
2021 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

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

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2021 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Sheila Stone	sheila.stone@virginiahousing.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
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2021 Low-Income Housing Tax Credit Application For Reservation

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

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | \$1,000 Application Fee (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application (MANDATORY) |
| <input checked="" type="checkbox"/> | Scanned Copy of the 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 type="checkbox"/> | Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab) |
| <input type="checkbox"/> | Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request) |
| <input type="checkbox"/> | Electronic Copy of Appraisal (MANDATORY if acquisition credits requested) |
| <input 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 checked="" type="checkbox"/> | Tab H: Attorney's Opinion (MANDATORY) |
| <input type="checkbox"/> | Tab I: Nonprofit Questionnaire (MANDATORY for points or pool) |
| | The following documents need not be submitted unless requested by Virginia Housing: |
| | -Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status |
| | -Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable) |
| <input type="checkbox"/> | Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY) |
| | 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 checked="" type="checkbox"/> | Tab L: PHA / Section 8 Notification Letter |
| <input type="checkbox"/> | Tab M: Locality CEO Response Letter |
| <input type="checkbox"/> | Tab N: Homeownership Plan |
| <input 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 checked="" type="checkbox"/> | Tab R: Documentation of Operating Budget and Utility Allowances |
| <input type="checkbox"/> | Tab S: Supportive Housing Certification |
| <input type="checkbox"/> | Tab T: Funding Documentation |
| <input type="checkbox"/> | Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population |
| <input type="checkbox"/> | Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal |
| <input type="checkbox"/> | Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected) |
| <input type="checkbox"/> | Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504 |
| <input type="checkbox"/> | Tab Y: Inducement Resolution for Tax Exempt Bonds |

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/20/21

1. Development Name: Potomac Church Apartments
2. Address (line 1): Old Potomac Church Rd
Address (line 2):
City: Stafford State: VA Zip: 22554
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 Stafford County
5. The site overlaps one or more jurisdictional boundaries..... FALSE
If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 101.06
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%
TRUE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 1
- Planning District: 16
- State Senate District: 28
- State House District: 28

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

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

14. ACTION: Provide Location Map (TAB K2)

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

Located on Old Potomac Church Rd. 500 feet from intersection with S. Campus Blvd.

VHDA TRACKING NUMBER 2020-TEB 117

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/20/21

[Redacted area]

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/20/21

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: Jeff Harvey
 Chief Executive Officer's Title: Director of Planning and Zoning Phone: 540-658-8673
 Street Address: 1300 Courthouse Rd
 City: Stafford State: VA Zip: 22554

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?

Virginia Housing

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

Skip to Number 4 below.

2. Type(s) of Allocation/Allocation Year

Definitions of types:

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

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2021, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2021 credits pursuant to Section 42(h)(1)(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?

FALSE

5. Planned Combined 9% and 4% Developments

FALSE

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

Name of companion development:

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

TRUE

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

Total Units within 9% allocation request?

0

Total Units within 4% Tax Exempt allocation Request?

0

Total Units:

0

% of units in 4% Tax Exempt Allocation Request:

0.00%

6. Extended Use Restriction

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

Must Select One: 30

Definition of selection:

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

C. OWNERSHIP INFORMATION

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Potomac Church, L.P.

Developer Name: Potomac Church Developers, L.L.C.

Contact: M/M ▶ Mr. First: Brian MI: L Last: Staub

Address: 308 35th Street Suite 101

City: Virginia Beach St. ▶ VA Zip: 23451

Phone: (757) 437-1677 Ext. Fax:

Email address: bstaub@marlyndv.com

Federal I.D. No. 85-3977052 (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.

Ben Rountree, brountree@marlyndv.com, 757-437-1677

- ACTION:** a. Provide Owner's organizational documents (e.g. Partnership agreements and Developer Fe 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.

<u>Names</u> **	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
M. David Jester	(757) 437-1677	Member of GP	40.000%
Brian L. Staub	(757) 437-1677	Member of GP	20.000%
Scott Troutman	(757) 437-1677	Member of GP	20.000%
Christian Gardner	(757) 437-1677	Member of GP	20.000%
			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

C. OWNERSHIP INFORMATION

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 Virginia Housing Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts **(Tab P)**

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

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

- c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units). **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 Virginia Housing before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Deed

Expiration Date:

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

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

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

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: 7K Investments, L.L.C.

Address: 818 18th Street NW, Ste 400

City: Washington St.: DC Zip: 20006

Contact Person: Kamel Tabbara Phone: (202) 293-7909

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

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

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

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

E. DEVELOPMENT TEAM INFORMATION

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

1. Tax Attorney: Timothy O. Trant This is a Related Entity. FALSE
 Firm Name: Kaufman & Canoles, P.C.
 Address: 11815 Fountain Way, Suite 400, Newport News, VA 23606
 Email: totrant@kaufcan.com Phone: (757) 259-3823

2. Tax Accountant: Angela Kerns This is a Related Entity. FALSE
 Firm Name: Wall, Einhorn, Chernitzer
 Address: 150 West Main Street, Norfolk, VA 23510
 Email: akerns@wec-cpa.com Phone: (757) 625-4700

3. Consultant: Mark King This is a Related Entity. FALSE
 Firm Name: Bowman Consulting Group, LTD Role: Engineer
 Address: 650 Nelms Circle, Fredericksburg, VA 22406
 Email: mking@bowmanconsulting.com Phone: (540) 371-0268

4. Management Entity: Taylor Franklin This is a Related Entity. FALSE
 Firm Name: The Franklin Johnston Group
 Address: 300 32nd Street, Suite 310 Virginia Beach, VA 23451
 Email: tfranklin@tfjgroup.com Phone: (757) 965-6200

5. Contractor: Scott Troutman This is a Related Entity. TRUE
 Firm Name: Marlyn Development
 Address: 308 35th Street, suite 101, Virginia Beach, VA 23451
 Email: stroutman@marlyndv.com Phone: (757) 437-1677

6. Architect: Tom Retnauer This is a Related Entity. FALSE
 Firm Name: Retnauer Baynes Associates, LLC
 Address: 432 Battlefield Blvd S., Suite 101
 Email: tom@rbacpc.com Phone: (757) 546-2471

7. Real Estate Attorney Timothy O. Trant This is a Related Entity. FALSE
 Firm Name: Kaufman & Canoles, P.C.
 Address: 11815 Fountain Way, Suite 400, Newport News, VA 23606
 Email: totrant@kaufcan.com Phone: (757) 259-3823

8. Mortgage Banker: This is a Related Entity. FALSE
 Firm Name:
 Address:
 Email: Phone:

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

F. REHAB INFORMATION

1. Acquisition Credit Information

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

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

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

2. Ten-Year Rule For Acquisition Credits

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

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

If no credits are being requested for rehabilitation expenditures, go on to Part 4

b. Minimum Expenditure Requirements

i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... **FALSE**

ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... **FALSE**

iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... **FALSE**

iv. There are different circumstances for different buildings..... **FALSE**

Action: (If True, provide an explanation for each building in Tab K)

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 compliance period...
FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the partnership or managing member interest.
FALSE e. Not be affiliated with or controlled by a for-profit organization.
FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
FALSE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

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

A. Nonprofit Involvement (All Applicants)

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

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

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: _____

or indicate true if Local Housing Authority FALSE

Name of Local Housing Authority _____

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

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

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

H. STRUCTURE AND UNITS INFORMATION

General Information

a. Total number of all units in development	<u>144</u>	bedrooms	<u>300</u>
Total number of rental units in development	<u>144</u>	bedrooms	<u>300</u>
Number of low-income rental units	<u>144</u>	bedrooms	<u>300</u>
Percentage of rental units designated low-income	<u>100.00%</u>		
b. Number of new units:.....	<u>144</u>	bedrooms	<u>300</u>
Number of adaptive reuse units:	<u>0</u>	bedrooms	<u>0</u>
Number of rehab units:.....	<u>0</u>	bedrooms	<u>0</u>
c. If any, indicate number of planned exempt units (included in total of all units in development)			<u>0</u>
d. Total Floor Area For The Entire Development.....		<u>197,503.40</u>	(Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....		<u>28,990.16</u>	(Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....		<u>0.00</u>	
g. Total Usable Residential Heated Area.....		<u>168,513.24</u>	(Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space		<u>100.00%</u>	
i. Exact area of site in acres	<u>12.000</u>		
j. Locality has approved a final site plan or plan of development.....		<u>FALSE</u>	
If True , Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....		<u>FALSE</u>	

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

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	891.12	SF	32	32
2BR Garden	1208.00	SF	68	68
3BR Garden	1314.85	SF	44	44
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
			144	144

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

Structures

- a. Number of Buildings (containing rental units)..... 5
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 4

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

e. Commercial Area Intended Use: _____

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

- i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
- ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
- iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

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

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

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

i. Roof Type ▶ Pitched
 j. Construction Type ▶ Combination
 k. Primary Exterior Finish ▶ Vinyl

Site Amenities (indicate all proposed)

a. Business Center.....	<u>FALSE</u>	f. Limited Access.....	<u>FALSE</u>
b. Covered Parking.....	<u>FALSE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>TRUE</u>	h. Pool.....	<u>FALSE</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:	<u>Grilling Area, Dog Park</u>

l. Describe Community Facilities: _____

m. Number of Proposed Parking Spaces.. 334
 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

Plans and Specifications

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

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

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

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

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	21.00%
Project Wide Capture Rate - Market Units	NA
Project Wide Capture Rate - All Units	21.00%
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
- 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:

New Constr.

- | | |
|--------|--|
| TRUE | a. A community/meeting room with a minimum of 749 square feet is provided. |
| 12.60% | 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. |
| FALSE | f. Free WiFi access will be provided in community room for resident only usage. |
| FALSE | g. Each unit is provided free individual high speed internet access. |
| | or |
| FALSE | h. Each unit is provided free individual WiFi access. |
| TRUE | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| | or |
| FALSE | j. Full bath fans are equipped with a humidistat. |
| TRUE | k. Cooking surfaces are equipped with fire prevention features |
| | or |
| FALSE | l. Cooking surfaces are equipped with fire suppression features. |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| | or |
| FALSE | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| FALSE | o. All interior doors within units are solid core. |
| 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. |
| TRUE | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear |

J. ENHANCEMENTS

from face of building and a minimum size of 30 square feet.

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

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- 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 Virginia Housing's Universal Design Standards.
- b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:

0% of Total Rental Units

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

If not, please explain:

[Empty text box for explanation]

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

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.
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- 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:

New Constr.

- | | |
|---------------|--|
| <u>TRUE</u> | a. A community/meeting room with a minimum of 749 square feet is provided. |
| <u>12.60%</u> | 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. |
| <u>TRUE</u> | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| <u>TRUE</u> | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| <u>TRUE</u> | e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| <u>FALSE</u> | f. Free WiFi access will be provided in community room for resident only usage. |
| <u>FALSE</u> | g. Each unit is provided free individual high speed internet access. |
| or | |
| <u>FALSE</u> | h. Each unit is provided free individual WiFi access. |
| <u>TRUE</u> | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| or | |
| <u>FALSE</u> | j. Full bath fans are equipped with a humidistat. |
| <u>TRUE</u> | k. Cooking surfaces are equipped with fire prevention features |
| or | |
| <u>FALSE</u> | l. Cooking surfaces are equipped with fire suppression features. |
| <u>FALSE</u> | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| or | |
| <u>FALSE</u> | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| <u>FALSE</u> | o. All interior doors within units are solid core. |
| <u>FALSE</u> | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| <u>TRUE</u> | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| <u>FALSE</u> | r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway. |
| <u>TRUE</u> | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear |

J. ENHANCEMENTS

from face of building and a minimum size of 30 square feet.

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- | | |
|---|---|
| <u>FALSE</u> Earthcraft Gold or higher certification | <u>FALSE</u> National Green Building Standard (NGBS) certification of Silver or higher. |
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Action: If seeking any points associated Green certification, provide appropriate documentation at **TAB F.**

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

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

0% of Total Rental Units

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

If not, please explain: _____



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

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	13	13	15	0
Air Conditioning	0	15	19	27	0
Cooking	0	8	10	9	0
Lighting	0	8	10	9	0
Hot Water	0	8	10	9	0
Water	0	34	46	59	0
Sewer	0	18	19	20	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$104	\$127	\$148	\$0

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

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

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

K. SPECIAL HOUSING NEEDS

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

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
 - (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
 - (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)

FALSE

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

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

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

K. SPECIAL HOUSING NEEDS

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.

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

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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)

FALSE

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

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

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

K. SPECIAL HOUSING NEEDS

Special Housing Needs/Leasing Preference:

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

- Elderly (as defined by the United States Fair Housing Act.)
- Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
- 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**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

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

Leasing Preferences

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

Organization which holds waiting list: **Central Virginia Housing Coalition**

Contact person: **Betty Newberry**

Title: **HCVF Director**

Phone Number: **(540) 604-9943**

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: **44**
% of total Low Income Units **31%**

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

K. SPECIAL HOUSING NEEDS

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

FALSE

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

d. Number of units receiving assistance:

How many years in rental assistance contract?

Expiration date of contract:

There is an Option to Renew..... FALSE

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

L. UNIT DETAILS

1. Set-Aside Election: UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEG

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

a. Units Provided Per Household Type:

Income Levels		Avg Inc.
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
144	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
144	100.00%	Total

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

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

2. Unit Detail FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	60% AMI	24		858.76	\$1,090.00	\$26,160
Mix 2	1 BR - 1 Bath	60% AMI	8		870.54	\$1,090.00	\$8,720
Mix 3	2 BR - 2 Bath	60% AMI	24		1133.10	\$1,270.00	\$30,480
Mix 4	2 BR - 2 Bath	60% AMI	24		1227.98	\$1,270.00	\$30,480
Mix 5	2 BR - 2 Bath	60% AMI	16		1130.34	\$1,270.00	\$20,320
Mix 6	2 BR - 2 Bath	60% AMI	4		1268.28	\$1,270.00	\$5,080
Mix 7	3 BR - 2 Bath	60% AMI	40		1273.49	\$1,470.00	\$58,800
Mix 8	3 BR - 2 Bath	60% AMI	4		1310.85	\$1,470.00	\$5,880
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0

L. UNIT DETAILS

Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
TOTALS			144	0			\$185,920

Total	144	Net Rentable SF: TC Units	163,582.04
Units		MKT Units	0.00
		Total NR SF:	163,582.04

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

L. UNIT DETAILS

1. Set-Aside Election: UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEG

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

a. Units Provided Per Household Type:


Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
0	0.00%	50% Area Median	
144	100.00%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
144	100.00%	Total	

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

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

2. Unit Detail FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

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


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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	60% AMI	24		858.76	\$1,090.00	\$26,160
Mix 2	1 BR - 1 Bath	60% AMI	8		870.54	\$1,090.00	\$8,720
Mix 3	2 BR - 2 Bath	60% AMI	24		1133.10	\$1,270.00	\$30,480
Mix 4	2 BR - 2 Bath	60% AMI	24		1227.98	\$1,270.00	\$30,480
Mix 5	2 BR - 2 Bath	60% AMI	16		1130.34	\$1,270.00	\$20,320
Mix 6	2 BR - 2 Bath	60% AMI	4		1268.28	\$1,270.00	\$5,080
Mix 7	3 BR - 2 Bath	60% AMI	40		1273.49	\$1,470.00	\$58,800
Mix 8	3 BR - 2 Bath	60% AMI	4		1310.85	\$1,470.00	\$5,880
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0

L. UNIT DETAILS

Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0
Mix 20							\$0
Mix 21							\$0
Mix 22							\$0
Mix 23							\$0
Mix 24							\$0
Mix 25							\$0
Mix 26							\$0
Mix 27							\$0
Mix 28							\$0
Mix 29							\$0
Mix 30							\$0
Mix 31							\$0
Mix 32							\$0
Mix 33							\$0
Mix 34							\$0
Mix 35							\$0
Mix 36							\$0
Mix 37							\$0
Mix 38							\$0
Mix 39							\$0
Mix 40							\$0
Mix 41							\$0
Mix 42							\$0
Mix 43							\$0
Mix 44							\$0
Mix 45							\$0
Mix 46							\$0
Mix 47							\$0
Mix 48							\$0
Mix 49							\$0
Mix 50							\$0
Mix 51							\$0
Mix 52							\$0
Mix 53							\$0
Mix 54							\$0
Mix 55							\$0
Mix 56							\$0
Mix 57							\$0
Mix 58							\$0
Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0
Mix 66							\$0
Mix 67							\$0
Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0

L. UNIT DETAILS

Mix 72						\$0
Mix 73						\$0
Mix 74						\$0
Mix 75						\$0
Mix 76						\$0
Mix 77						\$0
Mix 78						\$0
Mix 79						\$0
Mix 80						\$0
Mix 81						\$0
Mix 82						\$0
Mix 83						\$0
Mix 84						\$0
Mix 85						\$0
Mix 86						\$0
Mix 87						\$0
Mix 88						\$0
Mix 89						\$0
Mix 90						\$0
Mix 91						\$0
Mix 92						\$0
Mix 93						\$0
Mix 94						\$0
Mix 95						\$0
Mix 96						\$0
Mix 97						\$0
Mix 98						\$0
Mix 99						\$0
Mix 100						\$0
TOTALS			144	0		\$185,920

Total	144	Net Rentable SF:	TC Units	163,582.04
Units			MKT Units	0.00
			Total NR SF:	163,582.04

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$7,500
2. Office Salaries		\$35,000
3. Office Supplies		\$5,000
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$102,854
<u>4.75%</u> of EGI	<u>\$714.26</u> Per Unit	
6. Manager Salaries		\$55,000
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$7,500
9. Auditing		\$7,500
## Bookkeeping/Accounting Fees		\$0
## Telephone & Answering Service		\$8,000
## Tax Credit Monitoring Fee		\$2,000
## Miscellaneous Administrative		\$22,000
Total Administrative		\$252,354

Utilities

## Fuel Oil		\$0
## Electricity		\$31,000
## Water		\$90,000
## Gas		\$0
## Sewer		\$0
Total Utility		\$121,000

Operating:

## Janitor/Cleaning Payroll		\$25,000
## Janitor/Cleaning Supplies		\$0
## Janitor/Cleaning Contract		\$0
## Exterminating		\$3,000
## Trash Removal		\$8,000
## Security Payroll/Contract		\$0
## Grounds Payroll		\$0
## Grounds Supplies		\$0
## Grounds Contract		\$11,000
## Maintenance/Repairs Payroll		\$45,000
## Repairs/Material		\$30,000
## Repairs Contract		\$20,000
## Elevator Maintenance/Contract		\$0
## Heating/Cooling Repairs & Maintenance		\$0
## Pool Maintenance/Contract/Staff		\$0
## Snow Removal		\$0
## Decorating/Payroll/Contract		\$0
## Decorating Supplies		\$0
## Miscellaneous		\$5,500
Totals Operating & Maintenance		\$147,500

M. OPERATING EXPENSES

Taxes & Insurance

## Real Estate Taxes	\$223,700
## Payroll Taxes	\$14,000
## Miscellaneous Taxes/Licenses/Permits	\$4,000
## Property & Liability Insurance	\$34,000
## Fidelity Bond	\$300
## Workman's Compensation	\$700
## Health Insurance & Employee Benefits	\$8,100
## Other Insurance	\$0
Total Taxes & Insurance	\$284,800

Total Operating Expense	\$805,654
--------------------------------	------------------

Total Operating Expenses Per Unit	\$5,595	C. Total Operating Expenses as % of	37.21%
--	----------------	--	---------------

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

Total Expenses	\$848,854
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ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract		
b. Site Acquisition		
c. Zoning Approval		
d. Site Plan Approval		
2. Financing		
a. Construction Loan		
i. Loan Application	8/25/20	Brian Staub
ii. Conditional Commitment		
iii. Firm Commitment		
b. Permanent Loan - First Lien		
i. Loan Application	8/25/20	Brian Staub
ii. Conditional Commitment		
iii. Firm Commitment		
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	10/7/20	Brian Staub
3. IRS Approval of Nonprofit Status		
4. Closing and Transfer of Property to Owner		
5. Plans and Specifications, Working Drawings		
6. Building Permit Issued by Local Government	2/15/21	Scott Troutman
7. Start Construction	3/1/21	Scott Troutman
8. Begin Lease-up	8/1/21	Chris McKee
9. Complete Construction	6/1/22	Scott Troutman
10. Complete Lease-Up	9/1/22	Chris McKee
11. Credit Placed in Service Date	6/1/22	Brian Staub

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)	11,880,000	0	11,880,000	0
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	463,735	0	463,735	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	12,343,735	0	12,343,735	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	255,000	0	255,000	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	2,625,000	0	2,625,000	0
p. Other Site work	120,000	0	120,000	0
Total Land Improvements	3,000,000	0	3,000,000	0
Total Structure and Land	15,343,735	0	15,343,735	0
q. General Requirements	670,815	0	670,815	0
r. Builder's Overhead (1.9% Contract)	292,062	0	292,062	0
s. Builder's Profit (3.7% Contract)	567,899	0	567,899	0
t. Bonds	0	0	0	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: Energy Star Testing	36,000	0	36,000	0
y. Other 2: Add'l Amenities	75,000	0	75,000	0
z. Other 3: _____	0	0	0	0
Contractor Costs	\$16,985,511	\$0	\$16,985,511	\$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	50,000	0	50,000	0
b. Architecture/Engineering Design Fee \$3,333 /Unit)	480,000	0	480,000	0
c. Architecture Supervision Fee \$232 /Unit)	33,345	0	33,345	0
d. Tap Fees	1,497,600	0	1,497,600	0
e. Environmental	12,500	0	12,500	0
f. Soil Borings	12,500	0	12,500	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	7,000	0	7,000	0
i. Market Study	7,000	0	7,000	0
j. Site Engineering / Survey	12,000	0	12,000	0
k. Construction/Development Mgt	8,000	0	8,000	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	99,500	0	0	0
n. Construction Interest (0.0% fo 0 months)	600,000	0	253,750	0
o. Taxes During Construction	30,000	0	0	0
p. Insurance During Construction	70,000	0	0	0
q. Permanent Loan Fee (0.0%)	190,000	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	30,000	0	30,000	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	20,000	0	20,000	0
v. Title and Recording	110,000	0	110,000	0
w. Legal Fees for Closing	120,000	0	60,000	0
x. Mortgage Banker	50,000	0	25,000	0
y. Tax Credit Fee	68,826			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	50,000	0	25,000	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	0	0	0	0
ad. Contingency	75,000	0	0	0
ae. Security	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

af. Utilities	107,350	0	107,350	0
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O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify Marketing and Lease Up	60,000	0	0	0
(2) Other* specify Hard Cost Contingency	770,937	0	770,937	0
(3) Other* specify Wetlands Mitigation	100,000	0	100,000	0
(4) Other* specify Lender/Third Party Repd	110,000	0	25,000	0
(5) Other* specify Out of Balance Fee	30,000	0	0	0
(6) Other* specify Operating Reserve	972,242	0	0	0
(7) Other* specify TDRs	2,880,000	0	0	0
(8) Other* specify Impact Fees	996,120	0	996,120	0
(9) Other* specify	0	0	0	0
### Other* specify	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$9,659,920	\$0	\$4,643,102	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$26,645,431	\$0	\$21,628,613	\$0
3. Developer's Fees	2,595,000	0	2,595,000	0
Action: Provide Developer Fee Agreement (Tab A)				
4. Owner's Acquisition Costs				
Land	420,000			
Existing Improvements	0	0		
Subtotal 4:	\$420,000	\$0		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$29,660,431	\$0	\$24,223,613	\$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: \$2,595,234

Proposed Development's Cost per Sq Foot	\$148	Meets Limits
Applicable Cost Limit by Square Foot:	\$238	

2021 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	29,660,431	0	24,223,613	0

2. Reductions in Eligible Basis

a. Amount of federal grant(s) used to finance qualifying development costs	0	0	0
b. Amount of nonqualified, nonrecourse financing	0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)	0	0	0
d. Historic Tax Credit (residential portion)	0	0	0

3. Total Eligible Basis (1 - 2 above)

0	24,223,613	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	24,223,613	0

5. Applicable Fraction

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

6. Total Qualified Basis

(Eligible Basis x Applicable Fraction)

0	24,223,613	0
---	------------	---

7. Applicable Percentage

(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)

0.00%	4.00%	9.00%
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8. Maximum Allowable Credit under IRC §42

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

\$0	\$968,945	\$0
\$968,945 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.	VHDA	08/25/20		\$20,300,000	Sean Campbell
2.					
3.					
Total Construction Funding:				\$20,300,000	

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.	VHDA Tax Exempt	8/25/20		\$16,300,000	\$918,286	4.00%	31.00	31.00
2.	VHDA REACH	8/25/20		\$3,600,000	\$177,345	2.95%	31.00	31.00
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$19,900,000	\$1,095,631			

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.					

Q. SOURCES OF FUNDS

Total Permanent Grants:

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	#####
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$3,600,000
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

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

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **66.14%**

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

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

[Empty text box for listing financing and credit enhancements]

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 [Empty text box]

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

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit

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

b. Equity that Sponsor will Fund:

i. Cash Investment	\$0	
ii. Contributed Land/Building	\$0	
iii. Deferred Developer Fee	\$1,039,926	(Note: Deferred Developer Fee cannot be negative.)
iv. Other:	\$0	

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

Equity Total \$1,039,926

2. Equity Gap Calculation

a. Total Development Cost	\$29,660,431
b. Total of Permanent Funding, Grants and Equity	- <u>\$20,939,926</u>
c. Equity Gap	\$8,720,505
d. Developer Equity	- <u>\$873</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$8,719,632

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator: _____
 Contact Person: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____

b. Syndication Equity

i. Anticipated Annual Credits	\$968,945.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.900
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.99000%
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0
v. Net credit amount anticipated by user of credits	\$968,848
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	<u>\$8,719,632</u>

c. Syndication: Private
 d. Investors: Corporate

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$8,719,632

5. Net Equity Factor

Must be equal to or greater than 85% 89.9999901997%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$29,660,431</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u><u>\$20,939,926</u></u>
3. Equals Equity Gap		<u>\$8,720,505</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u><u>89.9999901997%</u></u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$9,689,451</u>
Divided by ten years		<u><u>10</u></u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$968,945</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$968,945</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$968,945</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$6,728.7847</u>	Combined 30% & 70% PV Credit Requested
Credit per LI Bedroom	<u>\$3,229.8167</u>	

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

T. CASH FLOW

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

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	2,165,341	2,208,648	2,252,821	2,297,878	2,343,835
Less Oper. Expenses	848,854	874,320	900,549	927,566	955,393
Net Income	1,316,487	1,334,329	1,352,272	1,370,312	1,388,442
Less Debt Service	1,095,631	1,095,631	1,095,631	1,095,631	1,095,631
Cash Flow	220,856	238,698	256,641	274,681	292,811
Debt Coverage Ratio	1.20	1.22	1.23	1.25	1.27

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	2,390,712	2,438,526	2,487,297	2,537,042	2,587,783
Less Oper. Expenses	984,054	1,013,576	1,043,983	1,075,303	1,107,562
Net Income	1,406,657	1,424,950	1,443,313	1,461,740	1,480,221
Less Debt Service	1,095,631	1,095,631	1,095,631	1,095,631	1,095,631
Cash Flow	311,026	329,319	347,682	366,109	384,590
Debt Coverage Ratio	1.28	1.30	1.32	1.33	1.35

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	2,639,539	2,692,330	2,746,176	2,801,100	2,857,122
Less Oper. Expenses	1,140,789	1,175,012	1,210,263	1,246,571	1,283,968
Net Income	1,498,750	1,517,317	1,535,914	1,554,529	1,573,154
Less Debt Service	1,095,631	1,095,631	1,095,631	1,095,631	1,095,631
Cash Flow	403,119	421,686	440,283	458,898	477,523
Debt Coverage Ratio	1.37	1.38	1.40	1.42	1.44

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 4

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.		32		Old Potomac Church Rd		Stafford	VA	22554				\$0	\$5,383,025	06/01/22	4.00%	\$215,321				\$0
2.		32		Old Potomac Church Rd		Stafford	VA	22554				\$0	\$5,383,025	06/01/22	4.00%	\$215,321				\$0
3.		32		Old Potomac Church Rd		Stafford	VA	22554				\$0	\$5,383,025	06/01/22	4.00%	\$215,321				\$0
4.		48		Old Potomac Church Rd		Stafford	VA	22554				\$0	\$8,074,538	06/01/22	4.00%	\$322,982				\$0
5.												\$0				\$0				\$0
6.												\$0				\$0				\$0
7.												\$0				\$0				\$0
8.												\$0				\$0				\$0
9.												\$0				\$0				\$0
10.												\$0				\$0				\$0
11.												\$0				\$0				\$0
12.												\$0				\$0				\$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

144 0

Totals from all buildings

\$0

\$0

#####

\$968,945

\$0

\$0

Number of BINS: 4

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner _____


By: _____
Its: _____
(Title)

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or Virginia Housing regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
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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 Potomac Church, L.P.
by its general partner Potomac Church GP, LLC

By: 
Its: Managers (Title)

V. STATEMENT OF ARCHITECT

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

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

Legal Name of Architect:	<input type="text"/>
Virginia License#:	<input type="text"/>
Architecture Firm or Company:	<input type="text"/>

By: _____

Its:
(Title)

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

V. STATEMENT OF ARCHITECT

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

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

Legal Name of Architect: Thomas Retnauer
Virginia License#: 010812
Architecture Firm or Company: Retnauer Baynes Associates

By: 

Its: President
(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 reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Item 5f requires a numeric value to be entered.

