space in the Project.

(v) Assist the Partnership in obtaining access to utilities and required zoning approvals;

(vi) Inspect the progress of the course of rehabilitation of the Project, including verification of the materials and labor being furnished to and on such rehabilitation so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design, construction and rehabilitation of the Project, and in addition to verify that the rehabilitation is being carried out substantially in accordance with the plans and specifications approved by the Partnership or, in the event that the same is not being so carried out, to promptly so notify the Partnership;

(vii) If requested to do so by the Partnership, perform on behalf of the Partnership all obligations of the Partnership with respect to the design, construction and rehabilitation of the Project contained in any loan agreement or security agreement entered into in connection with any financing for the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such rehabilitation, provided that copies of such agreements have been provided by the Partnership to the Developer or the Partnership has otherwise notified the Developer in writing of such obligations;

(viii) To the extent requested to do so by the Partnership, prepare and distribute to the Partnership a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design, construction and rehabilitation cost estimates as required by the Partnership, and financial accounting reports, including monthly progress reports on the quality, progress and cost of rehabilitation and recommendations as to the drawing of funds from any loans arranged by the Partnership to cover the cost of design, construction and rehabilitation of the Project;

(ix) Assist the Partnership in obtaining and maintaining insurance coverage for the Project, the Partnership and its employees during the development phase of the Project, in accordance with an insurance schedule approved by the Partnership, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways,

curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Partnership;

(x) During the rehabilitation and development period of the Project, comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter called "laws") of all Federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services Offices having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage for the Partnership or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Partnership, in accordance with the provisions of this Agreement, shall be at the Partnership's expense. The Developer shall likewise ensure that all agreements between the Partnership and independent contractors to comply with all such applicable laws;

(xi) Prepare, accumulate and furnish to the General Partners and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will make application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

(xii) Coordinate and administer the design, construction and rehabilitation of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed/rehabilitated or furnished by the Partnership with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work;

(xiii) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Partnership;

(xiv) At the direction of the Partnership, implement any decisions of the Partnership made in connection with the design, development and rehabilitation of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and

(xv) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement, or which are requested to be performed by the Partnership and are within the general scope of the services described herein.

Section 3. Limitations and Restrictions

Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respects to any of the following matters unless and until the same has been approved by the General Partners:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the rehabilitation and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the General Partners;

(b) Any proposed change in the work of the rehabilitation of the Project, or in the plans and specifications therefor as previously approved by the General Partners, or in the cost thereof, or any

change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the General Partners; or

(c) Expending an amount greater than the amount which the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Partnership or otherwise in connection with the Project.

Section 4. Accounts and Records.

(a) The Developer, on behalf of the Partnership, shall keep such books of account and other records as may be required and approved by the General Partners, including, but not limited to, records relating to the costs for which rehabilitation advances have been requested and/or received. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the General Partners, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of rehabilitation. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Partnership upon demand without charge therefor.

(b) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the General Partners, and shall be available for and subject to audit, inspection and copying by the management agent for the Project, the General Partners or any representative or auditor therefor or supervisory or regulatory authority, at the times and in the manner set forth in the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of the date hereof (the "Partnership Agreement").

Section 5. Accrual of Development Fee

For its services in connection with the development of the Project and the supervision of the rehabilitation of the Project, the Developer shall earn and become entitled to a fee as set forth below (the "Development Fee").

The Development Fee shall be in the amount of [\$1,898,388] in the aggregate and shall be earned by Developer as follows:

- (i) fifty percent (50%) on the Effective Date; and
- (ii) fifty percent (50%) on the Completion Date.

Notwithstanding anything to the contrary in this Agreement, in the event that, as of Completion of Construction, the percentage of the aggregate basis of the land and buildings (including site improvements) funded from the tax-exempt bond proceeds of the Bond Loan (as defined in the Partnership Agreement) would be less than 50% (as defined for purposes of Section 42(h)(4)(B) of the Code), the Development Fee shall be reduced to the extent necessary to assure that such percentage will be not less than 50% as of such date.

Section 6. Payment of Development Fee

The Development Fee shall be paid as nearly as practicable to the date earned utilizing the proceeds of the Installments payable under the Partnership Agreement, Partnership cash flow and sale or refinancing proceeds, and any other sources available to the Partnership. In no event shall any portion of the Development Fee be paid later than the thirteenth anniversary of the Completion Date, at which date the

Developer shall have the right to payment as a fully recourse obligation of the Partnership and the General Partner.

Section 7. Applicable Law

This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the State.

Section 8. Binding Agreement

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns and supersedes any prior agreement for the development of the Project between the parties.

Section 9. Assignment

Developer shall not assign its obligations hereunder, in whole or in part, without the prior written consent of the Partnership. Developer may, in its discretion, enter into agreements with third parties with respect to the performance of the services to be provided by the Developer hereunder so long as Developer remains primarily liable for the performance of such services. No such agreement nor any permitted assignment hereunder shall relieve Developer of any of its obligations hereunder or under applicable law.

Section 10. Headings

All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

Section 11. Terminology

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 12. Benefit of Agreement

The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Partnership and its partners and shall not inure to the benefit of any creditor of the Partnership other than a Partner, notwithstanding any pledge or assignment by the Partnership of this Agreement or any rights hereunder.

[end of page]

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

PARTNERSHIP

ENV – MAGRUDER RUN 2, LP, a Virginia limited partnership

By: ENV – Magruder Run 2 GP, LLC, a Virginia limited liability company, its General Partner

By: LRC GP, LLC, a Delaware limited liability company, its sole Member

By: Envolve Communities, LLC, a Delaware limited liability company, its sole Member

By: _____
Name: W. Daniel Hughes Jr.
Title: Chairman of the Board

DEVELOPER

ENVOLVE COMMUNITY MANAGEMENT, LLC, an Alabama limited liability company

By: _____
Name: W. Daniel Hughes Jr.
Title: Chairman of the Board

44049412_1

B

Virginia State Corporation
Commission Certification
(MANDATORY)



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

April 15, 2020

Lisa M. Conner
200 South Street, Suite 1600
Richmond, VA, 23219

RECEIPT

RE: ENV- Magruder Run 2, LP
ID: 11032370
FILING NO: 200415557520
WORK ORDER NO: 202003110433184

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing a certificate of limited partnership with this office.

The effective date of the certificate is April 15, 2020.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, (866) 722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

Delivery Method: Pick Up

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, April 15, 2020

This is to certify that the certificate of limited partnership of

ENV- Magruder Run 2, LP

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

Effective date: April 15, 2020



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
CERTIFICATE OF LIMITED PARTNERSHIP**

This Certificate is presented for filing pursuant to Section 50-73.11 of the Code of Virginia.

1. Name of Limited Partnership:

ENV – Magruder Run 2, LP

2. Post Office Address of the office where the records of the partnership pursuant to Code Section 50-73.8 shall be maintained:

105 Tallapoosa Street, Suite 300 Montgomery, AL 36104
Number/Street City/State/Zip

3. The name of the initial registered agent is Corporation Service Company. The initial agent is a foreign stock corporation authorized to transact business in Virginia.

4. The post office address of the initial registered agent is:

100 Shockoe Slip, Floor 2 Richmond, VA 23219
Number/Street City/State/Zip

The registered agent is located in the City of Richmond.

5. The name and business address of the general partner of the partnership:


ENV - Magruder Run 2 GP, LLC
105 Tallapoosa Street, Suite 300
Montgomery, AL 36104

6. Signature of General Partner of ENV – Magruder Run 2, LP:

ENV - Magruder Run 2 GP, LLC,
a Virginia limited liability company,
its General Partner

By: LRC GP, LLC,
a Delaware limited liability company,
its sole member

By: Envolve Communities, LLC
a Delaware limited liability company,
its sole member

By:  (SEAL)
W. Daniel Hughes, Jr.,
Chairman



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

March 6, 2020

Lisa M Conner
WILLIAMS MULLEN CLARK & DOBBINS PC
200 SOUTH 10TH ST, STE 1600
Richmond, VA, 23219

RECEIPT

RE: ENV - Magruder Run 2 GP, LLC
ID: 11030661
FILING NO: 200306425921
WORK ORDER NO: 202003060421192

Dear Customer:

This is your receipt for \$100.00 to cover the fee for filing articles of organization for a limited liability company with this office.

The effective date of the certificate of organization is March 6, 2020.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, (866) 722-2551.

Sincerely,

Joel H. Peck
Clerk of the Commission

Delivery Method: Email

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, March 6, 2020

This is to certify that the certificate of organization of

ENV - Magruder Run 2 GP, LLC

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

Effective date: March 6, 2020



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, MARCH 6, 2020

The State Corporation Commission has found the accompanying articles of organization submitted on behalf of

ENV - Magruder Run 2 GP, LLC

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

CERTIFICATE OF ORGANIZATION

be issued and admitted to record with the articles of organization in the Office of the Clerk of the Commission, effective March 6, 2020.

The limited liability company is granted the authority conferred on it by law in accordance with the articles of organization, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By 

Mark C. Christie
Commissioner

Limited Liability Company - Articles of Organization

Entity Information

Entity Name: ENV - Magruder Run 2 GP, LLC Entity Type: Limited Liability Company

Business Type

Industry Code: 0 - General

Duration

Perpetual(never)

Registered Agent Information

RA Type: Entity

Locality: RICHMOND CITY

RA Qualification: N/A

Name: CORPORATION SERVICE
COMPANY

Email Address: N/A

The company's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is:

Registered Office Address: 100 Shockoe Slip Fl 2,
Richmond, VA, 23219 -
4100, USA

Contact Number: N/A

Principal Office Address

Address: 105 Tallapoosa St Ste 300, Montgomery, AL, 36104 - 2655, USA

Principal Information

Management Structure: N/A

Signature Information

Date Signed: 03/06/2020

Executed in the name of the limited liability company by:

Printed Name	Signature	Title
Allison T. Domson	Allison T. Domson	Organizer

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification Instructions

General Instructions:

The following certification:

- Must be completed, regardless of any principal's inclusion on the Developer Experience List.
- Must be signed by an individual who is, or is authorized to act on behalf of, the Controlling General Partner (if LP) or Managing Member (if LLC) of the Applicant, as designated in the partnership agreement. VHDA will accept an authorization document, which gives signatory authorization to sign on behalf of the principals.
- Must be dated no more than 30 days prior to submission of the LIHTC Application.

Definitions:

Development - the proposed multifamily rental housing development

Participants - the principals who will participate in the ownership of the development

Principal - any person (including any individual, joint venture, partnership, limited liability company, corporation, nonprofit organization, trust, or any other public or private entity) that (i) with respect to the proposed development, will own or participate in the ownership of the proposed development or (ii) with respect to an existing multifamily rental property, has owned or participated in the ownership of such property, all as more fully described herein below. The person who is the owner of the proposed development or multifamily rental property is considered a principal. In determining whether any other person is a principal, the following guidelines shall govern:

- In the case of a partnership which is a principal (whether as the owner or otherwise), all general partners are also considered principals, regardless of the percentage interest of the general partner;
- In the case of a public or private corporation or organization or governmental entity that is a principal (whether as the owner or otherwise), principals also include the president, vice president, secretary, and treasurer and other officers who are directly responsible to the board of directors or any equivalent governing body, as well as all directors or other members of the governing body and any stockholder having a 25% or more interest;
- In the case of a limited liability company (LLC) that is a principal (whether as the owner or otherwise), all members are also considered principals, regardless of the percentage interest of the member;
- In the case of a trust that is a principal (whether as the owner or otherwise), all persons having a 25% or more beneficial ownership interest in the assets of such trust;
- In the case of any other person that is a principal (whether as the owner or otherwise), all persons having a 25% or more ownership interest in such other person are also considered principals; and

Instructions, cont'd

- Any person that directly or indirectly controls, or has the power to control, a principal shall also be considered a principal.

Please follow guidelines below for listing principals.

- If the owner is a partnership, list the names of all GPs, regardless of % interest in the General Partnership
- If the owner is an LLC, list the names of all members regardless of % interest
- If the owner is a Corporation (public or private), Organization or Governmental Entity, list the names of officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder having a 25% or more interest
- If the owner is a Trust, list the names of all persons having a 25% or more beneficial ownership interest in the assets of the trust
- If the owner is an Individual, list the name of anyone having a 25% or more ownership interest of the named individual

If none of the above applies, list the name of any person that directly or indirectly controls or has the power to control a principal.

If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

I hereby certify that:

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

Previous Participation Certification, cont'd

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

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

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

Signature

Printed Name

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

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Magruder Run Apartments, Phase 2
 Name of Applicant: William D. Hughes, Jr. for ENV - Magruder Run 2, LP

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Controlling GP (CGP) or 'Named' Managing

Principal's Name: _____ Member of Proposed property? * Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or "Named" Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Albert Pike - Arkansas	Summit Albert Pike LP	Y	131	130	2013	2013	N
2	Aspen Park - Texas	Summit Aspen Park Apartments, Ltd.	Y	256	231	2007	2007	N
3	Arbor Place - Louisiana	Arbor Palce Apartments Partners, Ltd	Y	136	69	2009	2009	N
4	Ashland Woods Apartments	LRC - Ashland Woods, LP	Y	150	150	2018	2018	N
5	Audubon Village I	LRC - Audubon Village I, LP	Y	160	160	2018	2018	N
6	Audubon Village II	LRC - Audubon Village II, LP	Y	54	54	2018	2018	N
7	Azalea Point - Alabama	Summit Village Green, Ltd.	Y	208	208	2004	2004	N
8	Belmont Village - Louisiana	Summit Belmont Village Apartments, Ltd.	Y	204	104	2010	2010	N
9	Brookhaven - Oklahoma	Summit Brookhaven Apartments, L.P.	Y	120	120	2008	2009	N
10	Callier Forest - Georgia	Callier Forest, L.P.	Y	130	130	2004	2005	N
11	Center Ridge - Texas	Summit Center Ridge Apartments, Ltd	Y	224	213	2008	2008	N
12	Champions Crossing	Champions Crossing, L.P.	Y	156	156	2014	2015	Y
13	Coral Hills - Texas	Coral Hills Apartments, Ltd	Y	174	172	2006	2007	N
14	Clear Horizon - Louisiana	Summit Clear Horizon Apartments, LP	Y	84	84	2013	2014	N
15	Country Place - Kentucky	Summit Country Place Apartments, Ltd.	Y	150	150	2011	2012	N
16	Coweta - Oklahoma	Summit Coweta Apartments, LP	Y	60	60	2013	2014	N
17	Crestwood Apartments	Summit Crestwood Apartments, Ltd.	Y	216	216	2011	2011	N
18	Creekwood - Alabama	Summit Creekwood, Ltd	Y	125	121	2003	2003	N
19	Downing Place Townhomes	LRC - Downing Place, LP	Y	193	155	2018	2019	N
20	Deville Manor Apartments	LRC - Deville Manor, LP	Y	104	104	2018	2019	N
21	Eagles Landing	LRC - Eagles Landing, LP	Y	80	80	2016	2016	N
22	Eastgate - Georgia	Eastgate Apartments, Ltd.	Y	96	96	2005	2005	N
23	Elm Ridge - Texas	Elm Ridge Affordable Partners, Ltd.	Y	130	130	2011	2012	N
24	Emerald Point - Louisiana	Emerald Point Apartments Partners, Ltd.	Y	120	72	2008	2008	N
25	Fairview - Georgia	Thomaston Housing Partners, Ltd.	Y	100	98	2005	2006	N
26	Forest Court	LRC - Forest Westover, LP	Y	180	180	2017	2017	N
27	Forrester Gardens - Alabama	Summit Forrester Gardens Ltd.	Y	152	146	2003	2003	N
28	Franklin Place Townhomes	Frankling Place Townhomes, LP	Y	96	96	2014	2014	N
29	Garden Oaks - Louisiana	Summit Garden Oaks Ltd.	Y	98	98	2013	2013	N
30	Griner Gardens	Griner Gardens, LP	Y	48	48	2017	2018	N
31	Groveland Terrace	Groveland Terrace, LP	Y	52	52	2005	2005	N
32	Hillcrest - Texas	Summit Hillcrest Apartments, Ltd.	Y	353	299	2007	2007	N
33	Hickory Park - Georgia	Hickory Park, Ltd.	Y	150	150	2003	2003	N
34	Heritage View - Alabama	Summit Heritage View, Ltd	Y	55	55	2011	2012	N
35	Indian Springs Apartments	LRC - Indian Springs, LP	Y	261	261	2017	2018	N
36	Lakewood Terrace - Florida	Lakewood Terrace Affordable Housing Group, Ltd.	Y	132	132	2010	2010	N
37	Lapalco Court - Louisiana	Lapalco Court Apartments Partners, Ltd.	Y	100	45	2009	2009	N

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

E

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

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) dated as of the 15 day of December, 2020 (the “Effective Date”), is made by and between **DR TWO, L.L.C.**, a Virginia limited liability company, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Seller”), and **LRC Acquisitions, LLC**, an Alabama limited liability company, having an office at 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104, and its successors and assigns (“Purchaser”).