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

MANDATORY ITEMS:

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

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	N	0 or 40	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			0.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	3%	0, 20, 25 or 30	30.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
Total:			55.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			27.00
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	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	N	0, 10 or 20	0.00
f. Development will be Green Certified	N	0 or 10	0.00
g. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	0 or 5	0.00
Total:			27.00

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$126,000	\$62,300

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	30.56%	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:			0.00

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x unit	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 Virginia Housing	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			50.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	161.98
b. Cost per unit		Up to 100	32.22
Total:			194.20

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	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>0.00</u>
425 Point Threshold - all 9% Tax Credits	TOTAL SCORE:	<u>326.20</u>
325 Point Threshold - Tax Exempt Bonds		

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance material	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	0.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	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	4.00
		<u>27.00</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>27.00</u>

X. Development Summary

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

Deal Name: Potomac Church Apartments

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$968,945
Allocation Type: N/A **Jurisdiction:** Stafford County
Total Units: 144 **Population Target:** General
Total LI Units: 144
Project Gross Sq Ft: 197,503.40 **Owner Contact:** Brian Staub
Green Certified? FALSE

Total Score 326.20

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$19,900,000	\$138,194	\$101	\$1,095,631

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$15,343,735	\$106,554	\$78	51.73%
General Req/Overhead/Profit	\$1,530,776	\$10,630	\$8	5.16%
Other Contract Costs	\$111,000	\$771	\$1	0.37%
Owner Costs	\$9,659,920	\$67,083	\$49	32.57%
Acquisition	\$420,000	\$2,917	\$2	1.42%
Developer Fee	\$2,595,000	\$18,021	\$13	8.75%
Total Uses	\$29,660,431	\$205,975		

Total Development Costs	
Total Improvements	\$26,645,431
Land Acquisition	\$420,000
Developer Fee	\$2,595,000
Total Development Costs	\$29,660,431

Income		
Gross Potential Income - LI Units		\$2,328,324
Gross Potential Income - Mkt Unit:		\$0
Subtotal		\$2,328,324
Less Vacancy %	7.00%	\$162,983
Effective Gross Income		\$2,165,341

Proposed Cost Limit/Sq Ft: \$148
Applicable Cost Limit/Sq Ft: \$238

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	32
# of 2BR	68
# of 3BR	44
# of 4+ BR	0
Total Units	144

Rental Assistance? FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$252,354	\$1,752
Utilities	\$121,000	\$840
Operating & Maintenance	\$147,500	\$1,024
Taxes & Insurance	\$284,800	\$1,978
Total Operating Expenses	\$805,654	\$5,595
Replacement Reserves	\$43,200	\$300
Total Expenses	\$848,854	\$5,895

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	144	144
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$2,165,341
Total Expenses	\$848,854
Net Income	\$1,316,487
Debt Service	\$1,095,631
Debt Coverage Ratio (YR1):	1.20

Income Averaging? FALSE

Extended Use Restriction? 30

2021 Low-Income Housing Tax Credit Application For Reservation

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

Credit Points:

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

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

Using Current E-U-R method (up to 200)		161.98
Using proposed method:		
Combined Max	\$968,945	
Credit Requested	\$968,945	
% of Savings	0.00%	
Sliding Scale Points		0
<i>Difference</i>		<i>-161.98</i>

Cost Points:

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

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

Using Current E-U-R method (up to 100)		32.22
Using proposed method:		
Total Costs Less Acquisition	\$29,240,431	
Total Square Feet	197,503.40	
Proposed Cost per SqFt	\$148.05	
Applicable Cost Limit per Sq Ft	\$238.00	
% of Savings	37.79%	
Sliding Scale Points		75.58
<i>Difference</i>		<i>43.36</i>

\$/SF = **\$164.63** Credits/SF = **5.74996** Const \$/unit = **\$117,954.9375**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000
Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(15,000-35,000)=4
***REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below**

11000
300
1

In
Nova
300
1

	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	891.12	1,208.00	1,314.85	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	32	68	44	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	214,313	285,750	335,756	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	214,313	285,750	335,756	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	214,313	285,750	335,756	0	0	0	0
PROJECT COST PER UNIT	0	146,708	198,877	216,468	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	19,557	25,043	28,262	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	19,557	25,043	28,262	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	19,557	25,043	28,262	0	0	0	0
PROJECT CREDIT PER UNIT	0	5,124	6,946	7,560	0	0	0	0
COST PER UNIT POINTS	0.00	7.01	14.36	10.86	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	32.80	68.25	44.76	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **32.22**

TOTAL CREDIT PER UNIT POINTS **145.81**

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 BR-TH
Standard Parameter - low rise	0	214,313	285,750	335,756	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	214,313	285,750	335,756	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	19,557	25,043	28,262	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	19,557	25,043	28,262	0	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 BR-TH
Standard Cost Parameter - low rise	0	214,313	285,750	335,756	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	214,313	285,750	335,756	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	19,557	25,043	28,262	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	19,557	25,043	28,262	0	0	0	0

\$/SF = **\$164.63** Credits/SF = **5.74996** Const \$/unit = **\$117,954.94**

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
300
1

300
1

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

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	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	891.12	1,208.00	1,314.85	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	32	68	44	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	214,313	285,750	335,756	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	214,313	285,750	335,756	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	214,313	285,750	335,756	0	0	0	0
PROJECT COST PER UNIT	0	146,708	198,877	216,468	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	19,557	25,043	28,262	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	19,557	25,043	28,262	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	19,557	25,043	28,262	0	0	0	0
PROJECT CREDIT PER UNIT	0	5,124	6,946	7,560	0	0	0	0
COST PER UNIT POINTS	0.00	7.01	14.36	10.86	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	32.80	68.25	44.76	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **32.22**

TOTAL CREDIT PER UNIT POINTS **161.98**

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 BR-TH
Standard Parameter - low rise	0	214,313	285,750	335,756	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	214,313	285,750	335,756	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	19,557	25,043	28,262	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	19,557	25,043	28,262	0	0	0	0

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

Cost Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	0	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 BR-TH
Standard Cost Parameter - low rise	0	214,313	285,750	335,756	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	214,313	285,750	335,756	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	19,557	25,043	28,262	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	19,557	25,043	28,262	0	0	0	0

A

Partnership or Operating Agreement

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

**AGREEMENT OF LIMITED PARTNERSHIP
OF
POTOMAC CHURCH, LP**

THIS AGREEMENT OF LIMITED PARTNERSHIP, made as of October 7, 2020, by and among the undersigned partners, who hereby organize Potomac Church, LP, a Virginia limited partnership (the “Partnership”) pursuant to the Revised Uniform Limited Partnership Act of Virginia upon the following terms and conditions.

WITNESSETH:

WHEREAS, the undersigned partners desire to organize the Partnership for the purpose of developing, constructing, owning and operating an affordable apartment project located in Stafford County, Virginia.

NOW, THEREFORE, the Partners hereby agree as follows:

1. NAME; PLACE OF BUSINESS AND SPECIFIED OFFICE; REGISTERED AGENT; RECORDS.

The name of the Partnership is Potomac Church, LP, and the post office address of its principal place of business and specified office is 308 35th Street, Suite 101, in the City of Virginia Beach, Virginia 23451. The name of the registered agent is Timothy O. Trant II, who is a resident of the Commonwealth of Virginia and a member of the Virginia State Bar. The registered agent’s post office address is 11815 Fountain Way, Suite 400, Newport News, Virginia 23606. The Partnership shall keep the following records at its specified office: (i) a current list of the full name and last known business address of each Partner set forth in alphabetical order, (ii) a copy of the Certificate of Limited Partnership and all Certificates of Amendment thereto, together with executed copies of any powers of attorney pursuant to which any Certificate has been executed, (iii) copies of the Partnership’s federal, state, and local income tax returns and reports, if any, for the three most recent years, and (iv) copies of any then effective written Partnership Agreements and any financial statements of the Partnership for the three most recent years. Such records are subject to inspection and copying at the reasonable request, and at the expense, of any Partner during ordinary business hours.

2. DEFINITIONS.

The following terms used in this Agreement shall (unless otherwise expressly provided herein or unless the context otherwise requires) have the following respective meanings:

A. Act.

The Revised Uniform Limited Partnership Act of Virginia.

B. Affiliate or Affiliated Persons.

When used with reference to a specified person, (1) any person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified person, (2) any person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or of which the specified person is an officer, partner or trustee, or with respect to which the specified person serves in a similar capacity, (3) any person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified person or of which the specified person is directly or indirectly the owner of 10% or more of any class of equity securities or in which the specified person has a substantial beneficial interest and (4) any spouse or lineal descendant of the specified person.

C. Agreement.

This Agreement of Limited Partnership, as originally executed and as amended from time to time, as the context requires.

D. Capital Account.

As of any date, the aggregate of the Capital Contributions by a Partner or his predecessor in interest, increased by his distributive share of Taxable Income and of Gain from Sale, reduced by his distributive share of Taxable Loss and of Loss from Sale, and by the amount of any distributions of cash to him or by the Gross Asset Value of any property distributed to him. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts, make-up of deficit capital accounts upon liquidation, and allocations of tax items are intended to comply with Treasury Regulation Section 1.704-1(d), and shall be interpreted and applied in a manner consistent with the Regulations.

E. Capital Calls.

The assessments for additional contributions described in Section 5C.

F. Capital Contributions.

With respect to any Partner, the amount of money (including any Capital Calls) and the initial Gross Asset Value of any property (other than money) contributed to the Partnership with respect to the Interest held by such Partner pursuant to the terms of this Agreement. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Partnership by the maker of the note shall not be included in the Capital Contribution of any Partner until the Partnership makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

G. Code.

The Internal Revenue Code of 1986, as amended from time to time.

H. Credits.

Low income housing tax credits arising pursuant to Section 42 of the Code.

I. Gain or Loss from Sale.

Any gain or loss for federal income tax purposes resulting from the sale or other disposition of the Project not in the ordinary course of the Partnership's business.

J. General Partner.

Potomac Church GP, LLC, a Virginia limited liability company, and such other person or firm as may become General Partner hereunder, or any successors appointed under this Agreement.

K. Gross Asset Value.

With respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(1) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the Partnership;

(2) The Gross Asset Value of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by the Partners, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of property as consideration for an interest in the Partnership; and (c) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Partners reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(3) The Gross Asset Value of any Partnership asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution; and

(4) The Gross Asset Values of partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant this Section 2K(4) to the extent the Partners determine that an adjustment pursuant to Section 2K(2) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section 2K(4). If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section 2K(1), Section 2K(2), or Section 2K(4) hereof, such Gross Asset Value shall thereafter

be adjusted by the depreciation taken into account with respect to such asset for purposes of computing Taxable Income or Taxable Loss.

L. Interest.

Generally, a Partner's Interest refers to his percentage set forth on Exhibit A. However, a Partner's Interest includes his Capital Account and percentage set forth on Exhibit A when used in the context of a Partner's ownership rights in the Partnership.

M. Limited Partner.

The original Limited Partner and any persons who are admitted to the Partnership as additional or substituted Limited Partners.

N. Minimum Gain.

As of any date, the "partnership minimum gain" as defined in Treasury Regulations Section 1.704-2(b)(2).

O. Modified Negative Capital Account.

The deficit balance of a Capital Account, excluding the portion of the deficit that must be restored to the Partnership upon liquidation under Section 5E(7).

P. Net Cash from Operations.

For any taxable year, the excess of cash revenue from the operation of the Project (which may include proceeds from the sale of Partnership property in the ordinary course of business), interest income received during the year, and reserves set aside in prior years and no longer deemed necessary by the General Partner for the Partnership's business, over the sum of (1) development and operating expenses of the Partnership paid in cash during the year, (2) payments made in connection with any loan to the Partnership or any indebtedness secured by a lien on any portion of the Project, and (3) any reasonable reserves, as determined by the General Partner, for development and operating expenses, the repair, replacement or preservation during the current or subsequent years of any Partnership asset, or for contingencies and unanticipated obligations (including debt service).

Q. Net Proceeds from Refinancing.

Net cash realized by the Partnership from the refinancing of indebtedness of the Partnership, reduced by (1) all expenses related to the transactions, (2) the amount applied, at the sole discretion of the General Partner, toward the payment of any indebtedness of the Partnership, and (3) reasonable reserves to satisfy other obligations of the Partnership, as determined by the General Partner.

R. Net Proceeds from Sale.

Net cash realized by the Partnership from the sale, exchange, condemnation, or other disposition of all or substantially all of the Project or from policies of insurance payable as a result of damage to or destruction of, or defects of title to the Project (to the extent the proceeds exceed (1) the actual or estimated costs of repairing or replacing the Project or other assets damaged or destroyed or curing defects of title, plus all expenses related to the transactions, (2) the amount applied, at the sole discretion of the General Partner, toward the payment of any indebtedness of the Partnership, and (3) reasonable reserves to satisfy other obligations of the Partnership, as determined by the General Partner).

S. Partner.

Partners of all classes.

T. Project.

The property described in Section 3.

U. Regulations.

The federal income tax regulations issued under the Code, as the same may be amended from time to time.

V. Taxable Income or Taxable Loss.

The income or loss of the Partnership for federal income tax purposes, including each item of income, gain, loss or deduction, but excluding Gain or Loss from Sale.

3. BUSINESS OF THE PARTNERSHIP.

The business of the Partnership shall be developing, constructing, owning and operating an affordable apartment project located in Stafford County, Virginia, and engaging in any and all business activities related or incidental thereto.

4. TERM.

The Partnership is formed on the date hereof and shall continue until terminated in accordance with this Agreement.

5. PARTNERS AND CAPITAL.

A. General Partner; Capital Contributions.

The name and business address of each general partner is as follows:

Potomac Church GP, LLC
308 35th Street, Suite 101
Virginia Beach, Virginia 23451

The Interest and Capital Contribution of each General Partner is as set forth on Exhibit A.

B. Limited Partner; Capital Contribution.

The Limited Partner, as a Capital Contribution, has contributed to the Partnership the amount set forth on Exhibit A. Upon the execution of the Agreement, the Limited Partner shall have the applicable Interest set forth on Exhibit A. The business address of the Limited Partner is as set forth on Exhibit A.

C. Additional Assessments.

The General Partner shall not have the right to require any Partner to make additional Capital Contributions.

D. Additional Provisions on Capital and Obligations of Partners.

(1) A Capital Account shall be established and maintained for each Partner. The Capital Account of a substituted Partner shall include his allocable portion of the Capital Account of the Partner whose Interest he acquired without regard to any basis adjustment under Section 754 of the Code.

(2) No Partner gives up any of his rights to be repaid his Capital Contributions in favor of any other Partner.

(3) No Partner shall be paid interest on his Capital Account.

(4) No Partner shall have the right to demand and receive property other than cash in return of his Capital Contributions.

(5) No Partner shall have the right to demand and receive the return of his Capital Contributions until the termination of the Partnership.

(6) The General Partner shall have no liability or responsibility for the repayment of the capital contributions of any Limited Partner.

(7) The liability of each Limited Partner for the losses, debts, liabilities and obligations of the Partnership shall be limited to his Capital Contributions, his share of additional capital for which he may be assessed, and his share of any undistributed profits of the Partnership.

6. ALLOCATIONS AND DISTRIBUTIONS.

A. Net Cash from Operations.

Net Cash from Operations for any year shall be allocated and distributed among the Partners in proportion to their respective Interests.

B. Taxable Income, Taxable Loss and Credits.

Taxable Income, Taxable Loss and Credits each year shall be allocated among the Partners in proportion to their respective Interests.

C. Mid-Year Transfers.

Unless otherwise agreed between the transferor and transferee, all Taxable Income or Taxable Loss for a Partnership year allocable to any Interest which has been transferred during the year shall be allocated between the transferor and transferee in the ratio of the number of days in the year before and after the effective date of the assignment without regard to the dates during the year on which income was earned, losses incurred, or distributions made.

D. Net Proceeds from Refinancing.

Net Proceeds from Refinancing shall be allocated and distributed among the Partners in the following order of priority:

(1) To each partner who has a Capital Account balance greater, in proportion to the aggregate of all capital account balances, than his Interest, in the ratio of the Interests of each such Partner, until the Capital Account balance of each such Partner is the same in proportion to the aggregate of all Capital Account balances as his Interest.

(2) The balance, to the Partners in proportion to their respective Interests.

E. Gain from Sale.

Gain from Sale shall be allocated among the Partners in the following order of priority:

(1) To each Partner who has a negative Capital Account immediately preceding the transaction giving rise to the gain, in the ratio which the negative Capital Account of each bears to the aggregate of all negative Capital Accounts, until all negative Capital Accounts have been increased to zero.

(2) Next, to each Partner who has a Capital Account balance after the adjustment in Section 6E(1) lesser, in proportion to the aggregate of all Capital Account balances, than his Interest, in the ratio of the Interests of each such Partner, until the Capital Account balance of each such Partner is the same in proportion to the aggregate of all Capital Account balances as his Interest.

(3) The balance, to the Partners in proportion to their respective Interests.

F. Loss from Sale.

Loss from Sale shall be allocated among the Partners in the following order of priority:

(1) To each Partner who has a positive Capital Account immediately preceding the transaction giving rise to the loss, in the ratio which the positive Capital Account of each bears to the aggregate positive Capital Accounts, until each Partner's Capital Account is reduced to zero.

(2) The balance, to the Partners in proportion to their respective Interests.

G. Net Proceeds from Sale.

Net Proceeds from Sale shall be allocated and distributed among the Partners in the proportion that the positive Capital Account of each bears to the aggregate positive Capital Accounts (after the allocations and distributions otherwise provided in this Section) until all Capital Accounts have been reduced to zero; and the balance in proportion to their Interests.

H. Mid-Year Transfers.

All Gain or Loss from Sale and distributions of Net Proceeds from Sale or Net Proceeds from Refinancing allocable to any Interest which has been transferred during the year shall be allocated and distributed, respectively, to the holder of the Interest on the date of the Sale or Refinancing. Gains or Losses attributable to, and Net Proceeds which represent, Net Proceeds not received by the Partnership as cash upon a Sale or Refinancing but which will be received later by the Partnership as a result of an installment or other deferred sale shall be allocated or distributed, as the case may be, to the holder of the Interest on the date the proceeds are received by the Partnership.

I. Minimum Allocation. to General Partner.

Notwithstanding anything to the contrary that may be expressed or implied in this Agreement, there shall be allocated to the General Partner at least 1% of every item of income, gain, loss, deduction or credit at all times during the existence of the Partnership.

J. Minimum Gain Charge-back.

(1) Notwithstanding any other provision of this Agreement, if there is a net decrease in the Partnership's Minimum Gain during any Partnership fiscal year, each Partner who would otherwise have a Modified Negative Capital Account at the end of such year shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount and manner sufficient to eliminate such Modified Negative Capital Account as quickly as possible. The items to be so allocated shall be determined in accordance with Treasury Regulation Sections 1.704-2(f)(e) and 1.704-2(j)(2). This Section 6J is intended to comply with the minimum gain charge-back requirement in the Regulations and shall be interpreted consistently therewith.

(2) Notwithstanding any other provision of this Agreement, if there is a net decrease in a Partner's nonrecourse debt minimum gain as defined in Treasury Regulation Section 1.704-2(i)(3) during any Partnership fiscal year, there shall be allocated to such partner items of income and gain in accordance with Treasury Regulation Section 1.704-2(i)(4).

K. Qualified Income Offset.

Except as provided in Section 6J hereof, in the event any Limited Partner unexpectedly received any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specifically allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Modified Negative Capital Account of such Limited Partner as quickly as possible.

L. Tax Allocations: Code Section 704(c).

In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial Gross Asset Value of such property.

In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to Section 2K(2) hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the General Partner in any manner that reasonably reflects the purpose and intention of this Agreement and the requirements of Code Section 704(c). Allocations pursuant to this Section 6L are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Taxable Income, Taxable Loss, other items, or distributions pursuant to any provision of this Agreement.

7. RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNER.

(1) The General Partner shall have the exclusive right to manage the business of the Partnership, and to make all decisions regarding the business of the Partnership. No Limited Partner (except one who may also be a General Partner, and then only in its capacity as General Partner) shall participate in or have any control over the Partnership business or have any authority or right to act for or bind the Partnership.

(2) Subject to the consent of the Limited Partner when expressly required by this Agreement, the General Partner shall have all the rights and powers of a general partner as provided in the Act and as otherwise provided by law, and any action taken by the General Partner shall constitute the act of and bind the Partnership. The General Partner is granted the right, power and authority to do in the name of, and on behalf of, the Partnership all things

which, in its sole judgment, are necessary, proper or desirable to carry out the purposes of the Partnership, including, but not limited to the right, power and authority:

(a) To own, acquire by lease or purchase, develop, maintain, improve, grant options with respect to, sell, convey, assign, mortgage or lease any real estate and any personal property, and to cause to have constructed improvements upon any real property necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

(b) To execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the development, management, maintenance and operation of any properties in which the Partnership has an interest, including without limitation, necessary easements to public or quasi-public bodies or public utilities.

(c) To employ or retain persons, including their or any Limited Partner's Affiliates, to provide property acquisition, management, leasing or other services for the Partnership (it being understood and agreed that the provision of such services does not constitute a part of the duties or obligations of the General Partner as general partner of the Partnership).

(d) To borrow money and issue evidences of indebtedness in furtherance of any or all Partnership purposes, and to secure the same by deed of trust, mortgage, security interest, negative pledge, pledge or other lien or encumbrance on the Project or any other assets of the Partnership.

(e) To repay when due or in advance, in whole or in part, negotiate, refinance, recast, increase, renew, modify or extend any secured or other indebtedness affecting Partnership properties and in connection therewith to execute any extensions, renewals or modifications of any evidences of indebtedness secured by deeds of trust, mortgages, security interests, pledges or other encumbrances covering such properties.

(f) To engage a real estate broker, whether an Affiliate of theirs or of any Limited Partner or otherwise, to sell or engage in other real estate activities in relation to any Partnership property upon such terms and conditions as are deemed appropriate by the General Partner and in the best interests of the Partnership, and to pay reasonable compensation for such services.

(g) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the purposes of the Partnership, so long as those activities and contracts may be lawfully carried on or performed by a limited partnership under applicable laws and regulations.

(h) To lend money to the Partnership, as a creditor of the Partnership and not as an additional capital contribution; provided that any such loan shall be on terms and at an interest rate which are as favorable to the Partnership as those which could have been obtained by it on the same type of loan in the same locality from a lending institution.

(3) Notwithstanding any other provision of this Agreement, the General Partner may not sell all or substantially all of the Project, which shall not include refinancing of

any deed of trust indebtedness, without the consent of all of the Interests owned by all the Partners, including the Interests owned by the General Partner. Upon the receipt of the requisite consent, the General Partner shall be authorized to sell the Project notwithstanding that such act would make it impossible thereafter to carry on the ordinary business of the Partnership, and each Limited Partner shall be deemed to have given his written consent to the specific act.

(4) Each Limited Partner specifically authorizes the General Partner to execute and file any certificate complying with Article 2 of the Act, as it may be amended from time to time.

(5) Potomac Church GP, LLC shall be the Tax Matters Partner for purposes of the Code and shall have full authority to take any action on behalf of the Partnership or the Partners with respect to administrative or judicial tax proceedings as the Code and regulations promulgated thereunder permit.

(6) Any person dealing with the Partnership or the General Partner may rely upon a certificate signed by the General Partner hereinafter named as to:

- (a) the identity of the General Partner or a Limited Partner,
- (b) the existence or non-existence of any fact or facts which constitute conditions precedent to acts by the General Partner or which in any other manner are germane to the affairs of the Partnership,
- (c) the authorization of persons who execute and deliver any instrument or document of the Partnership, or
- (d) any act or failure to act by the Partnership or as to any other matter whatsoever involving the Partnership or any Partner.

8. RIGHTS AND POWERS OF THE LIMITED PARTNER.

No Limited Partner shall have or exercise any rights in connection with the management of the Partnership business, but may exercise only the rights and powers of a Limited Partner under the Agreement, including without limitation, the giving of consents and approvals provided for in the Agreement. The exercise of such rights and powers is deemed to be a matter affecting the basic structure of the Partnership and not the control of its business.

9. AUTHORITY OF THE PARTNERS AND AFFILIATED PERSONS TO DEAL WITH THE PARTNERSHIP.

A. Dealings with Affiliates.

The General Partner, in its discretion, may engage any person, firm or corporation in which it, any Partner, or any Affiliate thereof may have an interest, at reasonable and competitive rates of compensation for the performance of any and all services or purchase of goods or other property which may at any time be necessary, proper, convenient, or advisable in carrying on the business and affairs of the Partnership or disposing of some or all of its assets;

provided, that the compensation or price therefor shall not exceed those prevailing in arm's length transactions by others rendering similar services in comparable transactions as an on-going activity in the same geographical area.

B. Reimbursement for Expenses.

The General Partner shall be entitled to charge the Partnership, or to be reimbursed by the Partnership, for all expenses reasonably incurred by it in connection with Partnership business.

10. AUTHORITY OF THE PARTNERS TO ENGAGE IN OTHER BUSINESS.

Any of the Partners may engage in and/or possess an interest in other business ventures of any nature and description, independently or with others, including but not being limited to, the ownership, financing, leasing, operation, management, brokerage and development of real property; and neither the Partnership nor the Partners shall have any right by virtue of this Agreement in and to any independent venture or to any income or profits derived therefrom. Neither the General Partner nor any Affiliate of the General Partner shall be obligated to present any particular investment opportunity to the Partnership even if such opportunity is of a character which, if presented to the Partnership, could be taken by the Partnership. Neither the General Partner nor any Affiliate of the General Partner shall be obligated to offer to lease or sell, as the case may be, any Partnership property to any person seeking to lease or purchase real property even if the Partnership property is available for lease or sale and is of a character which might be suitable for the purposes of the prospective lessee or purchaser, and they shall have the right to offer to lease or sell to any such person any non-Partnership property held for the account of the General Partner or Affiliate or any other person.

11. BANK ACCOUNTS.

The funds of the Partnership shall be deposited in the name of the Partnership in such bank or savings and loan accounts as may be required, and the General Partner shall arrange for the appropriate conduct of such account.

12. BOOKS OF ACCOUNT, ACCOUNTING PRACTICES, REPORTS AND TAX ELECTIONS.

A. The General Partner shall maintain and keep at the principal office of the Partnership, books of account in which shall be entered fully and accurately each and every transaction of the Partnership. Each Partner shall at all reasonable times have access thereto and the right to inspect and copy.

B. The books shall be kept on the cash receipts and disbursements method or the accrual method, as the General Partner may determine.

C. Any Partner shall have the right to a private audit of the books and records of the Partnership, provided such audit is made at the expense of the Partner desiring it and is made at reasonable times after due notice.

D. Within ninety (90) days after the close of the Partnership accounting year, the General Partner shall send to all Partners an annual report containing a statement of income, expenses and deductions of the Partnership which reflects the Taxable Income or Loss for the year and the allocation thereof to each Partner. The General Partner may also send to all Partners such quarterly, semi-annual or other reports or information, audited or unaudited, as it in its sole discretion may determine to be the best interest of the Partnership.

E. The General Partner is authorized to make or revoke on behalf of the Partnership an election under Section 754 of the Code and any other elections with respect to tax matters it deems advisable.

13. MEETINGS.

Meetings of the Partners shall be held at the principal office of the Partnership or at such other place as is designated, upon call of the General Partner or Limited Partner owning 20% of the Interests then outstanding, upon written notice of at least ten (10) days.

14. INDEMNIFICATION AND EXCULPATION OF GENERAL PARTNER.

A. Indemnification.

The General Partner shall be indemnified and held harmless by the Partnership from any liability resulting from any act performed by it within the scope of the authority conferred upon it by this Agreement, except for acts of gross negligence or willful misconduct or for damages arising from any material misrepresentation; provided, however, that any indemnity under this Article shall be paid out of the Partnership assets only, and no Limited Partner shall have any personal liability therefor.

B. Exculpation.

The General Partner shall not be liable to the Partnership or any other Partners for or as a result of any act, omission or error in judgment which was taken, omitted or made by it in the exercise of its judgment in good faith under this Agreement, provided such act, omission or error does not constitute willful misconduct or gross negligence.

15. ASSIGNABILITY OF PARTNERSHIP INTERESTS.

A. General Partner.

The General Partner may not assign its Interest in the Partnership without the prior written consent of Partners owning 51% of the total Interests, Provided said consent is obtained and unless otherwise agreed in writing by all Partners, the assignee of any portion of the Interest of the General Partner shall become a Limited Partner with the rights of the General Partner before the assignment, except any right to manage and control the Partnership's business and to receive the minimum allocations under Section 61.

B. Limited Partner.

(1) Assignment.

(a) Subject to the other subsections of this Section 15B(1), a Limited Partner may assign some or all of his Interest by a duly executed, written instrument of assignment, upon obtaining the written consent of the General Partner, which consent shall not be unreasonably withheld. The effective date of the assignment shall be the first day of the month following the date on which the General Partner has received a duly executed counterpart of the instrument of assignment and has consented to the assignment. Until that date, the General Partner and the Partnership shall treat the assignor as the owner of the Interest in all respects.

(b) If a Limited Partner wishes to assign all or a part of his Interest in the Partnership, he shall notify the Partnership and the Partners in writing of the price and terms thereof. The Partnership shall have the option, within fifteen (15) days after receipt of the notice, to purchase the entire Interest offered upon the terms of the offer. The option may be exercised by giving notice to the offering Limited Partner within the fifteen (15) day period. If the Partnership does not exercise its option, then the Partners shall have the option, within fifteen (15) days after lapse of the Partnership's option, to purchase the entire Interest offered upon the terms of the offer. The option may be exercised by giving notice to the selling Limited Partner within the fifteen (15) day period commencing the day after the lapse of the Partnership's option. If more than one Partner desires to exercise the option, they may purchase the offered Interest in proportion to their respective Interests set forth on Exhibit A unless they otherwise agree. If the Partners do not elect to purchase the entire Interest being offered, then the offering Limited Partner may assign his Interest to persons other than Partners at a price not below nor upon terms more advantageous to the buyer than those contained in the offer; provided, however, that all of the other conditions of this Section 15B(1) shall have been satisfied. If the assignment is not made and consummated within six (6) months after the date of notice of the offer to the Partnership and the Partners, the selling Limited Partner may not thereafter dispose of his Interest without again giving the Partners the option to purchase his Interest as aforesaid.

(c) No assignment may be made if the assignment of the Interest sought to be assigned, when added to the total of all other Interests sold or exchanged within the period of 12 consecutive months prior thereto, would in the opinion of counsel for the Partnership, result in the Partnership being considered to have terminated within the meaning of Section 708 of the Code.

(d) No assignment may be made except pursuant to registration under the applicable securities laws or the opinion of counsel for the Partnership that an assignment may be effected without registration. The restrictions on resale shall be fully set forth on any certificate representing the ownership of any Interest which may be issued by the Partnership and shall also be fully set forth in any transfer records of the Partnership maintained with respect to any such certificates.

(e) No assignment may be made to a minor or incompetent person except by will, intestate succession, or gift under the Uniform Gifts to Minors Act or pursuant to the terms of any inter vivos trust.

(f) Unless named in this Agreement, admitted to the Partnership under other provisions of this Agreement, or admitted to the Partnership by the unanimous agreement of the Partners, no person shall be considered a Partner; and the Partnership, each Partner, and any other person having business with the Partnership need deal only with Partners so named and so admitted. They shall not be required to deal with any other person by reason of any assignment by a Partner or by reason of the death of a Partner, except as otherwise provided in this Agreement. In the absence of substitution of a Limited Partner for an assigning or deceased Limited Partner, any payment to a Partner, or to his executors or administrators, shall acquit the Partnership of all liability to any other person who may be interested in such payment by reason of any assignment by the Partner or by reason of his death or incompetency.

(g) Notwithstanding an assignment, the assignor shall remain liable for any amounts payable under Sections 5C and 5D, unless released by the General Partner.

(2) Substituted Limited Partners.

An assignee may become a substituted Limited Partner in place of his assignor only if all of the following conditions are satisfied:

(a) The requirements of Section 15B(1) have been fulfilled.

(b) The instrument of assignment sets forth the intention of the assignor that the assignee shall succeed to the assignor's interest as a substituted Limited Partner in his place.

(c) The assignor and assignee shall execute and deliver such other instruments as the General Partner may require, including written acceptance by the assignee of the Agreement.

(d) The written consent of the General Partner to the substitution shall have been obtained, which consent may be withheld for any reason in the General Partner's sole determination even if said determination is unreasonable.

(e) The assignee shall have paid all reasonable fees and costs incurred by the Partnership in connection with his substitution as a Limited Partner, as determined by the General Partner.

Until such time, if any, as an assignee becomes a substituted Limited Partner, the assignee shall have none of the rights of a Limited Partner other than the right of his assignor to receive distributions from the Partnership in accordance with the terms of this Agreement.

(3) Excluded Transfer.

(a) Section 15B(1) shall not apply to any transfer or assignment of an Interest of a bankrupt, deceased or incompetent Partner to the trustee, executor, administrator or guardian of his estate, but shall apply to such trustee, executor, administrator or guardian to the same extent that, under the circumstances of any particular, transfer, sale, assignment, gift, bequest

or other disposition, such provision would have applied to the bankrupt, deceased or incompetent Partner.

(b) The restrictions of Section 15B(1) and the requirement of the General Partner's consent under Section 15B(2) shall not apply to the transfer or assignment (in trust or otherwise) by a Partner, whether on death or inter vivos, of all or any part of his Interest (i) to another Partner, (ii) to or for the benefit of any trust for himself, or to or for the benefit of his spouse, his siblings, any of his natural or adopted descendants or the spouse of any such descendants, or (iii) in the case of a corporate Partner, to a parent, subsidiary, stockholder, officer, director or corporation under common control with such corporate Partner, except that a transfer described in this subsection may be deferred or restricted as required by any applicable federal or state securities and/or tax laws.

C. Tax Credit Syndication.

The Partners acknowledge that the business of the Partnership may involve the construction of the Project funded in part through Credits, allocated in accordance with the Partners' Interests, and that the General Partner may seek a tax credit investor ("Investor") which will contribute capital to the Partnership in exchange for substantially all of the Interests in the Partnership. The General Partner shall have sole discretion to determine the terms upon which the Investor becomes a Partner in the Partnership. The Limited Partner agrees to withdraw from the Partnership upon the admission of an Investor if required by the General Partner, provided that the Limited Partner receives (i) the return of any Capital Contributions not previously repaid, (ii) payment of any loans extended to the Partnership and (iii) indemnification from any liabilities arising out of the operation of the Partnership subsequent to its withdrawal, and provided that the Limited Partner shall not be required to make any representations or warranties to any Investor except that it has not encumbered its Interest and that upon its withdrawal, it has no claims against the Partnership other than for indemnification as provided in clause (iii) above.