RECITALS:

WHEREAS, Seller desires to sell certain improved real property known generally as the Derby Run Apartments – Phase II, located in Hampton, Virginia, along with certain related personal and intangible property, and Purchaser desires to purchase such real, personal and intangible property from Seller; and

WHEREAS, Seller and Purchaser, intending to be bound by this Agreement, desire to set forth herein the terms, conditions and agreements under and by which Seller shall sell and Purchaser shall purchase the foregoing real, personal and intangible property.

1. THE PROPERTY.

1.1 Description. Subject to the terms and conditions of this Agreement, and for the consideration set forth herein, Seller hereby agrees to sell, assign and convey, and Purchaser hereby agrees to purchase and acquire, all of Seller’s right, title and interest in and to the following (collectively, the “Property”):

1.1.1 A certain parcel of land located in Hampton, Virginia, consisting of approximately 9.57 acres of land (the “Land”, more specifically described on Schedule 1.1.1, attached hereto), and having a street address of 300 Floyd Thompson Boulevard, Hampton, Virginia;

1.1.2 All buildings, improvements, fixtures, structures, parking facilities, electrical systems, plumbing systems, heating systems, and air conditioning systems located on the Land, or any portion thereof, consisting of twelve (12), three (3) story residential buildings and one (1) maintenance building totaling thirteen (13) buildings (the “Buildings”), containing one-hundred and forty four (144) apartment units, together with all other improvements, facilities and fixtures located on the Land (the Buildings and any and all other improvements located on the Land are hereinafter referred to collectively as the “Improvements”);

1.1.3 As identified by schedule to be provided to Purchaser within eight (8) business days after the Effective Date, all furniture, tangible personal property, machinery, mechanical systems, apparatus and equipment currently used in the operation, development, repair and maintenance of the Land and the Improvements (excluding, however, any tangible personal property or fixtures which are owned by tenants or which may be removed by tenants under the terms of their leases), including, without limitation, computers and computer software of Seller

that are located onsite and those certain items of personal property (collectively, the “Personal Property”);

1.1.4 All easements, hereditaments and appurtenances, if any, pertaining or affecting the Land (collectively, the “Easements”);

1.1.5 Any street or road abutting the Land, to the center line thereof, if any;

1.1.6 All of the leases or occupancy agreements, including, without limitation, Seller’s interest in and to all tenant leases, rental agreements, subleases and tenancies, including all amendments, modifications, agreements, records, substantive correspondence, and other documents affecting any way a right to occupy any portion of the Property (collectively, the “Leases”), and all of the security deposits, including, without limitation, security, key, cleaning, storage locker and pet deposits, and prepaid rent, if any, and all interest, if any, due thereon with respect to the Leases (the “Security Deposits”), including the Security Deposits held by Seller in connection with the Leases;

1.1.6.1 All of the balance of the Replacement Reserve Deposit Account as of Closing (defined in Section 2.4, below), held by the Seller in connection with the Property (the “Replacement Reserves”);

1.1.7 All of the Assumed Contracts (defined in Section 3.5, below);

1.1.8 The name “Derby Run Apartments”, and any other name used to designate the Property, or any part thereof, and any good will associated with any such name and all copyrights, trademarks, service marks and other marks and trade or business names relating to the ownership, use, operation and maintenance of the Property;

1.1.9 All warranties and guaranties issued in connection with the Improvements or the Personal Property, which are in effect as of Closing (defined in Section 2.4, below); and

1.1.10 All consents, authorizations, variances or waivers, licenses, certificates of occupancy, permits and approvals from any governmental or quasi-governmental agency, department, board, commission, bureau or other entity or instrumentality with respect to the Property, which remain valid or in effect as of Closing (collectively, the “Approvals”); and

1.2 Agreement to Convey. Seller agrees to convey, and Purchaser agrees to accept, on the Date of Closing (defined in Section 2.4, below): (a) good and marketable title to the Land and the Improvements by way of a Special Warranty Deed, to be executed and delivered by Seller in respect to the Property, and which shall be subject only to the Permitted Exceptions (defined in Section 3.6, below) affecting or encumbering the Property; and (b) the Personal Property, by way of a Special Warranty Bill of Sale (defined in Section 8.1.2 hereof), to be executed and delivered in respect to the Personal Property.

2. PURCHASE PRICE AND PAYMENT.

2.1 Purchase Price. The purchase price for the Property (the “Purchase Price”) is Ten Million Four Hundred Fifty Thousand and 00/100 Dollars (\$10,650,000.00), of which Five

Hundred Sixty-Nine Thousand Twenty-Nine and No/100 Dollars (\$569,029.00) will be financed by the Seller (the “Seller Loan”) and evidenced by a Promissory Note and Deed of Trust (“Seller Loan Documents”).

2.2 Deposit. Within three (3) business days after the Effective Date, Purchaser shall, by federal wire transfer, deposit the sum of One Thousand and 00/100 Dollars (\$1,000) (the “Deposit”) into the escrow account of the Title Company (defined in Section 2.4, below). If Purchaser shall fail to make the Deposit in accordance with the foregoing, by 5:00 p.m., EST, on the date which is three (3) business days after the Effective Date, this Agreement shall automatically terminate and neither party shall thereafter have any further rights, obligations or liability hereunder. Once posted, the Deposit shall be refundable upon the demand of Purchaser, without any right by Seller to object or delay such refund, in the event that (a) Purchaser terminates this Agreement in accordance with Section 3.7, below, on or before 5:00 p.m., EST, on the Approval Date (defined in Section 3.1, below); (b) Seller defaults in its obligations hereunder; or (c) Purchaser exercises any other right to terminate this Agreement contained herein.

The Deposit shall be held by the Title Company pursuant to an escrow agreement between Seller, Purchaser and the Title Company. All interest earned on the Deposit shall be added to the principal held in the escrow and shall constitute a part of the Deposit and shall be included in the definition of the term “Deposit” as used herein. Interest earned on the Deposit shall be deemed earned by Purchaser. The Deposit shall be credited against the Purchase Price.

2.3 Payment. Purchaser shall pay to Seller the Purchase Price less the amount of the Seller Loan, subject to adjustment for prorations and credits as provided in Section 7, below, on or before 5:00 p.m. Eastern Time, on the Date of Closing, by Purchaser causing the Title Company (defined in Section 2.4 hereunder) to deliver a cashiers’ check or wire immediately available funds to such bank account(s) as Seller may designate.

2.4 Closing. Delivery of the Special Warranty Deed, payment of the Purchase Price, delivery of the Seller Loan Documents and the closing hereunder (the “Closing”) will take place pursuant to an escrow closing on or before September 30, 2021 (the “Date of Closing”). Closing shall be conducted by mail or overnight courier by a reputable national title insurance company licensed in the State where the Property is located and selected by Purchaser (the “Title Company”), or at such other time and place as may be agreed to in writing by Seller and Purchaser. In addition, Purchaser and Seller shall finalize all prorations and adjustments to the Purchase Price, and prepare and execute a settlement statement detailing all such items and costs of Closing, no later than two (2) business days prior to the Closing Date.

3. INSPECTIONS AND APPROVALS.

3.1 Inspections and Approvals. Purchaser shall have a period of time (the “Due Diligence Period”), commencing on the Effective Date, and expiring at 5:00 p.m., EST, on the date which is One Hundred and Fifty (150) days after the Effective Date (the “Approval Date”), in which to conduct the inspections and studies described in this Section 3.

3.2 Access to the Property and Indemnification by Purchaser. During the Due Diligence Period (and thereafter until the Date of Closing to the extent this Agreement has not been terminated and continues to remain in effect), Seller shall permit Purchaser and Purchaser's agents and representatives access to the Property for purposes of conducting, at Purchaser's sole cost and expense, such physical and environmental inspections of the Property as Purchaser shall deem necessary or appropriate. In the event that this Agreement is terminated pursuant to Section 3.7 below, Purchaser agrees, at its own expense, to promptly, but in no event later than fifteen (15) business days after the date of such termination, (i) restore the Property to substantially the same condition it was in prior to such test or inspection, reasonable wear and tear excepted, to the extent that any inspection or test performed by Purchaser requires or results in any damage to or alteration of the condition of the Property; and (ii) provide to Seller a copy of all reports and inspections of the Property. Purchaser shall indemnify and hold Seller harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, incurred by reason of Purchaser's (or its agents' and/or representatives') entering upon the Property for the aforesaid purposes, provided, however, that Purchaser shall not be required to indemnify Seller if, and to the extent that, any such loss, injury, liability, damage or expense was caused by the negligence or misconduct of Seller, its employees or agents. The obligations of Purchaser under this Section 3.2 shall specifically and without limitation survive the termination of this Agreement for whatever reason and shall survive Closing hereunder for a period of one (1) year.

3.3 Inspection of Documents. Within eight (8) business days after the Effective Date, Seller shall deliver or cause to be delivered to Purchaser the following, to the extent Seller has in its possession as of the Effective Date, or shall indicate in writing that Seller is unable to locate or does not have in its possession:

3.3.1 a copy of Seller's most recent title insurance and hazard insurance policies for the Property;

3.3.2 a copy of Seller's most recent survey of the Property;

3.3.3 a copy of all engineering, soils, seismic, geologic reports, surveys, plans and specifications for the Property and all operating systems in the Improvements, and all architectural reports, engineering reports, life safety system reports, reports regarding compliance with the Americans with Disabilities Act, and all other reports or studies, in Seller's possession or control, relating to the Property;

3.3.4 a list of vendors (as supplied by Seller's managing agent) with whom Seller is dealing in respect to the Property;

3.3.5 a list of utility companies which service the Property and upon written request of Purchaser, the bills and invoices rendered to Seller by each such utility company for the most recent four (4) months;

3.3.6 a copy of the real property tax bills, and any special assessments, received by Seller in connection with the Property, for the three (3) most recent tax years;

3.3.7 copies of all government Approvals in connection with the ownership, operation and maintenance of the Property, together with copies of any currently pending applications for any renewals of existing, or for any new, Approvals;

3.3.8 copies of all of the Contracts (defined in Section 3.5, below), affecting or pertaining to the Property, together with all amendments, supplements and modifications thereto;

3.3.9 copies of all environmental reports, studies and permits;

3.3.10 copies of any proffers or other agreements with any governmental authority or other party, which creates any obligation with respect to the Property, which shall survive the Closing, including without limitation any obligation to construct or maintain any improvements which are not, or will not be located on the Property, or which requires the owner of the Property to participate in, or contribute money, in connection with any such obligation;

3.3.11 copies of the form or forms of Leases affecting all or any part of the Property. Due to applicable regulatory requirements, Purchaser may review and inspect onsite (but not copy and remove from the Property) all of the Leases affecting all or any part of the Property and the lease files maintained by Seller or its agents or representatives, including without limitation all correspondence to and from any tenants or prospective tenants;

3.3.12 copies of all management, leasing, or listing agreements relating to the Property, including without limitation all documents pertaining to Seller's obligation, if any, to pay future leasing commissions upon the renewal of, or expansion under, any of the Leases;

3.3.13 copies of warranties and guaranties with respect the Property that will be assigned to Purchaser at Closing will be provided at Closing;

3.3.14 copies of all other documents, instruments and agreements relating to the Property which are reasonably requested in writing by Purchaser;

Notwithstanding the obligation of Seller under this Section 3.3 to provide the documents described above, Purchaser acknowledges its independent obligation to conduct its due diligence review of the Property as Purchaser alone deems necessary. Accordingly, should Purchaser determine that the documents described or provided above are incomplete or insufficient to conduct its due diligence review to its satisfaction, Purchaser shall exercise its right to terminate the Agreement as set forth in Section 3.7, below, on or before the Approval Date.

Purchaser shall keep all information and documents received under this Section 3.3 confidential, except where required by law, and shall use and inspect the same only for its good faith, due diligence review of the Property.

3.4 Title and Survey.

3.4.1 Purchaser shall obtain (a) a commitment (the "Title Commitment") from the Title Company, to issue an owner's policy of title insurance covering the Land and the Improvements, together with copies of all items shown as exceptions to title therein, and, as it deems necessary,

(b) a survey covering the Land and the Improvements (the "Survey"), prepared by a qualified surveyor selected by Purchaser and licensed in the State in which the Property is located.

3.4.2 Purchaser shall have a period of time (the "Title Review Period") commencing on the Effective Date and expiring at 5:00 p.m. Eastern Time, on the date that is sixty (60) days after the Effective Date (for purposes of this Section 3.4.2, the "Title Objection Date"), in which to provide written notice to Seller ("Title/Survey Notice") of any matters affecting or relating to the condition of title to or survey of the Property, including any matter disclosed in the Title Commitment or on the Survey ("Title/Survey Objections"), which are not satisfactory to Purchaser. If Purchaser timely delivers a Title/Survey Notice to Seller, Seller (i) shall reasonably endeavor to cure to the satisfaction of Purchaser all Title/Survey Objections identified in the Title/Survey Notice on or before the expiration of the Title/Survey Objection Cure Period (hereinafter defined) so long as the total costs for effectuating such cure (excluding any mortgages or other liens on the Property securing or evidencing amounts owed by Seller, which Seller shall be required to pay off), shall not exceed Ten Thousand Dollars (\$10,000.00), or (ii) shall, within fifteen (15) days after receipt of the Title/Survey Objections, inform Purchaser in writing that Seller does not intend to attempt a cure because the total costs for effectuating such cure (excluding any mortgages or other liens on the Property securing or evidencing amounts owed by Seller, which Seller shall be required to pay off) will likely exceed Ten Thousand Dollars (\$10,000.00) (a "No Cure Notice").