16. DEATH, LEGAL DISABILITY OR INCOMPETENCY, OR BANKRUPTCY OF A LIMITED PARTNER.

Death, legal disability or adjudication of disability, incompetency or bankruptcy of a Limited Partner shall not dissolve the Partnership. In such event, the personal representative of the deceased Limited Partner, or the committee or other legal representatives of the estate of the disabled or incompetent Limited Partner or the trustee or receiver of a bankrupt Limited Partner shall, for purposes of settling the estate, have all of the rights of a Limited Partner but may not become a substituted Limited Partner unless the General Partner consents in writing. In addition, such personal representative, committee or other legal representative, or trustee or receiver shall have the same rights (subject to the same limitations) as its predecessor would have had under Section 15 to assign the predecessor's Partnership interest, but the assignee shall not become a substituted Limited Partner unless the General Partner consents in writing.

17. DISSOLUTION OF THE PARTNERSHIP.

A. Events Causing Dissolution.

Any of the following acts shall dissolve the Partnership:

(1) Agreement in writing by Partners owning 51% of the total Interests;

(2) Withdrawal of a sole remaining General Partner;

(3) The death, incompetency, liquidation, dissolution or bankruptcy of a sole remaining General Partner or the occurrence of any other event causing the dissolution of the Partnership under the laws of the Commonwealth of Virginia. Notice of such death, incompetency, liquidation, dissolution or bankruptcy shall be given to each of the other Partners by the executor, personal representative or other legal representative of the deceased, incompetent, liquidated, dissolved or bankrupt Partner within sixty (60) days after the date of death or declaration of incompetency, liquidation, dissolution or bankruptcy. The death, incompetency, liquidation, dissolution or bankruptcy of a General Partner shall not cause a dissolution of the Partnership if there remains a legally competent General Partner.

(4) The sale or other disposition of all or substantially all of the Project.

B. Election to Continue Partnership.

Notwithstanding the preceding provisions of Section 17, the events set forth in Section 17A(2) and 17A(3) shall not result in the winding up and termination of the Partnership if, within ninety (90) days after one of those events, all Partners elect to reconstitute the Partnership and continue the Partnership business.

If an election to continue the Partnership business is made, a successor General Partner or General Partners shall be elected by Limited Partners owning a majority of the Interests, and the Partnership shall continue until the end of the term for which it is formed or until the subsequent death, incapacity, dissolution, withdrawal or bankruptcy of the General Partner, in which event, the Partners shall again elect whether they wish to continue the Partnership.

If an election to reconstitute the Partnership is made, or in the event of the death, incompetency, liquidation, dissolution or bankruptcy of a General Partner while there remains a legally competent General Partner, then the General Partner as to which the event described in Section 17A(2) or (3) occurred shall cease to be a General Partner, and the former General Partner or its successor shall become a special Limited Partner with respect to its Interest, with the same rights as it possessed before the dissolution, except any right to manage and control the Partnership's business and affairs.

C. Failure to Continue Partnership.

If the Limited Partners do not elect to continue the Partnership, as set forth in Section 17B, Partners owning in the aggregate a majority of the Interests shall select a person to wind up the Partnership's affairs. The person so selected shall proceed to sell or otherwise liquidate all of the Partnership property in a bona fide sale or sales to outsiders at such prices and upon such terms as that person may deem most advisable. Such sales shall be deemed to be proper acts in the winding up of the affairs of the dissolved Partnership and the Net Proceeds of Sale, after paying or providing for the payment of all Partnership debts, shall be distributed to the Partners in accordance with Section 6G. Upon the termination of the Partnership, the General Partner shall

contribute to the Partnership an amount equal to the deficit balance in their Capital Account at such time and in such manner as shall comply with the requirements of Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(3).

D. Withdrawal of a General Partner if There Remains One or More General Partners.

The withdrawal of a General Partner shall not dissolve the Partnership if there is at the time at least one other General Partner, in which case the business of the Partnership shall be carried on by the remaining General Partner or General Partners. In such event, the withdrawing General Partner shall become a special Limited Partner with respect to its Interest, with the same rights as it possessed before the event of withdrawal, except any right to manage and control the Partnership's business end affairs.

18. COUNTERPARTS.

This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties have not signed the same counterpart, except that no counterpart shall be binding unless signed by the General Partner.

19. MISCELLANEOUS PROVISIONS.

A. Governing Law.

This Agreement and the rights and liabilities of the parties shall be determined in accordance with the laws of the Commonwealth of Virginia.

B. Captions.

Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

C. Construction.

Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

D. Survival of Representations and Warranties.

All representations and warranties herein shall survive until the termination of the Partnership, except to the extent that a representation or warranty expressly provides otherwise.

E. Severability.

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the terms or provisions within this Agreement.

F. Successors.

Subject to the limits on transferability contained herein, each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the successors, heirs, and assigns of the respective parties hereto.

20. NOTICES.

Each Partner shall keep the General Partner informed of his current business address. The General Partner shall keep the business addresses furnished by the Partners on file at the Partnership offices; and any and all notices required under this Agreement which are in writing and mailed, by registered or certified mail, return receipt requested, to a Partner at the last address given by him to the General Partner, or to the Partnership at its specified office, shall constitute the notice required under this Agreement.

21. AMENDMENT.

A. This Agreement may be amended by the General Partner without the approval of any Limited Partner, if the amendment is solely for the purpose of clarification and does not change the substance hereof

B. This Agreement may further be amended by the General Partner without the approval of any Limited Partner if such amendment is for the purpose of admitting substituted Limited Partners, and/or reflecting the withdrawal, reduction or return of all or part of the capital contributions of a Partner.

C. This Agreement may further be amended by the General Partner without the approval of any Limited Partner, if the amendment is, in the opinion of counsel for the Partnership, necessary or appropriate to satisfy requirements of the Code with respect to partnerships or of any federal or state securities law or regulations. Any amendment made pursuant to this Section may be made effective as of the date of this Agreement.

D. Notwithstanding Sections 21A, 21B and 21C, any amendment to this Agreement which would adversely affect the federal income tax treatment to be afforded a Limited Partner, adversely affect the liabilities of a Limited Partner, or change the method of allocation of Taxable Income or Taxable Loss, Gain or Loss from Sale, or the distribution of Net Cash from Operations, Net Proceeds from Sale or Net Proceeds from Refinancing as provided in Section 6, shall require the approval of the Limited Partner affected; provided, however, that the General Partner is authorized to modify Section 6, without the consent of the Limited Partner, if, upon advice of counsel, the modification is necessary to cause the allocations under Section 6 to have substantial economic effect or to be in accordance with the Partners' deemed interests under

Section 704 of the Code and the most recently proposed or final regulations thereunder, so long as the modification does not, by its terms, alter the limited liability of the Limited Partner.

E. Except as otherwise specifically provided in Section 21, amendments to this Agreement shall require the approval of the Partners owning all of the Interests then owned by them.

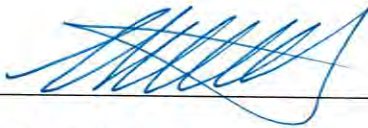
F. A copy of any amendment to be approved by the Limited Partner pursuant to Sections 21D and 21E shall be mailed in advance to the Limited Partner. Partners shall be notified as to the substance of any amendment pursuant to Section 21 A, 21B and 21C, and upon request shall be furnished a copy thereof

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURE PAGE FOLLOWS]**

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

GENERAL PARTNER:

POTOMAC CHURCH GP, LLC

By:  _____

Name: Brian L. Staub

Title: Manager

LIMITED PARTNER:

MARLYN DEVELOPMENT CORPORATION

By:  _____

Name: M. David Jester

Title: President

**EXHIBIT A
TO
AGREEMENT OF LIMITED PARTNERSHIP
OF
POTOMAC CHURCH, LP**

<u>NAME AND ADDRESS OF GENERAL PARTNER</u>	<u>CAPITAL CONTRIBUTION</u>	<u>INTEREST</u>
Potomac Church GP, LLC 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$ 100.00	10.00%

<u>NAME AND ADDRESS OF LIMITED PARTNER</u>	<u>CAPITAL CONTRIBUTION</u>	<u>INTEREST</u>
Marlyn Development Corporation 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$ 900.00	90.00%
	<hr/> \$1,000.00	<hr/> 100.00%

**OPERATING AGREEMENT
OF
POTOMAC CHURCH GP, LLC**

THIS OPERATING AGREEMENT is made as of August 26, 2020, by and among the undersigned persons (collectively, the “Members”).

WHEREAS, Potomac Church, LP (the “Partnership”) has been established for the purpose of developing, constructing and owning an affordable apartment project located in Stafford County, Virginia (the “Project”) to be financed in part by low income housing tax credits pursuant to Section 42 of the Federal Internal Revenue Code (“Tax Credits”) and by tax-exempt bonds; and

WHEREAS, the Members have formed a limited liability company under the laws of the Commonwealth of Virginia known as Potomac Church GP, LLC (the “Company”), which is intended to serve as General Partner of the Partnership; and

WHEREAS, the Members desire to, and do hereby, adopt the provisions of this Operating Agreement as the expression of their mutual undertakings and agreements with respect to the operation of the Company; and

WHEREAS, the Company will enter into various agreements on behalf of the Partnership relating to the ownership, development, construction and operation of the Project.

NOW, THEREFORE, intending to be legally bound, and in consideration of the mutual covenants and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree as follows:

**ARTICLE 1
THE COMPANY**

1.1 Organization; Effective Date. The parties have formed the Company pursuant to the Act, as defined below, by filing Articles of Organization with the Virginia State Corporation Commission. The effective date of the formation of the Company is August 26, 2020.

1.2 Name. The name of the Company is Potomac Church GP, LLC, and the business of the Company shall be conducted under that name.

1.3 Principal Office and Records. The principal office of the Company, which will also be the place at which will be kept the records required to be maintained by the Company under the Act, shall be located at 308 35th Street, Suite 101, in the City of Virginia Beach, Virginia 23451, unless such office is changed by action of the Managers pursuant to this Agreement.

1.4 Registered Agent and Registered Office. The initial registered agent of the Company is Timothy O. Trant II, who is a resident of Virginia and a member of the Virginia State Bar and whose post office address is 11815 Fountain Way, Suite 400, Newport News, Virginia 23606, which said address shall also be the registered office of the Company required by the Act.

1.5 Purpose of the Company. The Company has been formed and will be operated for the purpose of serving as General Partner of the Partnership, which will develop, construct, and own the Project.

ARTICLE 2 DEFINED TERMS

Certain terms used in this Agreement shall have the following meanings:

2.1 “Act.” The Virginia Limited Liability Company Act, as contained in Chapter 12 of Title 13.1 of the Code of Virginia of 1950, as the same may be amended from time to time.

2.2 “Adjusted Capital Account Deficit.” With respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amount which such Member is obligated to restore under any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1), 1.704-1(b)(2)(ii)(c) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

2.3 “Agreement.” This Operating Agreement as the same may be amended from time to time.

2.4 “Capital Account.” With respect to any Member, the Capital Account maintained for such Member in accordance with Section 3.7.

2.5 “Capital Contributions.” With respect to any Member, the total amount of money or property contributed to the Company with respect to the Company Interest held by such Member. Except as provided in Section 8.5, no in kind contributions of property other than cash shall be accepted by the Company.

2.6 “Code.” The Internal Revenue Code of 1986, as amended.

2.7 “Company.” Potomac Church GP, LLC, a Virginia limited liability company.

2.8 “Company Minimum Gain.” The amount determined under Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

2.9 “Depreciation.” For each fiscal year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction determined for federal income tax

purposes, allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis.

2.10 “Disability.” shall mean a physical or mental impairment that, in the written opinion of a physician approved or selected by the Managers (in their discretion) to examine a Member, can be expected to continue for at least one (1) year, or actually continues for one (1) year, and would render (or actually renders, as the case may be) the Member unable to perform his or her customary duties as an employee of Marlyn Development Corporation.

2.11 “General Partner.” The general partner of the Partnership.

2.12 “Gross Asset Value.” With respect to any asset, the asset’s adjusted basis for federal income tax purposes (i.e., the initial cost basis for the asset adjusted for various tax-related items such as depreciation, capital investment, etc.), except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Members, as of the following times: (i) the acquisition of an additional Interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an Interest in the Company if the Members reasonably determine that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section 2.12(d) to the extent the Members determine that an adjustment pursuant to Section 2.12(b) is necessary or appropriate in connection with such transaction.

If the Gross Asset Value of an asset has been determined, or adjusted pursuant to Section 2.12(a), 2.12(b) or 2.12(d) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

2.13 “Interest.” When used in the context of a specific percentage of profits, losses, capital or other items to be allocated or a percentage of distributions to be made, Interest means

the percentage ownership interest of a Member (or a non-Member assignee or successor in interest thereof as may be provided for in this Agreement) in the Company at any particular time as set forth on Exhibit A. In other contexts, "Interest" means all proprietary rights of the Member in the Company, including, without limitation, his Interest and his rights to profits, losses, distributions, and capital.

2.14 "Majority in Interest." Members holding more than fifty percent (50%) of the "Relevant Interests in the Company" (as hereinafter defined), including both profits and capital interests calculated separately. The "Relevant Interests in the Company" shall in all instances be the aggregate Interests of all of the Voting Members of the Company, except in the following cases:

(a) When written consent of "other Members" is required prior to Transfer of a Member's Interest pursuant to Article 7 of this Agreement, the "Relevant Interests in the Company" shall be aggregate Interests of all Voting Members of the Company excluding the Interest which is the subject of the Transfer.

(b) When written consent of "remaining Members" is required in order to elect to continue the Company following an event causing dissolution pursuant to Article 8 of this Agreement, the "Relevant Interests in the Company" shall be the aggregate Interests of all the remaining Voting Members of the Company.

For purposes of this Section 2.14, profits interests are those Interests defined in Section 2.13 and capital interests, as of any date, are the ratios (expressed as a percentage) of each Member's Capital Account to the aggregate Capital Accounts of all relevant Members.

2.15 "Managers." A person or persons appointed pursuant to Section 6.1, and any person or entity appointed as successor managers under this Agreement.

2.16 "Member Minimum Gain." An amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

2.17 "Member Nonrecourse Debt." A nonrecourse debt of the Company as set forth in Section 1.704-2(b)(4) of the Regulations.

2.18 "Member Nonrecourse Deductions." The deductions defined in Section 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

2.19 "Members." The Members of this Company. All references in this Agreement to a specified percentage of the Members shall mean Members holding the specified percentage of all the Interests then held by the Members.

2.20 "Nonrecourse Debt." The same as the term "nonrecourse liability" used in Section 1.704-2(b)(3) of the Regulations.

2.21 “Nonrecourse Deductions.” The deductions defined in Section 1.704-2(b)(1) of the Regulations.

2.22 “Non-voting Member.” A Member owning less than 5% of the Interest in the Company.

2.23 “Partnership.” Potomac Church, LP, a Virginia limited partnership.

2.24 “Partnership Agreement.” The Agreement of Limited Partnership of the Partnership, as the same may be amended.

2.25 “Person.” Any individual, partnership, corporation, trust, or other entity.

2.26 Prime Rate. The prime rate (or base rate) reported in the “Money Rates” column or section of The Wall Street Journal as being the base rate on corporate loans at larger U.S. Money Center banks on the first date on which The Wall Street Journal is published in each month. In the event The Wall Street Journal ceases publication of the Prime Rate, then the “Prime Rate” shall mean the “prime rate” or “base rate” announced by the bank with which the Company has its principal banking relationship (whether or not such rate has actually been charged by that bank). In the event that bank discontinues the practice of announcing that rate, Prime Rate shall mean the highest rate charged by that bank on short-term, unsecured loans to its most credit-worthy large corporate borrowers.

2.27 “Profits” and “Losses.” For each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Article 2 shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this Section 2.27 shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 2.12(b) or Section 2.12(c) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with Section 2.9 hereof;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the Asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this Article 2, any items which are specially allocated pursuant to Section 10.1 or Section 10.2 hereof shall not be taken into account in computing Profits or Losses.

2.28 "Regulations." The Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as amended from time to time.

2.29 "Substituted Member." Any person or entity admitted to the Company as a Member pursuant to Section 7.4 hereof.

2.30 "Transfer." Any sale, assignment, gift, bequest, disposition, exchange, pledge, encumbrance or other transfer of any kind or description and however made, whether voluntary or involuntary, by death, by divorce, by court decree, operation of law, or otherwise, to include without limitation, any change of ownership in or control of the owner of any Interest in the Company (such as (a) the transfer of membership interest in or stock in an entity which owns Interest in the Company, or (b) the change of the beneficiaries of a trust which owns Interest in the Company).

2.31 "Voting Member." A Member owning 5% or more of the Interest in the Company.

2.32 "Withdrawal Event." The Termination, death, dissolution, or bankruptcy of a Non-voting Member, or as may otherwise be provided in this Agreement.

2.34 "Withdrawing Member." A Member (or his/her successor in interest) with respect to whom a Withdrawal Event relates.

ARTICLE 3 INTERESTS OF MEMBERS AND CAPITAL CONTRIBUTIONS

3.1 Interests of Members and Initial Capital Contributions. The names of the Members, the Interests belonging to each of them, and the initial Capital Contribution of each Member are set forth on Exhibit A. Unless approved in writing in advance by the Managers, only individuals may be Members or Substituted Members of the Company. Accordingly, partnerships, limited liability companies, corporations, trustees/trusts and other forms of ownership may not be Members or Substituted Members of the Company without the prior written consent of the Managers.

3.2 Additional Capital Contributions. The Members shall not be required to make any additional Capital Contributions to the Company except upon the written call of the Managers, specifying the amount of the additional Capital Contribution and the specific purpose for which such additional Capital Contribution shall be used, which purpose must be to satisfy the obligations of the Company to the Partnership or as may otherwise be determined by the Managers. Any such additional Capital Contribution shall be in proportion to each Member's Interest in the Company.

(a) The Managers shall have the right to borrow funds to cover any call for capital made under this Section to which a Member has not responded, and such amount borrowed shall not be deemed a Capital Contribution to the Company but, rather, a debt due by any Member (an "Indebted Member") who has failed to contribute his pro rata share directly to the Company.

(b) Any advance of money to the Company by a Member in response to a call for capital or otherwise, and which advance is in excess of that Member's pro rata share of the funds called for, shall not be deemed a Capital Contribution to the Company but, rather, a debt due by any Member who has failed to contribute his pro rata share (an "Indebted Member") to the Member who has made such advance (a "Lending Member").

(c) Any debt incurred by an Indebted Member shall be payable on demand, or at such other time as the Managers (in the case of a debt incurred pursuant to Section 3.2(a)) or Lending Member (in the case of a debt incurred pursuant to Section 3.2(b)) shall designate and shall bear interest at the rate of 3% plus the Prime Rate; provided, however such rate shall not be higher than the highest rate permitted between contracting parties under the usury laws of Virginia.

(d) So long as the debt of any Indebted Member is outstanding, all distributions to which such Indebted Member would otherwise be entitled shall be distributed to the Company or to the Lending Member to whom such Indebted Member is indebted, to be applied to the reduction of such indebtedness, first to interest and then to principal.

(e) If any indebtedness is not paid in full within thirty (30) days after proper demand for the payment thereof, the Company or any Lending Member shall have all of the rights and remedies, at law or in equity, which a creditor may have against a debtor, which rights and remedies shall not be stayed or abated on account of the fact that the Company's affairs have not been wound up, nor shall such Lending Member's rights be limited to having an accounting of the Company's affairs.

(f) If any indebtedness incurred pursuant to Section 3.2(b) is not paid in full within thirty (30) days after proper demand for the payment thereof, any Lending Member shall have the option to elect, by written notice to the Indebted Member and to the Company, at any time prior to the full payment of such indebtedness, that the Indebted Member shall be deemed to have transferred all of his Interest in the Company to the Lending Member, or if there is more than one Lending Member, to such Lending Member in proportion to the indebtedness due such Lending Member by the Indebted Member, and such transfer of Interest shall be in lieu of the remedies available under Section 3.2(e) and shall constitute full payment of all monies due in respect of the debt to such Lending Member.

(g) In the event the Company or any Lending Member elects to pursue his rights and remedies against the Indebted Member, the Indebted Member shall pay the Company's or such Lending Member's reasonable attorney's fees and court costs incurred in addition to the amount of the aforesaid indebtedness.

3.3 Interest. No interest shall be paid on any Capital Contribution.

3.4 Withdrawals. Except as otherwise provided in this Agreement, no Member shall resign from the Company or make any withdrawals therefrom without the consent of the Managers. Under circumstances requiring a return of any Capital Contribution, no Member shall have the right to receive property other than cash except as may be specifically provided in Article 8.

3.5 Limited Liability. No Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company. Except as otherwise provided by applicable state law, a Member shall be liable only to make any additional Capital Contributions which are called for strictly in accordance with the provisions of Section 3.2. The Managers shall not have any personal liability for the repayment of any Capital Contributions of any Member. No person not a party to this Agreement shall be deemed a third party beneficiary hereof, and no such person shall have the right to enforce any provision of this Agreement against any Member.

3.6 Guaranty of Company Obligations. Upon the request of the Managers, each Voting Member shall be required to provide his personal guarantee to any lender, limited partner, or other party designated by the Managers that (a) is financing the Company's and/or the Partnership's indebtedness for borrowed money, and/or (b) otherwise requires such assurance as consideration for its business relationship with the Company and/or the Partnership (collectively, the "Guaranteed Obligations"). If a Member is subsequently called upon by such person or other creditor holding such Guaranteed Obligations to pay on his guarantee and accordingly does so such Member shall be deemed a Lending Member and shall be entitled to indemnification from the other Members for the amount by which the portion of the Guaranteed Obligations that the Lending Member actually pays exceeds his share of the Guaranteed Obligations then being paid out of the personal funds of all Members ("Discharged Guaranteed Obligations"). (A Member's "share" of the Guaranteed Obligations or Discharged Guaranteed Obligations, as the case may be, shall be determined by multiplying (i) the Interest then held by such Member, by (ii) the amount of Guaranteed Obligations or Discharged Guaranteed Obligations, as the case may be.) Any and all other Members shall be deemed Indebted Members and shall, within thirty (30) days of the Lending Member's demand therefor, indemnify and reimburse any Lending Member who has paid more than his respective share of Discharged Guaranteed Obligations such amount(s) (up to the Indemnifying Members' respective shares of Discharged Guaranteed Obligations) as shall cause each of the Lending Members and the Indebted Members to bear his respective share of the Discharged Guaranteed Obligations. Interest shall accrue on the amount owed at the rate of 3% plus the Prime Rate in effect from time to time (but not higher than the maximum rate legally permitted). Thereafter, any Indebted Member that does not reimburse the Lending Member for his proportionate share of the Discharged Guaranteed Obligations, shall be subject to the sanctions and remedies set forth in Section 3.2 in the same manner as a Lending Member would have against an Indebted Member thereunder, which provisions shall apply as though the Lending Member's excess payment under this Section 3.6 were a payment in excess of his pro rata share of the funds called for under Section 3.2.

3.7 Capital Accounts.

(a) A Capital Account shall be established and maintained for each Member. A Member shall have a single Capital Account, regardless of class of Interests owned by such Member and regardless of the time or manner in which such Interests were acquired.

(b) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Article 10 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member.

(c) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Article 10 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(d) In the event all or a portion of an Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(e) In determining the amount of any liability for purposes of Sections 3.7(b) and 3.7(c) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Members shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or Member), are computed in order to comply with such Regulations, the Members may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Article 8 hereof upon the dissolution of the Company. The Members also shall (i) make any adjustments that are necessary or appropriate to maintain equality among the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

ARTICLE 4 PROFITS AND LOSSES

After giving effect to the allocations set forth in Article 10 hereof, Profits and Losses for any fiscal year shall be allocated among the Members in proportion to their respective Interests.

The Losses allocated shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any fiscal year.

ARTICLE 5 DISTRIBUTIONS

5.1 Distributions Generally. All distributions, other than in connection with the winding up of the Company subject to Article 8, shall be made in cash and shall be divided among the Members in accordance with their respective Interests as set forth in Exhibit A, subject to Sections 3.2 and 3.6. Distributions shall be made from time to time in such amounts and at such times as the Managers may determine; provided, however, that the aggregate amount of each such distribution shall be that amount which the Managers determine is not required to be retained by the Company to meet the reasonably foreseeable cash requirements and needs of the business and activities of the Company and to establish an adequate reserve for the payment of Company liabilities and contingencies.

ARTICLE 6 MANAGEMENT

6.1 Managers. The Company's business shall be managed by the Managers, who initially shall be M. David Jester, Scott A. Troutman and Brian L. Staub. Upon the death, resignation, or removal of any of the Managers, the Voting Members holding a Majority in Interest may elect a successor or successors as they may determine from time-to-time, provided there is always at least one Manager. A Manager need not be a Member of the Company. One or more Managers shall be entitled to receive a fee or other compensation for serving as Manager of the Company as the Managers may determine from time to time. Additionally, they may charge the Company for all expenses reasonably incurred by them directly in connection with Company business, not including office or other overhead, salaries of administrative personnel, etc. Voting Members shall have the right to remove a Manager at any time for any reason by two-thirds (2/3rds) vote of the Relevant Interests in the Company.

6.2 Management of the Company. Except as provided below, the Managers shall have full charge of the management, conduct and operation of the Company business in all respects and all matters and shall have the authority to do all things and acts of every nature whatever, not illegal or contrary to the provisions of this Agreement, which the Managers shall deem necessary or convenient to achieve the purposes of this Agreement and of the Company acting in its capacity as General Partner of the Partnership. Unless otherwise provided herein, decisions of the Managers shall be based upon a majority vote of the Managers without requirement for notice or meeting, each Manager having one (1) vote. Notwithstanding the foregoing, any decision or action of the Managers that entails the (i) expenditure of Company resources, or (ii) Company incurring an obligation, which equates to an amount greater than \$25,000.00 shall require the signature of two (2) Managers (but only if there is more than one Manager) or a written consent of a majority of the Managers.

6.3 Proportionate Voting. On any matter requiring action by the Members, only the Voting Members shall be entitled to vote, which Voting Members shall vote in proportion to their

respective Interests in the Company as set forth in Exhibit A attached hereto relative to the total of the Interests of all Voting Members.

6.4 Authority of Members; Indemnity. Except as otherwise expressly provided in this Agreement, the Members shall take no part in the operation, management, conduct or control of the property of the Company, and shall have no right or authority, either expressed or implied, to act for or bind the Company, without the prior written authorization of the Managers. If any Member shall, without authority, bind or attempt to bind the Company, such Member shall indemnify the Company for any loss suffered or expense incurred by the Company in connection therewith.

6.5 Meetings of the Members. Meetings of the Members may be held by in person, telephonically, electronically, or by any other means deemed appropriate by the Managers on not less than twenty-four (24) hours advance notice to all of the Members. Any action required or permitted to be taken at a meeting of the Members, after not less than twenty-four (24) hours advance notice to all of the Members of the action to be taken, may be taken without a meeting if the action is taken by Members holding a Majority in Interests. Such action without meeting shall be evidenced by one or more written consents to be filed with the Company's records.

6.6 Tax Credit Investor. The Members acknowledge that the Managers will conduct negotiations with parties interested in making an investment in the Partnership to acquire the limited partnership interests and enable the investor to enjoy the benefits of the Tax Credits. The Managers shall advise the Members regarding the commencement and conduct of such negotiations, and shall provide them with copies of all term sheets, offers, pro forma projections and other correspondence exchanged during such negotiations.

6.7 Development Services. The parties agree that in connection with developing the Project, the Partnership may engage a development company, Potomac Church Developers, LLC (the "Developer"), to provide certain development services to the Partnership. Unless approved in writing by the Managers in advance, the identity of the owners and the amount of each owner's Interest in the Company shall be identical to the ownership of the Developer.

6.8 Dealing with Affiliates. The Managers, in their discretion, may engage on behalf of the Company (to include as General Partner of the Partnership) any person, firm or corporation in which they, any Member, or any Affiliate thereof may have an interest, at reasonable and competitive rates of compensation for the performance of any and all services or purchase of goods or other property which may at any time be necessary, proper, convenient, or advisable in carrying on the business and affairs of the Partnership or disposing of some or all of its assets; provided, that the compensation or price therefor shall not exceed those prevailing in arm's length transactions by others rendering similar services in comparable transactions as an on-going activity in the same geographical area. For purposes of this Agreement, an Affiliate shall be with respect to a specified person (1) any person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified person, (2) any person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or of which the specified person is an officer, partner or trustee, or with respect to which the specified person serves in a similar capacity, (3) any person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of, or otherwise has a

substantial beneficial interest in, the specified person or of which the specified person is directly or indirectly the owner of 10% or more of any class of equity securities or in which the specified person has a substantial beneficial interest and (4) any spouse or lineal descendant of the specified person.

ARTICLE 7 ASSIGNMENT OF INTERESTS

7.1 In General.

(a) No person shall be considered a Member unless named in this Agreement, or unless admitted to the Company as a Substituted Member as provided in this Agreement. No Member, Substituted Member, or assignee or other successor in interest thereto shall, except as provided below, Transfer any Interest in the Company without the prior written consent of the Managers. The Company, the Managers, each Member and any other person having business with the Company need only deal with Members or Substituted Members. They shall not be required to deal with any person by reason of any Transfer by a Member, except as otherwise provided in this Agreement. As provided in Section 3.1, unless approved in writing in advance by the Managers, only individuals may be Members or Substituted Members of the Company. Partnerships, limited liability companies, corporations, trustees/trusts and other forms of ownership may not be Members or Substituted Members of the Company without the prior written consent of the Managers. Notwithstanding any other provision of this Agreement, the Members of the Company have determined that, unless approved in writing by the Managers in advance, (i) the identity of the owners and the amount of each owner's Interest in the Company shall be identical to that of the Developer, and (ii) except for the Transfer of Interests between Members, no Transfer of Interest in the Company shall result in a division of the Interest owned by the transferor (i.e., no Transfer of Interest shall be for less than 100% of the Interest owned by such transferor, and such Transfer of Interest may only be to a single individual, trust, or limited liability company). Accordingly, unless approved in writing by the Managers in advance, no Transfer of Interest in the Company shall be made independent of the corresponding interest in Developer and each Transfer of Interest in the Company shall automatically trigger the identical Transfer of the corresponding interest in the Developer. Any purported Transfer that violates the terms of this Section 7.1 shall be void ab initio. Any legal expense incurred in enforcing the foregoing provisions may be offset by the Company against any distribution to which the purported assignor or assignee may otherwise be entitled. In the absence of the substitution of a Member for an assigning, deceased or terminated Member, any payment to a Member, or to his successors, executors or administrators, shall acquit the Company of all liability to any other person who may be interested in such payment by reason of an assignment by the Member or by reason of his death or termination.

(b) Upon the death of a Voting Member, the estate, executor(s), administrator(s), personal legal representative(s), trustee(s), designated transfer on death beneficiary(ies), or other successor in interest of such Member, as determined under applicable law, may succeed to such deceased Member's Interest in the Company as an assignee in accordance with the provisions of Section 7.1(e) below; provided such Transfer of Interest is (i) to another Member, and/or (ii) for 100% of the Interest owned by such Member (excluding any Transfer of Interest to an existing Member or Members), and to a single individual, trust, or limited

liability company. Any purported Transfer of Interest upon the death or dissolution of a Member or upon the death or dissolution of an assignee or other successor in interest to a Member, that is not (1) to another Member, and/or (2) for 100% of the Interest owned by such Member or assignee or other successor in interest to a Member (excluding any Transfer of Interest to an existing Member or Members), and to a single individual, trust, or limited liability company, unless cured to the satisfaction of the Managers within 90 days after receipt by each such successor in interest of notice thereof from a Manager, shall be considered a Withdrawal Event.

(c) If a Voting Member or an assignee thereof or other successor in interest thereto desires to sell all or any portion of his Interest (an "Offeror"), then such Offeror may do so; provided (i) any such sale and resulting Transfer is subject to the terms of this Agreement, (ii) such sale is subject to the satisfaction of, in the Managers' discretion, any approvals required by creditors of the Company or the Partnership or by a limited partner, including any conditions of such approvals, and (iii) before making any such sale, the Offeror must first give the other Voting Members notice (with a copy to the Managers), specifying in writing the price, conditions and terms upon which the Offeror is willing to sell such Interest. The other Voting Members shall have the option to purchase all of the offered Interest upon the conditions and terms set forth in the notice and for a price which is the lesser of that contained in the notice or the amount determined by the Purchase Price Calculation ("hereinafter defined"), in the manner described below:

(i) The other Voting Members shall have thirty (30) days from the date of the notice within which to elect to purchase all of the offered Interest. The option may be exercised by giving notice to the Offeror and Managers within such thirty (30) day period. If more than one Voting Member elects to purchase the Offeror's Interest, then such Voting Members may purchase the offered Interests in proportions that their respective Interests bear to the aggregate Interests of all purchasing Voting Members, unless they otherwise agree. The closing of the purchase shall be not more than ninety (90) days from the date of the notice from the Offeror.

(ii) If the Voting Members do not elect to purchase all of the offered Interests, then the Offeror may sell such Interest, to which the Voting Members have not committed, at a price not below nor upon other terms more advantageous to the purchaser than the price and terms contained in the notice from the Offeror. If such sale is not made and consummated within ninety (90) days after the date of the notice from the Offeror, the Offeror may not thereafter sell or otherwise dispose of any of his Interest without again complying with this Section.

(d) A Non-Voting Member may sell all or any portion of his Interest to another Member or Members of the Company for an amount equal to that determined by the Purchase Price Calculation; provided (i) any such sale and resulting Transfer is subject to the terms of this Agreement, (ii) such sale is subject to the satisfaction of, in the Managers' discretion, any approvals required by creditors of the Company or the Partnership or by a limited partner, including any conditions of such approvals, and (iii) before making any such sale, such Non-Voting Member must first give notice to all other Members (with a copy to the Managers). The other Members shall have thirty (30) days from the date of the notice within which to elect to purchase all of the offered Interest. The option to purchase may be exercised by giving notice to such Non-Voting Member and the Managers within such thirty (30) day period. If more than one Member elects to purchase such Non-Voting Member's Interest, then such Members may purchase

the offered Interests in proportions that their respective Interests bear to the aggregate Interests of all purchasing Members, unless they otherwise agree. The closing of the purchase shall be not more than ninety (90) days from the date of the notice from such Non-Voting Member.

(e) Notwithstanding any other provision of this Agreement, unless and until established as a Substituted Member in accordance with the terms of this Agreement, the assignee of or other successor in interest to any Interest in the Company shall not be a Member and shall only be entitled to receive the share of the profits or other distributions, or the return of the contribution, to which his or her assignor or predecessor in interest would otherwise be entitled, but shall otherwise be subject to the terms, conditions and restrictions of this Agreement as if a Member, to include without limitation the obligation to make capital contributions as may be called for in accordance with the terms of this Agreement. Notwithstanding any other provision of this Agreement, as a condition to the right to receive any distribution or payment hereunder, the assignee of or other successor in interest to any Interest in the Company shall, within ten (10) days after notice of demand from any Manager, execute a written agreement(s) satisfactory to the Manager(s) acknowledging, among other things, that such assignee of or other successor in interest to any Interest in the Company shall be bound by the obligations, conditions and restrictions of this Agreement as the same applies to Members.

(f) Any Interest purchased by a Voting Member in accordance with the terms of this Agreement from a Non-Voting Member or a non-Member owner (such as the assignee of or a successor in interest of a Member that has not been admitted as a Substituted Member) shall accrue to such Voting Member as voting Interest.

7.2 No Encumbrance. No Member shall subject his Interest to any lien, charge, encumbrance, mortgage, security interest or similar rights of others, without the prior written consent of all other Members.

7.3 Transfer of Right to Distributions. Notwithstanding the foregoing, during his life, a Member may assign, in whole or in part, his rights to receive Company distributions, with the consent of the Managers.

7.4 Procedure for Substitution of Assignee as Member.

(a) No assignee of the whole or any portion of a Member's Interest in the Company shall become a Substituted Member unless:

(i) The assignor transfers such Interest to the assignee in accordance with the terms of this Agreement and in such a manner as not to preclude the option for assignee to become a Substituted Member;

(ii) The assignee pays to the Company all costs and expenses (including attorney's fees) incurred in connection with such substitution;

(iii) The assignee executes and acknowledges, in form and substance satisfactory to the Managers, all instruments which the Managers shall deem necessary or desirable to effectuate such substitution and to confirm the agreement of the assignee to be bound by all the terms and provisions of this Agreement;

(iv) The assignee obtains the written consent of the Managers; and

(v) The assignee shall, as a condition of holding such Interest, within thirty (30) days after notice of demand from the Managers, (A) obtain the approval, as a full substitute guarantor, from any creditor of the Company and/or other party designated by the Managers which has been given a personal guarantee of Guaranteed Obligations by the Member for which the assignee would be the successor in Interest, and (B) execute a written agreement(s) satisfactory to the Managers and such creditor(s) or other party acknowledging that such assignee shall be bound by, and take the applicable Interests subject to, the obligations, conditions and restrictions of such guarantee.

(b) An assignee who does not become a Substituted Member has no right to require any information or account of the Company transactions or to inspect the Company books. He shall only be entitled to receive the share of the profits or other distributions, or the return of the contribution, to which his assignor would otherwise be entitled. The failure or refusal of the Members to grant consent to the substitution of an assignee as a Member shall not prevent the assignee from receiving Company distributions attributable to the assigning Member, even though such assignee shall not be deemed to be a Member, provided (i) the assignee has properly received such assignment pursuant to the terms of this Agreement, (ii) the instrument of assignment is in form and substance satisfactory to the Managers and assignee has complied with all other applicable provisions of this Agreement, (iii) a duly executed and acknowledged counterpart of such instrument is filed with the Company, and (iv) the assignee is not, except as otherwise provided below, a person below the age of eighteen (18) years or a person theretofore adjudged to be incompetent. Any attempted assignment to a person below the age of eighteen (18) years or to a person theretofore adjudged to be incompetent shall be void and ineffectual and shall not bind the Company except to the extent such assignment is duly made to a trustee, guardian, custodian or personal representative for the assignee.

7.5 Distributions and Allocations in Respect to Transferred Interests. If any Interest in the Company is Transferred during any fiscal year in compliance with the provisions of this Agreement, all items of Profit and Loss, each item thereof and all other items attributable to such Interest in the Company for such fiscal year shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the fiscal year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Managers. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that if the Company does not receive a notice stating the date such Interest in the Company was Transferred and such other information as the Managers may reasonably require within thirty (30) days after the end of the fiscal year during which the Transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the party who was the owner of the Transferred Interest, according to the books and records of the Company, on the last day of the fiscal year during which the Transfer occurred. Neither the Company nor the Managers shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 7.5, whether or not the Company or the Managers has knowledge of any Transfer of ownership of any Interest in the Company.

7.6 Forfeiture of Non-Voting Member Interest. The Non-Voting Members acknowledge that they have received the opportunity to become Members of the Company as a result of their service as employees of Marlyn Development Corporation (“Marlyn”). Therefore, each Non-Voting Member who is a Marlyn employee at the time he acquires such Interest in the Company agrees that, in the event of his Termination, his Interest as a Member will be deemed automatically transferred without compensation to the Voting Members of the Company at that time (pro rata, in accordance with their relative amounts of Interests) according to the following schedule:

<u>Termination Occurs</u>	<u>Percentage Forfeited</u>
Any time prior to or during the first 3 years after the “Determinative Date” (defined below)	100%
During the 4 th year after the Determinative Date	66 2/3%
During the 5 th year after the Determinative Date	33 1/3%

“Termination” shall mean ceasing to be an employee of Marlyn for any reason other than (i) Disability, (ii) death or (iii) retirement after 20 years of service to Marlyn or reaching the age of 62, if sooner.

The “Determinative Date” shall be the later of (A) the placed in service date of the Project, or (B) the date such Non-Voting Member became a Member of the Company.

Each Non-Voting Member hereby irrevocably appoints each Manager, any of whom may act, as his attorney-in-fact, which appointment shall not expire upon such Non-Voting Member’s disability, for the specific purpose of executing such documents as the Managers deem necessary to memorialize the foregoing forfeiture. After 5 years from the Determinative Date, Non-Voting Members’ Interests in the Company shall no longer be subject to the forfeiture of their Interest provided in this Section 7.6.

7.7 Withdrawing Member. A Withdrawing Member shall cease to be a Member as of the effective date of the applicable Withdrawal Event and such Withdrawing Member shall cease to have any rights or privileges, but (a) such Withdrawing Member shall not be released or discharged from any of the obligations of a Member under the provisions of this Agreement, unless provided otherwise by the written consent of the Managers, and (b) such Withdrawing Member shall be entitled to continue to receive his share of the profits or other distributions of the Company unless and until such Withdrawing Member’s Membership Interest is purchased as provided in Section 7.8.

7.8 Purchasing of Withdrawing Member’s Membership Interest.

(a) After the occurrence of a Withdrawal Event, the Company and/or the Voting Members shall have the option to purchase all of the Withdrawing Member’s Interest at a price determined as set forth below. The Company’s option shall be exercised by written notice to the Withdrawing Member or his successor in interest, as the case may be, given within thirty (30) days after the Managers provide notice to the Members of the Withdrawal Event; provided, the closing of such purchase shall not occur until the purchase price of the Withdrawing Member’s

Interest has been determined as set forth below. If the Company does not so exercise its option within such time period, any or all of the Voting Members may exercise their option by giving written notice thereof to the Withdrawing Member or his successor in interest and the Managers at any time after the first to occur of (i) the expiration of the Company's option or (ii) the Company giving written notice that it declines to exercise its option. In the event that more than one Voting Member desires to purchase the Withdrawing Member's Interest, such Interest and associated purchase price shall be divided among such Voting Members proportionate to the percentage that each of such Voting Member's Interest represents to the aggregate of all such Voting Members' Interest.

(b) Upon the exercise of any option under Section 7.8(a), the Company shall promptly determine the purchase price of the Withdrawing Member's Interest. Except as otherwise provided in Section 7.6, the purchase price for a Withdrawing Member's Interest shall be calculated as indicated below (the "Purchase Price Calculation" or "PPC"):

- (i) If DSCR less than 1.15, then $PPC = ((85\% \times EV) \times PSD) \times I$
- (ii) If DSCR of 1.15 to 1.25, then $PPC = ((90\% \times EV) \times PSD) \times I$
- (iii) If DSCR of 1.26 to 1.35, then $PPC = ((95\% \times EV) \times PSD) \times I$
- (iv) If DSCR greater than 1.35, then $PPC = (EV \times PSD) \times I$

"DSCR" means the debt service coverage ratio of the Partnership as determined by the Managers.

"EV" means the estimated fair market value of the Company as determined by the Managers.

"PSD" means a 80% in order to reflect a 20% private sale discount.

"I" means the percentage Interest proposed for sale

(c) Each Withdrawing Member hereby irrevocably appoints each Manager, any of whom may act, as his attorney-in-fact, which appointment shall not expire upon such Member's disability, for the specific purpose of executing such documents as the Managers deem necessary to memorialize any Transfer pursuant to this Section 7.8.

**ARTICLE 8
TERMINATION**

8.1 Events Causing Dissolution and Winding Up. Any of the following events shall cause the dissolution and winding up of the Company:

- (a) The consent in writing to do so by either all of the Managers or Voting Members owning 75% of the Voting Members' Interests in the Company.
- (b) Any other event causing dissolution under the Act, except as provided in Section 8.2.

8.2 Election to Continue Company. An event set forth in Section 8.1(b) shall not result in the dissolution, winding up and termination of the Company if, within ninety (90) days after the occurrence of that event, the Managers or a Majority in Interest of the remaining Voting Members elect to continue the Company.

8.3 Winding Up. Upon the occurrence of an event set forth in Section 8.1, and in the absence of an election under Section 8.2, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. The Managers shall be responsible for overseeing the winding up and dissolution of the Company and shall take full account of the Company's liabilities and assets. The assets shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

(a) First, to the payment and discharge of all of the Company's debts and liabilities to creditors other than Members;

(b) Second, to the payment and discharge of all of the Company's debts and liabilities to Members; and

(c) The balance, if any, to the Members in accordance with the positive value in their Capital Accounts, after giving effect to all contributions, distributions, adjustments and allocations for all periods.

When all assets of the Company, after payment of or due provision for the payment of all Company liabilities, have been distributed among the Members as provided in this Agreement, the Company shall terminate and the Members shall execute and file a certificate appropriate to indicate such termination.

8.4 Compliance with Timing Requirements of Regulations. In the event the Company is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 8 to the Members who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Member has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

8.5 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article 8, in the event the Company is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no event set forth in Section 8.1 has occurred, the assets of the Company shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, solely for federal income tax purposes, the Company shall be deemed to have distributed the Property in kind to the Members, who shall be deemed to have assumed and taken subject to all Company liabilities, all in accordance with their

respective Capital Accounts. Immediately thereafter, the Members shall be deemed to have recontributed the assets in kind to the Company, which shall be deemed to have assumed and taken subject to all such liabilities.

**ARTICLE 9
AMENDMENTS**

This Agreement is subject to amendment only by the written consent of Voting Members owning 75% of the Interests in the Company held by the Voting Members. Each Member hereby irrevocably appoints each Manager, any of whom may act, as his attorney-in-fact, which appointment shall not expire upon such Member's disability, for the specific purpose of executing such documents as the Managers deem necessary to memorialize any amendment made pursuant to the first sentence of this Article.

**ARTICLE 10
TAX ALLOCATIONS**

10.1 Special Allocations. The following special allocations shall be made in the following order, if and only to the extent required to make the regular allocations set forth herein comply with the provisions of Section 704(b) of the Code and the Regulations promulgated thereunder:

(a) Company Minimum Gain Chargeback. Notwithstanding any other provision of Article 4 or 10, if there is a net decrease in Company Minimum Gain during any Company fiscal year or other period, each Member shall be specially allocated items of Company income and gain for such year or other period (and, if necessary, subsequent years), in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the various Members pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 10.1(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith. To the extent permitted by said Section of the Regulations and for purposes of this Section 10.1 only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Articles 4 or 10 with respect to such fiscal year and without regard to any net decrease in Member Minimum Gain during such fiscal year.

(b) Member Minimum Gain Chargeback. Notwithstanding any other provision of Articles 4 or 10 except Section 10.1(a), if there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year or other period, each Member with a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year or other period (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the various Members pursuant

thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 10.1(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 10.1(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in Articles 4 or 10 have been tentatively made as if this Section 10.1(c) were not in this Agreement. This Section 10.1(c) is intended to comply with the “qualified income offset” requirement in Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 10.1(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in Articles 4 or 10 have been tentatively made as if Section 10.1(d) and Section 10.1(c) hereof were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse deductions for any fiscal year shall be allocated among the Members in accordance with their Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of his Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations. If a Member so requests, the Company shall file an election under Code Section 754 to adjust the basis of Company assets as provided in the preceding sentence, in the event of a distribution of one or more Company assets or the Transfer of an Interest

in the Company. The cost of the Section 754 election (including all accounting fees and expenses) shall be borne by the Member requesting the election.

10.2 Curative Allocations. The Allocations set forth in Section 10.1 hereof (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 10.2. Therefore, notwithstanding any other provisions of Article 4, the Managers shall make such offsetting special deductions in whatever manner they determine appropriate, so that, after offsetting allocations are made, each Member’s Capital Account balance is to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Article 4 hereof. In exercising their discretion under this Section 10.2, the Managers shall take into account future Regulatory Allocations under Section 10.1 that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 10.1.

10.3 Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value.

In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 2.12 hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 10.3 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing Capital Accounts or shares of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

10.4 Economic Consistency. The Members intend that the tax allocation provisions of Article 10 shall result in final Capital Account balances of the Members that permit liquidating distributions to be made in accordance with final Capital Account balances under Section 8.3.

The tax allocation provisions of Article 10 shall be applied (and amended) by the Managers, if and to the extent necessary, to produce that result even if those amendments require the amendment of prior tax returns of the Company to do so.

ARTICLE 11 BOOKS AND RECORDS

11.1 Company Books. The Managers shall maintain at the principal office of the Company complete and accurate books of account, in which shall be entered, fully and accurately,

each and every transaction of the Company and the records required to be maintained by the Company pursuant to the Act. The books shall be kept according to such generally accepted method of accounting as the Members may select, and the fiscal year of the Company shall be the calendar year. Within ninety (90) days of the end of each fiscal year of the Company, each Member shall be provided with a balance sheet and income statement reflecting such fiscal year's operations. A Schedule K-1 shall be delivered to each Member after the end of each fiscal year of the Company so that each Member may timely file his personal income tax return.

11.2 Inspection of Books. The Members shall each have the right, at their own expense, upon reasonable notice, to examine the books of account of the Company for any reasonable purpose, provided that any such examination shall be conducted during normal business hours and without disruption of the Company's business.

11.3 Checking Accounts. The Company shall maintain a checking account or accounts at such bank or banks as shall be most conducive to the proper conduct of the business of the Company. Checks drawn on any such account shall be valid only when signed by one (1) of the Managers or a managing agent for the Company designated by the Members.

11.4 Tax Matters Manager.

(a) Designation and Authority of the Tax Matters Manager. Brian Staub is designated as the Company's "Tax Matters Manager." The Tax Matters Manager is authorized to represent the Company in connection with all examinations of the Company's affairs by tax authorities or any administrative or judicial tax proceedings with respect to the Company, and to expend Company funds for professional services and costs associated therewith, and the Company will reimburse the Tax Matters Manager for any such costs or other costs associated with carrying out its role as Tax Matters Manager that it incurs directly. The Tax Matters Manager will have sole discretion to determine whether the Company (either on its own behalf or on behalf of the Members) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any tax authority with respect to the Company and whether the Company will make any elections with respect to any tax assessment or proceeding.

(b) To the extent that the Company is an "eligible partnership" (as such term is used in Regulations § 301.6221(b)-1) and is permitted to make an election under Code Section 6221(b) and Regulations § 301.6221(b)-1 (an "Opt-Out Election"), the Company shall make an Opt-Out Election on its federal income tax return for each taxable year of the Company to elect out of the application of the new partnership audit laws and procedures set forth in Subchapter C of Chapter 63 of Subtitle F of the Code, as modified by Section 1101 of the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, and including any successor statutes thereto or Regulations promulgated or official guidance issued thereunder (the "Partnership Audit Procedures").

(c) For each taxable year of the Company for which no Opt-Out Election is made, the Company shall designate, pursuant to Regulations § 301.6223-1 (and any successor Regulations and other applicable guidance) on its United States federal income tax return for each such taxable year of the Company, the Tax Matters Manager as the "partnership representative" for the Company (the "Partnership Representative"), and shall make such corresponding designations under any corresponding provisions of applicable foreign, state, or local tax law. To

the extent that the Tax Matters Manager is not an individual, the Tax Matters Manager shall select any Person to serve as its “designated individual” pursuant to the Partnership Audit Procedures. The Tax Matters Manager, in its capacity as the Partnership Representative, shall (i) determine all matters with respect to any examination of the Company by any taxing authority (including, without limitation, the allocation of any resulting taxes, penalties, and interest among the Members and whether to make an election under Code § 6226 (and any similar provision under applicable foreign, state, or local tax law) with respect to any audit or other examination of the Company) and, (ii) notwithstanding anything herein to the contrary, make such elections as it deems appropriate pursuant to the provisions of the Partnership Audit Procedures.

(d) Each Member and former Member agrees to cooperate, and to cause its direct and indirect owners to cooperate, with the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Partnership Representative with respect to the conduct of any tax proceedings, in each case regardless whether then a Member or after ceasing to be a Member. Any deficiency for taxes imposed on any Member or former Member or its direct or indirect owners (including penalties, additions to tax, or interest imposed with respect to such taxes) will be paid by such Member or former Member or its direct or indirect owners as applicable, and if required to be paid (and actually paid) by the Company, such Member or former Member shall indemnify the Company for such amounts within thirty days of such payment by the Company, in each case regardless of whether then a Member or after ceasing to be a Member.

(e) At the request of the Partnership Representative, in connection with an adjustment of any item of income, gain, loss, deduction, or credit of the Company or any subsidiary entity in which the Company has an interest, directly or indirectly, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, promptly file one or more amended tax returns in the manner contemplated by Code § 6225(c) (and any Regulations or official guidance relating thereto, and, if applicable, any corresponding or similar provisions under state or local law) and pay any tax due with respect to such returns. If the Partnership Representative makes an election for the Company pursuant to Code § 6226 with respect to an imputed underpayment, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, comply with the requirements under such section (and any Regulations or official guidance relating thereto). At the request of the Partnership Representative, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, provide the Partnership Representative and the Company with any information available to such Member or former Member (or its direct or indirect owners or representatives) and with such representations, certificates, or forms relating to such Member or former Member (or its direct or indirect owners or representatives) and any other documentation, in each case, that the Partnership Representative determines, in its reasonable discretion, are necessary to modify an imputed underpayment under Code § 6225(c) or the Regulations or other official guidance thereunder. In the event that any imputed underpayment is paid or payable by the Company under Code § 6225(a)(1), each Member and former Member shall indemnify the Company in an amount equal to such Member’s or former Member’s share (as determined by the Partnership Representative with the advice of the Company’s tax counsel) of the imputed underpayment and any associated interest and penalties) paid or payable by the Company; provided, however, that the Partnership Representative may determine, in its discretion, to allocate the burden of such amount to such Member without requiring payment by such Member to the Company.

(f) Each Member's obligations to comply with the requirements of this Section 11.4 shall survive the Member's transfer of all or any portion of the Member's interest in the Company, otherwise ceasing to be a Member and/or the termination, dissolution, liquidation, and winding up of the Company, to the extent applicable.

(g) Any Person acting as a Tax Matters Manager, Partnership Representative or designated individual pursuant to this Section 11.4 shall, when acting in such capacity, be deemed to be a Manager for purposes of the Virginia Limited Liability Company Act, and as such their liability shall be eliminated to the same extent as Manager's liability is eliminated under this Agreement and they shall be entitled to indemnification to the same extent as a Manager is entitled to indemnification under this Agreement.

ARTICLE 12 INDEMNIFICATION AND EXCULPATION OF MANAGERS AND MEMBERS

12.1 Indemnification. The Managers and the Members shall be indemnified and held harmless by the Company from any liability resulting from any act performed by or omission made by them on behalf of the Company (except for acts or omissions of gross negligence or willful misconduct) to the fullest extent that a director or officer of a stock corporation may be indemnified and held harmless under Chapter 9 of Title 13.1 of the Code of Virginia of 1950, as amended.

12.2 Exculpation. The Managers and the Members shall not be liable to the Company or to any Member for or as a result of any act, omission or error in judgment that was taken, omitted or made by the Managers or the Members in accordance with the standards established by Section 13.1-1024.1 of the Act.

ARTICLE 13 MISCELLANEOUS

13.1 Notice. Any notice provided for in this Agreement to a Member shall be deemed given if sent by electronic mail, hand delivery, overnight delivery service, or by registered or certified mail to such Member at the address shown for such Member on the books and records of the Company or at such other address as may have been given in writing to the Company, at its principal office by registered or certified mail, return receipt requested.

13.2 Entire Agreement. This Agreement contains the entire agreement among the parties with regard to the operations of the Company and supersedes any prior understanding and/or written or oral agreements among them respecting the subject matter hereof.

13.3 Severable. In the event any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

13.4 Governing Law. This Agreement is made in, and shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

13.5 Captions. Any title or captions contained in this Agreement are for convenience only, and shall not be deemed a part of the context of this Agreement.

13.6 Interpretation. When the context in which the words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa.


13.7 Successors. This Agreement shall be binding upon the parties hereto, and, if and when assigned in accordance with the provisions hereof, their respective assigns, successors in interest, personal or legal representatives, estates, heirs, and legatees.


13.8 Waiver of Compliance. Any failure of any Member to comply with any obligation, covenant, agreement or condition herein may be waived by other parties hereto, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

13.9 Counterparts. This document may be executed in several facsimile counterparts and such counterparts, when taken together, shall be as valid and binding and have the same effect, as if all signatures were original and on one document.

[SIGNATURE PAGE FOLLOWS]

WITNESS the following signatures and seals as of the date and year first set out above:


M. David Jester


Scott A. Troutman


Christian H. Gardner


Brian L. Staub

**EXHIBIT A
TO
OPERATING AGREEMENT
OF
POTOMAC CHURCH GP, LLC**

<u>MEMBER NAME AND ADDRESS</u>	<u>INITIAL CAPITAL CONTRIBUTION</u>	<u>INTEREST</u>
M. David Jester 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$400.00	40.00%
Scott A. Troutman 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$200.00	20.00%
Christian H. Gardner 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$200.00	20.00%
Brian L. Staub 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$200.00	20.00%
	\$1,000.00	100.00%

**OPERATING AGREEMENT
OF
POTOMAC CHURCH DEVELOPERS, LLC**

THIS OPERATING AGREEMENT is made as of August 26, 2020, by and among the undersigned persons (collectively, the “Members”).

WHEREAS, Potomac Church, LP (the “Partnership”) has been established for the purpose of developing, constructing and owning an affordable apartment project located in Stafford County, Virginia (the “Project”) to be financed in part by low income housing tax credits pursuant to Section 42 of the Federal Internal Revenue Code (“Tax Credits”) and by tax-exempt bonds; and

WHEREAS, the Members have formed a limited liability company under the laws of the Commonwealth of Virginia known as Potomac Church Developers, LLC (the “Company”); and

WHEREAS, the Company will enter into a Development Services Agreement with the Partnership; and

WHEREAS, the Members desire to, and do hereby, adopt the provisions of this Operating Agreement as the expression of their mutual undertakings and agreements with respect to the operation of the Company.

NOW, THEREFORE, intending to be legally bound, and in consideration of the mutual covenants and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby agree as follows:

**ARTICLE 1
THE COMPANY**

1.1 Organization; Effective Date. The parties have formed the Company pursuant to the Act, as defined below, by filing Articles of Organization with the Virginia State Corporation Commission. The effective date of the formation of the Company is August 26, 2020.

1.2 Name. The name of the Company is Potomac Church Developers, LLC, and the business of the Company shall be conducted under that name.

1.3 Principal Office and Records. The principal office of the Company, which will also be the place at which will be kept the records required to be maintained by the Company under the Act, shall be located at 308 35th Street, Suite 101, in the City of Virginia Beach, Virginia 23451, unless such office is changed by action of the Managers pursuant to this Agreement.

1.4 Registered Agent and Registered Office. The initial registered agent of the Company is Timothy O. Trant II, who is a resident of Virginia and a member of the Virginia State Bar and whose post office address is 11815 Fountain Way, Suite 400, Newport News,

Virginia 23606, which said address shall also be the registered office of the Company required by the Act.

1.5 Purpose of the Company. The Company has been formed and will be operated for the purpose of developing the Project.

ARTICLE 2 DEFINED TERMS

Certain terms used in this Agreement shall have the following meanings:

2.1 “Act.” The Virginia Limited Liability Company Act, as contained in Chapter 12 of Title 13.1 of the Code of Virginia of 1950, as the same may be amended from time to time.

2.2 “Adjusted Capital Account Deficit.” With respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amount which such Member is obligated to restore under any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1), 1.704-1(b)(2)(ii)(c) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

2.3 “Agreement.” This Operating Agreement as the same may be amended from time to time.

2.4 “Capital Account.” With respect to any Member, the Capital Account maintained for such Member in accordance with Section 3.7.

2.5 “Capital Contributions.” With respect to any Member, the total amount of money or property contributed to the Company with respect to the Company Interest held by such Member. Except as provided in Section 8.5, no in kind contributions of property other than cash shall be accepted by the Company.

2.6 “Code.” The Internal Revenue Code of 1986, as amended.

2.7 “Company.” Potomac Church Developers, LLC, a Virginia limited liability company.

2.8 “Company Minimum Gain.” The amount determined under Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

2.9 “Depreciation.” For each fiscal year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction determined for federal income tax purposes, allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis.

2.10 “Disability.” shall mean a physical or mental impairment that, in the written opinion of a physician approved or selected by the Managers (in their discretion) to examine a Member, can be expected to continue for at least one (1) year, or actually continues for one (1) year, and would render (or actually renders, as the case may be) the Member unable to perform his or her customary duties as an employee of Marlyn Development Corporation.

2.11 “General Partner.” Potomac Church GP, LLC, a Virginia limited liability company, as the general partner of the Partnership.

2.12 “Gross Asset Value.” With respect to any asset, the asset’s adjusted basis for federal income tax purposes (i.e., the initial cost basis for the asset adjusted for various tax-related items such as depreciation, capital investment, etc.), except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Members, as of the following times: (i) the acquisition of an additional Interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an Interest in the Company if the Members reasonably determine that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section 2.12(d) to the extent the Members determine that an adjustment pursuant to Section 2.12(b) is necessary or appropriate in connection with such transaction.

If the Gross Asset Value of an asset has been determined, or adjusted pursuant to Section 2.12(a), 2.12(b) or 2.12(d) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

2.13 “Interest.” When used in the context of a specific percentage of profits, losses, capital or other items to be allocated or a percentage of distributions to be made, Interest means the percentage ownership interest of a Member (or a non-Member assignee or successor in interest thereof as may be provided for in this Agreement) in the Company at any particular time as set forth on Exhibit A. In other contexts, “Interest” means all proprietary rights of the Member in the Company, including, without limitation, his Interest and his rights to profits, losses, distributions, and capital.

2.14 “Majority in Interest.” Members holding more than fifty percent (50%) of the “Relevant Interests in the Company” (as hereinafter defined), including both profits and capital interests calculated separately. The “Relevant Interests in the Company” shall in all instances be the aggregate Interests of all of the Voting Members of the Company, except in the following cases:

(a) When written consent of “other Members” is required prior to Transfer of a Member’s Interest pursuant to Article 7 of this Agreement, the “Relevant Interests in the Company” shall be aggregate Interests of all Voting Members of the Company excluding the Interest which is the subject of the Transfer.

(b) When written consent of “remaining Members” is required in order to elect to continue the Company following an event causing dissolution pursuant to Article 8 of this Agreement, the “Relevant Interests in the Company” shall be the aggregate Interests of all the remaining Voting Members of the Company.

For purposes of this Section 2.14, profits interests are those Interests defined in Section 2.13 and capital interests, as of any date, are the ratios (expressed as a percentage) of each Member’s Capital Account to the aggregate Capital Accounts of all relevant Members.

2.15 “Managers.” A person or persons appointed pursuant to Section 6.1, and any person or entity appointed as successor managers under this Agreement.

2.16 “Member Minimum Gain.” An amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

2.17 “Member Nonrecourse Debt.” A nonrecourse debt of the Company as set forth in Section 1.704-2(b)(4) of the Regulations.

2.18 “Member Nonrecourse Deductions.” The deductions defined in Section 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

2.19 “Members.” The Members of this Company. All references in this Agreement to a specified percentage of the Members shall mean Members holding the specified percentage of all the Interests then held by the Members.

2.20 “Nonrecourse Debt.” The same as the term “nonrecourse liability” used in Section 1.704-2(b)(3) of the Regulations.

2.21 “Nonrecourse Deductions.” The deductions defined in Section 1.704-2(b)(1) of the Regulations.

2.22 “Non-voting Member.” A Member owning less than 5% of the Interest in the Company.

2.23 “Partnership.” Potomac Church, LP, a Virginia limited partnership.

2.24 “Partnership Agreement.” The Agreement of Limited Partnership of the Partnership, as the same may be amended.

2.25 “Person.” Any individual, partnership, corporation, trust, or other entity.

2.26 Prime Rate. The prime rate (or base rate) reported in the “Money Rates” column or section of The Wall Street Journal as being the base rate on corporate loans at larger U.S. Money Center banks on the first date on which The Wall Street Journal is published in each month. In the event The Wall Street Journal ceases publication of the Prime Rate, then the “Prime Rate” shall mean the “prime rate” or “base rate” announced by the bank with which the Company has its principal banking relationship (whether or not such rate has actually been charged by that bank). In the event that bank discontinues the practice of announcing that rate, Prime Rate shall mean the highest rate charged by that bank on short-term, unsecured loans to its most credit-worthy large corporate borrowers.

2.27 “Profits” and “Losses.” For each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Article 2 shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this Section 2.27 shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 2.12(b) or Section 2.12(c) hereof, the amount of such adjustment shall be

taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with Section 2.9 hereof;

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the Asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this Article 2, any items which are specially allocated pursuant to Section 10.1 or Section 10.2 hereof shall not be taken into account in computing Profits or Losses.

2.28 "Regulations." The Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as amended from time to time.