In the event of a No Cure Notice from Seller, Purchaser shall have fifteen (15) days in which to elect, in its sole and absolute discretion, to: (a) terminate this Agreement and demand and receive the Deposit, without any right by Seller to object or delay such refund, in which event neither party shall thereafter have any further rights, obligations or liability hereunder except for those respective obligations of the parties which, by their terms, are intended to survive; or (b) waive such Title Objection(s) and/or Survey Objection(s) and proceed to Closing with such matter or matters added to, and made a part of, the Permitted Exceptions and without reduction to the Purchase Price unless otherwise agreed in writing by both Seller and Purchaser. If Purchaser fails to make either election, Seller shall have fifteen (15) days in which to elect, in its sole and absolute discretion, to terminate this Agreement, in which instance the Deposit shall be refunded to Purchaser, without any right by Seller to object or delay such refund, in which event neither party shall thereafter have any further rights, obligations or liability hereunder except for those respective obligations of the parties which, by their terms, are intended to survive.

In the event that the Title/Survey Objections are not cured to the satisfaction of Purchaser by 5:00 p.m. Eastern Time, on the last day of the Title/Survey Objection Cure Period, Purchaser shall have ten (10) days in which to elect, in its sole and absolute discretion, to: (a) extend the Date of Closing (except in the case of a No Cure Notice) in order to allow Seller additional time in which to effect such cure, in which event the term "Date of Closing" as used herein shall mean the date to which Closing is so extended; or (b) terminate this Agreement and demand and receive the Deposit, without any right by Seller to object or delay such refund, in which event neither party shall thereafter have any further rights, obligations or liability hereunder except for those respective obligations of the parties which, by their terms, are intended to survive; or (c) waive such Title Objection(s) and/or Survey Objection(s) and proceed to Closing with such

matter or matters added to, and made a part of, the Permitted Exceptions and without reduction to the Purchase Price unless otherwise agreed in writing by both Seller and Purchaser.

For purposes of this Agreement, the term "Title/Survey Objection Cure Period" shall mean the period of time during which Seller is required to effect the cure of any Title/Survey Objection(s) identified in a timely delivered Title/Survey Notice, commencing on the date that Seller receives a Title/Survey Notice and expiring at 5:00 p.m. Eastern Time, on the earlier of (a) the date which is thirty (30) days thereafter, or (b) the Date of Closing; provided, however, that Seller shall not be required to effect the cure of any Title/Survey Objection until the Date of Closing provided that the same is capable of being cured by the payment and satisfaction thereof, from net proceeds payable to Seller at Closing or otherwise, on and as of the Date of Closing.

3.5 Assumed Contracts. On or before the Approval Date, Purchaser shall notify Seller in writing as to which of the Contracts, if any, Purchaser elects to assume at Closing (such Contracts being herein referred to as the "Assumed Contracts"). As used herein, the term "Contracts" shall mean service, maintenance, supply, repair, cable or subscription television agreements, laundry, landscaping, janitorial, leasing, and/or tenant locator contracts or other contracts relating to the operation of the Property, but shall exclude Leases (as defined in Section 1.1.6 above). Purchaser shall have no liability under any Contract which Purchaser has not expressly agreed to assume prior to the Approval Date, and Seller hereby agrees to indemnify and hold Purchaser harmless from and against any and all claims, damages, liabilities, obligations, costs or expenses (including reasonable attorneys' fees) incurred by Purchaser and arising out of any Contract which has not been assumed by Purchaser at Closing. The foregoing indemnification obligation of Seller shall survive recordation of the Deed and the Closing hereunder. Except for the Assumed Contracts, Seller shall terminate all other Contracts as of the Closing.

3.6 Permitted Exceptions. Purchaser shall accept title to the Property, subject only to the following exceptions (the "Permitted Exceptions"):

3.6.1 Those matters affecting or relating to the title to, or the survey of, the Property: (a) to the extent shown in the Title Commitment or on the Survey, and which were not included in a Title/Survey Notice given by Purchaser prior to the Approval Date; (b) which were included in a Title/Survey Notice, but for which (i) Seller has completed the cure thereof; (ii) Purchaser has, at Purchaser's sole option waived the cure thereof; or (iii) Seller has provided to Purchaser a No Cure Notice and Purchaser has waived the Title/Survey Objections listed in the No Cure Notice and elected to proceed to Closing; or (c) which Purchaser has otherwise approved in writing;

3.6.1.1 Without limiting the provisions of Section 3.6.1 above, any easements, rights of way, or other encumbrances shown on the Survey affecting the Property, and which were not included in a Title/Survey Notice given by Purchaser prior to the Approval Date;

3.6.2 All of the Assumed Contracts and the Leases; and

3.6.3 The lien of non-delinquent real and personal property taxes and assessments.

3.7 Purchaser's Right to Terminate. Purchaser shall have the absolute right to terminate this Agreement on or before 5:00 p.m., EST, on the Approval Date, for any or no reason whatsoever. If this Agreement is terminated pursuant to the terms of this Section 3.7, the Deposit shall be immediately returned to Purchaser upon demand therefore, without any right in Seller to object to or delay the return of the Deposit and neither party shall thereafter have any further rights, obligations or liability hereunder, except as otherwise provided herein.

4. SELLER'S OBLIGATIONS PRIOR TO CLOSING. Until Closing, Seller and/or Seller's agents or representatives shall:

4.1 Insurance. Not change or cancel any insurance except for replacement thereof in the ordinary course of business that would reduce the amount or types of insurance coverage existing as of the Effective Date.

4.2 Operation. Not materially adversely change the operation, maintenance or management of the Property as has been the case as of the Effective Date.

4.3 Notices. Provide to Purchaser, immediately upon the receipt thereof, any and all notices in any manner relating to the Property received by Seller or its agents or representatives from any governmental or quasi-governmental instrumentality having jurisdiction over the Property; any insurance company; any tenant under any of the Leases where such tenant has threatened or instituted a lawsuit against Seller, where such tenant has provided notice of damage to the Property in excess of \$1,000, or where such tenant has reported a crime on the Property; or any vendor or other party under any of the Contracts terminating or amending the same or giving notice of a breach by Seller.

4.4 Compliance with Law. Cause the Property to comply with all applicable laws (including without limitation, the Environmental Laws), orders, rules and regulations applicable to the Property and the operation and maintenance thereof, including without limitation making timely application for any and all permits, certificates, licenses or other Approvals, or any renewals of any of the same, required to legally own, operate, occupy and maintain the Property.

4.5 Compliance with Agreements. Take actions necessary to comply with the Leases, Contracts, Approvals, Easements and all other agreements, covenants, encumbrances and obligations affecting or relating to the Property and the ownership, operation and maintenance thereof. Seller shall pay all utility bills, tax bills and other invoices and expenses relating to the Property, as and when the same become due.

5. REPRESENTATIONS AND WARRANTIES.

5.1 By Seller. Seller represents and warrants to Purchaser, as of the Effective Date, that:

5.1.1 Title. Except for the Permitted Exceptions, Seller owns a fee simple interest in the Property.

5.1.2 Organization. Seller is a limited liability company duly organized and validly existing under and by virtue of the laws of the Commonwealth. Seller has the power, right and authority to enter into and perform all of the obligations required of Seller under this Agreement

and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby.

5.1.3. Requisite Action. To the best of Seller's knowledge, Seller has taken all requisite action and obtained all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder.

5.1.4. Authorization. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be, duly authorized, executed and delivered by Seller. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be, valid and legally binding upon Seller and enforceable in accordance with their respective terms.

5.1.5 No Violation of Agreements. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the operating agreement of Seller, or any provision of any agreement, instrument, order, judgment or decree to which either Seller is a party or by which it or any of its assets is bound.

5.1.6 Access. To the best of Seller's knowledge, all means of access to the Property (i) are permanent and no special access or other permits from the applicable governmental authorities are required to operate and maintain such means of access, and (ii) are obtained from any public streets, sidewalks, alleys or other public space without the need for easements, rights-of-way, or licenses, or across lands or premises not included within the Property.

5.1.7 Bankruptcy. Neither Seller nor its general partners, (i) is in receivership or dissolution, (ii) has made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has been adjudicated a bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Seller or any of its general partner(s), if any, or (iv) to the best of its knowledge, none of the foregoing are pending or threatened.

5.1.8 Condemnation. Seller has not received any written notice of any existing, pending, or, to the best of Seller's knowledge, threatened condemnation, incorporation, annexation or moratorium proceedings affecting the Property (or any portion thereof).

5.1.9 FIRPTA. Seller is not a "foreign person" as that term is used in Section 1445(f)(3) of the United States Internal Revenue Code of 1986, as amended.

5.2 By Purchaser. Purchaser represents and warrants to Seller as of the Effective Date that:

5.2.1 Organization. Purchaser is a limited liability company validly existing and organized under and by virtue of the laws of the State of Alabama. Purchaser has the power, right and authority to enter into and perform all of the obligations required of Purchaser under this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby.

5.2.2 Requisite Action. To the best of Purchaser's knowledge, Purchaser has taken all requisite action and obtained all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by Purchaser of its obligations hereunder.

5.2.3 Authorization. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, duly authorized, executed and delivered by Purchaser. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, valid and legally binding upon Purchaser and enforceable in accordance with their respective terms.

5.2.4 No Violation of Agreements. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the Articles of Organization or Operating Agreement of Purchaser, or any provision of any agreement, instrument, order, judgment or decree to which either Purchaser is a party or by which it or any of its assets is bound.

5.2.5 Bankruptcy. Purchaser (i) is not in receivership or dissolution, (ii) has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has not been adjudicated a bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the Federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Purchaser, and (iv) to the best of its knowledge, none of the foregoing are pending or threatened.

5.3 Broker. Seller and Purchaser each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary in connection with the sale of the Property. Seller and Purchaser agree that each will indemnify, defend and hold the other free and harmless from the claims of any other broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Seller or Purchaser, respectively, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Property. This mutual indemnity shall survive Closing and any termination of this Agreement.

5.4 Survivability. All of the representations of Seller and Purchaser made in this Agreement and in any other instrument or agreement entered into in connection herewith shall survive recordation of the Deed and Closing hereunder for a period of one (1) year.

5.5 [LEFT INTENTIONALLY BLANK.]

5.6 Limitation of Remedy. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ON ACCOUNT OF ANY MATTER RELATING TO OR ARISING OUT OF THIS AGREEMENT, OR ANY ACTION OR INACTION, EVEN IF THE OTHER PARTY, TO THE EXTENT APPLICABLE, IS ADVISED OF THOSE DAMAGES OR THE POSSIBILITY OF THOSE DAMAGES. THIS LIMITATION APPLIES WHETHER THE DAMAGES ARE SAID TO BE BASED UPON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY OR STRICT OR ANY OTHER KIND OF LIABILITY. DAMAGES WAIVED AND EXCLUDED BY THIS SECTION INCLUDE WITHOUT LIMITATION DAMAGES FOR LOSS OF PROFIT AND LOSS OF GOODWILL.

6. CONDITIONS PRECEDENT TO CLOSING.

6.1 Conditions. The obligation of Purchaser to consummate the conveyance of the Property hereunder is subject to the full and complete satisfaction of each of the following conditions precedent:

6.1.1 The representations and warranties of Seller contained in this Agreement shall be true, complete and accurate, on and as of the date hereof and the Date of Closing as if the same were made on and as of such date.

6.1.2 There shall not have been filed by or against Seller at any time prior to or on the Date of Closing any bankruptcy, reorganization or receiver petition.

6.1.3 Seller shall have performed each and every obligation and covenant of Seller to be performed hereunder.

6.2 Waiver of Conditions by Purchaser. Purchaser shall have the right to waive some or all of the foregoing conditions in its sole and absolute discretion and proceed to Closing; provided, however, that no such waiver shall be effective or binding on Purchaser unless it is in writing and executed by an authorized officer of Purchaser.

6.3 Conditions to Seller's Obligations to Close. The obligation of Seller to consummate the conveyance of the Property hereunder is subject to the full and complete satisfaction of each of the following conditions precedent:

6.3.1 The representations and warranties of Purchaser contained in this Agreement shall be true, complete and accurate, on and as of the date hereof and the Date of Closing as if the same were made on and as of such date.

6.3.2 There shall not have been filed by or against Purchaser at any time prior to or on the Date of Closing any bankruptcy, reorganization or receiver petition.

6.3.3 Purchaser shall have performed each and every obligation and covenant of Purchaser to be performed hereunder.

6.3.4 As of Date of Closing, there shall be no litigation or administrative agency or other governmental proceeding pending or threatened against Purchaser, which would, in Seller's reasonable discretion, materially adversely affect Seller's ability to convey good and marketable title to the Property.

6.4 Waiver of Conditions by Seller. Seller shall have the right to waive some or all of the foregoing conditions in its sole and absolute discretion and proceed to Closing; provided, however, that no such waiver shall be effective or binding on Seller unless it is in writing and executed by an authorized officer of Seller.

7. CLOSING COSTS AND PRORATIONS.

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

7.1.1 The fees and disbursements of Purchaser's counsel and any other expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Property or in connection with this transaction;

7.1.2 Any and all costs and expenses in connection with obtaining financing for the purchase of the Property;

7.1.3 All grantee recordation taxes (commonly known as "recordation tax") and circuit court clerk's fees, due in connection with the recordation of the Special Warranty Deed;

7.1.4 One half (1/2) of the reasonable settlement fees and charges of the Title Company due in connection with the closing of this transaction, if any;

7.1.5 The cost of the Survey; and

7.1.6 All premiums due to the Title Company in connection with the issuance of the Title Policy.

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

7.2.1 The fees and disbursements of Seller's counsel and any other expense(s) incurred by Seller or its representative(s) in connection with this transaction;

7.2.2 All grantor transfer taxes (commonly known as "grantor's tax"), due in connection with the recordation of the Special Warranty Deed;

7.2.3 One half (1/2) of the reasonable settlement fees and charges of the Title Company due in connection with the closing of this transaction, if any; and

7.2.4 All release fees and other charges required to be paid in order to release from the Property the lien of any mortgage or other security interest, or any encumbrance which Seller is obligated to remove pursuant to the terms of this Agreement.

7.3 Prorations. All revenues and expenses, including, but not limited to rents and any other amounts paid by tenants, personal property taxes, installment payments of special assessment liens, vault charges, sewer charges, utility charges and normally prorated operating expenses billed or paid as of the Date of Closing shall be prorated as of 12:01 a.m., EST, on the Date of

Closing, and shall be adjusted against the Purchase Price due at Closing, provided that within thirty (30) days after Closing, Purchaser and Seller will make a further adjustment for such rents, taxes or charges which may have accrued or been incurred prior to the Date of Closing, but not received or paid at that date.

7.4 Security Deposits. At Closing, Seller shall either (a) deliver to Purchaser the unapplied balance of all cash (or cash equivalent) security, damage or other deposits paid by any of the tenants to secure their respective obligations under the Leases, including, without limitation, pet, security, key, cleaning, storage locker, pet deposits (and any other payment in the form of a deposit regarding the Property, however denominated) together with all interest earned or required thereon, if any (collectively, the “Cash Security Deposit Balance”), or (b) at Purchaser’s election, credit against the Purchase Price an amount equal to the Cash Security Deposit Balance.

7.5 Taxes. General real estate taxes and special assessments relating to the Property payable during the year in which Closing occurs shall be prorated with respect to the Property as of the Date of Closing.

7.6 In General. Any other costs or charges of closing this transaction not specifically mentioned in this Agreement shall be paid and adjusted in accordance with local custom in the area in which the Property is located.

7.7 Purpose and Intent. Except as expressly provided herein, the purpose and intent as to the provisions of prorations and apportionments set forth in this Section 7 and elsewhere in this Agreement is that Seller shall bear all expenses of ownership and operation of the Property and shall receive all income therefrom accruing through midnight of the day preceding the Closing and Purchaser shall bear all such expenses and receive all such income accruing thereafter.

7.8 Post-Closing Collections. All rents or other amounts received by Purchaser from any tenant which owes rent under its Lease for any period occurring prior to Closing which are received by Purchaser (“Overdue Rents”) after Closing, shall be applied by Purchaser first to the account of Purchaser for amounts then currently or past due and owing to Purchaser by the tenant from whom the rent in question was received, and the balance of any such funds, to the extent designated in writing by such tenant as payments on account of amounts due for any period prior to Closing, shall be remitted by Purchaser to Seller in payment of such Overdue Rents. Purchaser shall have no obligation to collect, or to attempt to collect any Overdue Rents from any of the tenants under the Leases or from any other party owing any amounts in respect to their use of the Property during any period prior to Closing. Purchaser’s obligations under this Section 7.8 to remit Overdue Rent to Seller shall terminate and shall be of no further effect from and after the date which is three (3) months after the Date of Closing. After Closing, Seller shall not be permitted to pursue collection of any rent arrearages (to the extent such individual is then a tenant of the Improvements) applicable to the period prior to the Closing.

The provisions of this Section 7 shall survive Closing and recordation of the Deed.

8. CLOSING AND ESCROW.

8.1 Seller's Deliveries. Seller shall deliver either at the Closing or by making available at the Property, as appropriate, the following original documents, each executed and, if required, acknowledged:

8.1.1 A Special Warranty Deed, in the form attached hereto as Exhibit 8.1.1 or otherwise insured by Title Company (the "Deed"), conveying title to Purchaser of the Property, subject only to the Permitted Exceptions.

8.1.2 A special warranty bill of sale, in the form attached hereto as Exhibit 8.1.2 (the "Special Warranty Bill of Sale"), conveying to Purchaser the Personal Property and Approvals.

8.1.3 (a) Originals or true copies of the Leases described in Section 1.1.6 hereof which are still in effect as of Closing; (b) a current listing of any tenant security deposits and prepaid rents held by Seller with respect to the Property, certified by an officer of Seller to the satisfaction of Purchaser; (c) an assignment of the Leases described in Subsection (a), above, security deposits, and prepaid rents by way of an assignment and assumption agreement, in the form attached hereto as Exhibit 8.1.3 (the "Assignment of Leases"), assigning to Purchaser Seller's rights, title and interest in and to the Leases and Security Deposits affecting the Property; and (d) to the extent not assignable without the consent of any third party, originals or any such letters of credit, bonds, notes or other documents representing security deposits under any of the Leases, together with the assignments, consents or approvals necessary to make such transfer or assignment to Purchaser permissible or legal.

8.1.4 (a) Originals or true copies of all of the Assumed Contracts relating to the Property which Purchaser has elected to assume pursuant to the terms hereof; and (b) an assignment of such Contracts to Purchaser by way of an assignment and assumption agreement, in the form attached hereto as Exhibit 8.1.4 (the "Assignment of Contracts"), conveying to Purchaser Seller's rights, title and interest in and to the Assumed Contracts attributable to the Property.

8.1.5 (a) Originals or true copies of all Warranties then in effect, if any, with respect to the Property or to the Improvements or any repairs or renovations to such Improvements and Personal Property; and (b) an assignment of all such warranties and guarantees being conveyed hereunder, in the form attached hereto as Exhibit 8.1.5, conveying to Purchaser Seller's rights, title and interests in and to the Warranties attributable to the Property.

8.1.6 An affidavit pursuant to the Foreign Investment and Real Property Tax Act, in the form attached hereto as Exhibit 8.1.7.

8.1.7 Evidence of Seller's authority, and the authority of the person executing the Deed and the other documents at Closing on behalf of Seller, acceptable to Purchaser and the Title Company, to enter into the transactions contemplated by this Agreement.

8.1.8 An "owner's affidavit", in form reasonably acceptable to Purchaser and the Title Company and sufficient for the Title Company to delete any exceptions for (a) mechanics' or materialmen's liens arising from work at the Property which is the responsibility of Seller

hereunder, (b) parties in possession, other than tenants as tenants only, and, (c) matters not shown in the public records.

8.1.9 A settlement statement (the “Settlement Statement”), prepared by the Title Company.

8.1.10 All keys and locks to the Property

8.1.11 An IRS 1099 reporting form and a Virginia R-5E and/or R-5P reporting form, if applicable.

8.1.12 Tenant notification letters, in the form attached hereto as Exhibit 8.1.15, to each of the tenants under the Leases, notifying each such tenant that the Property has been conveyed to Purchaser and directing each tenant to make all payments of rent and to send any notices or other correspondence regarding their respective Leases to the persons and addresses to be determined by Purchaser and specified in each such letter, on and after the Date of Closing.

8.1.13 An updated Rent Roll for the Buildings, certified by Seller as true, accurate and complete, as of a date no earlier than one (1) day prior to the Date of Closing.

8.1.14 All of Seller’s property files located at the Property and relating to the operation of the Property, including, without limitation, the originals of all tenant files and correspondence.

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

8.2.1 The Assignment of Leases.

8.2.2 The Assignment of Assumed Contracts.

8.2.3 Evidence of Purchaser’s authority, and the authority of the person executing any documents at Closing on behalf of Purchaser, acceptable to Seller and the Title Company, to enter into the transactions contemplated by this Agreement.

8.2.4 The Settlement Statement.

8.3 Possession. Purchaser shall be entitled to possession of the Property at the conclusion of the Closing.

8.4 Escrow Closing. Purchaser and Seller (or their respective counsel on behalf of Purchaser and Seller) and the Title Company shall execute a joint letter of escrow closing instructions (the “Closing Instructions”) which will provide that, on the Date of Closing: (a) Seller and Purchaser shall each deposit with the Title Company all of the documents and instruments described in Sections 8.1 and 8.2, above (the “Closing Documents”); and (b) Purchaser shall deposit with the Title Company the balance of the Purchase Price required to be paid after application of the Deposit thereto and all prorations, adjustments and credits required to be made under this Agreement, including without limitation, the credit referred to in Section 7.4 hereof with respect

to the Cash Security Deposit Balance (the “Adjusted Purchase Price”), all of which shall be set forth on, and mutually agreeable pursuant to, a settlement statement executed by both Purchaser and Seller at Closing. Upon receipt of the Adjusted Purchase Price, and the satisfaction of all other conditions set forth in the Closing Instructions, the Title Company shall be authorized and directed to record the Deed among the appropriate land records office in which the Property is located, and immediately upon such recordation of the Deed, the Title Company shall be authorized and directed to disburse the Adjusted Purchase Price to Seller or its designee(s), and to disburse the Closing Documents to the appropriate parties, all in strict accordance with the Closing Instructions.

9. DAMAGE, DESTRUCTION AND CONDEMNATION.

9.1 Casualty. Except as provided herein, Seller assumes all risk of loss or damage to the Property by fire or other casualty until the Date of Closing. If such loss or damage materially and adversely affects Purchaser’s intended use and enjoyment of the Property as of the Date of Closing, Purchaser shall have the option, in its sole discretion, either to (i) terminate this Agreement by giving Seller written notice in which event the parties hereto shall have no further obligations or liabilities to one another hereunder except as expressly provided for hereunder; or (ii) proceed to Closing and accept from Seller an assignment of all insurance payable as a result of such damage or casualty. If at any time on or prior to the Date of Closing any portion of the Property is destroyed or damaged as a result of fire or any other cause whatsoever, Seller shall promptly give written notice thereof to Purchaser.

9.2 Condemnation. In the event, at any time on or prior to the Date of Closing, any action or proceeding is filed, under which the Property, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller shall promptly give written notice thereof (which notice shall describe the type of action being taken against the Property, and which portions of the Property will be affected thereby) to Purchaser. Purchaser shall have the right to terminate this Agreement by written notice to Seller within twenty (20) days following the date upon which Purchaser receives Seller’s written notice of such action or proceeding. If Purchaser does not elect to so terminate this Agreement within said twenty (20) day period, this Agreement shall remain in full force and effect and the parties shall proceed to Closing without any reduction or adjustment in the Purchase Price, except that all condemnation proceeds will be assigned to Purchaser.

10. DEFAULT AND REMEDIES.

10.1 Purchaser Default. If, after the Approval Date, Purchaser shall fail or refuse to purchase the Property in violation of Purchaser’s obligations hereunder for any reason other than a default by Seller under this Agreement or a failure of condition precedent to Closing pursuant to Section 6, above, and provided that Seller is then ready, willing and able to proceed to Closing, has performed all of its obligations hereunder and all conditions precedent to Closing hereunder have been satisfied, Seller shall have as its sole remedy the right to terminate this Agreement and retain the full amount of the Deposit and all interest earned thereon. Seller and Purchaser acknowledge and agree that (a) it would be extremely difficult to accurately determine the amount of damages suffered by Seller as a result of Purchaser’s default hereunder; (b) the Deposit constitutes a fair and reasonable amount to be received by Seller as agreed and

liquidated damages for Purchaser's default under this Agreement, as well as a fair, reasonable and customary amount to be paid as liquidated damages to a seller in an arm's length transaction of the type contemplated by this Agreement upon a default by the purchaser thereunder; and (c) receipt by Seller of the Deposit upon Purchaser's default hereunder shall not constitute a penalty or a forfeiture. Notwithstanding the foregoing, nothing in this Section 10.1 shall be deemed to limit Seller's remedies for any other violation of Purchaser's obligation hereunder, including without limitation Purchaser's obligation to indemnify Seller under Section 3.2, above, or to return certain documentation to Seller under Section 3.7, above.

10.2 Seller Default. In the event Seller shall: (a) fail to sell, transfer and assign the Property to Purchaser for any reason other than a default by Purchaser under this Agreement or a failure of condition precedent to Closing for the benefit of Seller pursuant to Section 6.3, above, and/or (b) fail to perform any other obligation of Seller hereunder other than a default by Purchaser under this Agreement, and/or (c) breach any warranty made or granted by Seller under this Agreement or any document or instrument given in connection herewith, and/or (d) have materially adversely misrepresented any fact, or any of the representations of Seller contained herein are not true, accurate or complete, Purchaser shall be entitled to: (i) seek specific performance of this Agreement, or (ii) declare this Agreement to be null and void and demand and receive the return of the Deposit, and/or (iii) institute any action available to Purchaser at law or equity to recover damages, including without limitation reasonable attorneys' fees, incurred by Purchaser as a result of such breach or misrepresentation by Seller.

11. NOTICES. Any notice required or permitted to be given hereunder must be in writing and shall be deemed to be given when (a) hand delivered, or (b) one (1) business day after pickup by Emery Air Freight, United Parcel Service (Overnight) or FedEx, or another similar overnight express service, or (c) received by electronic transmission (provided that an original is delivered under one of the two methods set forth in subsections (a) or (b), above on the next business day), in any case addressed to the parties at their respective addresses set forth below:

If to Seller: DR TWO, L.L.C.
c/o Wade Wood
105 Tallapoosa Street, Suite 300
Montgomery, AL 36104
Email: Wade.Wood@envovellc.com

If to Purchaser: ENV - Magruder Run 2, LP
c/o Wade Wood
105 Tallapoosa Street, Suite 300
Montgomery, AL 36104
Email: Wade.Wood@envovellc.com

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this Section 11 to the other party. Telephone numbers and email addresses are for informational purposes only. Notices shall be deemed effective if given by counsel, acting in the capacity as counsel, to any party hereto, acting on behalf of such party.

Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

12. MISCELLANEOUS.

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

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

12.3 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

12.4 Assignability. Purchaser shall have the absolute right, without Seller's consent or approval, to assign or transfer this Agreement or any of Purchaser's rights, obligations and interests under this Agreement.

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

12.6 No Public Disclosure. Prior to Closing, all press releases or other dissemination of information to the media or responses to requests from the media for information relating to the transaction contemplated herein shall be subject to the prior written consent of Purchaser and Seller.

12.7 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

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

12.9 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

12.10 Recordation. Purchaser and Seller agree not to record this Agreement or any memorandum hereof.

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

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

12.13 Survival. Notwithstanding any termination, cancellation or expiration of this Agreement or the Closing, provisions which are by their terms intended to survive and continue shall so survive and continue.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Purchaser and Seller have executed this Purchase and Sales Agreement on the dates set forth below, effective as of the date first set forth above.

SELLER:

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: 

W. Daniel Hughes, Jr., President

PURCHASER:

LRC ACQUISITIONS, LLC,
an Alabama limited liability company

By: 

W. Daniel Hughes, Jr.,
Authorized Signatory

TABLE OF SCHEDULES AND EXHIBITS

Schedules

1.1.1 Legal Description of Land

Exhibits

8.1.1 Form of Special Warranty Deed

8.1.2 Form of Special Warranty Bill of Sale

8.1.3 Form of Assignment and Assumption of Leases and Security Deposits

8.1.4 Form of Assignment and Assumption of Assumed Contracts

8.1.5 Form of Assignment of Warranties, Guaranties and Trade Names

8.1.7 Form of FIRPTA Certificate

8.1.15 Form of Tenant Notification Letter

SCHEDULE 1.1.1

LEGAL DESCRIPTION

ALL THAT certain lot, piece or parcel of land, located in the City of Hampton, Virginia, known, numbered and designated as Lot 10-A, as shown on that certain plat entitled Subdivision of Lots 9 & 10, Magruder Estates, Section 3, Hampton, Virginia, property of Hampton Venture No. One, Scale: 1" = 100 feet, November 18, 1993", made by Horton & Dodd, P.C. and recorded in the Clerk's Office of the Circuit Court of the City of Hampton, Virginia, in Plat Book 11, at page 19.

IT BEING a part of the same property conveyed to DR Two, L.L.C., a Virginia limited liability company, from Derby Run II Associates, L.P., a Virginia limited partnership, by deed dated July 28, 2010, recorded in the aforesaid Clerk's Office as Instrument No. 100009548.

TOGETHER WITH AND SUBJECT TO those certain rights, privileges, responsibilities and easements as contained in that certain Declaration of Cross Easements Agreement between Derby Run Associates, L.P., a Virginia limited partnership, and Derby Run II Associates, L.P., a Virginia limited partnership, dated December 10, 1996, recorded in the aforesaid Clerk's Office in Deed Book 1191, at page 1352.

EXHIBIT 8.1.1

FORM OF SPECIAL WARRANTY DEED

Tax Map No. _____
Consideration: \$_____

Prepared by:

Title Insurance Underwriter:

THIS DEED, made this ____ day of _____, 2020, by and between **DR TWO, L.L.C., a Virginia limited liability company**, to be indexed as grantor (the "Grantor") and _____, to be indexed as grantee (the "Grantee") provides as follows:

WITNESSETH:

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

SEE SCHEDULE A ATTACHED HERETO AS A PART HEREO

This conveyance is subject to all recorded easements, conditions, restrictions and agreements to the extent that they may lawfully apply to the Property, or any portion thereof.

[Signature Pages Follow]

WITNESS the following signature and seal:

GRANTOR:

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____(SEAL)
W. Daniel Hughes, Jr.,
President

STATE OF _____

CITY/COUNTY OF _____, to-wit:

The foregoing deed was acknowledged before me in the aforesaid jurisdiction, this ____ day of _____, 2020, by W. Daniel Hughes, Jr., who is personally known to me (or satisfactorily proven) as President of LRC GP Interest, Inc., a Delaware corporation, the manager of DR TWO, L.L.C., a Virginia limited liability company, on behalf of the company.