2.29 "Substituted Member." Any person or entity admitted to the Company as a Member pursuant to Section 7.4 hereof.

2.30 "Transfer." Any sale, assignment, gift, bequest, disposition, exchange, pledge, encumbrance or other transfer of any kind or description and however made, whether voluntary or involuntary, by death, by divorce, by court decree, operation of law, or otherwise, to include without limitation, any change of ownership in or control of the owner of any Interest in the Company (such as (a) the transfer of membership interest in or stock in an entity which owns Interest in the Company, or (b) the change of the beneficiaries of a trust which owns Interest in the Company).

2.31 "Voting Member." A Member owning 5% or more of the Interest in the Company.

2.32 "Withdrawal Event." The Termination, death, dissolution, or bankruptcy of a Non-voting Member, or as may otherwise be provided in this Agreement.

2.34 "Withdrawing Member." A Member (or his/her successor in interest) with respect to whom a Withdrawal Event relates.

ARTICLE 3
INTERESTS OF MEMBERS AND CAPITAL CONTRIBUTIONS

3.1 Interests of Members and Initial Capital Contributions. The names of the Members, the Interests belonging to each of them, and the initial Capital Contribution of each Member are set forth on Exhibit A. Unless approved in writing in advance by the Managers, only individuals may be Members or Substituted Members of the Company. Accordingly, partnerships, limited liability companies, corporations, trustees/trusts and other forms of ownership may not be Members or Substituted Members of the Company without the prior written consent of the Managers.

3.2 Additional Capital Contributions. The Members shall not be required to make any additional Capital Contributions to the Company except upon the written call of the Managers, specifying the amount of the additional Capital Contribution and the specific purpose for which such additional Capital Contribution shall be used, which purpose must be to satisfy the obligations of the Company to the Partnership or as may otherwise be determined by the Managers. Any such additional Capital Contribution shall be in proportion to each Member's Interest in the Company.

(a) The Managers shall have the right to borrow funds to cover any call for capital made under this Section to which a Member has not responded, and such amount borrowed shall not be deemed a Capital Contribution to the Company but, rather, a debt due by any Member (an "Indebted Member") who has failed to contribute his pro rata share directly to the Company.

(b) Any advance of money to the Company by a Member in response to a call for capital or otherwise, and which advance is in excess of that Member's pro rata share of the funds called for, shall not be deemed a Capital Contribution to the Company but, rather, a debt due by any Member who has failed to contribute his pro rata share (an "Indebted Member") to the Member who has made such advance (a "Lending Member").

(c) Any debt incurred by an Indebted Member shall be payable on demand, or at such other time as the Managers (in the case of a debt incurred pursuant to Section 3.2(a)) or Lending Member (in the case of a debt incurred pursuant to Section 3.2(b)) shall designate and shall bear interest at the rate of 3% plus the Prime Rate; provided, however such rate shall not be higher than the highest rate permitted between contracting parties under the usury laws of Virginia.

(d) So long as the debt of any Indebted Member is outstanding, all distributions to which such Indebted Member would otherwise be entitled shall be distributed to the Company or to the Lending Member to whom such Indebted Member is indebted, to be applied to the reduction of such indebtedness, first to interest and then to principal.

(e) If any indebtedness is not paid in full within thirty (30) days after proper demand for the payment thereof, the Company or any Lending Member shall have all of the rights and remedies, at law or in equity, which a creditor may have against a debtor, which rights and remedies shall not be stayed or abated on account of the fact that the Company's affairs have

not been wound up, nor shall such Lending Member's rights be limited to having an accounting of the Company's affairs.

(f) If any indebtedness incurred pursuant to Section 3.2(b) is not paid in full within thirty (30) days after proper demand for the payment thereof, any Lending Member shall have the option to elect, by written notice to the Indebted Member and to the Company, at any time prior to the full payment of such indebtedness, that the Indebted Member shall be deemed to have transferred all of his Interest in the Company to the Lending Member, or if there is more than one Lending Member, to such Lending Member in proportion to the indebtedness due such Lending Member by the Indebted Member, and such transfer of Interest shall be in lieu of the remedies available under Section 3.2(e) and shall constitute full payment of all monies due in respect of the debt to such Lending Member.

(g) In the event the Company or any Lending Member elects to pursue his rights and remedies against the Indebted Member, the Indebted Member shall pay the Company's or such Lending Member's reasonable attorney's fees and court costs incurred in addition to the amount of the aforesaid indebtedness.

3.3 Interest. No interest shall be paid on any Capital Contribution.

3.4 Withdrawals. Except as otherwise provided in this Agreement, no Member shall resign from the Company or make any withdrawals therefrom without the consent of the Managers. Under circumstances requiring a return of any Capital Contribution, no Member shall have the right to receive property other than cash except as may be specifically provided in Article 8.

3.5 Limited Liability. No Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company. Except as otherwise provided by applicable state law, a Member shall be liable only to make any additional Capital Contributions which are called for strictly in accordance with the provisions of Section 3.2. The Managers shall not have any personal liability for the repayment of any Capital Contributions of any Member. No person not a party to this Agreement shall be deemed a third party beneficiary hereof, and no such person shall have the right to enforce any provision of this Agreement against any Member.

3.6 Guaranty of Company Obligations. Upon the request of the Managers, each Voting Member shall be required to provide his personal guarantee to any lender, limited partner, or other party designated by the Managers that (a) is financing the Company's and/or the Partnership's indebtedness for borrowed money, and/or (b) otherwise requires such assurance as consideration for its business relationship with the Company and/or the Partnership (collectively, the "Guaranteed Obligations"). If a Member is subsequently called upon by such person or other creditor holding such Guaranteed Obligations to pay on his guarantee and accordingly does so such Member shall be deemed a Lending Member and shall be entitled to indemnification from the other Members for the amount by which the portion of the Guaranteed Obligations that the Lending Member actually pays exceeds his share of the Guaranteed Obligations then being paid out of the personal funds of all Members ("Discharged Guaranteed Obligations"). (A Member's "share" of the Guaranteed Obligations or Discharged Guaranteed Obligations, as the case may be, shall be determined by multiplying (i) the Interest then held by such Member, by (ii) the

amount of Guaranteed Obligations or Discharged Guaranteed Obligations, as the case may be.) Any and all other Members shall be deemed Indebted Members and shall, within thirty (30) days of the Lending Member's demand therefor, indemnify and reimburse any Lending Member who has paid more than his respective share of Discharged Guaranteed Obligations such amount(s) (up to the Indemnifying Members' respective shares of Discharged Guaranteed Obligations) as shall cause each of the Lending Members and the Indebted Members to bear his respective share of the Discharged Guaranteed Obligations. Interest shall accrue on the amount owed at the rate of 3% plus the Prime Rate in effect from time to time (but not higher than the maximum rate legally permitted). Thereafter, any Indebted Member that does not reimburse the Lending Member for his proportionate share of the Discharged Guaranteed Obligations, shall be subject to the sanctions and remedies set forth in Section 3.2 in the same manner as a Lending Member would have against an Indebted Member thereunder, which provisions shall apply as though the Lending Member's excess payment under this Section 3.6 were a payment in excess of his pro rata share of the funds called for under Section 3.2.

3.7 Capital Accounts.

(a) A Capital Account shall be established and maintained for each Member. A Member shall have a single Capital Account, regardless of class of Interests owned by such Member and regardless of the time or manner in which such Interests were acquired.

(b) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Article 10 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any property distributed to such Member.

(c) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Article 10 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(d) In the event all or a portion of an Interest in the Company is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(e) In determining the amount of any liability for purposes of Sections 3.7(b) and 3.7(c) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Members shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities

which are secured by contributed or distributed property or which are assumed by the Company or Member), are computed in order to comply with such Regulations, the Members may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Member pursuant to Article 8 hereof upon the dissolution of the Company. The Members also shall (i) make any adjustments that are necessary or appropriate to maintain equality among the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

**ARTICLE 4
PROFITS AND LOSSES**

After giving effect to the allocations set forth in Article 10 hereof, Profits and Losses for any fiscal year shall be allocated among the Members in proportion to their respective Interests. The Losses allocated shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any fiscal year.

**ARTICLE 5
DISTRIBUTIONS**

5.1 Distributions Generally. All distributions, other than in connection with the winding up of the Company subject to Article 8, shall be made in cash and shall be divided among the Members in accordance with their respective Interests as set forth in Exhibit A, subject to Sections 3.2 and 3.6. Distributions shall be made from time to time in such amounts and at such times as the Managers may determine; provided, however, that the aggregate amount of each such distribution shall be that amount which the Managers determine is not required to be retained by the Company to meet the reasonably foreseeable cash requirements and needs of the business and activities of the Company and to establish an adequate reserve for the payment of Company liabilities and contingencies.

**ARTICLE 6
MANAGEMENT**

6.1 Managers. The Company's business shall be managed by the Managers, who initially shall be M. David Jester, Scott A. Troutman and Brian L. Staub. Upon the death, resignation, or removal of any of the Managers, the Voting Members holding a Majority in Interest may elect a successor or successors as they may determine from time-to-time, provided there is always at least one Manager. A Manager need not be a Member of the Company. One or more Managers shall be entitled to receive a fee or other compensation for serving as Manager of the Company as the Managers may determine from time to time. Additionally, they may charge the Company for all expenses reasonably incurred by them directly in connection with Company business, not including office or other overhead, salaries of administrative personnel, etc. Voting Members shall have the right to remove a Manager at any time for any reason by two-thirds (2/3rds) vote of the Relevant Interests in the Company.

6.2 Management of the Company. Except as provided below, the Managers shall have full charge of the management, conduct and operation of the Company business in all respects and all matters and shall have the authority to do all things and acts of every nature whatever, not illegal or contrary to the provisions of this Agreement, which the Managers shall deem necessary or convenient to achieve the purposes of this Agreement and of the Company. Unless otherwise provided herein, decisions of the Managers shall be based upon a majority vote of the Managers without requirement for notice or meeting, each Manager having one (1) vote. Notwithstanding the foregoing, any decision or action of the Managers that entails the (i) expenditure of Company resources, or (ii) Company incurring an obligation, which equates to an amount greater than \$25,000.00 shall require the signature of two (2) Managers (but only if there is more than one Manager) or a written consent of a majority of the Managers.

6.3 Proportionate Voting. On any matter requiring action by the Members, only the Voting Members shall be entitled to vote, which Voting Members shall vote in proportion to their respective Interests in the Company as set forth in Exhibit A attached hereto relative to the total of the Interests of all Voting Members.

6.4 Authority of Members; Indemnity. Except as otherwise expressly provided in this Agreement, the Members shall take no part in the operation, management, conduct or control of the property of the Company, and shall have no right or authority, either expressed or implied, to act for or bind the Company, without the prior written authorization of the Managers. If any Member shall, without authority, bind or attempt to bind the Company, such Member shall indemnify the Company for any loss suffered or expense incurred by the Company in connection therewith.

6.5 Meetings of the Members. Meetings of the Members may be held by in person, telephonically, electronically, or by any other means deemed appropriate by the Managers on not less than twenty-four (24) hours advance notice to all of the Members. Any action required or permitted to be taken at a meeting of the Members, after not less than twenty-four (24) hours advance notice to all of the Members of the action to be taken, may be taken without a meeting if the action is taken by Members holding a Majority in Interests. Such action without meeting shall be evidenced by one or more written consents to be filed with the Company's records.

6.6 Dealing with Affiliates. The Managers, in their discretion, may engage on behalf of the Company any person, firm or corporation in which they, any Member, or any Affiliate thereof may have an interest, at reasonable and competitive rates of compensation for the performance of any and all services or purchase of goods or other property which may at any time be necessary, proper, convenient, or advisable in carrying on the business and affairs of the Partnership or disposing of some or all of its assets; provided, that the compensation or price therefor shall not exceed those prevailing in arm's length transactions by others rendering similar services in comparable transactions as an on-going activity in the same geographical area. For purposes of this Agreement, an Affiliate shall be with respect to a specified person (1) any person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified person, (2) any person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to, the specified person or of which the specified person is an officer, partner or trustee, or with respect to which the specified person serves in a similar capacity, (3) any person that, directly or indirectly, is the beneficial owner of

10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified person or of which the specified person is directly or indirectly the owner of 10% or more of any class of equity securities or in which the specified person has a substantial beneficial interest and (4) any spouse or lineal descendant of the specified person.

ARTICLE 7 ASSIGNMENT OF INTERESTS

7.1 In General.

(a) No person shall be considered a Member unless named in this Agreement, or unless admitted to the Company as a Substituted Member as provided in this Agreement. No Member, Substituted Member, or assignee or other successor in interest thereto shall, except as provided below, Transfer any Interest in the Company without the prior written consent of the Managers. The Company, the Managers, each Member and any other person having business with the Company need only deal with Members or Substituted Members. They shall not be required to deal with any person by reason of any Transfer by a Member, except as otherwise provided in this Agreement. As provided in Section 3.1, unless approved in writing in advance by the Managers, only individuals may be Members or Substituted Members of the Company. Partnerships, limited liability companies, corporations, trustees/trusts and other forms of ownership may not be Members or Substituted Members of the Company without the prior written consent of the Managers. Notwithstanding any other provision of this Agreement, the Members of the Company have determined that, unless approved in writing by the Managers in advance, (i) the identity of the owners and the amount of each owner's Interest in the Company shall be identical to the ownership of the General Partner, and (ii) except for the Transfer of Interests between Members, no Transfer of Interest in the Company shall result in a division of the Interest owned by the transferor (i.e., no Transfer of Interest shall be for less than 100% of the Interest owned by such transferor, and such Transfer of Interest may only be to a single individual, trust, or limited liability company). Accordingly, unless approved in writing by the Managers in advance, no Transfer of Interest in the Company shall be made independent of the corresponding interest in the General Partner and each Transfer of Interest in the Company shall automatically trigger the identical Transfer of the corresponding interest in the General Partner. Any purported Transfer that violates the terms of this Section 7.1 shall be void ab initio. Any legal expense incurred in enforcing the foregoing provisions may be offset by the Company against any distribution to which the purported assignor or assignee may otherwise be entitled. In the absence of the substitution of a Member for an assigning, deceased or terminated Member, any payment to a Member, or to his successors, executors or administrators, shall acquit the Company of all liability to any other person who may be interested in such payment by reason of an assignment by the Member or by reason of his death or termination.

(b) Upon the death of a Voting Member, the estate, executor(s), administrator(s), personal legal representative(s), trustee(s), designated transfer on death beneficiary(ies), or other successor in interest of such Member, as determined under applicable law, may succeed to such deceased Member's Interest in the Company as an assignee in accordance with the provisions of Section 7.1(e) below; provided such Transfer of Interest is (i) to another Member, and/or (ii) for 100% of the Interest owned by such Member (excluding any Transfer of Interest to an existing Member or Members), and to a single individual, trust, or

limited liability company. Any purported Transfer of Interest upon the death or dissolution of a Member or upon the death or dissolution of an assignee or other successor in interest to a Member, that is not (1) to another Member, and/or (2) for 100% of the Interest owned by such Member or assignee or other successor in interest to a Member (excluding any Transfer of Interest to an existing Member or Members), and to a single individual, trust, or limited liability company, unless cured to the satisfaction of the Managers within 90 days after receipt by each such successor in interest of notice thereof from a Manager, shall be considered a Withdrawal Event.

(c) If a Voting Member or an assignee thereof or other successor in interest thereto desires to sell all or any portion of his Interest (an "Offeror"), then such Offeror may do so; provided (i) any such sale and resulting Transfer is subject to the terms of this Agreement, (ii) such sale is subject to the satisfaction of, in the Managers' discretion, any approvals required by creditors of the Company or the Partnership or by a limited partner, including any conditions of such approvals, and (iii) before making any such sale, the Offeror must first give the other Voting Members notice (with a copy to the Managers), specifying in writing the price, conditions and terms upon which the Offeror is willing to sell such Interest. The other Voting Members shall have the option to purchase all of the offered Interest upon the conditions and terms set forth in the notice and for a price which is the lesser of that contained in the notice or the amount determined by the Purchase Price Calculation ("hereinafter defined"), in the manner described below:

(i) The other Voting Members shall have thirty (30) days from the date of the notice within which to elect to purchase all of the offered Interest. The option may be exercised by giving notice to the Offeror and Managers within such thirty (30) day period. If more than one Voting Member elects to purchase the Offeror's Interest, then such Voting Members may purchase the offered Interests in proportions that their respective Interests bear to the aggregate Interests of all purchasing Voting Members, unless they otherwise agree. The closing of the purchase shall be not more than ninety (90) days from the date of the notice from the Offeror.

(ii) If the Voting Members do not elect to purchase all of the offered Interests, then the Offeror may sell such Interest, to which the Voting Members have not committed, at a price not below nor upon other terms more advantageous to the purchaser than the price and terms contained in the notice from the Offeror. If such sale is not made and consummated within ninety (90) days after the date of the notice from the Offeror, the Offeror may not thereafter sell or otherwise dispose of any of his Interest without again complying with this Section.

(d) A Non-Voting Member may sell all or any portion of his Interest to another Member or Members of the Company for an amount equal to that determined by the Purchase Price Calculation; provided (i) any such sale and resulting Transfer is subject to the terms of this Agreement, (ii) such sale is subject to the satisfaction of, in the Managers' discretion, any approvals required by creditors of the Company or the Partnership or by a limited partner, including any conditions of such approvals, and (iii) before making any such sale, such Non-Voting Member must first give notice to all other Members (with a copy to the Managers). The other Members shall have thirty (30) days from the date of the notice within which to elect

to purchase all of the offered Interest. The option to purchase may be exercised by giving notice to such Non-Voting Member and the Managers within such thirty (30) day period. If more than one Member elects to purchase such Non-Voting Member's Interest, then such Members may purchase the offered Interests in proportions that their respective Interests bear to the aggregate Interests of all purchasing Members, unless they otherwise agree. The closing of the purchase shall be not more than ninety (90) days from the date of the notice from such Non-Voting Member.

(e) Notwithstanding any other provision of this Agreement, unless and until established as a Substituted Member in accordance with the terms of this Agreement, the assignee of or other successor in interest to any Interest in the Company shall not be a Member and shall only be entitled to receive the share of the profits or other distributions, or the return of the contribution, to which his or her assignor or predecessor in interest would otherwise be entitled, but shall otherwise be subject to the terms, conditions and restrictions of this Agreement as if a Member, to include without limitation the obligation to make capital contributions as may be called for in accordance with the terms of this Agreement. Notwithstanding any other provision of this Agreement, as a condition to the right to receive any distribution or payment hereunder, the assignee of or other successor in interest to any Interest in the Company shall, within ten (10) days after notice of demand from any Manager, execute a written agreement(s) satisfactory to the Manager(s) acknowledging, among other things, that such assignee of or other successor in interest to any Interest in the Company shall be bound by the obligations, conditions and restrictions of this Agreement as the same applies to Members.

(f) Any Interest purchased by a Voting Member in accordance with the terms of this Agreement from a Non-Voting Member or a non-Member owner (such as the assignee of or a successor in interest of a Member that has not been admitted as a Substituted Member) shall accrue to such Voting Member as voting Interest.

7.2 No Encumbrance. No Member shall subject his Interest to any lien, charge, encumbrance, mortgage, security interest or similar rights of others, without the prior written consent of all other Members.

7.3 Transfer of Right to Distributions. Notwithstanding the foregoing, during his life, a Member may assign, in whole or in part, his rights to receive Company distributions, with the consent of the Managers.

7.4 Procedure for Substitution of Assignee as Member.

(a) No assignee of the whole or any portion of a Member's Interest in the Company shall become a Substituted Member unless:

(i) The assignor transfers such Interest to the assignee in accordance with the terms of this Agreement and in such a manner as not to preclude the option for assignee to become a Substituted Member;

(ii) The assignee pays to the Company all costs and expenses (including attorney's fees) incurred in connection with such substitution;

(iii) The assignee executes and acknowledges, in form and substance satisfactory to the Managers, all instruments which the Managers shall deem necessary or desirable to effectuate such substitution and to confirm the agreement of the assignee to be bound by all the terms and provisions of this Agreement;

(iv) The assignee obtains the written consent of the Managers; and

(v) The assignee shall, as a condition of holding such Interest, within thirty (30) days after notice of demand from the Managers, (A) obtain the approval, as a full substitute guarantor, from any creditor of the Company and/or other party designated by the Managers which has been given a personal guarantee of Guaranteed Obligations by the Member for which the assignee would be the successor in Interest, and (B) execute a written agreement(s) satisfactory to the Managers and such creditor(s) or other party acknowledging that such assignee shall be bound by, and take the applicable Interests subject to, the obligations, conditions and restrictions of such guarantee.

(b) An assignee who does not become a Substituted Member has no right to require any information or account of the Company transactions or to inspect the Company books. He shall only be entitled to receive the share of the profits or other distributions, or the return of the contribution, to which his assignor would otherwise be entitled. The failure or refusal of the Members to grant consent to the substitution of an assignee as a Member shall not prevent the assignee from receiving Company distributions attributable to the assigning Member, even though such assignee shall not be deemed to be a Member, provided (i) the assignee has properly received such assignment pursuant to the terms of this Agreement, (ii) the instrument of assignment is in form and substance satisfactory to the Managers and assignee has complied with all other applicable provisions of this Agreement, (iii) a duly executed and acknowledged counterpart of such instrument is filed with the Company, and (iv) the assignee is not, except as otherwise provided below, a person below the age of eighteen (18) years or a person theretofore adjudged to be incompetent. Any attempted assignment to a person below the age of eighteen (18) years or to a person theretofore adjudged to be incompetent shall be void and ineffectual and shall not bind the Company except to the extent such assignment is duly made to a trustee, guardian, custodian or personal representative for the assignee.

7.5 Distributions and Allocations in Respect to Transferred Interests. If any Interest in the Company is Transferred during any fiscal year in compliance with the provisions of this Agreement, all items of Profit and Loss, each item thereof and all other items attributable to such Interest in the Company for such fiscal year shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the fiscal year in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Managers. All distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Company shall recognize such Transfer not later than the end of the calendar month during which it is given notice of such Transfer, provided that if the Company does not receive a notice stating the date such Interest in the Company was Transferred and such other information as the Managers may reasonably require within thirty (30) days after the end of the fiscal year during which the Transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the party who was the owner of the

Transferred Interest, according to the books and records of the Company, on the last day of the fiscal year during which the Transfer occurred. Neither the Company nor the Managers shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 7.5, whether or not the Company or the Managers has knowledge of any Transfer of ownership of any Interest in the Company.

7.6 Forfeiture of Non-Voting Member Interest. The Non-Voting Members acknowledge that they have received the opportunity to become Members of the Company as a result of their service as employees of Marlyn Development Corporation (“Marlyn”). Therefore, each Non-Voting Member who is a Marlyn employee at the time he acquires such Interest in the Company agrees that, in the event of his Termination, his Interest as a Member will be deemed automatically transferred without compensation to the Voting Members of the Company at that time (pro rata, in accordance with their relative amounts of Interests) according to the following schedule:

<u>Termination Occurs</u>	<u>Percentage Forfeited</u>
Any time prior to or during the first 3 years after the “Determinative Date” (defined below)	100%
During the 4 th year after the Determinative Date	66 2/3%
During the 5 th year after the Determinative Date	33 1/3%

“Termination” shall mean ceasing to be an employee of Marlyn for any reason other than (i) Disability, (ii) death or (iii) retirement after 20 years of service to Marlyn or reaching the age of 62, if sooner.

The “Determinative Date” shall be the later of (A) the placed in service date of the Project, or (B) the date such Non-Voting Member became a Member of the Company.

Each Non-Voting Member hereby irrevocably appoints each Manager, any of whom may act, as his attorney-in-fact, which appointment shall not expire upon such Non-Voting Member’s disability, for the specific purpose of executing such documents as the Managers deem necessary to memorialize the foregoing forfeiture. After 5 years from the Determinative Date, Non-Voting Members’ Interests in the Company shall no longer be subject to the forfeiture of their Interest provided in this Section 7.6.

7.7 Withdrawing Member. A Withdrawing Member shall cease to be a Member as of the effective date of the applicable Withdrawal Event and such Withdrawing Member shall cease to have any rights or privileges, but (a) such Withdrawing Member shall not be released or discharged from any of the obligations of a Member under the provisions of this Agreement, unless provided otherwise by the written consent of the Managers, and (b) such Withdrawing Member shall be entitled to continue to receive his share of the profits or other distributions of the Company unless and until such Withdrawing Member’s Membership Interest is purchased as provided in Section 7.8.

7.8 Purchasing of Withdrawing Member’s Membership Interest.

(a) After the occurrence of a Withdrawal Event, the Company and/or the Voting Members shall have the option to purchase all of the Withdrawing Member's Interest at a price determined as set forth below. The Company's option shall be exercised by written notice to the Withdrawing Member or his successor in interest, as the case may be, given within thirty (30) days after the Managers provide notice to the Members of the Withdrawal Event; provided, the closing of such purchase shall not occur until the purchase price of the Withdrawing Member's Interest has been determined as set forth below. If the Company does not so exercise its option within such time period, any or all of the Voting Members may exercise their option by giving written notice thereof to the Withdrawing Member or his successor in interest and the Managers at any time after the first to occur of (i) the expiration of the Company's option or (ii) the Company giving written notice that it declines to exercise its option. In the event that more than one Voting Member desires to purchase the Withdrawing Member's Interest, such Interest and associated purchase price shall be divided among such Voting Members proportionate to the percentage that each of such Voting Member's Interest represents to the aggregate of all such Voting Members' Interest.

(b) Upon the exercise of any option under Section 7.8(a), the Company shall promptly determine the purchase price of the Withdrawing Member's Interest. Except as otherwise provided in Section 7.6, the purchase price for a Withdrawing Member's Interest shall be calculated as indicated below (the "Purchase Price Calculation" or "PPC"):

- (i) If DSCR less than 1.15, then $PPC = ((85\% \times EV) \times PSD) \times I$
- (ii) If DSCR of 1.15 to 1.25, then $PPC = ((90\% \times EV) \times PSD) \times I$
- (iii) If DSCR of 1.26 to 1.35, then $PPC = ((95\% \times EV) \times PSD) \times I$
- (iv) If DSCR greater than 1.35, then $PPC = (EV \times PSD) \times I$

"DSCR" means the debt service coverage ratio of the Partnership as determined by the Managers.

"EV" means the estimated fair market value of the Company as determined by the Managers.

"PSD" means a 80% in order to reflect a 20% private sale discount.

"I" means the percentage Interest proposed for sale

(c) Each Withdrawing Member hereby irrevocably appoints each Manager, any of whom may act, as his attorney-in-fact, which appointment shall not expire upon such Member's disability, for the specific purpose of executing such documents as the Managers deem necessary to memorialize any Transfer pursuant to this Section 7.8.

**ARTICLE 8
TERMINATION**

8.1 Events Causing Dissolution and Winding Up. Any of the following events shall cause the dissolution and winding up of the Company:

(a) The consent in writing to do so by either all of the Managers or Voting Members owning 75% of the Voting Members' Interests in the Company.

(b) Any other event causing dissolution under the Act, except as provided in Section 8.2.

8.2 Election to Continue Company. An event set forth in Section 8.1(b) shall not result in the dissolution, winding up and termination of the Company if, within ninety (90) days after the occurrence of that event, the Managers or a Majority in Interest of the remaining Voting Members elect to continue the Company.

8.3 Winding Up. Upon the occurrence of an event set forth in Section 8.1, and in the absence of an election under Section 8.2, the Company shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Members. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Company's business and affairs. The Managers shall be responsible for overseeing the winding up and dissolution of the Company and shall take full account of the Company's liabilities and assets. The assets shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order:

(a) First, to the payment and discharge of all of the Company's debts and liabilities to creditors other than Members;

(b) Second, to the payment and discharge of all of the Company's debts and liabilities to Members; and

(c) The balance, if any, to the Members in accordance with the positive value in their Capital Accounts, after giving effect to all contributions, distributions, adjustments and allocations for all periods.

When all assets of the Company, after payment of or due provision for the payment of all Company liabilities, have been distributed among the Members as provided in this Agreement, the Company shall terminate and the Members shall execute and file a certificate appropriate to indicate such termination.

8.4 Compliance with Timing Requirements of Regulations. In the event the Company is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), distributions shall be made pursuant to this Article 8 to the Members who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2). If any Member has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

8.5 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article 8, in the event the Company is "liquidated" within the meaning of Regulations

Section 1.704-1(b)(2)(ii)(g) but no event set forth in Section 8.1 has occurred, the assets of the Company shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, solely for federal income tax purposes, the Company shall be deemed to have distributed the Property in kind to the Members, who shall be deemed to have assumed and taken subject to all Company liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Members shall be deemed to have recontributed the assets in kind to the Company, which shall be deemed to have assumed and taken subject to all such liabilities.

**ARTICLE 9
AMENDMENTS**

This Agreement is subject to amendment only by the written consent of Voting Members owning 75% of the Interests in the Company held by the Voting Members. Each Member hereby irrevocably appoints each Manager, any of whom may act, as his attorney-in-fact, which appointment shall not expire upon such Member's disability, for the specific purpose of executing such documents as the Managers deem necessary to memorialize any amendment made pursuant to the first sentence of this Article.

**ARTICLE 10
TAX ALLOCATIONS**

10.1 Special Allocations. The following special allocations shall be made in the following order, if and only to the extent required to make the regular allocations set forth herein comply with the provisions of Section 704(b) of the Code and the Regulations promulgated thereunder:

(a) Company Minimum Gain Chargeback. Notwithstanding any other provision of Article 4 or 10, if there is a net decrease in Company Minimum Gain during any Company fiscal year or other period, each Member shall be specially allocated items of Company income and gain for such year or other period (and, if necessary, subsequent years), in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the various Members pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 10.1(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith. To the extent permitted by said Section of the Regulations and for purposes of this Section 10.1 only, each Member's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to Articles 4 or 10 with respect to such fiscal year and without regard to any net decrease in Member Minimum Gain during such fiscal year.

(b) Member Minimum Gain Chargeback. Notwithstanding any other provision of Articles 4 or 10 except Section 10.1(a), if there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year or other period, each Member with a share of the Member Minimum Gain attributable to such

Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year or other period (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to the various Members pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 10.1(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 10.1(c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in Articles 4 or 10 have been tentatively made as if this Section 10.1(c) were not in this Agreement. This Section 10.1(c) is intended to comply with the "qualified income offset" requirement in Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Company fiscal year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 10.1(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in Articles 4 or 10 have been tentatively made as if Section 10.1(d) and Section 10.1(c) hereof were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse deductions for any fiscal year shall be allocated among the Members in accordance with their Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of his Interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated

as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations. If a Member so requests, the Company shall file an election under Code Section 754 to adjust the basis of Company assets as provided in the preceding sentence, in the event of a distribution of one or more Company assets or the Transfer of an Interest in the Company. The cost of the Section 754 election (including all accounting fees and expenses) shall be borne by the Member requesting the election.

10.2 Curative Allocations. The Allocations set forth in Section 10.1 hereof (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 10.2. Therefore, notwithstanding any other provisions of Article 4, the Managers shall make such offsetting special deductions in whatever manner they determine appropriate, so that, after offsetting allocations are made, each Member’s Capital Account balance is to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of this Agreement and all Company items were allocated pursuant to Article 4 hereof. In exercising their discretion under this Section 10.2, the Managers shall take into account future Regulatory Allocations under Section 10.1 that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 10.1.

10.3 Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value.

In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 2.12 hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 10.3 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing Capital Accounts or shares of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

10.4 Economic Consistency. The Members intend that the tax allocation provisions of Article 10 shall result in final Capital Account balances of the Members that permit liquidating distributions to be made in accordance with final Capital Account balances under Section 8.3.

The tax allocation provisions of Article 10 shall be applied (and amended) by the Managers, if and to the extent necessary, to produce that result even if those amendments require the amendment of prior tax returns of the Company to do so.

ARTICLE 11 BOOKS AND RECORDS

11.1 Company Books. The Managers shall maintain at the principal office of the Company complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Company and the records required to be maintained by the Company pursuant to the Act. The books shall be kept according to such generally accepted method of accounting as the Members may select, and the fiscal year of the Company shall be the calendar year. Within ninety (90) days of the end of each fiscal year of the Company, each Member shall be provided with a balance sheet and income statement reflecting such fiscal year's operations. A Schedule K-1 shall be delivered to each Member after the end of each fiscal year of the Company so that each Member may timely file his personal income tax return.

11.2 Inspection of Books. The Members shall each have the right, at their own expense, upon reasonable notice, to examine the books of account of the Company for any reasonable purpose, provided that any such examination shall be conducted during normal business hours and without disruption of the Company's business.

11.3 Checking Accounts. The Company shall maintain a checking account or accounts at such bank or banks as shall be most conducive to the proper conduct of the business of the Company. Checks drawn on any such account shall be valid only when signed by one (1) of the Managers or a managing agent for the Company designated by the Members.

11.4 Tax Matters Manager.

(a) Designation and Authority of the Tax Matters Manager. Brian Staub is designated as the Company's "Tax Matters Manager." The Tax Matters Manager is authorized to represent the Company in connection with all examinations of the Company's affairs by tax authorities or any administrative or judicial tax proceedings with respect to the Company, and to expend Company funds for professional services and costs associated therewith, and the Company will reimburse the Tax Matters Manager for any such costs or other costs associated with carrying out its role as Tax Matters Manager that it incurs directly. The Tax Matters Manager will have sole discretion to determine whether the Company (either on its own behalf or on behalf of the Members) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any tax authority with respect to the Company and whether the Company will make any elections with respect to any tax assessment or proceeding.

(b) To the extent that the Company is an "eligible partnership" (as such term is used in Regulations § 301.6221(b)-1) and is permitted to make an election under Code Section 6221(b) and Regulations § 301.6221(b)-1 (an "Opt-Out Election"), the Company shall make an Opt-Out Election on its federal income tax return for each taxable year of the Company to elect out of the application of the new partnership audit laws and procedures set forth in Subchapter C of Chapter 63 of Subtitle F of the Code, as modified by Section 1101 of the Bipartisan Budget

Act of 2015, Pub. L. No. 114-74, and including any successor statutes thereto or Regulations promulgated or official guidance issued thereunder (the “Partnership Audit Procedures”).

(c) For each taxable year of the Company for which no Opt-Out Election is made, the Company shall designate, pursuant to Regulations § 301.6223-1 (and any successor Regulations and other applicable guidance) on its United States federal income tax return for each such taxable year of the Company, the Tax Matters Manager as the “partnership representative” for the Company (the “Partnership Representative”), and shall make such corresponding designations under any corresponding provisions of applicable foreign, state, or local tax law. To the extent that the Tax Matters Manager is not an individual, the Tax Matters Manager shall select any Person to serve as its “designated individual” pursuant to the Partnership Audit Procedures. The Tax Matters Manager, in its capacity as the Partnership Representative, shall (i) determine all matters with respect to any examination of the Company by any taxing authority (including, without limitation, the allocation of any resulting taxes, penalties, and interest among the Members and whether to make an election under Code § 6226 (and any similar provision under applicable foreign, state, or local tax law) with respect to any audit or other examination of the Company) and, (ii) notwithstanding anything herein to the contrary, make such elections as it deems appropriate pursuant to the provisions of the Partnership Audit Procedures.

(d) Each Member and former Member agrees to cooperate, and to cause its direct and indirect owners to cooperate, with the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Partnership Representative with respect to the conduct of any tax proceedings, in each case regardless whether then a Member or after ceasing to be a Member. Any deficiency for taxes imposed on any Member or former Member or its direct or indirect owners (including penalties, additions to tax, or interest imposed with respect to such taxes) will be paid by such Member or former Member or its direct or indirect owners as applicable, and if required to be paid (and actually paid) by the Company, such Member or former Member shall indemnify the Company for such amounts within thirty days of such payment by the Company, in each case regardless of whether then a Member or after ceasing to be a Member.

(e) At the request of the Partnership Representative, in connection with an adjustment of any item of income, gain, loss, deduction, or credit of the Company or any subsidiary entity in which the Company has an interest, directly or indirectly, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, promptly file one or more amended tax returns in the manner contemplated by Code § 6225(c) (and any Regulations or official guidance relating thereto, and, if applicable, any corresponding or similar provisions under state or local law) and pay any tax due with respect to such returns. If the Partnership Representative makes an election for the Company pursuant to Code § 6226 with respect to an imputed underpayment, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, comply with the requirements under such section (and any Regulations or official guidance relating thereto). At the request of the Partnership Representative, each Member and former Member shall, and shall cause its direct and indirect owners, as applicable, to, provide the Partnership Representative and the Company with any information available to such Member or former Member (or its direct or indirect owners or representatives) and with such representations, certificates, or forms relating to such Member or

former Member (or its direct or indirect owners or representatives) and any other documentation, in each case, that the Partnership Representative determines, in its reasonable discretion, are necessary to modify an imputed underpayment under Code § 6225(c) or the Regulations or other official guidance thereunder. In the event that any imputed underpayment is paid or payable by the Company under Code § 6225(a)(1), each Member and former Member shall indemnify the Company in an amount equal to such Member's or former Member's share (as determined by the Partnership Representative with the advice of the Company's tax counsel) of the imputed underpayment and any associated interest and penalties) paid or payable by the Company; provided, however, that the Partnership Representative may determine, in its discretion, to allocate the burden of such amount to such Member without requiring payment by such Member to the Company.

(f) Each Member's obligations to comply with the requirements of this Section 11.4 shall survive the Member's transfer of all or any portion of the Member's interest in the Company, otherwise ceasing to be a Member and/or the termination, dissolution, liquidation, and winding up of the Company, to the extent applicable.

(g) Any Person acting as a Tax Matters Manager, Partnership Representative or designated individual pursuant to this Section 11.4 shall, when acting in such capacity, be deemed to be a Manager for purposes of the Virginia Limited Liability Company Act, and as such their liability shall be eliminated to the same extent as Manager's liability is eliminated under this Agreement and they shall be entitled to indemnification to the same extent as a Manager is entitled to indemnification under this Agreement.

ARTICLE 12 INDEMNIFICATION AND EXCULPATION OF MANAGERS AND MEMBERS

12.1 Indemnification. The Managers and the Members shall be indemnified and held harmless by the Company from any liability resulting from any act performed by or omission made by them on behalf of the Company (except for acts or omissions of gross negligence or willful misconduct) to the fullest extent that a director or officer of a stock corporation may be indemnified and held harmless under Chapter 9 of Title 13.1 of the Code of Virginia of 1950, as amended.

12.2 Exculpation. The Managers and the Members shall not be liable to the Company or to any Member for or as a result of any act, omission or error in judgment that was taken, omitted or made by the Managers or the Members in accordance with the standards established by Section 13.1-1024.1 of the Act.

ARTICLE 13 MISCELLANEOUS

13.1 Notice. Any notice provided for in this Agreement to a Member shall be deemed given if sent by electronic mail, hand delivery, overnight delivery service, or by registered or certified mail to such Member at the address shown for such Member on the books and records of the Company or at such other address as may have been given in writing to the Company, at its principal office by registered or certified mail, return receipt requested.

13.2 Entire Agreement. This Agreement contains the entire agreement among the parties with regard to the operations of the Company and supersedes any prior understanding and/or written or oral agreements among them respecting the subject matter hereof.

13.3 Severable. In the event any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

13.4 Governing Law. This Agreement is made in, and shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

13.5 Captions. Any title or captions contained in this Agreement are for convenience only, and shall not be deemed a part of the context of this Agreement.

13.6 Interpretation. When the context in which the words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa.

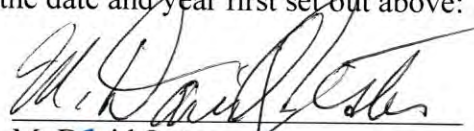
13.7 Successors. This Agreement shall be binding upon the parties hereto, and, if and when assigned in accordance with the provisions hereof, their respective assigns, successors in interest, personal or legal representatives, estates, heirs, and legatees.

13.8 Waiver of Compliance. Any failure of any Member to comply with any obligation, covenant, agreement or condition herein may be waived by other parties hereto, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

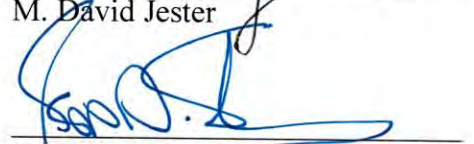
13.9 Counterparts. This document may be executed in several facsimile counterparts and such counterparts, when taken together, shall be as valid and binding and have the same effect, as if all signatures were original and on one document.

[SIGNATURE PAGE FOLLOWS]

WITNESS the following signatures and seals as of the date and year first set out above:



M. David Jester



Scott A. Troutman



Christian H. Gardner

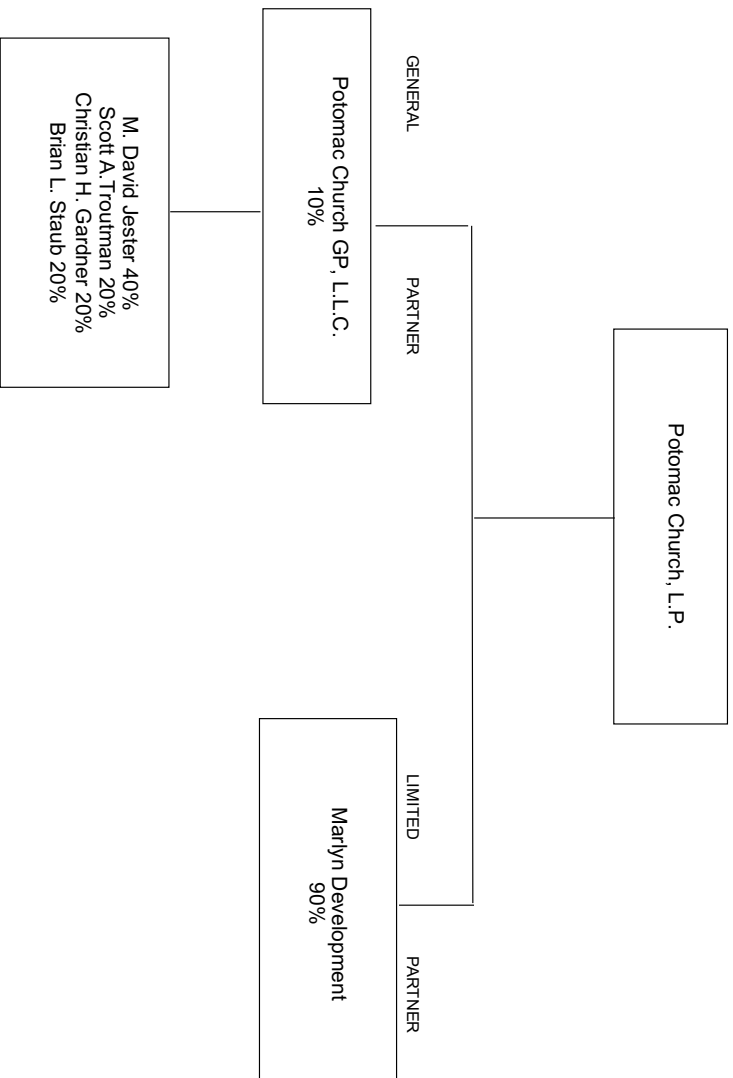


Brian L. Staub

**EXHIBIT A
TO
OPERATING AGREEMENT
OF
POTOMAC CHURCH DEVELOPERS, LLC**

<u>MEMBER NAME AND ADDRESS</u>	<u>INITIAL CAPITAL CONTRIBUTION</u>	<u>INTEREST</u>
M. David Jester 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$400.00	40.00%
Scott A. Troutman 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$200.00	20.00%
Christian H. Gardner 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$200.00	20.00%
Brian L. Staub 308 35th Street, Suite 101 Virginia Beach, Virginia 23451	\$200.00	20.00%
	<hr/> \$1,000.00	<hr/> 100.00%

**Potomac Church, L.P.
Ownership Structure**



B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, October 7, 2020

This is to certify that the certificate of limited partnership of

Potomac Church, 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: October 7, 2020



STATE CORPORATION COMMISSION

Attest:

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

Interim Clerk of the Commission



**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

Office of the Clerk

October 7, 2020

Rebecca Lambert
11815 Fountain Way
Suite 400
Newport News, VA, 23606

RECEIPT

RE: Potomac Church, LP
ID: 11118998
FILING NO: 2010072452807
WORK ORDER NO: 202010061014875

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 October 7, 2020.

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

Sincerely,

Bernard J. Logan
Interim Clerk of the Commission

Delivery Method: Email

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

CERTIFICATE OF LIMITED PARTNERSHIP

The undersigned, on behalf of the limited partnership set forth below, pursuant to Title 50, Chapter 2.1 of the Code of Virginia, state(s) as follows:

1. The name of the limited partnership is **Potomac Church, LP**
2. A. The name of the limited partnership's initial registered agent is:

Timothy O. Trant II

B. The registered agent is an individual who is a resident of Virginia and a member of the Virginia State Bar.
3. A. The limited partnership's initial registered office address, which is identical to the business office of the initial registered agent is:

11815 Fountain Way, Suite 400, Newport News, VA 23606

B. The registered office is physically located in the City of Newport News.
4. The name and address of each general partner, and its jurisdiction of organization and SCC identification number, if assigned, are as follows:

Potomac Church GP, LLC
308 35th Street, Suite 101, Virginia Beach, VA 23451
Virginia limited liability company; SCC ID #: 11100713
5. The limited partnership's principal office address is:

308 35th Street, Suite 101, Virginia Beach, VA 23451

Signatures of all general partners:

Potomac Church GP, LLC,
a Virginia limited liability company

By: _____

Brian L. Staub, Manager

Date: October 1, 2020

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name:

Potomac Church Apartments

Name of Applicant (entity):

Potomac Church, L.P.

Potomac Church GP, L.L.C.

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

Brian L. Staub

Printed Name

November 18, 2020

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: Potomac Church Apartments
 Name of Applicant: Potomac Church, L.P.
 Controlling General Partner or Managing Member: Potomac Church GP, LLC

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 1999 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principals Name: Scott A. Troulman Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y Y or N

Development #	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	Sunset Creek Apartments, Hampton, VA	Sunset Hampton, L.P. 757-437-1677	Y	132	132	1/17/20	8/18/20	N
2	Suffolk Senior Apartments, Suffolk, VA	Suffolk Senior, L.P. 757-437-1677	Y	138	111	4/25/19	12/20/19	N
3	York Senior Apartments Williamsburg, VA	York Senior, L.P. 757-437-1677	Y	130	110	4/12/19	12/16/19	N
4	The Arbors of Culpeper Culpeper, VA	Culpeper Senior, L.P. 757-437-1676	Y	132	117	7/6/18	3/15/19	N
5	Forrest Landing Apartments, Phase II, Newport News, VA	FL2, L.P. 757-437-1677	Y	64	64	6/11/18	1/3/19	N
6	Catalina Crossing Chesapeake, VA	Catalina Crossing, L.P. 757-437-1677	Y	124	124	7/15/16	3/1/17	N
7	The Woodlands Hampton, VA	Woodlands Hampton, L.P. 757-437-1677	Y	132	27	8/28/15	3/24/16	N
8	Waterford Pointe Apartments Newport News, VA	Waterford Pointe, L.P. 757-437-1677	Y	120	120	11/3/14	8/24/15	N
9	Forrest Pines Seniors Newport News, VA	Forrest Pines Seniors, L.P. 757-437-1677	Y	123	123	10/12/14	4/28/15	N
10	Pavilion Apartments Newport News, VA	Pavilion Investors, L.P. 757-437-1677	Y	32	32	3/1/13	4/3/14	N
11	Sharps Landing Apartments Newport News, VA	Sharps Landing, L.P. 757-437-1677	Y	180	180	6/30/11	3/6/13	N
12	Forrest Landing Apartments, Newport News, VA	Forrest Landing Associates, L.P. 757-437-1677	Y	120	120	1/14/10	7/27/10	N
13	Somerset Apartments at Town Center, Hampton, VA	Heritage Hampton, L.P. 757-437-1677	N	151	114	6/26/08	4/8/09	N
14	Chester Village Green, Chesterfield, VA	Chester Village, L.P. 757-437-1677	N	163	125	Sept-Dec 2005	9/1/06	N
15	Sinclair Commons Apts., Hampton, VA	Sinclair Commons, L.P. 757-437-1677	N	138	138	7/1/04	6/1/05	N
16	Lynnhaven Cove Apts., Virginia Beach, VA	Lynnhaven Cove, L.P. 757-437-1677	N	115	115	7/1/03	5/1/04	N
17	Shorewood Cove Apts., Norfolk, VA	Shorewood Cove, L.P. 757-437-1677	N	132	129	11/1/11	12/2/11	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 1,994 1,749 **LIHTC as % of Total Units**
88%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Potomac Church Apartments
 Name of Applicant: Potomac Church, L.P.
 Controlling General Partner or Managing Member: Potomac Church GP, LLC

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 1999 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principal's Name: Brian L. Staub Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y Y or N

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Sunset Creek Apartments, Hampton, VA Sunset Hampton, L.P. 757-437-1677	Y	132	132	1/17/20	8/18/20	N
2	Suffolk Senior Apartments, Suffolk, VA Suffolk Senior, L.P. 757-437-1677	Y	138	111	4/25/19	12/20/19	N
3	York Senior Apartments Williamsburg, VA York Senior, L.P. 757-437-1677	Y	130	110	4/12/19	12/16/19	N
4	The Arbors of Culpeper Culpeper, VA Culpeper Senior, L.P. 757-437-1676	Y	132	117	7/6/18	3/15/19	N
5	Forrest Landing Apartments, Phase II, Newport News, VA FL2, L.P. 757-437-1677	Y	64	64	6/11/18	1/3/19	N
6	Catalina Crossing Chesapeake, VA Catalina Crossing, L.P. 757-437-1677	Y	124	124	7/15/16	3/1/17	N
7	The Woodlands Hampton, VA Woodlands Hampton, L.P. 757-437-1677	Y	132	27	8/28/15	3/24/16	N
8	Waterford Pointe Apartments Newport News, VA Waterford Pointe, L.P. 757-437-1677	Y	120	120	11/3/14	8/24/15	N
9	Forrest Pines Seniors Newport News, VA Forrest Pines Seniors, L.P. 757-437-1677	Y	123	123	10/12/14	4/28/15	N
10	Pavilion Apartments Newport News, VA Pavilion Investors, L.P. 757-437-1677	Y	32	32	3/1/13	4/3/14	N
11	Sharps Landing Apartments Newport News, VA Sharps Landing, L.P. 757-437-1677	Y	180	180	6/30/11	3/6/13	N
12	Forrest Landing Apartments, Newport News, VA Forrest Landing Associates, L.P. 757-437-1677	N	120	120	1/14/10	7/27/10	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8602 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 1,295 1,128

LIHTC as % of
 87% **Total Units**

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Potomac Church Apartments
 Name of Applicant: Potomac Church, L.P.
 Controlling General Partner or Managing Member: Potomac Church GP, LLC

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 1999 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Principal's Name: M. David Jester Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y Y or N

Development #	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	Sunset Creek Apartments, Hampton, VA	Sunset Hampton, L.P. 757-437-1677	Y	132	132	1/17/20	8/18/20	N
2	Suffolk Senior Apartments, Suffolk, VA	Suffolk Senior, L.P. 757-437-1677	Y	138	111	4/25/19	12/20/19	N
3	York Senior Apartments Williamsburg, VA	York Senior, L.P. 757-437-1677	Y	130	110	4/12/19	12/16/19	N
4	The Arbors of Culpeper Culpeper, VA	Culpeper Senior, L.P. 757-437-1676	Y	132	117	7/6/18	3/15/19	N
5	Forrest Landing Apartments, Phase II, Newport News, VA	FL2, L.P. 757-437-1677	Y	64	64	6/11/18	1/3/19	N
6	Catalina Crossing Chesapeake, VA	Catalina Crossing, L.P. 757-437-1677	Y	124	124	7/15/16	3/1/17	N
7	The Woodlands Hampton, VA	Woodlands Hampton, L.P. 757-437-1677	Y	132	27	8/28/15	3/24/16	N
8	Waterford Pointe Apartments Newport News, VA	Waterford Pointe, L.P. 757-437-1677	Y	120	120	11/3/14	8/24/15	N
9	Forrest Pines Seniors Newport News, VA	Forrest Pines Seniors, L.P. 757-437-1677	Y	123	123	10/12/14	4/28/15	N
10	Pavilion Apartments Newport News, VA	Pavilion Investors, L.P. 757-437-1677	Y	32	32	3/1/13	4/3/14	N
11	Sharps Landing Apartments Newport News, VA	Sharps Landing, L.P. 757-437-1677	Y	180	180	6/30/11	3/6/13	N
12	Forrest Landing Apartments, Newport News, VA	Forrest Landing Associates, L.P. 757-437-1677	Y	120	120	1/14/10	7/27/10	N
13	Somerset Apartments at Town Center, Hampton, VA	Heritage Hampton, L.P. 757-437-1677	Y	151	114	6/26/08	4/8/09	N
14	Chester Village Green, Chesterfield, VA	Chester Village, L.P. 757-437-1677	Y	163	125	Sept-Dec 2005	9/1/06	N
15	Sinclair Commons Apts., Hampton, VA	Sinclair Commons, L.P. 757-437-1677	Y	138	138	7/1/04	6/1/05	N
16	Lynnhaven Cove Apts., Virginia Beach, VA	Lynnhaven Cove, L.P. 757-437-1677	Y	115	115	7/1/03	5/1/04	N
17	The Crossings at Summerland, Woodbridge, Va	Summerland Heights III, L.P. 757-437-1677	Y	126	126	4/11/03	12/5/03	N
18	Shorewood Cove Apts., Norfolk, VA	Shorewood Cove, L.P. 757-437-1677	Y	132	129	11/1/11	12/2/11	N
19	Somerset, Phase I, Gainesville, VA	Somerset Apts., L.P. 757-437-1677	Y	172	172	1/31/02	6/20/02	N
20	Somerset, Phase II, Gainesville, VA	Somerset Apts., L.P. 757-437-1677	Y	104	104	1/31/02	6/20/02	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 2,396 2,151 **LIHTC as % of Total Units** 90%

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46								
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2nd PAGE TOTAL: 0 0

GRAND TOTAL: 1,994 1,749

LHHC as % of 88% Total Unit

E

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

Prepared By:	Portion of Tax Map	Grantee's Address:
Earl F. Glock	No. 39-56D	308 35th Street, Suite 101
VSB #19737		Virginia Beach, VA 23451
1634 I St NW Ste. 205		
Washington, DC 20006	Assessed Value:	Consideration: \$420,000
(202) 293-7909	\$570,000 (Total)	
	26.7694 Acres Total	
	11.3653 Acres (42.46%) Conveyed	
	42.46% x \$570,000 = \$242,022	

Fidelity National Title Insurance Company

DEED

This DEED is made this 17th day of December, 2020, by and between 7K INVESTMENTS LLC, a Delaware limited liability company ("Grantor"), and POTOMAC CHURCH, LP, a Virginia limited partnership ("Grantee").

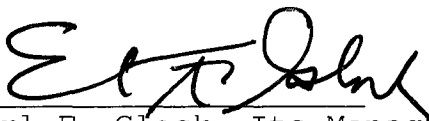
In consideration of Ten Dollars and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Grantor does hereby grant and convey unto the Grantee, with Special Warranty of Title, all that certain lot or parcel of land located and being in Stafford County, Virginia, and being more particularly described on the attached Exhibit A, together with all improvements, privileges and appurtenances thereto. This conveyance is made subject to conditions, valid restrictions and rights of way of record.

WITNESS the following signature and seal:

[Signature Appears on Following Page]

[Signature Page to Deed]

7K INVESTMENTS LLC

By: 
Earl F. Glock, Its Manager

COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON ; to wit,

The foregoing Deed was acknowledged before me this 17th day of December, 2020, by Earl F. Glock, as Manager of 7K Investments LLC, on behalf of the limited liability company.

ali m. mayassi
Notary Public

My commission expires: 3/31/2024
Notary Registration Number: 290267

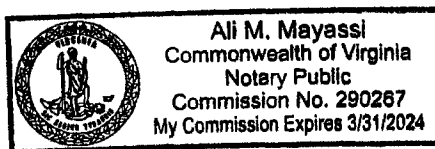


EXHIBIT A
(Legal Description)

All that certain lot, piece or parcel of land, together with improvements thereon, situate, lying and being on the east side of Old Potomac Church Road, Aquia District, Stafford County, Virginia, and more particularly shown as Parcel A on the plat entitled "RECORD PLAT POTOMAC CHURCH APARTMENTS", made by Bowman Consulting Group, Ltd. dated February 7, 2020 and recorded in the Clerk's Office of the Circuit Court of Stafford County, Virginia, in Plat Book * _____ at Page _____.

* Instrument No: 20000146

Together with an appurtenant easement for ingress and egress by Easement Agreement dated November 14, 2012 among 7K Investments LLC, Intervest Group, Inc., Trustee, Stafford Recreational Soccer League, Inc., Old Potomac Church, LLC and 21 Peake Lane, LLC, recorded February 26, 2013 as Instrument No. 130005027, and amended by Amendment to Easement Agreement dated May 16, 2016, recorded March 2, 2017 as Instrument No. 170004007.

It being a portion of the same property conveyed by deed dated December 5, 2009, from Stafford Lakes Limited Partnership, a Virginia limited partnership, to 7K Investments LLC, a Delaware limited liability company, recorded December 8, 2009 in the Clerk's Office of the Circuit Court of Stafford County, Virginia, as Instrument No. 090020588.

INSTRUMENT # 200035283
E-RECORDED IN THE CLERK'S OFFICE OF
STAFFORD COUNTY ON
DECEMBER 22, 2020 AT 02:12PM
\$420.00 GRANTOR TAX WAS PAID AS
REQUIRED BY SEC 58.1-802 OF THE VA. CODE
STATE: \$210.00 LOCAL: \$210.00
KATHY M. STERNE, CLERK
RECORDED BY: TJD

THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT

This Third Amendment to Purchase and Sale Agreement (the "Amendment") is made effective as of this 29th day of October, 2020, by and between **7K INVESTMENTS LLC**, a Delaware limited liability company ("**Seller**"), and **MARLYN DEVELOPMENT CORPORATION**, a Virginia corporation, or assigns ("**Buyer**").

RECITALS:

A. Seller and Buyer entered into a Purchase and Sale Agreement dated as of July 19, 2018, as amended by that First Amendment to Purchase and Sale Agreement dated as of September 11, 2018, and by that Second Amendment to Purchase and Sale Agreement dated as of July 19, 2019 (collectively, the "Contract"), for the purchase and sale of certain real property located in the County of Stafford, Virginia, and more particularly described in the Contract as the Property.

B. Buyer and Seller desire to amend and supplement the Contract as more particularly provided below.

AGREEMENT:

For and in consideration of the above recitals which are incorporated herein by reference, the mutual promises contained herein, the sum of ten dollars cash in hand paid by Buyer to Seller, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Section 1 is hereby modified so that the "Acquisition Parcel" is described as "Parcel A" as shown on the plat titled "Record Plat Potomac Church Apartments", dated February 7, 2020, last revised September 4, 2020, prepared by Bowman Consulting, attached to this Third Amendment as Exhibit A. Section 1 is hereby further modified so that the Transferrable Development Rights ("TDRs") being transferred and conveyed to Buyer pursuant to the Agreement are 144 of the 145 TDRs with Serial Number TDR20153254 represented by the Stafford County, Virginia Transferrable Development Rights Certificate dated June 10, 2020 and recorded in the land records of Stafford County, Virginia ("Land Records") as Instrument Number 200013058.

2. Section 2(a) is hereby deleted in its entirety and replaced with the following language:

"(a) The total purchase price ("Purchase Price") for the Property shall be \$3,300,000.00, which shall be allocated \$420,000.00 to the Acquisition Parcel and the improvements, timber and other tangible property located thereon and \$2,880,000.00 (\$20,000/TDR) to the 144 TDRs being conveyed pursuant to this Agreement."

3. Section 3 is hereby deleted in its entirety and replaced with the following language:

"Closing. The consummation of the sale and purchase of the Property and the delivery of possession (the "Closing") shall occur on or before December 15, 2020 (the "Closing Date"); provided, unless waived by Buyer, (i) title shall be in the same condition as shown on the Title Binder, but with the Specified Easement Vacations (defined below) having been recorded in the Land Records prior to November 30, 2020, (ii) there shall have been no material, adverse

change after the date of the Third Amendment to this Agreement and prior to Closing in the physical or legal condition of the Property which are not otherwise specifically addressed in this Agreement, including, without limitation, any change in areas determined to be flood prone, designated wetlands, governmental zoning ordinances, or restrictions and requirements affecting ownership and development of the Property, (iii) all representations and warranties of Seller contained in this Agreement are true and correct in all material respects as if made again on the date of Closing, and (iv) Seller has performed all its obligations under this Agreement.

The "Specified Easement Vacations" are: (i) vacation of record of the portion of the 50 foot easement area on the Property and the 40 foot building set back from the 50 foot easement area on the Property created by that certain easement agreement recorded in the Land Records as Deed Book 663, at Page 75, which is impacting Buyer's Intended Use, and (ii) vacation of record of the easements over and the obligations to convey to Stafford County and/or the Virginia Department of Transportation the portion of the 30 foot temporary construction easement and the variable width permanent construction and grading easement on the Property created by that certain easement agreement recorded in the Land Records as Instrument Number 180015175, which are impacting Buyer's Intended Use. If the Specified Easements Vacations are not recorded in the Land Records on or prior to November 30, 2020, Buyer may terminate this Agreement by notice to Seller given on or before November 30, 2020 and receive a refund of the Deposit (less the \$10.00 consideration to be paid to Seller), failing which timely termination the closing contingency regarding the Specified Easement Vacations shall be deemed satisfied and waived by Buyer.

Risk of Loss to the Property by casualty, subsidence or otherwise following the date of the Third Amendment to this Agreement shall remain with Seller until Closing. The tender to the Escrow Agent of the documents and funds required to be delivered by a party at Closing shall be deemed a sufficient tender of performance and the physical presence of the parties at a Closing shall not be required. The Parties agree that any improvements on the Property have no material value for purposes of this Agreement and the condition of any such improvements shall not be a condition precedent of the obligations of the Parties."

3. Section 6 is hereby modified to confirm NexGen Title Agency, LLC of Norfolk, Virginia is the "Title Company" and that, other than the Specified Easement Vacations, all title and survey matters listed on the Title Binder (being Fidelity National Title Insurance Company Commitment Number 5500081 with a Commitment Date of February 6, 2019) or shown on the Survey (being the ALTA/NSPS Land Title Survey including the Acquisition Parcel dated November 5, 2018 by Bowman Consulting) are deemed "Permitted Exceptions."

4. The last two sentences of Section 7(a) are hereby deleted in their entirety and replaced with the following language:

"If Buyer terminates this Agreement in accordance with the terms hereof, or if Closing does not occur due to any reason except default by Seller, Buyer shall (i) at its sole cost and expense, repair any damage to the Property resulting from Buyer's activities, in whatever manner necessary so that the Property shall be returned to substantially the same condition in which it existed prior to entry by Buyer or its agents or representatives, (ii) promptly provide to Seller a copy of, and assign to Seller free from liens all of Buyer's rights to, any and all information, materials, and data that Buyer and/or its agents or representatives discover, obtain or generate in connection with or resulting from its inspections, investigations of the Property or seeking to obtain the Approvals (defined below), including all engineering, environmental, construction, wetlands, drainage, flood plain, resource protection area and feasibility plans, plats, approvals,

permits, applications, studies and evaluations; provided however such information is not restricted by third party providers from being given or assigned to Seller, and that all such information will be in its "AS IS/WHERE IS" condition without warranty or representation, and all proprietary market and financial studies of Buyer will be excluded. The provisions of this Section 7(a) shall survive termination of this Agreement and shall not be limited by any liquidated damages provisions of this Agreement."