My commission expires: _____

Registration number: _____

Notary Public

[Notary Seal]

Grantee's Address:

105 Tallapoosa Street, Suite 300
Montgomery, AL 36104

Schedule A

Legal Description

ALL THAT certain lot, piece or parcel of land, located in the City of Hampton, Virginia, known, numbered and designated as Lot 10-A, as shown on that certain plat entitled Subdivision of Lots 9 & 10, Magruder Estates, Section 3, Hampton, Virginia, property of Hampton Venture No. One, Scale: 1" = 100 feet, November 18, 1993", made by Horton & Dodd, P.C. and recorded in the Clerk's Office of the Circuit Court of the City of Hampton, Virginia, in Plat Book 11, at page 19.

IT BEING a part of the same property conveyed to DR Two, L.L.C., a Virginia limited liability company, from Derby Run II Associates, L.P., a Virginia limited partnership, by deed dated July 28, 2010, recorded in the aforesaid Clerk's Office as Instrument No. 100009548.

TOGETHER WITH AND SUBJECT TO those certain rights, privileges, responsibilities and easements as contained in that certain Declaration of Cross Easements Agreement between Derby Run Associates, L.P., a Virginia limited partnership, and Derby Run II Associates, L.P., a Virginia limited partnership, dated December 10, 1996, recorded in the aforesaid Clerk's Office in Deed Book 1191, at page 1352.

EXHIBIT 8.1.2

FORM OF SPECIAL WARRANTY BILL OF SALE

THIS BILL OF SALE, made as of _____, _____, between DR TWO, L.L.C., a Virginia limited liability company ("Seller") and _____, a Virginia _____ ("Purchaser"), provides and recites as follows:

WITNESSETH:

A. By deed of even date herewith, Seller conveyed to Purchaser that certain tract of land more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with all improvements located thereon ("Real Property").

B. In connection with the above described conveyance Seller desires to sell, transfer and convey to Buyer certain items of tangible personal property as hereinafter described.

NOW THEREFORE, in consideration of the receipt of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby grants, sells, transfers, sets over and conveys to Buyer, its legal representatives, successors and assigns, with special warranty, (a) all of the articles of property described in Exhibit B attached hereto and incorporated herein by this reference, (b) all furniture in model units and other furnished units, and all furniture and equipment contained in the clubhouse, including, but not limited to athletic equipment, and (c) all attachments, appliances, fittings, gas and oil burners, automatic stokers, lighting fixtures, doors, cabinets partitions, mantels, elevators, electric motors, pumps, screens, flagpoles, sprinkler, plumbing, heating, air-conditioning, electrical, ventilating, lighting, incinerating, vacuum cleaning, refrigerating and cooling systems, each with its respective furnaces, boilers, engines, motors, dynamos, radiators, pipes, wiring and other apparatus, vaults, safes, fire prevention and extinguishing equipment, carpets, floor coverings, kitchen appliances and antennae, together with all parts and supplies pertaining thereto, except for trade fixtures and personal property of tenants of the Real Property (collectively, the "Personal Property") and "AS IS", "WITH ALL FAULTS", without warranty any Personal Property in addition thereto (the "Additional Personal Property") to have and hold the Personal Property and the Additional Personal Property unto the Purchaser forever.

EXECUTED this _____ day of _____, _____, TO BE EFFECTIVE as of the
_____ day of _____, 2020.

SELLER:

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____(SEAL)
W. Daniel Hughes, Jr.,
President

EXHIBIT 8.1.3

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, DR TWO, L.L.C., a Virginia limited liability company, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Assignor”), hereby assigns, transfers and delegates to _____, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Assignee”), and Assignee hereby accepts the assignment, transfer and delegation of, all of Assignor’s right, title and interest in and to, the leases described on Exhibit A attached hereto (the “Leases”) and the unapplied non-cash security deposits held by Assignor under and pursuant to the Leases, all of which are listed on Exhibit A attached hereto (the “Security Deposits”), all of which Leases and Security Deposits relate to the property known as Derby Run Apartments, Phase II, located in the City of Hampton, Virginia (the “Property”), and Assignee does further hereby agree to assume all of Assignor’s duties, obligations and liabilities under and pursuant to the terms of the Leases from and after the date hereof. Assignee acknowledges that as to the Security Deposits, Assignee has received a credit therefor from Assignor at the closing of Assignee’s acquisition of the Property and is therefore responsible for the proper handling and return of all such Security Deposits to the tenants entitled thereto as provided in the Leases.

Assignee hereby assumes and agrees to perform, on and after the date hereof, all of the terms, covenants, obligations and conditions required to be performed by landlord under the Leases (the “Assignee Obligations”); provided, however, that, Assignor shall remain responsible for the performance of all of the terms, covenants, obligations and conditions required to be performed by landlord under the Leases for the period prior to the date hereof (the “Assignor Obligations”).

Assignee agrees to indemnify, protect, defend and hold Assignor harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignor as a result of Assignee’s failure to perform the Assignee Obligations. Assignor agrees to indemnify, protect, defend and hold Assignee harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignee as a result of Assignor’s failure to perform the Assignor Obligations.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation, including without limitation reasonable attorneys’ fees.

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

Nothing in this Assignment and Assumption of Leases is intended to, or shall be construed to, confer upon or give to any person, firm or corporation other than the parties hereto any right, remedy or claim under or by reason of this instrument. All terms and conditions in this instrument shall be for the sole and exclusive benefit of the parties hereto.

[SIGNATURE PAGE FOLLOWS]

EXECUTED as of the _____ day of _____, 2020.

ASSIGNOR:

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____ (SEAL)
W. Daniel Hughes, Jr.,
President

ASSIGNEE:

EXHIBITS:

A - List of Leases and Security Deposits

EXHIBIT 8.1.4

FORM OF ASSIGNMENT AND ASSUMPTION OF CONTRACTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, DR TWO, L.L.C., a Virginia limited liability company, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Assignor”), hereby assigns, transfers and delegates to _____, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Assignee”), and Assignee hereby accepts the assignment, transfer and delegation of, all of Assignor’s right, title and interest in and to the contracts described on Exhibit A attached hereto (the “Assumed Contracts”) relating to certain real property known as Derby Run Apartments, Phase II, located in the City of Hampton, Virginia, and Assignee does further hereby agree to assume all of Assignor’s duties, obligations and liabilities under and pursuant to the terms of the Assumed Contracts from and after the date hereof.

Assignee hereby assumes and agrees to perform, on and after the date hereof, all of the terms, covenants, obligations and conditions required to be performed by Assignor under the Assumed Contracts (the “Assignee Obligations”), provided, however that Assignor shall remain responsible for all of the terms, covenants, obligations and conditions required to be performed by Assignor under the Assumed Contracts prior to the date hereof (the “Assignor Obligations”).

Assignee agrees to indemnify, protect, defend and hold Assignor harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignor as a result of Assignee’s failure to perform the Assignee Obligations. Assignor agrees to indemnify, protect, defend and hold Assignee harmless from and against any and all liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees) incurred by Assignee as a result of Assignor’s failure to perform the Assignor Obligations.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation including without limitation reasonable attorneys’ fees.

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

Nothing in this Assignment and Assumption of Contracts is intended to, or shall be construed to, confer upon or give to any person, firm or corporation other than the parties hereto any right, remedy or claim under of by reason by this instrument. All terms and conditions in this instrument shall be for the sole and exclusive benefit of the parties hereto.

[SIGNATURE PAGE FOLLOWS]

EXECUTED as of the _____ day of _____, 2020.

ASSIGNOR:

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____(SEAL)
W. Daniel Hughes, Jr.,
President

ASSIGNEE:

EXHIBITS:

A - List of Assumed Contracts

EXHIBIT 8.1.5

FORM OF ASSIGNMENT OF WARRANTIES, GUARANTIES AND TRADE NAMES

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, DR TWO, L.L.C., a Virginia limited liability company, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Assignor”), hereby assigns and delegates to _____, having an address of 105 Tallapoosa Street, Suite 300, Montgomery, Alabama 36104 (“Assignee”), all of Assignor’s right, title and interest in and to all transferable warranties, guarantees and trade names (collectively, the "Miscellaneous Personalty"), if any, with respect to (a) the improvements located on certain real property known as Derby Run Apartments, Phase II, located in the City of Hampton, Virginia (the “Property”), (b) any repairs or renovations to such improvements, or (c) any personal property conveyed to Assignee by Assignor in connection with the sale of the Property. Assignor shall assign the Miscellaneous Personalty to Assignee "AS IS," "WHERE IS" and free of any and all liens.

If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation including without limitation reasonable attorneys’ fees.

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

Nothing in this Assignment and Assumption of Warranties is intended to, or shall be construed to, confer upon or give to any person, firm or corporation other than the parties hereto any right, remedy or claim under of by reason by this instrument. All terms and conditions in this instrument shall be for the sole and exclusive benefit of the parties hereto.

EXECUTED as of the _____ day of _____, 2020.

ASSIGNOR:

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____(SEAL)
W. Daniel Hughes, Jr.,
President

EXHIBIT 8.1.7

FORM OF FIRPTA AFFIDAVIT

The undersigned hereby declares that the name, address and United States taxpayer identification number of the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference is as follows:

<u>Name and Address</u>	<u>I.D. Number</u>
DR TWO, L.L.C. 105 Tallapoosa Street, Suite 300 Montgomery, AL 36104	

The owner is a limited liability company organized and existing under the laws of the Commonwealth of Virginia, and as such, is not a foreign citizen or entity.

The undersigned understands that the purchaser of the property intends to rely on the foregoing representations in connection with the United States Foreign Investment and Real Property Act.

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____(SEAL)
W. Daniel Hughes, Jr.,
President

Exhibits:
A-Legal Description of Property

EXHIBIT 8.1.15

FORM OF TENANT NOTIFICATION LETTER

Date: _____ 2020

TO ALL TENANTS OF

Re: _____ (the “Building”)

Dear Sir/Madame:

This will advise you that _____ (“Seller”) has sold the Building to _____ (“Purchaser”) effective as of _____, 2020 (the “Closing Date”). Please make all future rent checks payable to Purchaser and send such checks, and any future notices or other correspondence relating to your lease of space in the Building, to Purchaser, at the following address:

All rent payments which were due, but not paid, prior to the Closing Date should be sent to Seller.

If you have any questions, please call _____ of _____, (____) ____-____.

Sincerely,

DR TWO, L.L.C.,
a Virginia limited liability company

By: LRC GP Interest, Inc.,
a Delaware corporation,
its Manager

By: _____(SEAL)
W. Daniel Hughes, Jr.,
President

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is made as of this 15 day of December, 2020, by and between LRC Acquisitions, LLC, an Alabama limited liability company (the “Assignor”) and ENV – Magruder Run 2, LP, a Virginia limited partnership (the “Assignee”).

WHEREAS, Assignor entered into Purchase and Sale Agreement dated as of December 15, 2020 (the “Agreement”), with DR TWO, L.L.C., a Virginia limited liability company, as seller (the “Seller”) for the purchase of certain real property located in the City of Hampton, Virginia, commonly known as Derby Run Apartments, Phase 2, and described more particularly in the Agreement; and

WHEREAS, Assignor formed Assignee, for the purposes of purchasing the property subject to the Agreement;

WHEREAS, Assignor now wishes to assign, and Assignee wishes to accept, the assignment of the Agreement pursuant to the terms hereof.

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

1. Assignor hereby assigns to Assignee, and the Assignee hereby accepts, all right, title, interest and liability under and to the Agreement as Purchaser.
2. Assignee shall indemnify and hold Assignor harmless from any and all claims, costs, liabilities and causes of action of any kind pertaining to the Agreement which may arise after the date of this Assignment Agreement.
3. The terms of this Assignment Agreement shall be interpreted and construed pursuant to the laws of the Commonwealth of Virginia.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have set their hands and seals as of the date first written above.

ASSIGNOR:

LRC Acquisitions, LLC,
an Alabama limited liability company

By: 

W. Daniel Hughes, Jr.,
Chairman


ASSIGNEE:

ENV – MAGRUDER RUN 2, LP,
a Virginia limited partnership

By: ENV – Magruder Run 2 GP, LLC,
a Virginia limited liability company,
Its General Partner

By: LRC GP, LLC,
a Delaware limited liability
company, Its Sole Member

By: Envolve Communities, LLC,
a Delaware limited liability
company, Its Sole Member

By: 

W. Daniel Hughes, Jr.,
Chairman of Board

Send Comments or questions to:

OFFICE OF THE CITY TREASURER
 City of Hampton, Virginia
 1 Franklin Street, Suite 100
 Hampton, VA 23669
 Phone: (757)727-6374
 Fax: (757) 727-6796

CURRENT OWNER:	DR TWO LLC	RPC:	6000965
	808 NEWTOWN RD	CURRENT ACCOUNT#:	1153509
LEGAL DESCRIPTION:	MAGRUDER ESTATES RESUB 3 L10A.	MAP#:	06M003 03 00010A
PARCEL ID:	06M003 03 00010A		

NOTICE REGARDING CREDITS ON REAL ESTATE

The City of Hampton offers Real Estate Tax Relief programs to qualifying homeowners. This Tax Relief will appear as a CREDIT under "Yearly Transactions". These amounts may constitute a tax lien on the real estate and may become due if there is a change in status of the qualifying homeowner or the property is transferred. If you have any questions regarding the amounts due, please contact the Treasurer's Office.

BILL BALANCES, FEES AND CHARGES

Penalty and Interest are as of today's date: Tuesday, May 12, 2020

Tax Year	Description	Bill#	Bill Seq#	Date Due	Adj Value	Base Balance	Penalty	Interest	Total
2020	REAL ESTATE	2K20E11912	2	6/5/2020	\$8,487,900.00	\$52,624.98	\$0.00	\$0.00	\$52,624.98
2020	STORM WATER	2K20W11505	2	6/5/2020	N/A	\$4,556.28	\$0.00	\$0.00	\$4,556.28
YEARLY TOTAL						\$57,181.26	\$0.00	\$0.00	\$57,181.26
TODAY'S BALANCE									\$57,181.26

UNBILLED ITEMS

Tax Year	Description	Seq#	Effective Date	Amount/Value	Note
NO UNBILLED ITEMS					

YEARLY TRANSACTIONS

Tax Year	Tran Date	Tran Type	Bill/Receipt	Seq#	Billed	Refund	Paid	Adj/Credit	Date Due
2020	7/25/2019	BILL	2K20R11912	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/05/2019
2020	7/29/2019	BILL	2K20S11505	1	\$4,556.28	\$0.00	\$0.00	\$0.00	12/05/2019
2020	11/19/2019	PAYMENT	9632919	1	\$0.00	\$0.00	\$4,556.28	\$0.00	N/A
2020	11/19/2019	PAYMENT	9632919	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2020	7/25/2019	BILL	2K20E11912	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/05/2020
2020	7/29/2019	BILL	2K20W11505	2	\$4,556.28	\$0.00	\$0.00	\$0.00	06/05/2020
YEARLY TOTALS					\$114,362.50	\$0.00	\$57,181.26	\$0.00	
2019	8/1/2018	BILL	2K19R11857	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/06/2018
2019	8/1/2018	BILL	2K19S11447	1	\$4,040.28	\$0.00	\$0.00	\$0.00	12/06/2018
2019	11/20/2018	PAYMENT	9352623	1	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2019	11/20/2018	PAYMENT	9352623	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2019	8/1/2018	BILL	2K19E11857	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/05/2019
2019	8/1/2018	BILL	2K19W11447	2	\$4,040.28	\$0.00	\$0.00	\$0.00	06/05/2019

2019	5/20/2019	PAYMENT	9491231	2	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2019	5/20/2019	PAYMENT	9491231	2	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
			YEARLY TOTALS		\$113,330.50	\$0.00	\$113,330.50	\$0.00	
2018	8/1/2017	BILL	2K18R11844	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/05/2017
2018	8/1/2017	BILL	2K18S11431	1	\$4,040.28	\$0.00	\$0.00	\$0.00	12/05/2017
2018	12/4/2017	PAYMENT	9125978	1	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2018	12/4/2017	PAYMENT	9125978	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2018	8/1/2017	BILL	2K18E11844	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/05/2018
2018	8/1/2017	BILL	2K18W11431	2	\$4,040.28	\$0.00	\$0.00	\$0.00	06/05/2018
2018	5/14/2018	PAYMENT	9220694	2	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2018	5/14/2018	PAYMENT	9220694	2	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
			YEARLY TOTALS		\$113,330.50	\$0.00	\$113,330.50	\$0.00	
2017	7/30/2016	BILL	2K17R11788	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/05/2016
2017	7/30/2016	BILL	2K17S11392	1	\$4,040.28	\$0.00	\$0.00	\$0.00	12/05/2016
2017	11/21/2016	PAYMENT	8816756	1	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2017	11/21/2016	PAYMENT	8816756	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2017	7/30/2016	BILL	2K17E11788	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/05/2017
2017	7/30/2016	BILL	2K17W11392	2	\$4,040.28	\$0.00	\$0.00	\$0.00	06/05/2017
2017	5/16/2017	PAYMENT	8974634	2	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2017	5/16/2017	PAYMENT	8974634	2	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
			YEARLY TOTALS		\$113,330.50	\$0.00	\$113,330.50	\$0.00	
2016	8/2/2015	BILL	2K16R11726	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/07/2015
2016	8/6/2015	BILL	2K16S11291	1	\$4,040.28	\$0.00	\$0.00	\$0.00	12/07/2015
2016	12/1/2015	PAYMENT	8589833	1	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2016	12/1/2015	PAYMENT	8589833	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2016	8/2/2015	BILL	2K16E11726	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/06/2016
2016	8/6/2015	BILL	2K16W11291	2	\$4,040.28	\$0.00	\$0.00	\$0.00	06/06/2016
2016	5/17/2016	PAYMENT	8694295	2	\$0.00	\$0.00	\$4,040.28	\$0.00	N/A
2016	5/17/2016	PAYMENT	8694295	2	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
			YEARLY TOTALS		\$113,330.50	\$0.00	\$113,330.50	\$0.00	
2015	8/2/2014	BILL	2K15R11895	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/05/2014
2015	8/6/2014	BILL	2K15S11485	1	\$3,606.84	\$0.00	\$0.00	\$0.00	12/05/2014
2015	11/19/2014	PAYMENT	8290113	1	\$0.00	\$0.00	\$3,606.84	\$0.00	N/A
2015	11/19/2014	PAYMENT	8290113	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2015	8/2/2014	BILL	2K15E11895	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/05/2015
2015	8/6/2014	BILL	2K15W11485	2	\$3,606.84	\$0.00	\$0.00	\$0.00	06/05/2015
2015	5/26/2015	PAYMENT	8457654	2	\$0.00	\$0.00	\$3,606.84	\$0.00	N/A
2015	5/26/2015	PAYMENT	8457654	2	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
			YEARLY TOTALS		\$112,463.60	\$0.00	\$112,463.60	\$0.00	
2014	7/20/2013	BILL	2K14R11920	1	\$52,624.98	\$0.00	\$0.00	\$0.00	12/05/2013
2014	8/1/2013	BILL	2K14S11547	1	\$3,606.84	\$0.00	\$0.00	\$0.00	12/05/2013
2014	11/12/2013	PAYMENT	8023287	1	\$0.00	\$0.00	\$3,606.84	\$0.00	N/A
2014	11/12/2013	PAYMENT	8023287	1	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
2014	7/20/2013	BILL	2K14E11920	2	\$52,624.98	\$0.00	\$0.00	\$0.00	06/05/2014
2014	8/1/2013	BILL	2K14W11547	2	\$3,606.84	\$0.00	\$0.00	\$0.00	06/05/2014
2014	5/8/2014	PAYMENT	8160669	2	\$0.00	\$0.00	\$3,606.84	\$0.00	N/A
2014	5/8/2014	PAYMENT	8160669	2	\$0.00	\$0.00	\$52,624.98	\$0.00	N/A
			YEARLY TOTALS		\$112,463.60	\$0.00	\$112,463.60	\$0.00	
2013	8/1/2012	BILL	2K13R11897	1	\$44,137.08	\$0.00	\$0.00	\$0.00	12/05/2012
2013	11/13/2012	PAYMENT	7760357	1	\$0.00	\$0.00	\$44,137.08	\$0.00	N/A
2013	8/1/2012	BILL	2K13E11897	2	\$44,137.08	\$0.00	\$0.00	\$0.00	06/05/2013
2013	5/13/2013	PAYMENT	7899686	2	\$0.00	\$0.00	\$44,137.08	\$0.00	N/A
			YEARLY TOTALS		\$88,274.16	\$0.00	\$88,274.16	\$0.00	
2012	8/1/2011	BILL	2K12R11888	1	\$43,700.28	\$0.00	\$0.00	\$0.00	12/05/2011
2012	11/18/2011	PAYMENT	7510780	1	\$0.00	\$0.00	\$43,700.28	\$0.00	N/A

2012	8/1/2011	BILL	2K12E11888	2	\$43,700.28	\$0.00	\$0.00	\$0.00	06/05/2012
2012	5/14/2012	PAYMENT	7638892	2	\$0.00	\$0.00	\$43,700.28	\$0.00	N/A
			YEARLY TOTALS		\$87,400.56	\$0.00	\$87,400.56	\$0.00	
2011	8/10/2010	BILL	2K11R11146	1	\$43,700.28	\$0.00	\$0.00	\$0.00	12/06/2010
2011	11/23/2010	PAYMENT	7248155	1	\$0.00	\$0.00	\$43,700.28	\$0.00	N/A
2011	8/10/2010	BILL	2K11E11146	2	\$43,700.28	\$0.00	\$0.00	\$0.00	06/06/2011
2011	5/13/2011	PAYMENT	7371989	2	\$0.00	\$0.00	\$43,700.28	\$0.00	N/A
			YEARLY TOTALS		\$87,400.56	\$0.00	\$87,400.56	\$0.00	
2010	7/1/2009	ADJUSTMENT	776287	1	\$0.00	\$0.00	\$0.00	\$10,599.68	N/A
2010	8/10/2009	BILL	2K10R11123	1	\$55,643.64	\$0.00	\$0.00	\$0.00	12/07/2009
2010	12/4/2009	PAYMENT	7027701	1	\$0.00	\$0.00	\$45,043.96	\$0.00	N/A
2010	7/1/2009	ADJUSTMENT	776288	2	\$0.00	\$0.00	\$0.00	\$10,599.68	N/A
2010	8/10/2009	BILL	2K10E11123	2	\$55,643.64	\$0.00	\$0.00	\$0.00	06/07/2010
2010	5/13/2010	PAYMENT	7121853	2	\$0.00	\$0.00	\$45,043.96	\$0.00	N/A
2010	5/13/2010	PAYMENT	7121896	2	\$0.00	\$0.00	(\$45,043.96)	\$0.00	N/A
2010	5/17/2010	PAYMENT	7122406	2	\$0.00	\$0.00	\$45,043.96	\$0.00	N/A
			YEARLY TOTALS		\$111,287.30	\$0.00	\$90,087.92	\$21,199.36	
2009	7/1/2008	REFUND	188091	1	\$0.00	\$10,599.68	\$0.00	\$0.00	N/A
2009	7/1/2008	ADJUSTMENT	776289	1	\$0.00	\$0.00	\$0.00	\$10,599.68	N/A
2009	8/10/2008	BILL	2K9R11198	1	\$55,643.64	\$0.00	\$0.00	\$0.00	12/05/2008
2009	11/20/2008	PAYMENT	6736723	1	\$0.00	\$0.00	\$55,643.64	\$0.00	N/A
2009	7/1/2008	REFUND	188092	2	\$0.00	\$10,599.68	\$0.00	\$0.00	N/A
2009	7/1/2008	ADJUSTMENT	776290	2	\$0.00	\$0.00	\$0.00	\$10,599.68	N/A
2009	8/10/2008	BILL	2K9E11198	2	\$55,643.64	\$0.00	\$0.00	\$0.00	06/05/2009
2009	5/19/2009	PAYMENT	6879474	2	\$0.00	\$0.00	\$55,643.64	\$0.00	N/A
			YEARLY TOTALS		\$111,287.30	\$21,199.36	\$111,287.30	\$21,199.36	
2008	7/1/2007	REFUND	188093	1	\$0.00	\$12,346.35	\$0.00	\$0.00	N/A
2008	7/1/2007	ADJUSTMENT	776291	1	\$0.00	\$0.00	\$0.00	\$12,346.35	N/A
2008	8/15/2007	BILL	2K8R11180	1	\$55,568.38	\$0.00	\$0.00	\$0.00	12/05/2007
2008	11/19/2007	PAYMENT	6465852	1	\$0.00	\$0.00	\$55,568.38	\$0.00	N/A
2008	7/1/2007	REFUND	188094	2	\$0.00	\$12,346.35	\$0.00	\$0.00	N/A
2008	7/1/2007	ADJUSTMENT	776292	2	\$0.00	\$0.00	\$0.00	\$12,346.35	N/A
2008	8/15/2007	BILL	2K8E11180	2	\$55,568.38	\$0.00	\$0.00	\$0.00	06/05/2008
2008	5/12/2008	PAYMENT	6590053	2	\$0.00	\$0.00	\$55,568.38	\$0.00	N/A
			YEARLY TOTALS		\$111,136.80	\$24,692.70	\$111,136.80	\$24,692.70	
2007	8/15/2006	BILL	2K7R11098	1	\$47,859.48	\$0.00	\$0.00	\$0.00	12/05/2006
2007	11/21/2006	PAYMENT	6187473	1	\$0.00	\$0.00	\$47,859.48	\$0.00	N/A
2007	8/15/2006	BILL	2K7E11098	2	\$47,859.48	\$0.00	\$0.00	\$0.00	06/05/2007
2007	5/23/2007	PAYMENT	6355810	2	\$0.00	\$0.00	\$47,859.48	\$0.00	N/A
			YEARLY TOTALS		\$95,718.96	\$0.00	\$95,718.96	\$0.00	
2006	7/15/2005	BILL	2K6R11100	1	\$46,021.80	\$0.00	\$0.00	\$0.00	12/05/2005
2006	11/15/2005	PAYMENT	5879532	1	\$0.00	\$0.00	\$46,021.80	\$0.00	N/A
2006	7/15/2005	BILL	2K6E11100	2	\$46,021.80	\$0.00	\$0.00	\$0.00	06/05/2006
2006	5/17/2006	PAYMENT	6033829	2	\$0.00	\$0.00	\$46,021.80	\$0.00	N/A
			YEARLY TOTALS		\$92,043.60	\$0.00	\$92,043.60	\$0.00	
2005	7/26/2004	BILL	2K5R11182	1	\$42,763.75	\$0.00	\$0.00	\$0.00	12/06/2004
2005	11/23/2004	PAYMENT	5594990	1	\$0.00	\$0.00	\$42,763.75	\$0.00	N/A
2005	7/26/2004	BILL	2K5E11182	2	\$42,763.75	\$0.00	\$0.00	\$0.00	06/06/2005
2005	5/31/2005	PAYMENT	5778887	2	\$0.00	\$0.00	\$42,763.75	\$0.00	N/A
			YEARLY TOTALS		\$85,527.50	\$0.00	\$85,527.50	\$0.00	
2004	8/31/2003	BILL	2K4R11256	1	\$43,120.95	\$0.00	\$0.00	\$0.00	12/05/2003
2004	11/19/2003	PAYMENT	5294505	1	\$0.00	\$0.00	\$43,120.95	\$0.00	N/A
2004	8/31/2003	BILL	2K4E11256	2	\$43,120.95	\$0.00	\$0.00	\$0.00	06/07/2004
2004	5/20/2004	PAYMENT	5472562	2	\$0.00	\$0.00	\$43,120.95	\$0.00	N/A
			YEARLY TOTALS		\$86,241.90	\$0.00	\$86,241.90	\$0.00	

2003	9/5/2002	BILL	2K3R11215	1	\$40,397.43	\$0.00	\$0.00	\$0.00	12/05/2002
2003	11/15/2002	PAYMENT	5024712	1	\$0.00	\$0.00	\$40,397.43	\$0.00	N/A
2003	9/5/2002	BILL	2K3E11215	2	\$40,397.43	\$0.00	\$0.00	\$0.00	06/05/2003
2003	5/12/2003	PAYMENT	5178845	2	\$0.00	\$0.00	\$40,397.43	\$0.00	N/A
			YEARLY TOTALS		\$80,794.86	\$0.00	\$80,794.86	\$0.00	
2002	9/2/2001	BILL	2K2R11209	1	\$40,397.43	\$0.00	\$0.00	\$0.00	12/05/2001
2002	12/5/2001	PAYMENT	4780377	1	\$0.00	\$0.00	\$40,397.43	\$0.00	N/A
2002	9/2/2001	BILL	2K2E11209	2	\$40,397.43	\$0.00	\$0.00	\$0.00	06/05/2002
2002	5/28/2002	PAYMENT	4943616	2	\$0.00	\$0.00	\$40,397.43	\$0.00	N/A
			YEARLY TOTALS		\$80,794.86	\$0.00	\$80,794.86	\$0.00	
2001	9/12/2000	BILL	2K1R11170	1	\$38,603.13	\$0.00	\$0.00	\$0.00	12/05/2000
2001	12/5/2000	PAYMENT	4537562	1	\$0.00	\$0.00	\$38,603.13	\$0.00	N/A
2001	9/12/2000	BILL	2K1E11170	2	\$38,603.13	\$0.00	\$0.00	\$0.00	06/05/2001
2001	6/5/2001	PAYMENT	4708512	2	\$0.00	\$0.00	\$38,603.13	\$0.00	N/A
			YEARLY TOTALS		\$77,206.26	\$0.00	\$77,206.26	\$0.00	
2000	9/10/1999	BILL	2KR11124	1	\$37,478.75	\$0.00	\$0.00	\$0.00	12/06/1999
2000	9/12/1999	BILL	2KS11124	1	\$15.00	\$0.00	\$0.00	\$0.00	12/06/1999
2000	12/6/1999	PAYMENT	4305082	1	\$0.00	\$0.00	\$37,478.75	\$0.00	N/A
2000	10/31/2000	PAYMENT	4502005	1	\$0.00	\$0.00	\$15.00	\$0.00	N/A
2000	9/10/1999	BILL	2KE11124	2	\$37,478.75	\$0.00	\$0.00	\$0.00	06/05/2000
2000	9/12/1999	BILL	2KW11124	2	\$15.00	\$0.00	\$0.00	\$0.00	06/05/2000
2000	5/25/2000	PAYMENT	4429040	2	\$0.00	\$0.00	\$15.00	\$0.00	N/A
2000	5/25/2000	PAYMENT	4429040	2	\$0.00	\$0.00	\$37,478.75	\$0.00	N/A
			YEARLY TOTALS		\$74,987.50	\$0.00	\$74,987.50	\$0.00	
1999	10/14/1998	BILL	99R11592	1	\$36,387.50	\$0.00	\$0.00	\$0.00	12/05/1998
1999	11/27/1998	PAYMENT	4041440	1	\$0.00	\$0.00	\$36,387.50	\$0.00	N/A
1999	10/14/1998	BILL	99E11592	2	\$36,387.50	\$0.00	\$0.00	\$0.00	06/07/1999
1999	5/25/1999	PAYMENT	4193368	2	\$0.00	\$0.00	\$36,387.50	\$0.00	N/A
			YEARLY TOTALS		\$72,775.00	\$0.00	\$72,775.00	\$0.00	
1998	10/15/1997	BILL	98R11432	1	\$8,187.50	\$0.00	\$0.00	\$0.00	12/05/1997
1998	11/20/1997	PAYMENT	3187338	1	\$0.00	\$0.00	\$8,187.50	\$0.00	N/A
1998	4/15/1998	BILL	98E11432	2	\$8,187.50	\$0.00	\$0.00	\$0.00	06/05/1998
1998	5/13/1998	PAYMENT	3544301	2	\$0.00	\$0.00	\$8,187.50	\$0.00	N/A
			YEARLY TOTALS		\$16,375.00	\$0.00	\$16,375.00	\$0.00	