5. Section 7(c) is hereby deleted in its entirety and replaced with the following language:

"(c) Upon the expiration of the Inspection Period, Buyer shall have a period of time (the "Approval Period") in which to obtain approval (i) from all applicable governmental entities, agencies, and authorities of all plans, permits, and other approvals necessary to construct, occupy, and operate its Intended Use on the Property (which shall not be deemed to include the Subdivision Plat), and (ii) from its chosen lender for acquisition, development, and permanent financing of the Property for its Intended Use (collectively, the "Approvals"). The Approval Period shall commence upon the expiration of the Inspection Period and shall expire upon the earlier of (i) receipt by Buyer of the Approvals, and (ii) November 30, 2020. Buyer agrees to diligently pursue the Approvals. If the Approvals have not been obtained on or before November 30, 2020, then Buyer shall have the absolute right to terminate this Agreement by giving written notice to that effect to Seller on or before November 30, 2020. If Buyer timely exercises such right to terminate, this Agreement shall terminate and be of no further force or effect and, except as otherwise provided in this Agreement, no party shall have any further rights, obligations or liabilities under this Agreement, and the Deposit (less the \$10.00 consideration to be paid to Seller) shall be returned immediately to Buyer. In the event Buyer does not exercise its right to timely terminate the Agreement as provided in this paragraph (c), the Deposit shall become non-refundable (except in the event of a default by Seller or as otherwise provided herein) but shall be applied to and credited against the Purchase Price at Closing."

6. Section 7(d) (regarding possible extensions of the Approval Period) is hereby deleted in its entirety.

7. Section 7(e) is hereby deleted in its entirety and replaced with the following language:

"(e) Buyer shall proceed diligently to prepare and obtain final approval during the Approval Period from all applicable governmental authorities of, at Buyer's sole cost and expense, a subdivision plat (the "Subdivision Plat") which establishes the Property as a separate, legally subdivided parcel. A draft of the Subdivision Plat shall be submitted to Seller for its review and approval prior to each submission to Stafford County, with the subdivision plat attached to the Third Amendment of this Agreement as Exhibit A being hereby approved by Seller as the "Subdivision Plat." If Stafford County requires that the Subdivision Plat be modified to accommodate Buyer's development of its Intended Use, Seller shall consent to Buyer's reasonable modifications of Subdivision Plat if the modifications do not materially alter the size or location of the Acquisition Parcel. Seller shall not be required to record the Subdivision Plat until Closing on the Property."

8. Subsections 8(f) and 8(g) are hereby deleted in their entirety and replaced with the following language:

"(f) Approved Subdivision Plat consistent with the terms of this Agreement;

(g) A Deed of Transfer of Transferrable Development Rights in favor of Buyer for the 144 TDRs being conveyed under this Agreement; and

(h) Any and all other documentation reasonably required by Buyer's counsel, Buyer's lender, and/or the Title Company to consummate Buyer's acquisition of the Property and the issuance of an owner's and lender's title insurance policies on the Acquisition Parcel."

9. All references in the Contract to the "Public Utility Availability" are hereby deleted as the Public Utility Availability is deemed satisfied and waived by Buyer.

10. Buyer will, at or before Closing, assign the Contract to Potomac Church, LP, a Virginia limited liability company, and all documents to be delivered by Seller to Buyer at Closing shall be issued in the name of Potomac Church, LP.

11. Except as expressly set forth in this Amendment, neither the Contract nor any provision thereof has been or is hereby amended. In furtherance of, and without in any manner limiting the foregoing, Buyer and Seller each hereby agree and acknowledge that the Contract, as amended hereby, remains in full force and effect and is hereby affirmed, confirmed and reaffirmed. If anything contained in this Amendment conflicts with any terms of the Contract, then the terms of this Amendment shall prevail.

12. This Amendment may be executed and delivered in any number of facsimile counterparts, each constituting an original but all together only one Amendment. This Amendment shall not be effective unless it is executed by all parties.

IN WITNESS WHEREOF, the parties have set their signatures as of the date indicated below.

BUYER:

MARLYN DEVELOPMENT CORPORATION

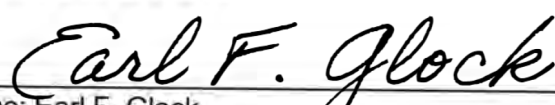
By:  _____

Name: Brian Staub

Title: CFO

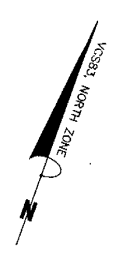
SELLER:

7K INVESTMENTS LLC

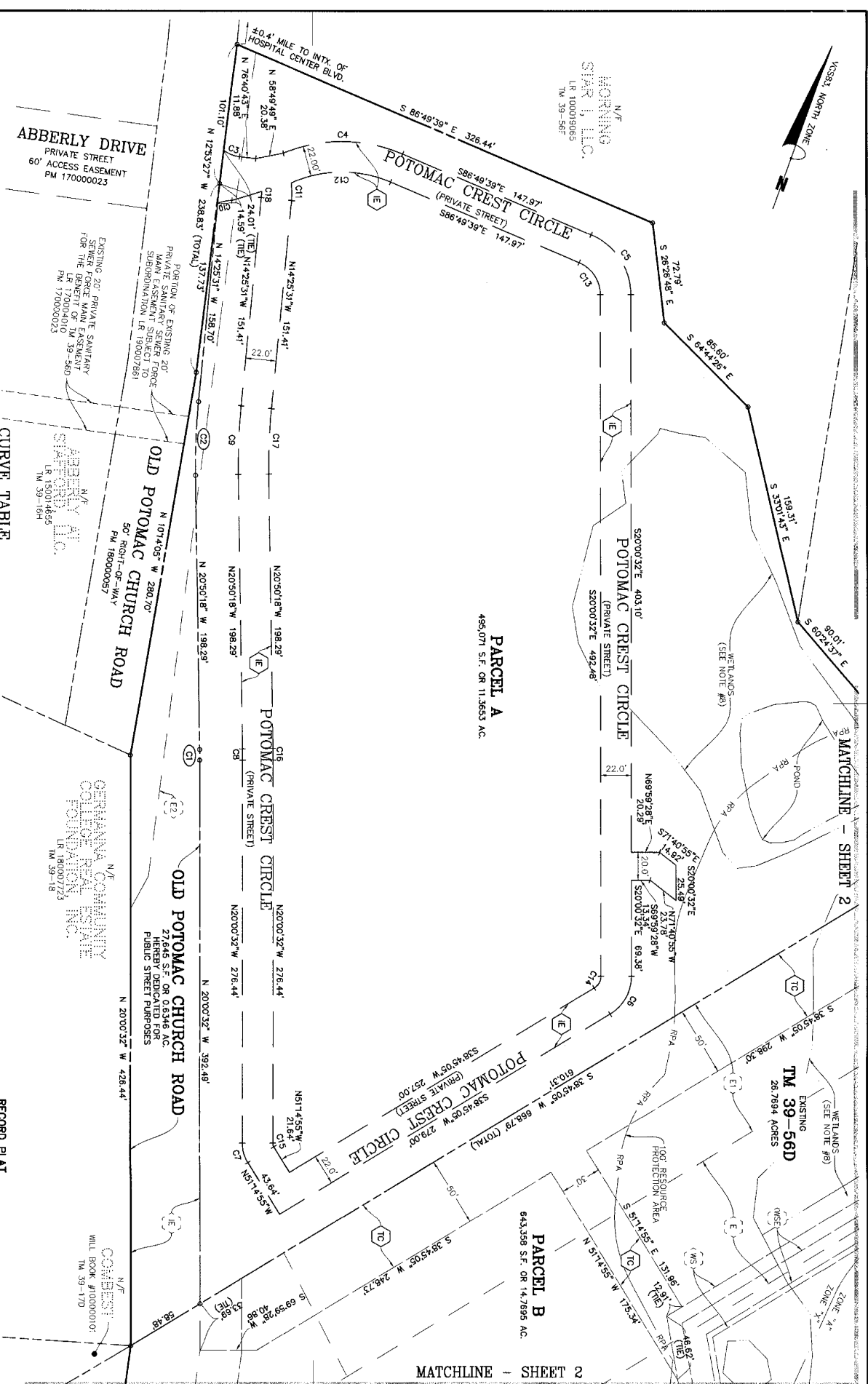
By:  _____

Name: Earl F. Glock

Title: Manager



MORNING STAR, LLC
 LR 100019085
 TM 39-56F



ABBERLY DRIVE
 PRIVATE STREET
 60' ACCESS EASEMENT
 PM 170000023

EXISTING 20' PRIVATE SANITARY
 SEWER FOR THE DANCE MAIN EASEMENT
 FOR THE DANCE MAIN EASEMENT
 LR 170000010
 PM 170000023

ABBERLY DRIVE
 PRIVATE STREET
 60' ACCESS EASEMENT
 PM 170000023

OLD POTOMAC CHURCH ROAD
 50' RIGHT-OF-WAY
 PM 180000057

GERMANIA COMMUNITY
 COLLEGE REAL ESTATE
 FOUNDATION, INC.
 LR 180001723
 TM 39-1B

OLD POTOMAC CHURCH ROAD
 50' RIGHT-OF-WAY
 PM 180000057

COMESTI
 WILL BOOK #100000101
 TM 39-17D

PARCEL A
 490,071 S.F. OR 11.3653 AC.

PARCEL B
 643,358 S.F. OR 14.7895 AC.

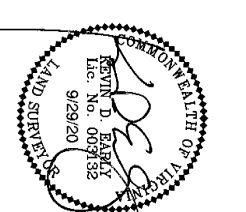
CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	525.00'	7.60'	N 20°29'25" W	7.60'	0°49'46"	3.80'
C2	475.00'	5.317'	N 17°37'55" W	5.317'	6°24'47"	26.61'
C3	24.00'	12.43'	S 88°29'02" E	12.29'	28°46'50"	6.36'
C4	11.00'	89.36'	N 70°22'00" E	86.05'	43°36'42"	46.67'
C5	17.00'	54.81'	S 53°22'00" E	51.76'	68°49'07"	31.03'
C6	31.00'	104.31'	N 53°22'00" E	101.30'	68°49'07"	11.01'
C7	27.00'	14.72'	N 58°57'43" W	14.94'	31°14'23"	7.55'
C8	556.00'	49.70'	N 20°29'25" W	48.05'	0°49'46"	4.02'
C9	444.00'	10.56'	S 68°11'05" W	10.48'	6°24'47"	24.87'
C10	24.00'	10.56'	S 68°11'05" W	10.48'	29°13'11"	5.37'
C11	56.00'	12.78'	N 20°29'25" W	12.76'	13°04'48"	6.42'
C12	89.00'	73.87'	N 68°23'36" E	71.53'	47°33'28"	39.21'
C13	25.00'	29.16'	S 53°22'00" E	27.63'	68°49'07"	16.48'
C14	10.00'	10.26'	S 08°22'17" W	9.81'	58°48'07"	5.63'
C15	5.00'	2.73'	N 35°37'43" W	2.69'	31°14'23"	1.40'
C16	525.00'	4.932'	N 20°29'25" W	4.917'	0°49'46"	23.18'
C17	425.00'	4.932'	N 20°29'25" W	4.917'	0°49'46"	23.18'
C18	34.00'	4.442'	N 18°09'11" W	4.442'	7°27'20"	2.222'



SCALE: 1" = 50'

DATE: FEBRUARY 7, 2020



Bowman
 CONSULTING GROUP, INC.

1800 Central Park Blvd.
 Frederick, MD 21701

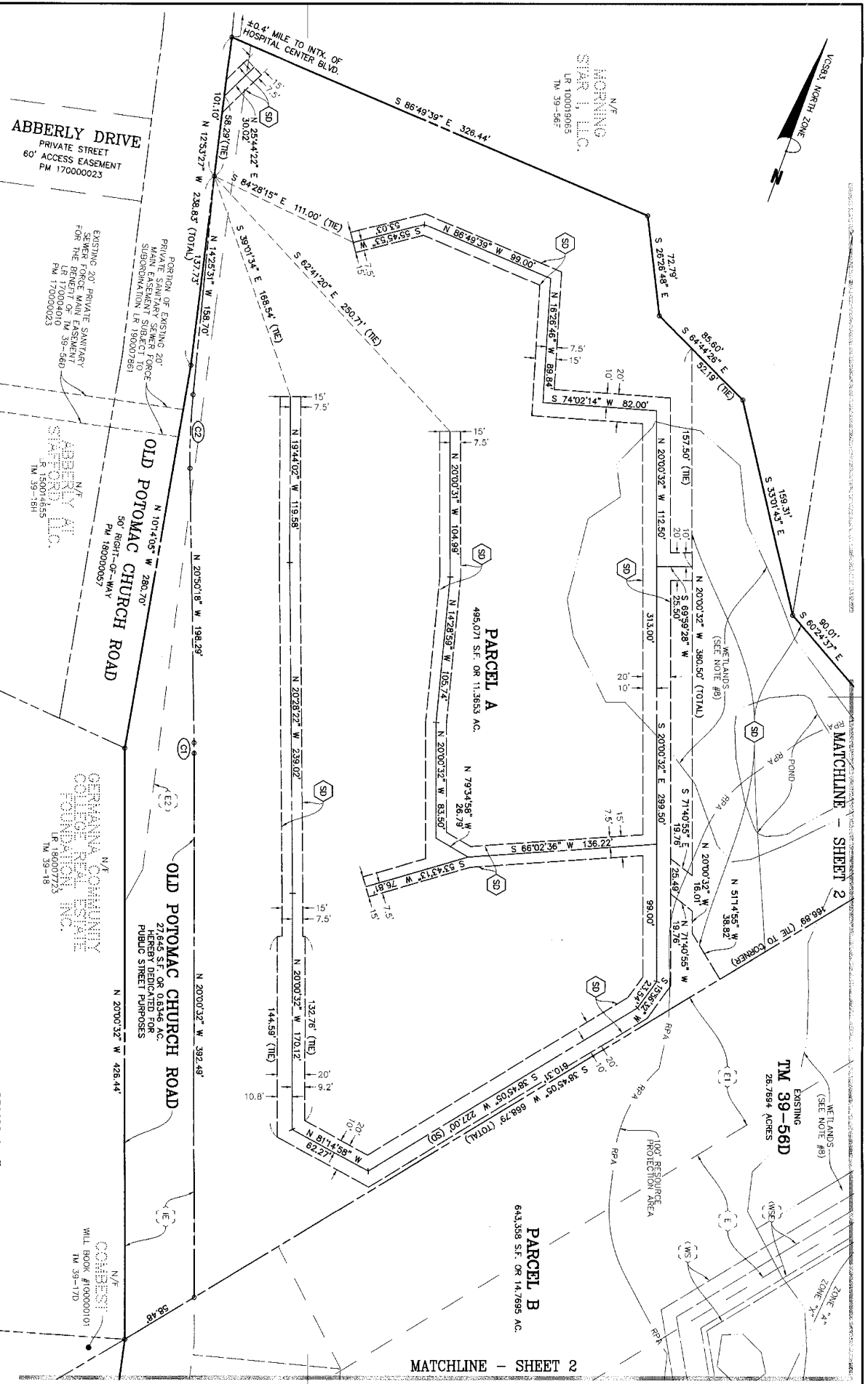
Phone: (640) 571-0288
 Fax: (640) 571-8178
 www.bowmanconsulting.com

Project: BCG PROJECT NO. 100198-01-00
 Task: 00021
 County Ref No: 20153284

Sheet 3 of 6

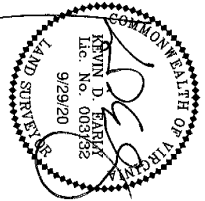
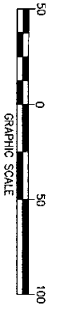


MORNING STAR I, LLC.
 LR 100019065
 TM 39-567



CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	625.00'	7.60'	N 20°25'25" W	7.60'	0°49'46"	3.80'
C2	475.00'	53.17'	N 1°37'55" W	53.14'	6°24'47"	26.61'



Bowman
 CONSULTING GROUP, LTD.

REVISIONS:

NO.	DATE	REVISION
09/03/20		COUNTY COMMENTS
09/04/20		COUNTY A/T/REK COMMENTS
09/15/20		ESKANT REVISIONS
09/29/20		COUNTY COMMENTS

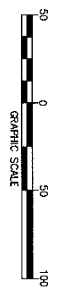
Project: **POTOMAC CHURCH APARTMENTS**
 Location: AQUILA MASTERIAL DISTRICT, STAFFORD COUNTY, VIRGINIA

DATE: FEBRUARY 7, 2020

Scale: 1" = 50'

Task: 00021 COUNTY REF NO: 20153284

Sheet: 4 of 6



LINE TABLE

LINE	BEARING	DISTANCE
WS1	N 80°55'13" E	12.30
WS2	N 47°05'14" E	64.20
WS3	N 42°14'28" E	24.11
WS4	N 69°59'28" E	22.51
WS5	N 38°45'06" E	11.79
WS6	S 42°54'46" E	30.71
WS7	N 03°10'21" E	28.55
WS8	S 69°59'28" E	32.50
WS9	S 69°59'28" E	20.16
WS10	S 20°01'38" E	9.92
WS11	S 20°01'38" E	19.02
WS12	N 69°59'28" E	21.00
WS13	N 69°59'28" E	35.69
WS14	S 69°59'28" E	26.69
WS15	S 69°59'28" E	28.69
WS16	N 47°05'14" E	12.14
WS17	N 47°05'14" E	12.14

LINE TABLE

LINE	BEARING	DISTANCE
WS18	S 69°59'28" W	21.00
WS19	S 69°59'28" W	21.00
WS20	N 51°45'5" W	21.00
WS21	N 51°45'5" W	37.48
WS22	N 69°09'42" E	21.00
WS23	N 69°09'42" E	20.73
WS24	N 69°09'42" E	20.73
WS25	N 69°09'42" E	27.07
WS26	N 69°09'42" E	20.16
WS27	N 69°09'42" E	20.16
WS28	S 19°36'55" E	4.00
WS29	S 19°36'55" E	9.41
WS30	S 20°01'38" E	4.00
WS31	S 20°01'38" E	4.00

EXISTING 20' PRIVATE SANITARY SEWER FORCE MAIN ASSESSMENT FOR THE BENEFIT OF PM 170000400 PM 170000400

PRIVATE SANITARY SEWER FORCE MAIN ASSESSMENT SCHEDULE FOR SHEDDING WASHINGTON LS 180007861

PORTION OF EXISTING 20' PRIVATE SANITARY SEWER FORCE MAIN ASSESSMENT FOR THE BENEFIT OF PM 170000400

ABBERLY DRIVE PRIVATE STREET 60' ACCESS EASEMENT PM 170000023

OLD POTOMAC CHURCH ROAD 50' RIGHT-OF-WAY PM 180000057

PARCEL A 485,071 SF OR 11.3653 AC

GERMANIA COMMUNITY COLLEGE REAL ESTATE FOUNDATION INC. 180000723

OLD POTOMAC CHURCH ROAD 27,645 SF OR 0.6346 AC HERBERY DEDICATED FOR PUBLIC STREET PURPOSES

PARCEL B 643,358 SF OR 14.7895 AC

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	525.00'	7.60'	N 20°25'28" W	7.60'	0°49'46"	3.80'
C2	475.00'	6.51'	N 17°37'55" W	6.51'	0°24'41"	3.26'
C3	1000.00'	11.93'	N 17°37'55" W	11.93'	0°24'41"	5.97'

RECORD PLAT

POTOMAC CHURCH APARTMENTS

AQUA MAJESTERIAL DISTRICT

STAFFORD COUNTY, VIRGINIA

DATE: FEBRUARY 7, 2020

ABBERLY DRIVE PRIVATE STREET 60' ACCESS EASEMENT PM 170000023

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RECORD PLAT

POTOMAC CHURCH APARTMENTS

AQUA MAJESTERIAL DISTRICT

STAFFORD COUNTY, VIRGINIA

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RECORD PLAT

POTOMAC CHURCH APARTMENTS

AQUA MAJESTERIAL DISTRICT

STAFFORD COUNTY, VIRGINIA

DATE: FEBRUARY 7, 2020

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C1	525.00'	7.60'	N 20°25'28" W	7.60'	0°49'46"	3.80'
C2	475.00'	6.51'	N 17°37'55" W	6.51'	0°24'41"	3.26'
C3	1000.00'	11.93'	N 17°37'55" W	11.93'	0°24'41"	5.97'

RECORD PLAT

POTOMAC CHURCH APARTMENTS

AQUA MAJESTERIAL DISTRICT

STAFFORD COUNTY, VIRGINIA

DATE: FEBRUARY 7, 2020

ABBERLY DRIVE PRIVATE STREET 60' ACCESS EASEMENT PM 170000023

OLD POTOMAC CHURCH ROAD 50' RIGHT-OF-WAY PM 180000057

PARCEL A 485,071 SF OR 11.3653 AC

GERMANIA COMMUNITY COLLEGE REAL ESTATE FOUNDATION INC. 180000723

OLD POTOMAC CHURCH ROAD 27,645 SF OR 0.6346 AC HERBERY DEDICATED FOR PUBLIC STREET PURPOSES

PARCEL B 643,358 SF OR 14.7895 AC

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	525.00'	7.60'	N 20°25'28" W	7.60'	0°49'46"	3.80'
C2	475.00'	6.51'	N 17°37'55" W	6.51'	0°24'41"	3.26'
C3	1000.00'	11.93'	N 17°37'55" W	11.93'	0°24'41"	5.97'

RECORD PLAT

POTOMAC CHURCH APARTMENTS

AQUA MAJESTERIAL DISTRICT

STAFFORD COUNTY, VIRGINIA

DATE: FEBRUARY 7, 2020



18281 NORTH ZONE

MORNING STAR I, LLC. TM 39-568

WELANDS (SEE NOTE #8)

100' RESOURCE PROTECTION AREA

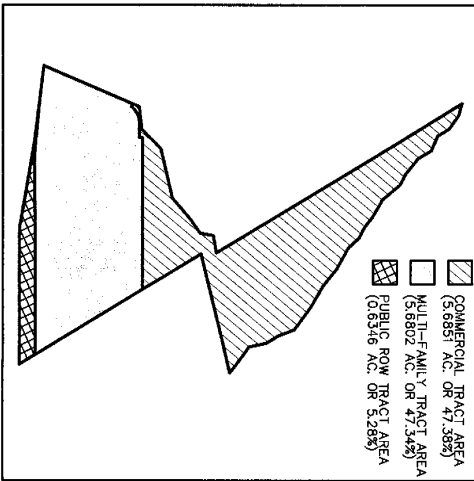
EXISTING TM 39-568 28,789 ACRES

WELANDS (SEE NOTE #8)

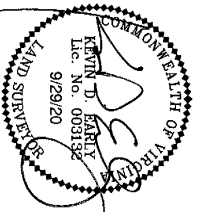
18281 NORTH ZONE

TDR DEVELOPMENT STANDARDS

MAXIMUM FLOOR AREA RATIO:	1.3
MAX. PORTION OF SITE FOR MULTIFAMILY:	261,360 SF
PROP. PORTION OF SITE FOR MULTIFAMILY:	247,430 SF
PROPOSED FLOOR AREA:	
BUILDING #1	62,748 SF
BUILDING #2	41,464 SF
BUILDING #3	41,464 SF
BUILDING #4	41,464 SF
CLUBHOUSE	4,165 SF
TOTAL PROPOSED FLOOR AREA:	191,325 SF
PROPOSED RESIDENTIAL FLOOR AREA RATIO: (BASED ON MULTIFAMILY TRACT AREA)	0.73
PROPOSED FLOOR AREA RATIO: (BASED ON GROSS TRACT AREA)	0.37
NUMBER OF UNITS PROPOSED:	144
PROPOSED DENSITY: (BASED ON GROSS TRACT AREA)	12.00 DU/AC
MINIMUM GROSS TRACT AREA	10 AC.
MINIMUM LOT FRONTAGE	N/A
MAXIMUM BUILDING HEIGHT ALLOWED	90 FT
PROPOSED BUILDING HEIGHT:	57.75 FT
MINIMUM OPEN SPACE RATIO: (SEE OPEN SPACE CALCULATIONS ABOVE)	15 %
SETBACKS:	
MINIMUM FRONT YARD	25 FT
MINIMUM SIDE YARD	10 FT
MINIMUM REAR YARD	20 FT



TRACT USE MAP
SCALE: 1" = 300'



SCALE: 1" = 300'

RECORD PLAT
POTOMAC CHURCH APARTMENTS

AQUILA MAGISTERIAL DISTRICT
STAFFORD COUNTY, VIRGINIA

DATE: FEBRUARY 7, 2020

REVISION	DATE	REVISION
06/03/20	COUNTY COMMENTS	
09/04/20	COUNTY COMMENTS	
09/15/20	EXHIBIT REVISIONS	
09/29/20	COUNTY COMMENTS	

Bowman CONSULTING GROUP

Bowman Consulting Group, Ltd.
1800 Central Park Blvd.
Fredericksburg, Virginia 22401
www.bowmanconsulting.com

Phone: (640) 871-0288
Fax: (640) 871-3478

OWG: P:\100198 - Potomac Church Apartments\100198-01-001 (S&P)\Survey\final\100198-0-rp-01.dwg B:\D&K [CHK:KDE] [CS SHEET 6 OF 6

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

This Second Amendment to Purchase and Sale Agreement (the "Amendment") is made this ~~19~~¹⁹ day of July, 2019, by and between **7K INVESTMENTS LLC**, a Delaware limited liability company ("**Seller**"), and **MARLYN DEVELOPMENT CORPORATION**, a Virginia corporation, or assigns ("**Buyer**").

RECITALS:

A. Seller and Buyer entered into a Purchase and Sale Agreement, as amended (the "Contract"), dated as of July 19, 2018, for the purchase and sale of certain real property located in the County of Stafford, Virginia, and more particularly described in the Contract as the Property.

B. Seller and Buyer intend to enter into a Purchase and Sale Agreement (the "2nd Contract") for the purchase and sale of certain real property located in the County of Stafford, Virginia, adjacent to the Property and being the remaining portion of the parcel known as Stafford County Property ID 39-56D / PIN 24194.

C. Buyer and Seller desire to amend and supplement the Contract as more particularly provided below.

AGREEMENT:

For and in consideration of the above recitals which are incorporated herein by reference, the mutual promises contained herein, the sum of ten dollars cash in hand paid by Buyer to Seller, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Section 1 is hereby deleted in its entirety and replaced with the following language:

"1. Sale. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller subject the terms and conditions herein provided, the following property, rights and interests: all that certain real property located in Stafford County, Virginia and being a portion of Property ID 39-56D / PIN 24194 containing and lying north of the Dominion Virginia Power Easement, being shown, generally, as the "Acquisition Parcel" on Exhibit A attached hereto and incorporated herein by reference, together with all and singular the rights, tenements, hereditaments, privileges, easements, and appurtenances pertaining thereto, including, without limitation, (i) all timber, oil, gas, and mineral rights, (ii) all of Seller's existing licenses, permits, density, transfer of development rights (and associated certificates), and approvals, if any and to the extent assignable, necessary for the construction and operation of a 144 unit apartment community (the "Intended Use"), and (iii) all improvements thereon (collectively, the "Property"). A more particular description of the Property shall be developed in connection with Buyer's title search and survey, and by a final Subdivision Plat approved by Stafford County creating the Property as a separate, legally subdivided parcel, which description shall be substituted for the one contained herein and which shall be used in the Deed at Closing."

2. Section 7(b) is hereby deleted in its entirety and replaced with the following language:

"(b) If, during the period (the "Inspection Period") commencing on the Execution Date and expiring on the date which is the earlier of (i) 30 days after the complete execution of the 2nd Contract, and (ii) August 30, 2019, Buyer determines, for any reason, in Buyer's sole and absolute discretion, that it does not wish to proceed with the acquisition of the Property, then Buyer shall have the absolute right to terminate this Agreement by giving written notice to that effect to Seller on or before the expiration of the Inspection Period. If Buyer exercises such right to terminate, this Agreement shall terminate and be of no further force or effect and, except as otherwise provided in this Agreement, no party shall have any further rights, obligations or liabilities under this Agreement, and the Deposit (less \$10.00 consideration to be paid to Seller) shall be returned immediately to Buyer."

3. Except as expressly set forth in this Amendment, neither the Contract nor any provision thereof has been or is hereby amended. In furtherance of, and without in any manner limiting the foregoing, Buyer and Seller each hereby agree and acknowledge that the Contract, as amended hereby, remains in full force and effect and is hereby affirmed, confirmed and reaffirmed. If anything contained in this Amendment conflicts with any terms of the Contract, then the terms of this Amendment shall prevail.

4. This Amendment may be executed and delivered in any number of facsimile counterparts, each constituting an original but all together only one Amendment. This Amendment shall not be effective unless it is executed by all parties.

IN WITNESS WHEREOF, the parties have set their signatures as of the date indicated below.

[SIGNATURES LOCATED ON SUCCEEDING PAGES]

[SIGNATURE PAGE TO SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT]

SELLER:

7K INVESTMENTS LLC

By: Earl F. Glock

Name: Earl F. Glock

Title: Manager

Date: July 19,
2010

[SIGNATURE PAGE TO SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT]

BUYER:

MARLYN DEVELOPMENT CORPORATION

By:  _____

Name: Brian Staub

Title: Executive Vice President

Date: 7/15/19

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

† This First Amendment to Purchase and Sale Agreement (the "Amendment") is made this 11 day of September, 2018, by and between **7K INVESTMENTS LLC**, a Delaware limited liability company ("**Seller**"), and **MARLYN DEVELOPMENT CORPORATION**, a Virginia corporation, or assigns ("**Buyer**").

RECITALS:

A. Seller and Buyer entered into a Purchase and Sale Agreement (the "Contract"), dated as of July 19, 2018, for the purchase and sale of certain real property located in the County of Stafford, Virginia, and more particularly described in the Contract as the Lots.

B. Buyer and Seller desire to amend and supplement the Contract as more particularly provided below.

AGREEMENT:

For and in consideration of the above recitals which are incorporated herein by reference, the mutual promises contained herein, the sum of ten dollars cash in hand paid by Buyer to Seller, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. The Purchase Price is hereby amended to be \$3,456,000.00.

2. Section 1(ii) is hereby deleted in its entirety and replaced with the following language:

(ii) all of Seller's existing licenses, permits, density, transfer of development rights (and associated certificates), and approvals, if any and to the extent assignable, necessary for the construction and operation of a 144 unit apartment community (the "Intended Use"), and

3. Section 7(b) is hereby deleted in its entirety and replaced with the following language:

"(b) If, during the period (the "Inspection Period") commencing on the Execution Date and expiring on the date that is 120 days after the "Zoning Ordinance Amendment Date" (hereinafter defined), Buyer determines, for any reason, in Buyer's sole and absolute discretion, that it does not wish to proceed with the acquisition of the Property, then Buyer shall have the absolute right to terminate this Agreement by giving written notice to that effect to Seller on or before the expiration of the Inspection Period. If Buyer exercises such right to terminate, this Agreement shall terminate and be of no further force or effect and, except as otherwise provided in this Agreement, no party shall have any further rights, obligations or liabilities under this Agreement, and the Deposit (less \$10.00 consideration to be paid to Seller) shall be returned immediately to Buyer. 'Zoning Ordinance Amendment Date' shall mean the date that the Board of Supervisors of Stafford County approves an amendment to the County's zoning ordinance applicable to the Property which permits the Property to be developed as a 144 unit independent senior living apartment community with a parking ratio of 1.2 spaces per unit."

4. Except as expressly set forth in this Amendment, neither the Agreement nor any provision thereof has been or is hereby amended. In furtherance of, and without in any manner limiting the foregoing, Buyer and Seller each hereby agree and acknowledge that the Agreement, as amended hereby, remains in full force and effect and is hereby affirmed, confirmed and reaffirmed. If anything contained in this Amendment conflicts with any terms of the Agreement, then the terms of this Amendment shall prevail.

5. This Amendment may be executed and delivered in any number of facsimile counterparts, each constituting an original but all together only one Amendment. This Amendment shall not be effective unless it is executed by all parties.

IN WITNESS WHEREOF, the parties have set their signatures as of the date indicated below.

[SIGNATURES LOCATED ON SUCCEEDING PAGES]

[SIGNATURE PAGE TO FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT]

SELLER:

7K INVESTMENTS LLC

By: Kamel Tabbara

Name: Kamel Tabbara

Title: Manager

Date: 9/18/18

[SIGNATURE PAGE TO FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT]

BUYER:

MARLYN DEVELOPMENT CORPORATION

By:  _____

Name: Brian Staub

Title: Executive Vice President

Date: 9/11/18

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made as of the th 19 day of July, 2018, by and between **7K INVESTMENTS LLC**, a Delaware limited liability company ("**Seller**"), and **MARLYN DEVELOPMENT CORPORATION**, a Virginia corporation, or assigns ("**Buyer**").