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

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

Additional Optional Certifications

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

FALSE Earthcraft Certification - The development's design meets the criteria to obtain Viridiant'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: [Signature]

Date: 4.2.2020

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

Provider Contact and Phone/Email sean.evensen-shanley@viridiant.org 804-212-193

G

Zoning Certification Letter
(MANDATORY)

HAMPTON VA

Zoning Certification

Complete/submit the following and allow up to 5 business days for processing:

1. This form completed in its entirety
2. Check payment of \$25 for single-family and two-family dwellings, \$75 for all others, payable to City of Hampton
3. A. For return by mail: self-addressed return envelope, only standard US mail returns accepted (we cannot return via FedEx, UPS, Priority Mail, etc.)
B. For return by emailed PDF, provide email address cblair@williamsmullen.com

Submittals are made by mail only to the following address:
 City of Hampton, Attn: Zoning Staff
 Community Development Department
 22 Lincoln Street, 3rd Floor
 Hampton, Virginia 23669

Freedom of Information Act (FOIA) Notice:
 Requests for copies of any reports, permits or other documents related to the items listed below must be made to cddfoiarequest@hampton.gov

Applicant to Complete: Property Address Magruder Estates Resub 3 L10A LRSN, if known 6000965
 Description of current use of the property
Apartments

City of Hampton to Complete:

This property is located in a/an R-M, MULTIFAMILY RESIDENTIAL zoning district

This property is located in the following overlay zoning districts: O-AICUZ AND O-MVC


The use of this property as described by the applicant is conforming legally non-conforming illegal

This property was the subject of a rezoning No Yes, Case No. RZ851

This property was the subject of a use permit, conditional privilege, or special exception approval No Yes, Case No(s). _____

This property was the subject of a variance approval No Yes, Case No. VA96-00061

This property has active zoning violation notices on file No Yes, Record No. _____

By: MELVION F. KNIGHT, CZO , Zoning Official Date 4/1/2020

This response is not an official order, requirement, decision or determination issued pursuant to Virginia Code Section 15.2-2307.

The Hampton Zoning Ordinance is available online at www.municode.com.

WILLIAMS MULLEN

Direct Dial: 804-420-6597

Facsimile: 804-420-6507

cblair@williamsmullen.com

March 25, 2020

VIA FEDERAL EXPRESS

Ms. Angela Leflett
Community Development Department
City of Hampton
22 Lincoln Street, 3rd Floor
Hampton, VA 23669

RE: Current Owner: DR Two, L.L.C.
Property: 300 Floyd Thompson Blvd.
Magruder Estates Resub 3 L10A
City of Hampton, VA
RPC: 6000965

Dear Ms. Leflett:

Enclosed are (i) a completed zoning certification application to obtain a written statement from your office regarding the approved zoning use and zoning restrictions on the above-referenced property; and (ii) our firm's check in the amount of \$75.00 for the required fee.

The property owner is requesting tax credits from the Virginia Housing Development Authority ("VHDA") which has its own form which MUST be used for zoning certifications and which also MUST be on the City of Hampton's letterhead. I have enclosed VHDA's required form for your convenience which should be transferred to the City of Hampton's letterhead.

If you have any questions, please do not hesitate to call me.

Sincerely,



Cabell Jones Blair
Real Estate Paralegal

Enclosures

cc: Allison T. Domson, Esq.
42197083_1

NORTH CAROLINA • VIRGINIA • WASHINGTON, D.C.

200 South 10th Street, Suite 1600 (23219) P.O. Box 1320 Richmond, VA 23218-1320

Tel: 804-420-6000 Fax: 804-420-6507 www.williamsmullen.com



Zoning Certification

NOTE TO DEVELOPER: You are strongly encouraged to submit this certification to the appropriate local official **at least three weeks in advance of the application deadline** to ensure adequate time for review and approval.

General Instructions:

1. The Zoning Certification **must** be submitted on locality's letterhead or professional civil engineer's letterhead.
2. The Local Certification section **must** be completed by the appropriate local official or Civil Engineer.
3. The Engineer **must** be registered in the Commonwealth of Virginia.
4. 'Development Description' should be provided by the Owner.
5. 'Development Address' should correspond to I.A.2 on page 1 of the application.
6. 'Legal Description' should correspond to the site control document in the application.
7. 'Proposed Improvements' should correspond with I.B & D and III.A of the application.
8. 'Other Descriptive Information' should correspond with information in the application.
9. Any change in this Certification may result in disqualification of the application.

If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

Zoning Certification

DATE:

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

RE: ZONING CERTIFICATION

Name of Development: Magruder Run Apartments

Name of Owner/Applicant: ENV - Magruder Run 2, LP

Name of Seller/Current Owner: DR TWO, LLC

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

DEVELOPMENT DESCRIPTION:

Development Address:
300 Floyd Thompson Blvd. Hampton, VA 23666

Legal Description:
MAGRUDER ESTATES RESUB 3 L10A.

Proposed Improvements:

<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Approx. Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>144</u>	# Units	<u>13</u>	# Buildings	<u>149277</u>	Approx. Total Floor Area Sq. Ft.

Zoning Certification, cont'd

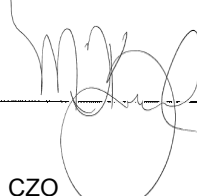
Current Zoning: R-M, MultiFamily Residential allowing a density of n/a units per acre, and the following other applicable conditions: RM does not have a density requirements, however, our ordinance only regulates lot size for the RM district.

Other Descriptive Information:
O-FZ and O-MVC

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
Melvion F. Knight, CZO

Printed Name
Zoning Official

Title of Local Official or Civil Engineer
757-727-6078

Phone:
4/2/2020

Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

Your payment was successful.

Order Status	Successful
Applied Payment	\$75.00
Account	BLAIR CABELL
Process Date	3/30/2020 3:43 PM

Payment	Check
Amount	\$75.00

Related To	Type	Amount	Amount Outstanding
ZC20-0020	Zoning Certification Fee	\$75.00	\$0.00

Thank you for your transaction with the Community Development Department today. We appreciate your business and look forward to serving you in the future.

H

Attorney's Opinion
(MANDATORY)

WILLIAMS MULLEN

Direct Dial: 804.420.6915
adomson@williamsmullen.com

December 16, 2020

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

RE: 2020 Tax Credit Reservation Request

Name of Development: Magruder Run Apartments

Name of Owner: ENV – Magruder Run 2, LP

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 December 16, 2020 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.

WILLIAMS MULLEN

December 16, 2020

Page 2

5. 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.

6. After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code 42(d)(2)(B) are not correct.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

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

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

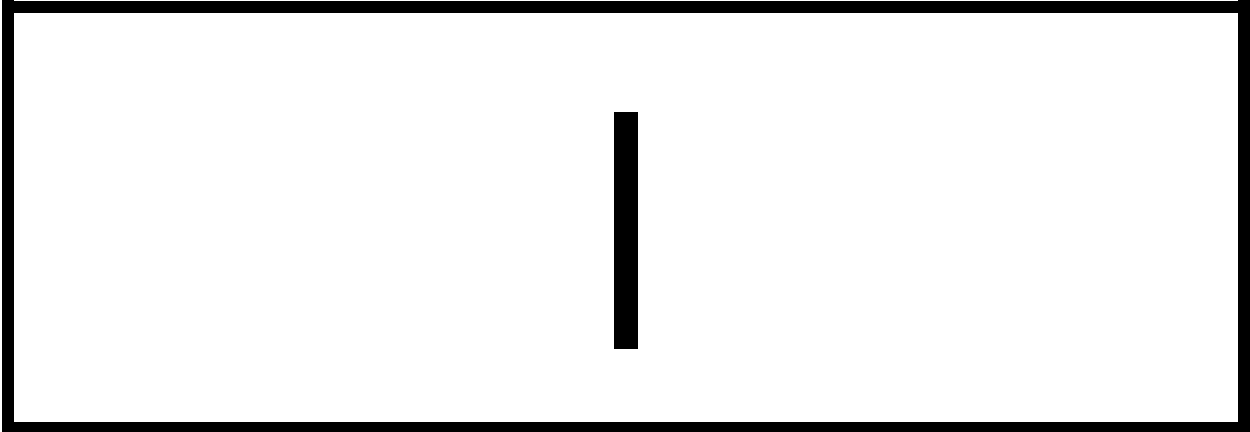
WILLIAMS MULLEN, A Professional Corporation



By: _____

Allison T. Domson

Its: Shareholder



Nonprofit Questionnaire

(MANDATORY for points or pool)

NOT APPLICABLE

J

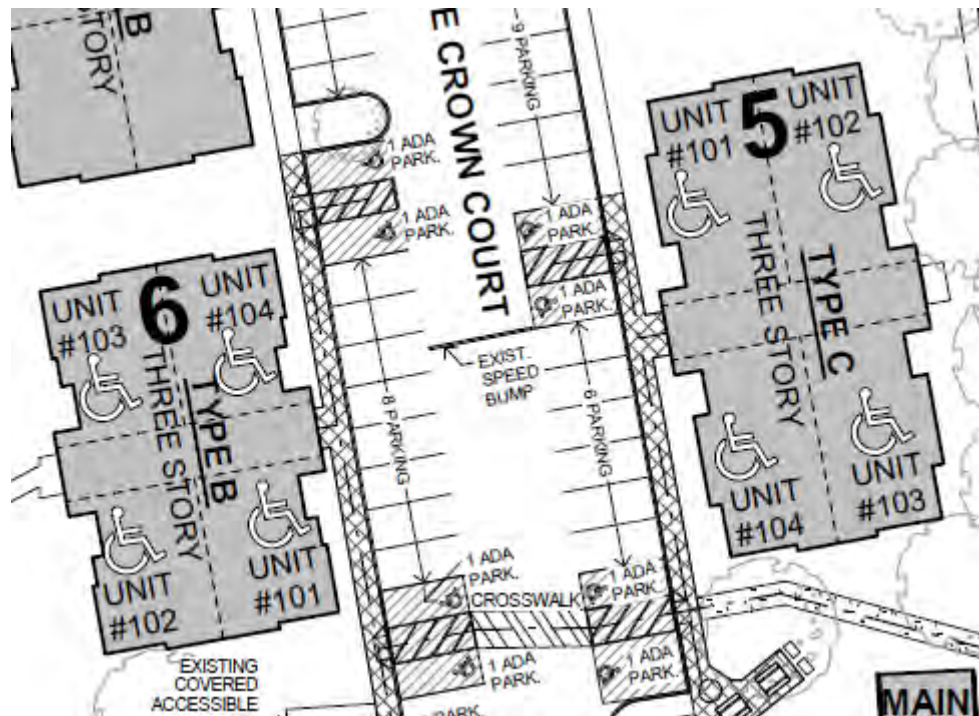
Relocation Plan

(MANDATORY, if tenants are displaced)

RESIDENT RELOCATION PLAN
Magruder Run Apartments
6 Derby Drive Hampton, VA 23666

These Relocation Plan guidelines are established to lessen the adverse effects on tenants facing displacement during the execution of contracted demolition, substantial rehabilitation of occupied apartment dwellings. It is the policy of the owner/developer to work with the contractor to avoid displacing resident households, whenever possible.

Limited resident relocation is expected as part of the proposed acquisition and rehabilitation of Phase 2 of Magruder Run Apartments in Hampton, VA. Residents living in one of the 8 ADA units that will be remodeled should be the only residents effected. These units will become HUD regulated and will adhere to requirements of section 504 of the Rehabilitation Act. They are in buildings #5 and #6 as shown below. The rehabilitation of these 8 units will be completed in the first months of the 12-month construction period (expected November 2020 – September 2021).



It is important to note that these units are not currently ADA units or occupied by ADA qualifying tenants, therefore relocation of these tenants to new ADA units is not required. It is the owner/developer's intent to use available remodeled standard vacant units to temporarily house residents currently occupying one of the 8 units that will be remodeled as ADA units. If for unforeseen reasons there is not a remodeled unit of the same or larger type to temporarily relocate a resident into, the owner would pay all reasonable expenses and provide the required assistance to move an effected family into a hotel on a temporary basis until an appropriate unit becomes available. Temporary moves are expected to last no longer than 30 days. All costs associated with relocation of these tenants will be paid by the owner.

Upon completion, the newly renovated ADA units will be marketed and leased to ADA qualifying tenants. Should the new ADA units be leased to existing tenants of Magruder Run Apartments, all costs associated with their move will be paid by the owner. Lastly, the tenants relocated away from these units (the tenants discussed in the previous paragraph) will have the option to remain where they are, or select a new, readily available unit. Again, all costs associated with any further relocation will be paid by the owner. This process should allow for the remodel of the ADA units with the least impact to tenants.

Excluding relocations due to the 8 ADA units, no other resident relocation is expected. Envolve has extensive experience with resident-in-place rehabs and the proposed scope of work should not require relocation outside of the ADA units discussed. Of course, we are very sensitive to the needs of our new residents and make every effort to inconvenience them as little as possible, usually spending no more than two days in an individual unit. All relocation efforts will follow all tenant notice requirements and with all applicable HUD regulations, policies and guidelines regarding relocation.

By:  _____
Project Manager

K

Documentation of
Development Location

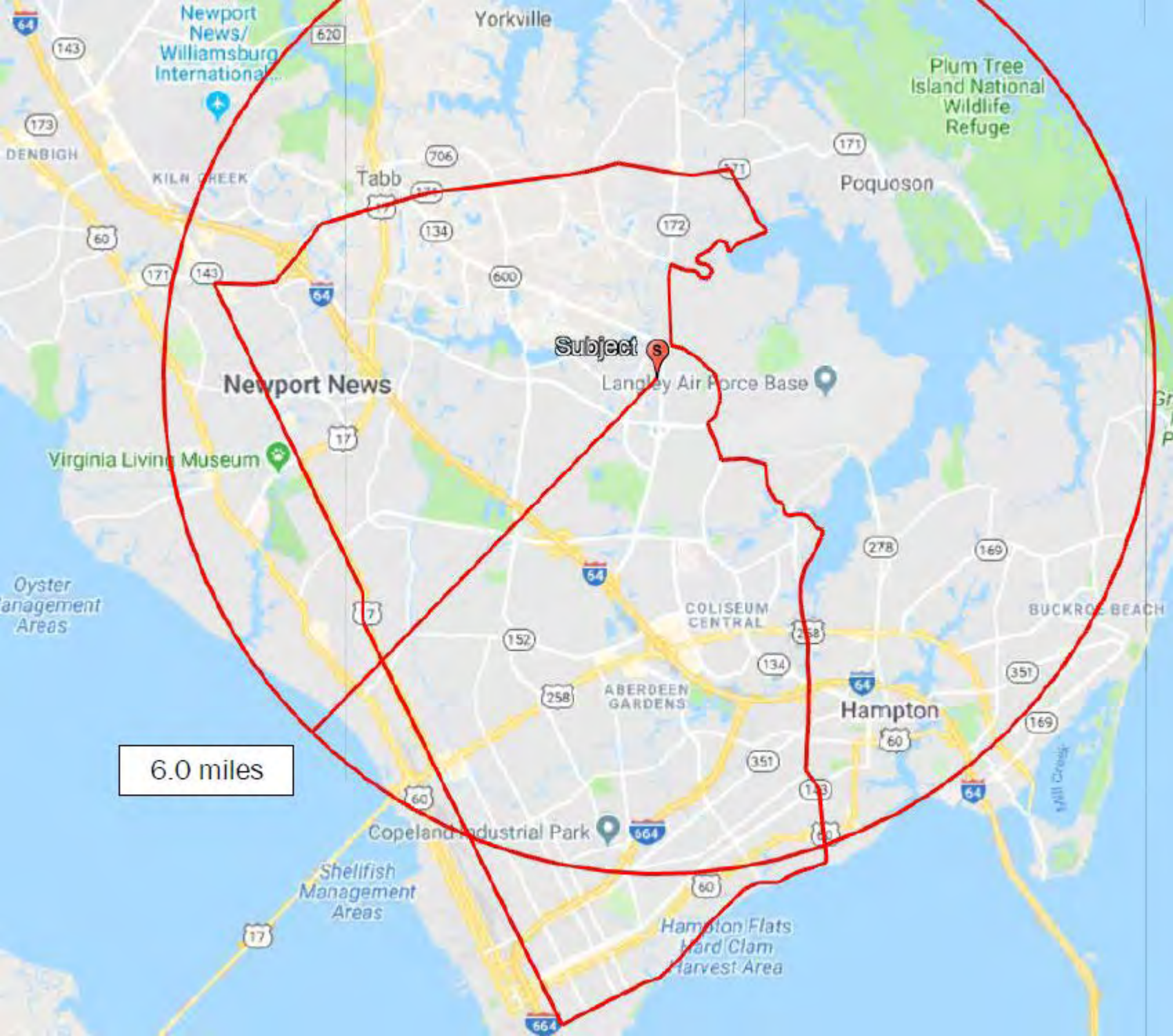
K.1

Revitalization Area
Certification

NOT APPLICABLE

K.2

Location Map



6.0 miles

Subject

Newport News

Hampton

Langley Air Force Base

Yorkville

Plum Tree Island National Wildlife Refuge

Poquoson

Tabb

KILN CREEK

Virginia Living Museum

COLISEUM CENTRAL

BUCKROE BEACH

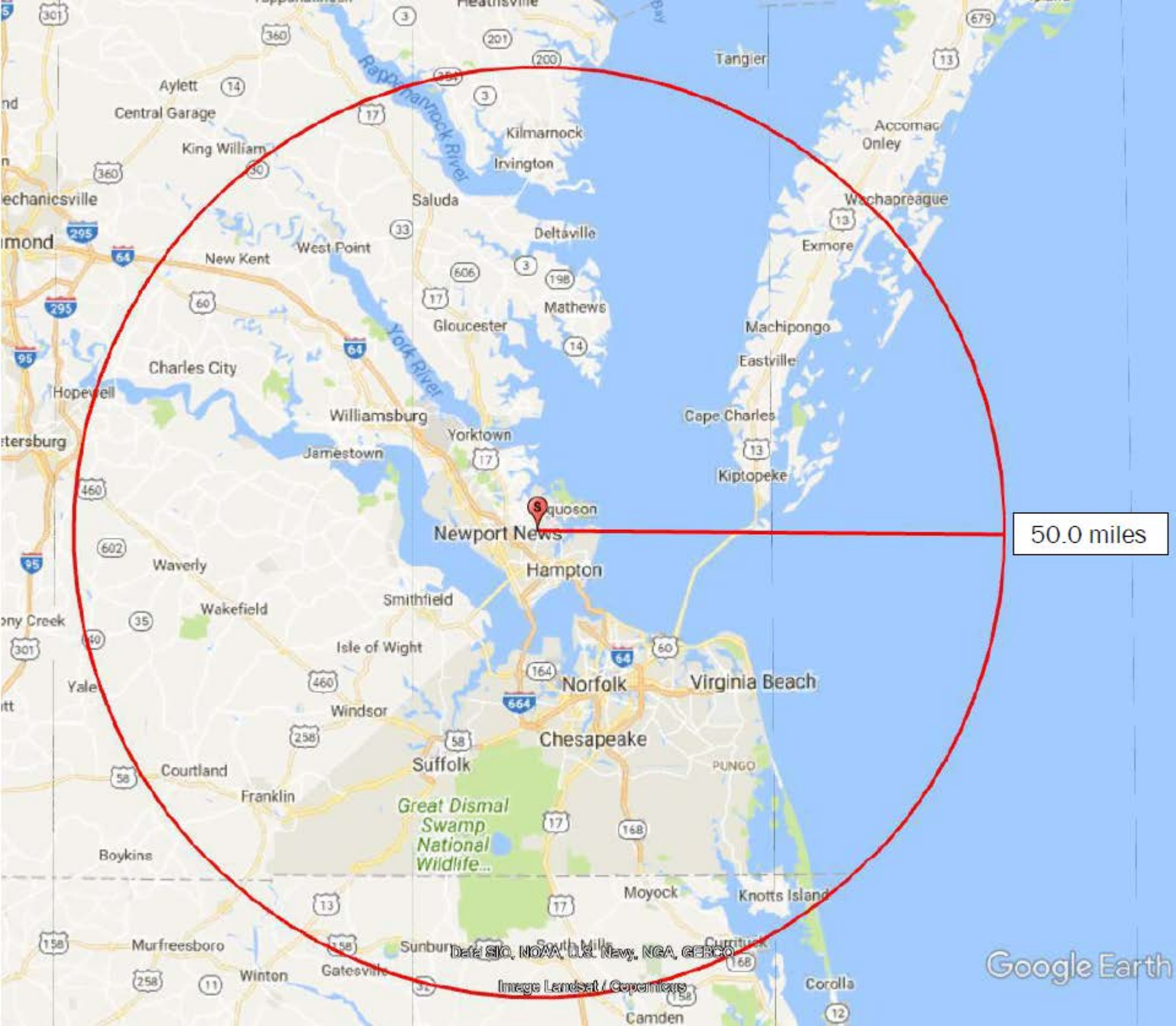
ABERDEEN GARDENS

Copeland Industrial Park

Shellfish Management Areas

Hampton Flats Hard Clam Harvest Area

Oyster Management Areas



50.0 miles

Great Dismal
Swamp
National
Wildlife...

Subject

Phase I



K.3

Surveyor's Certification of
Proximity to Public
Transportation

NOT AVAILABLE



L

PHA/Section 8 Notification
Letter

NOT APPLICABLE

M

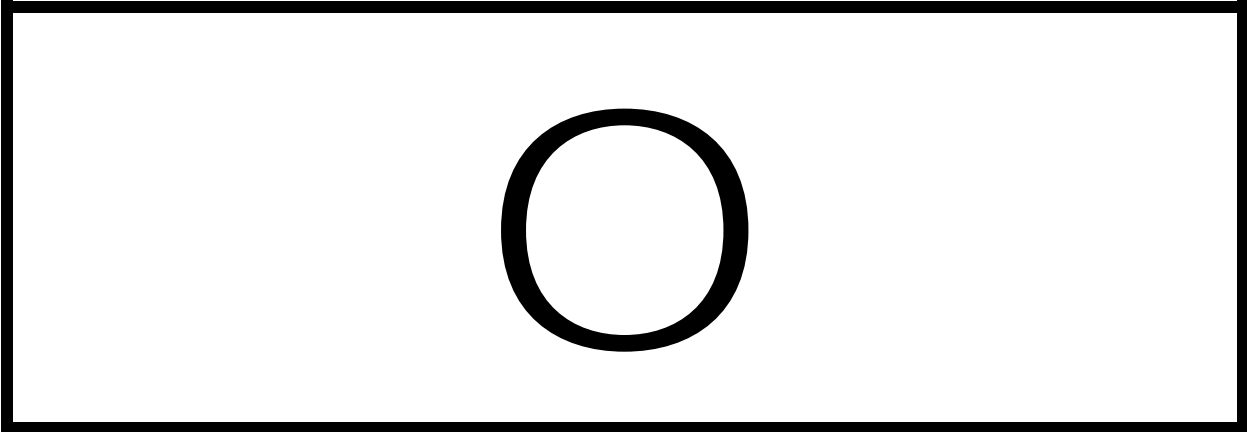
Locality CEO Response
Letter

NOT AVAILABLE

N

Homeownership Plan

NOT APPLICABLE



O

Plan of Development
Certification Letter

NOT AVAILABLE

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

NOT AVAILABLE

Q

Documentation of Rental
Assistance

NOT APPLICABLE

R

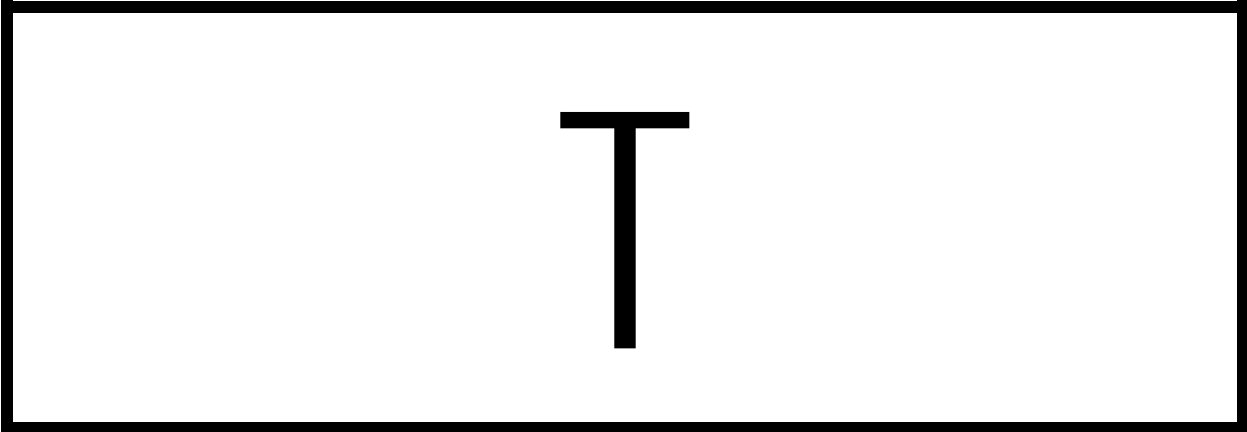
Documentation of
Operating Budget

NOT AVAILABLE

S

Supportive Housing
Certification

NOT APPLICABLE



T

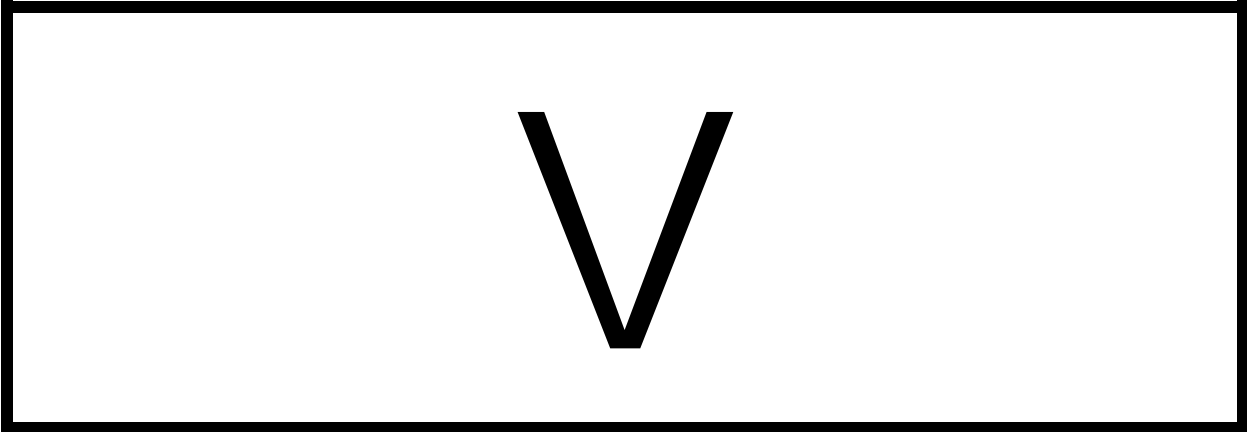
Funding Documentation

NOT AVAILABLE

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

NOT APPLICABLE



V

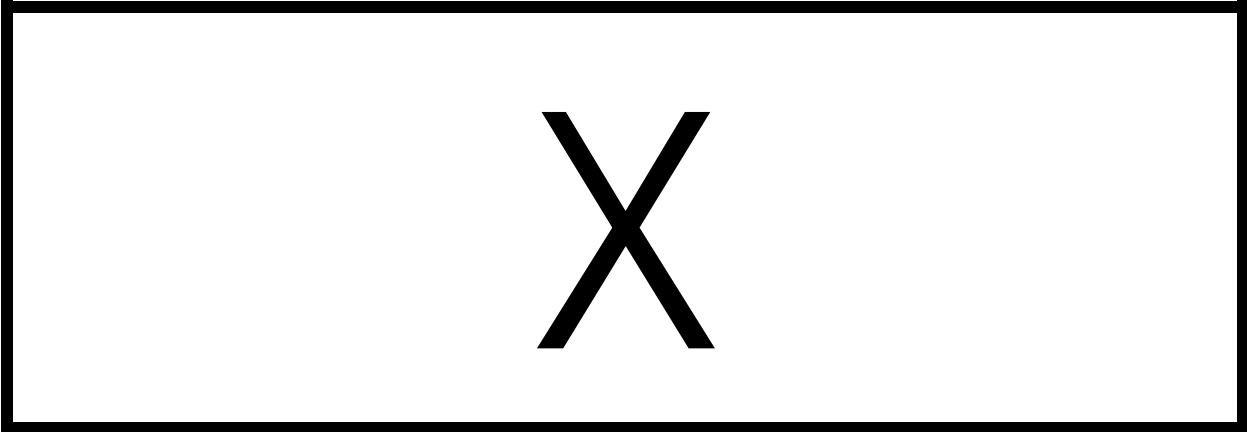
Nonprofit or LHA Purchase
Option or Right of First
Refusal

NOT APPLICABLE

W

(Reserved)

NOT AVAILABLE



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

NOT AVAILABLE