WITNESETH

For and in consideration of the sum of \$10.00 cash in hand paid, the receipt and sufficiency of which are hereby acknowledged, and the mutual covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. Sale. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller subject the terms and conditions herein provided, the following property, rights and interests: all that certain real property located in Stafford County, Virginia and being a portion of Property ID 39-56D / PIN 24194 containing and lying north of the Dominion Virginia Power Easement, being shown, generally, as the "Acquisition Parcel" on **Exhibit A** attached hereto and incorporated herein by reference, together with all and singular the rights, tenements, hereditaments, privileges, easements, and appurtenances pertaining thereto, including, without limitation, (i) all timber, oil, gas, and mineral rights, (ii) all of Seller's existing licenses, permits, density, transfer of development rights (and associated certificates), and approvals, if any and to the extent assignable, necessary for the construction and operation of a 144 unit independent living senior apartment community (the "Intended Use"), and (iii) all improvements thereon (collectively, the "Property"). A more particular description of the Property shall be developed in connection with Buyer's title search and survey, and by a final Subdivision Plat approved by Stafford County creating the Property as a separate, legally subdivided parcel, which description shall be substituted for the one contained herein and which shall be used in the Deed at Closing.

2. Purchase Price

(a) The total purchase price ("Purchase Price") for the Property shall be in the amount of \$3,888,000.00.

(b) Purchase Price shall be payable by Buyer to Seller as follows:

(i) The sum of \$50,000.00 (the "Deposit") shall be deposited by Buyer in escrow with the Title Company (hereinafter defined and also known, with respect to the Deposit, as "Escrow Agent") within 5 business days after the date (the "Execution Date") Buyer receives from Seller a fully executed original of this Agreement, which Deposit shall not earn

Initials:

Buyer: BS

Seller: [Signature]

interest and shall be held and applied in accordance with paragraph 2(b)(iii), unless Buyer terminates this Agreement in accordance herewith, in which case the Deposit shall be returned to Buyer (less any portion that has become non-refundable as provided herein and less the \$10.00 consideration to be paid to Seller);

(ii) The balance of the Purchase Price shall be paid by federally wired funds upon "Closing" (hereinafter defined) and recordation of the "Deed" (hereinafter defined); and

(iii) The Deposit shall be applied toward payment of the Purchase Price on the date of Closing, unless otherwise disbursed in accordance with the terms of this Agreement.

3. Closing. The consummation of the sale and purchase of the Property and the delivery of possession (the "Closing") shall occur on or before the date (the "Closing Date") which is 30 days after the later to occur of (a) the expiration of the "Approval Period" (hereinafter defined), and (b) public water and sewer facilities adequate to serve Buyer's Intended Use (without the required installation of any pump stations for fire flow pumps by Buyer) are installed to the boundary line of the Property and accepted and approved by Stafford County or an appropriate municipal service authority ("Public Utility Availability"); provided, unless waived by Buyer, (i) title is shown to be good and marketable and in accordance with the provisions of this Agreement or is otherwise accepted by Buyer, (ii) there shall have been no material, adverse change after the Execution Date and prior to Closing in the physical or legal condition of the Property which are not otherwise specifically addressed in this Agreement, including, without limitation, any change in areas determined to be flood prone, designated wetlands, governmental zoning ordinances, or restrictions and requirements affecting ownership and development of the Property, (iii) all representations and warranties of Seller contained in this Agreement are true and correct in all respects as if made again on the date of Closing, (iv) all other conditions precedent to Buyer's obligations under this Agreement have been satisfied, and (v) Seller has performed all its obligations under this Agreement. Risk of Loss to the Property by casualty, subsidence or otherwise shall remain with Seller until Closing. The Parties agree that any improvements on the Property have no material value for purposes of this Agreement and the condition of any such improvements shall not be a condition precedent of the obligations of the Parties. Notwithstanding the foregoing, in no event shall the Closing Date be later than 18 months after the Execution Date. If Closing has not occurred on or before 18 months after the Execution Date due to one or more of the foregoing conditions being unsatisfied, then Buyer may terminate this Agreement and receive a refund of its Deposit (including any portion deemed an extension fee as provided herein but less the \$10.00 consideration to be paid to Seller). If Closing has not occurred on or before 18 months after the Execution Date due to the failure of Public Utility Availability and Buyer has fulfilled its obligation to diligently pursue the Approvals, then Buyer may extend the Closing Date for up to 3 years from such date; provided, however, Buyer may terminate this Agreement during such period at any point

Initials:

Buyer: BS

Seller: JS

prior to Public Utility Availability in which event Buyer shall receive a refund of its Deposit (including any portion deemed an extension fee as provided herein but less the \$10.00 consideration to be paid to Seller).

4. Conveyance and Permitted Exceptions. On the date of Closing, Seller shall convey to Buyer good, marketable, and fee simple title to the Property by a recordable special warranty deed with the covenant of further assurances (the "Deed"), free and clear of all monetary liens and encumbrances and subject only to the "Permitted Exceptions" (as defined in paragraph 6 below).

5. Initial Documents to be Furnished to Buyer. Within 5 business days after the Execution Date, Seller, at its sole cost and expense, shall furnish to Buyer the following documents:

(a) Copies of all surveys, title commitments, appraisals, title policies, engineering, environmental, and feasibility studies, wetlands, drainage and flood plain evaluations and other similar documents in the possession or control of Seller which relate to all or any portion of the Property, it being understood that such documents are provided to Buyer "AS IS/WHERE IS" with all faults and without representation or warranty of any kind; and

(b) Evidence of Seller's right, power and due authority to enter into this Agreement and to sell the Property in accordance with the terms hereof, which evidence shall be satisfactory to the "Title Company" (hereinafter defined).

6. Buyer's Objections to Title; Defects in Title. In the event, no later than 15 days prior to the end of the Inspection Period, Buyer delivers to Seller in writing its objections (the "Objections") to any exceptions or conditions to title contained in a title binder or commitment (the "Title Binder") for the Property obtained by Buyer from a title company (the "Title Company") acceptable to Buyer, any matters ("Survey Matters") disclosed by a survey (the "Survey") of the Property obtained by Buyer, or any other title matters discovered by Buyer which Buyer deems objectionable, Seller may, without obligation, within a period of 3 business days following notice of the Objections, cause to be corrected or removed such title defect, exception or condition to which Buyer objected and cause the Title Company to delete such exceptions to title. In the event Seller fails or refuses to correct or remove such title defect, exception or condition and to cause the Title Company to delete such exceptions to title within such 30 day period, Buyer, at Buyer's option, may by written notice to Seller after the expiration of such 3 business day period but prior to the end of the Inspection Period elect to (i) terminate this Agreement, in which event the entire Deposit paid by Buyer (less \$10.00 consideration to be paid to Seller) shall promptly be returned to Buyer, or (ii) accept the condition of title to the Property and the Title Binder with such endorsements as then exist. Buyer's failure to terminate this Agreement prior to the end of the Inspection Period shall be deemed Buyer's acceptance of the condition of title to the Property as reflected in the Title Binder with such endorsements as then exist, and all such matters (other than those Seller has affirmatively

Initials:

Buyer: BS

Seller: X

elected attempt to cause to be corrected or removed) shall be deemed "Permitted Exceptions." Any exceptions or conditions to title constituting easements, covenants and restrictions listed in the Title Binder or disclosed on the Survey which are not objected to by Buyer prior to the end of the Inspection Period shall constitute "Permitted Exceptions." If Seller does not correct or remove any title defect, exception or condition to the satisfaction of Buyer pursuant to Seller's right under this paragraph, Seller agrees to fully cooperate at no cost to Seller in Buyer's effort to correct such title objections, but the success or failure of Buyer's efforts shall not change the status of any such matter as a Permitted Exception.

7. Inspection and Approval Periods.

(a) Buyer, its agents, contractors, engineers, surveyors, attorneys, representatives and employees shall have the right, at its sole cost and expense, at any time and from time to time to conduct such due diligence investigations as Buyer may deem appropriate and, in connection therewith, shall have the right to, enter into or upon the Property with machinery and equipment to conduct and make any and all studies, tests, examinations, inspections and investigations of or concerning the Property (including, without limitation, engineering studies, soil tests, surveys, including topographical surveys and environmental assessments) and to confirm any and all matters which Buyer may desire to confirm with respect to the Property. Buyer shall give Seller reasonable advance notice of Buyer's entry onto the Property and Seller shall have the right to accompany Buyer onto the Property. Buyer agrees to hold harmless, protect, defend, and indemnify, and hereby releases Seller, its members, managers and agents from and against any and all claims, demands, causes of action, losses, liabilities, liens, encumbrances, costs, or expenses for property damage or bodily injury (including death) (collectively, "Liabilities") arising out of, connected with, or incidental to activities conducted on or about the Property by Buyer, its agents, representatives or contractors; provided, however, the preceding obligation of Buyer shall not apply to any Liabilities arising out of, connected with, or incidental to, in whole or in part, (1) the discovery or disclosure of pre-existing conditions of the Property, (2) the information generated by or from Buyer's due diligence investigations, to include, without limitation, response costs, regulatory action, tort claims, or diminution in the value of the Property, and/or (3) the negligent, reckless, or willful act(s) or omission(s) of Seller. If Buyer terminates this Agreement in accordance with the terms hereof, or if Closing does not occur due to any reason except default by Seller, Buyer shall (i) at its sole cost and expense, repair any damage to the Property resulting from Buyer's activities, in whatever manner necessary so that the Property shall be returned to substantially the same condition in which it existed prior to entry by Buyer or its agents or representatives, and (ii) promptly provide to Seller a copy of any and all information, materials, and data that Buyer and/or its agents or representatives discover, obtain or generate in connection with or resulting from its inspections or investigations of the Property, provided however such information is not restricted by third party providers from being given to Seller, and that all such information will be in its "AS IS/WHERE IS" condition without warranty or representation, and all

Initials:
Buyer: BS
Seller: [Signature]

proprietary work product of Buyer will be excluded. The provisions of this Section 7(a) shall survive termination of this Agreement and shall not be limited by any liquidated damages provisions of this Agreement.

(b) If, during the period (the "Inspection Period") commencing on the Execution Date and expiring on the date that is 120 days after the Execution Date, Buyer determines, for any reason, in Buyer's sole and absolute discretion, that it does not wish to proceed with the acquisition of the Property, then Buyer shall have the absolute right to terminate this Agreement by giving written notice to that effect to Seller on or before the expiration of the Inspection Period. If Buyer exercises such right to terminate, this Agreement shall terminate and be of no further force or effect and, except as otherwise provided in this Agreement, no party shall have any further rights, obligations or liabilities under this Agreement, and the Deposit (less \$10.00 consideration to be paid to Seller) shall be returned immediately to Buyer.

(c) Upon the expiration of the Inspection Period, Buyer shall have a period of time (the "Approval Period") in which to obtain approval (i) from all applicable governmental entities, agencies, and authorities of all plans, permits, and other approvals necessary to construct, occupy, and operate its Intended Use on the Property, and (ii) from its chosen lender for acquisition, development, and permanent financing of the Property for its Intended Use (collectively, the "Approvals"). The Approval Period shall commence upon the expiration of the Inspection Period and shall expire upon the earlier of (i) receipt by Buyer of the Approvals, and (ii) March 30, 2019. Buyer agrees to diligently pursue the Approvals (except for the Subdivision Plat which shall be the obligation of Seller). If the Approvals have not been obtained prior to the expiration of the Approval Period, then Buyer shall have the absolute right to terminate this Agreement by giving written notice to that effect to Seller on or before the expiration of the Approval Period. If Buyer exercises such right to terminate, this Agreement shall terminate and be of no further force or effect and, except as otherwise provided in this Agreement, no party shall have any further rights, obligations or liabilities under this Agreement, and the Deposit (less any portion that has become non-refundable as provided herein and less the \$10.00 consideration to be paid to Seller) shall be returned immediately to Buyer. In the event Buyer does not exercise its right to terminate the Agreement as provided herein, the Deposit shall become non-refundable (except in the event of a default by Seller or as otherwise provided herein, including without limitation the failure of Public Utility Availability) but shall be applied to and credited against the Purchase Price at Closing.

(d) Buyer shall have the right to extend the Approval Period for up to two periods of 90 days each by providing notice to Seller prior to the then current Approval Period expiration date. As consideration for each 90 day extension of the Approval Period, \$25,000 of the Deposit shall become non-refundable (except in the event of a default by Seller or as otherwise provided herein, including the failure of Public Utility Availability) but shall be applied to and credited against the Purchase Price at Closing.

Initials:
Buyer: BS
Seller: JP

(e) Upon the expiration of the Inspection Period, Seller shall proceed diligently to prepare and obtain final approval during the Approval Period from all applicable governmental authorities of, at Seller's sole cost and expense, a subdivision plat (the "Subdivision Plat") which establishes the Property as a separate, legally subdivided parcel. A draft of the Subdivision Plat shall be submitted to Buyer for its review and approval prior to each submission to Stafford County. The Subdivision Plat shall be prepared so that it can be submitted to Stafford County at the same time as Buyer submits its site plan. If Stafford County requires that the Subdivision Plat be modified to accommodate Buyer's development of its Intended Use, Seller shall so modify the plat; provided the modifications do not materially alter the size or location of the Property. Seller shall not be required to record the Subdivision Plat until both parties are prepared and have all Approvals required to proceed to Closing on the Property. The Subdivision Plat shall be deemed to be one of the Approvals but shall remain an obligation of Seller.

8. Documents and Instruments to be Furnished by Seller on or before Closing Date. On or before 5 days prior to the Closing Date, Seller shall furnish Buyer the following documents, each of which shall be in form and substance reasonably satisfactory to Buyer's counsel:

(a) The Deed;

(b) An Assignment and/or Bill of Sale, assigning to Buyer (non-exclusively, to the extent applicable to the adjacent property Seller is retaining but only to the extent such non-exclusivity does not materially and negatively affect Buyer's Intended Use) all Seller's right title and interest in plans, density, transfer of development rights (and associated certificates), governmental licenses, permits and approvals, if any and to the extent assignable, associated with the Property (or any portion thereof) and/or Buyer's Intended Use;

(c) A Certification of Non-Foreign Status conforming with the requirements of Section 1445 of the Internal Revenue Code and, as required by law, a complete Virginia Form R5;

(d) An owner's affidavit as to, among other things, no liens or conflicting rights of possession, in reasonable and customary form required by the Title Company and executed by Seller;

(e) A Bring Down Certificate certifying that all representations, warranties, and other certifications of Seller set forth herein are true and correct in all material respects as if made as of the date of Closing or stating, based exclusively on information or circumstances arising after the Effective Date, the extent to which any representation, warranty or other certification would not be true and correct as of the date of Closing;

Initials:
Buyer: BS
Seller: [Signature]

(f) Recorded Subdivision Plat approved by Buyer for consistency with the terms of this Agreement; and

(g) Any and all other documentation reasonably required by Buyer's counsel, Buyer's lender, and/or the Title Company to consummate Buyer's acquisition of the Property and the issuance of an owner's and lender's title insurance policies.

9. Prorations; Closing Costs.

(a) General real estate taxes assessed against the Property for the current fiscal year shall be prorated on a settlement statement as of the Closing Date, with Buyer receiving credit against the Purchase Price for all unpaid taxes, interest and penalties due for the period prior to Closing. Seller shall be responsible for payment of all prior taxes due on the Property regardless of when such taxes become due, to include but not be limited to any "roll-back" taxes or tax penalty imposed upon the transfer of title at Closing. Buyer may require reasonable security to ensure payment by Seller of such taxes if and when they become due.

(b) Buyer shall pay the cost of recording the Deed, any documents recorded at Buyer's request and any documents in connection with any mortgage to be placed on the Property by Buyer and all other closing costs. Seller shall pay the grantor's tax on the Deed and the costs of correcting title matters as provided in paragraph 6 which Seller is obligated, or has elected to attempt, to cure. Each party shall pay its own attorneys' fees incurred in connection with this Agreement and the consummation of the transaction contemplated hereby.

10. Representations, Warranties and Covenants.

(a) Seller hereby represents and warrants to Buyer on the date hereof (all of which shall, unless otherwise expressly provided in this Section 10, be deemed confirmed and remade by Seller on the Closing Date) as follows:

(i) Seller owns good, marketable, and fee simple title to the Property and will convey to Buyer the Property free and clear of all liens, monetary encumbrances, third-party claims, and any claims of adverse possession and prescriptive easements (other than Permitted Exceptions), and conveyance of the Property to Buyer will be in accordance with all applicable subdivision and related ordinances. The Property is directly accessible from a public street or right-of-way or is directly accessible via recorded easement from a public street or right-of-way. Seller has not entered into any agreement (other than this Agreement) to sell or further encumber or dispose of any interest in the Property or any portion thereof or any agreement which imposes

Initials:
Buyer: PBS
Seller: 10

restrictions on the ability or right of Seller to sell and/or transfer the Property or any interest therein, including without limitation, any options or rights of first refusal in favor of third parties;

(ii) There are no agreements (other than of public record and this Agreement), contracts, licenses, leases, rental agreements, invoices, bills, undertakings or understandings affecting all or any portion of the Property that shall survive closing;

(iii) The Property has not during Seller's ownership of it, or, to the best of Seller's knowledge, during any prior period at any time been used for the manufacture, processing, distribution, use, treatment, release, discharge, storage, disposal, transport or handling of any flammable materials, explosives, radioactive materials, corrosive, reactive or poisonous materials, hazardous or toxic wastes or substances, including, without limitation, any substances (collectively, "Hazardous Substances") now defined as or now included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under any applicable federal, state or local law, ordinance, statute, code, rule or regulation in effect on or prior to Closing in violation of any such law, ordinance, statute, code, rule or regulation. Seller is not, nor has Seller ever been, subject to any administrative plan, order, decree or judgment relating to any of the foregoing with respect to the Property. During Seller's ownership of the Property, and, to the best of Seller's knowledge, during any prior periods, (i) there have been no underground storage tanks present on the Property, (ii) no petroleum products have spilled or leaked upon or in the Property, other than immaterial quantities in connection with operation of motor vehicles on the Property, (iii) no tidal or nontidal wetlands (as defined by federal, state or local law or regulation) on the Property have been drained, filled or otherwise modified, (iv) to Seller's best knowledge, the Property has not had thereon or therein accumulations of solid waste, or dredge materials or fill materials containing any Hazardous Substances, asbestos or petroleum, and (v) there have been no violations of any environmental laws, rules and regulations with respect to the Property which have not been cured;

(iv) No labor, material or services have been furnished by or at the direction of Seller, Seller's licensees, employees or agents, on or about the Property or any portion thereof which have not heretofore been paid for in full and no mechanic's, laborer's or materialmen's liens or claims therefor might arise on account thereof;

(v) To Seller's best knowledge, there are no outstanding options or other contracts or claims relating to cemeteries or burial grounds giving any party other than Buyer a right to occupy, use, access or purchase the Property, or any portion thereof, or interest therein. From and after the Execution Date (except as provided in this Agreement), Seller shall not transfer any interest in, or grant any easement or apply for or enter into any application, permit, contractual agreement, consent decree or understanding, written or oral, with respect to the Property or any portion thereof or any interest therein which would remain binding on Buyer or the Property after Closing;

Initials:
Buyer: BS
Seller: JS

(vi) No assessments for public improvements have been made against the Property or any portion thereof, which remain unpaid;

(vii) There are no pending or threatened assessments, or to the best of Seller's knowledge, condemnation or eminent domain proceedings against the Property, or any portion thereof, and there is no change or proposed change in the route, grade, or width of, or otherwise affecting, any street or road and is contiguous to the Property or any portion thereof. Seller shall give Buyer prompt notice of any such actual or threatened condemnation proceedings of which Seller has knowledge;

(viii) To the best of Seller's knowledge, no portion of the Property contains historic, cultural, or natural resources (to include, without limitation, rare, threatened, or endangered species);



(ix) There is no pending or, to Seller's knowledge, threatened notice of violation, action, suit or proceeding in any court or by any governmental body or agency or other party affecting the Property specifically (as contrasted with governmental proceedings affecting real property generally in some way);

(x) The Property is now, and on the Closing Date shall be, in full compliance with all laws and regulations of applicable federal, state, municipal, and other governmental authorities having jurisdiction over or governing the use of the Property including, without limitation, all zoning, subdivision, and building restrictions and ordinances, all fire and health codes, and all laws and regulations relating to environmental protection, sanitation, and pollution control. Seller has not received any notice of, nor has any knowledge of, any condition which may give rise to any violation of any law, rule, regulation, order, or ordinance applicable to the Property;

(xi) Seller shall not materially and adversely alter the condition of the Property at any time after the execution of this Agreement, nor shall Seller further encumber the Property in any way which would remain binding on Buyer after Closing without Buyer's prior written approval;

(xii) Seller has all requisite power and authority to execute and deliver this Agreement and consummate the transactions contemplated thereby; and

(xiii) This Agreement has been duly and validly authorized, executed and delivered by Seller, and constitutes the valid and binding obligation of Seller; and

Initials:
Buyer: 
Seller: 

(xiv) Seller is not in bankruptcy or contemplating filing for bankruptcy and is not in default of any obligation which would give rise to a claim of a third party in or to the Property. The proceeds from the transaction contemplated by this Agreement are sufficient to satisfy all monetary liens and encumbrances on the Property and all deed of trust or other lien holders shall provide Buyer a full and complete release of their respective liens upon receipt of the applicable payoff at Closing.

To the extent that, after the Effective Date, any of the foregoing representations and warranties are determined by Seller to no longer be true and correct (in whole or in part), then Seller shall notify Buyer of same along with a detailed basis for such determination within 5 business day of Seller's knowledge of same. If any such change in Seller's representations or warranties is beyond Seller's reasonable control, then Buyer shall have the right within 10 business days after receipt of such notice to terminate the Agreement and receive an immediate return the Deposit (including any portion deemed an extension fee as provided herein but less \$10.00 consideration to be paid to Seller) in which event this Agreement shall terminate and be of no further force or effect and, except as otherwise provided in this Agreement, no party shall have any further rights, obligations or liabilities under this Agreement. If any such change in Seller's representations or warranties is within Seller's reasonable control, then such change shall be deemed a default of Seller's obligations under this Agreement.

(b) Buyer hereby represents and warrants to Seller on the date hereof (all of which shall be confirmed and remade by corporate resolution at the Closing Date) as follows:

(i) Buyer has all requisite power and authority to execute and deliver this Agreement and consummate the transactions contemplated thereby; and

(ii) This Agreement has been duly and validly authorized, executed and delivered by Buyer, and constitutes the valid and binding obligation of Buyer.

11. Real Estate Commissions. Seller and Buyer represent and warrant that no broker or finder has acted for it in connection with this Agreement or the transactions contemplated by this Agreement other than MVP Real Estate representing the Seller. MVP Real Estate will be paid a commission by Seller at Closing pursuant to a separate agreement between Seller and MVP Real Estate. Each party hereby agrees to indemnify and hold the other party harmless against any loss, liability, or expense, including attorney's fees, arising from or in any manner connected with any other claims for commissions or compensation for bringing about this Agreement or the transactions contemplated hereby made by any broker, finder or like agent.

12. Condemnation. Upon receipt of an offer or any notice or communication from any governmental or quasigovernmental body seeking to take under its power of eminent domain all or

Initials:
Buyer: BS
Seller: [Signature]

any part of the Property, Seller shall promptly notify Buyer of receipt of same and shall promptly send such communication, or a copy thereof, to Buyer. Upon receipt of such notice Buyer shall have the right to rescind this Agreement by delivery of written notice thereof to Seller within 30 days thereafter. If the Closing Date would occur prior to the expiration of said 30 day period, then the Closing Date shall be automatically extended to the date that is 5 days after the expiration of said 30 day period. In the event that Buyer elects to rescind, then this Agreement shall be null and void and have no further force and effect, except as specifically stated to survive termination of this Agreement, and the Deposit (including any portion deemed an extension fee as provided herein but less the \$10.00 consideration to be paid to Seller) shall be returned immediately to Buyer. In the event that Buyer does not elect to rescind and the portion of the Property so required by the condemning authority is taken on or before the Closing, then: (i) the Purchase Price shall be reduced by the amount of such proceeds retained by Seller, and (ii) the Property so taken or sold shall not be subject to this Agreement. In the event that Buyer does not elect to rescind and the portion of Property so required by the condemning authority is taken after closing, then all Proceeds of such condemnation or sale in lieu thereof shall be the sole and exclusive property of Buyer. Seller and Buyer agree to cooperate with each other to obtain the highest and best price for the condemned Property.

13. Seller's Remedy Upon Default. In the event Buyer fails to keep or observe any covenant, agreement or obligation to be kept or observed by Buyer under this Agreement, and Buyer does not cure such failure within 30 days after written notice from Seller, Seller, as Seller's sole and exclusive remedy may terminate this Agreement by giving written notice to that effect to Buyer, in which event the Deposit shall be forfeited to Seller as adequate liquidated damages for Buyer's default and Seller shall have no other rights or remedies at law or in equity, except as expressly stated in this Agreement.

14. Buyer's Remedies Upon Default. In the event Seller is unable to furnish Buyer with good and marketable title to the Property in fee simple in accordance with the provisions of this Agreement, Buyer may, at its election, accept such title as Seller can convey, or terminate this Agreement without prejudice to Buyer's other rights and remedies. In the event Buyer discovers prior to Closing that any representation or warranty of Seller contained in this Agreement is inaccurate or misleading in any material respect, or in the event that Seller fails to keep or perform any covenant, agreement or obligation to be kept or performed by Seller under this Agreement, Buyer may terminate this Agreement, or Buyer may enforce specific performance of this Agreement in addition to any other remedy available to Buyer at law or in equity; provided, however, if Buyer elects to seek monetary damages in no event may Buyer claim or recover more than \$200,000. In the event that this Agreement is terminated by Buyer pursuant to this paragraph, in addition to Buyer's other rights and remedies at law or in equity, the Escrow Agent shall immediately return the Deposit (including any portion deemed an extension fee as provided herein but less \$10.00 consideration to be paid to Seller) to Buyer.

Initials:

Buyer: BS

Seller: [Signature]

15. Survival. The representations, warranties, provisions, covenants and agreements contained in this Agreement shall survive the Closing of the sale and purchase of the Property pursuant to this Agreement for a period of 1 year and shall not be merged into any deed or document and any action for such breach must be commenced within such one year period or be barred.

16. Notices. Any notices required or permitted to be given hereunder shall be deemed given when personally delivered, deposited with a nationally recognized courier for overnight delivery, or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to Buyer or Seller, as the case may be, as follows:

If to Buyer:

Marlyn Development Corporation
Attn: Brian Staub, CFO
308 35th Street, Suite 101
Virginia Beach, Virginia 23451

With a copy to:

Timothy O. Trant II, Esq.
Kaufman & Canoles, P.C.
11815 Fountain Way, Suite 400
Newport News, VA 23606
T: 757-259-3823
totrant@kaufcan.com

If to Seller:

7K Investments LLC
Attn: Kamel Tabbara
818 18th Street NW, Ste 400
Washington, DC 20006-3504

With a copy to:

Earl F. Glock, Esq.
O'Connell & Glock, P.C.
Suite 205

Initials:
Buyer: BS
Seller: [Signature]

1634 Eye Street, N.W.
Washington, DC 20006-4020
Telephone: (202) 293-7909
EarlGlock@OConnellGlock.com

Any party to this Agreement may change its address for notice purposes by giving notice thereof to the other parties hereto, except that such change of address notice shall not be deemed to have been given until actually received by the addressee thereof.

17. Miscellaneous.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors and assigns.

(b) This Agreement may be executed and delivered in any number of facsimile counterparts, each constituting an original but all together only one Agreement.

(c) This Agreement constitutes the entire agreement and understanding between the parties hereto and it is agreed that any change in, addition to, amendment or modification of the terms hereof shall be of no effect unless reduced to writing and executed by both parties hereto. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS AGREED THAT NEITHER SELLER, NOR ANY EMPLOYEE, AGENT, ATTORNEY OR REPRESENTATIVE OF SELLER, HAS MADE AND IS NOT MAKING AND EACH SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATIONS, COVENANTS OR WARRANTIES AS TO TITLE, HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ZONING OR OTHER LAND DEVELOPMENT REGULATIONS, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL DEFECTS OR CONDITIONS, VALUATION, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, OR THE TRUTH, ACCURACY OR COMPLETENESS OF ANY THIRD PARTY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO BUYER. BUYER AGREES THAT THIS AGREEMENT PROVIDES FOR A SALE AND CONVEYANCE OF, AND UPON CLOSING SELLER SHALL SELL AND CONVEY TO BUYER, AND BUYER SHALL ACCEPT, THE PROPERTY, "AS IS, WHERE IS, WITH ALL FAULTS", EXCEPT TO THE EXTENT EXPRESSLY OTHERWISE PROVIDED IN THIS AGREEMENT. BUYER REPRESENTS TO SELLER THAT BUYER HAS CONDUCTED, OR PRIOR TO CLOSING SHALL CONDUCT, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, LEGAL COMPLIANCE AND THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY AND

Initials:

Buyer: BS

Seller: [Signature]

RESPONSIBLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND ITS SURROUNDING AREA, AND, EXCEPT FOR SUCH REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER AS EXPRESSLY ARE SET FORTH IN THIS AGREEMENT, BUYER SHALL RELY SOLELY UPON SUCH BUYER INVESTIGATIONS AND, FROM AND AFTER CLOSING, SHALL ASSUME THE RISK OF ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, ENGINEERING DEFECTS OR DEFICIENCIES AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, WHICH MAY NOT HAVE BEEN DISCOVERED BY BUYER PRIOR TO CLOSING. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING. THE PROVISIONS OF THIS SECTION 17(c) SHALL SURVIVE CLOSING OR THE TERMINATION OF THIS AGREEMENT.

(d) In the event that the last day for performance of any obligation hereunder occurs on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next following business day.

(e) If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

(f) In the event that any litigation is commenced by either party to enforce its rights under this Agreement, the substantially prevailing party shall be entitled to recover from the other the cost incurred by it in prosecuting or defending such litigation, including reasonable attorneys' fees, expert witness fees, and costs.

(g) This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia without regard to its conflict of laws principles. The parties irrevocably agree to non-exclusive personal jurisdiction in the Commonwealth of Virginia and that venue shall be proper only in the Courts of the County of Stafford, Virginia.

(h) This Agreement may not be assigned by either party without the written consent of the other, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, however, Seller's consent shall not be required for Buyer to assign this Agreement to a subsidiary or affiliate of Buyer or an entity under common ownership or control with Buyer.

(i) Any failure of either party hereto to insist upon strict observance of any covenant, provision or condition of this Agreement in any one or more instances shall not

Initials:

Buyer: 

Seller: 

constitute or be construed to be a waiver at that time or thereafter, of such or any other covenant, provision or condition of this Agreement.

(j) The headings and captions hereof are for convenience only and shall not be considered in interpreting the provisions hereof.

(k) Each party and each person signing below on behalf of such party in their individual capacity represents and warrants to the other party that it is fully authorized to enter into this Agreement without the joinder of any other person or entity, and the person executing this Agreement on behalf of such party has full authority to do so and that any and all required corporate action has been taken.

(l) Anything contained herein to the contrary notwithstanding, this Agreement shall, if not sooner withdrawn by Buyer, become null and void if the parties hereto have not executed and returned this Agreement to Buyer on or before July 31, 2018.

[Signatures appear on the following page]

Initials:

Buyer: BS

Seller: 10

[Signature Page to Purchase and Sale Agreement]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement:

SELLER:

7K INVESTMENTS LLC

By: Kamel Tabbara

Name: Kamel Tabbara

Title: Manager

Date: 7/19/18

BUYER:

MARLYN DEVELOPMENT CORPORATION

By: Brian Staub

Name: Brian Staub

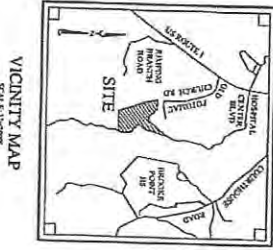
Title: Executive Vice President

Date: 7/18/18

EXHIBIT A
TO
PURCHASE AND SALE AGREEMENT

Initials:
Buyer: BS
Seller: JS

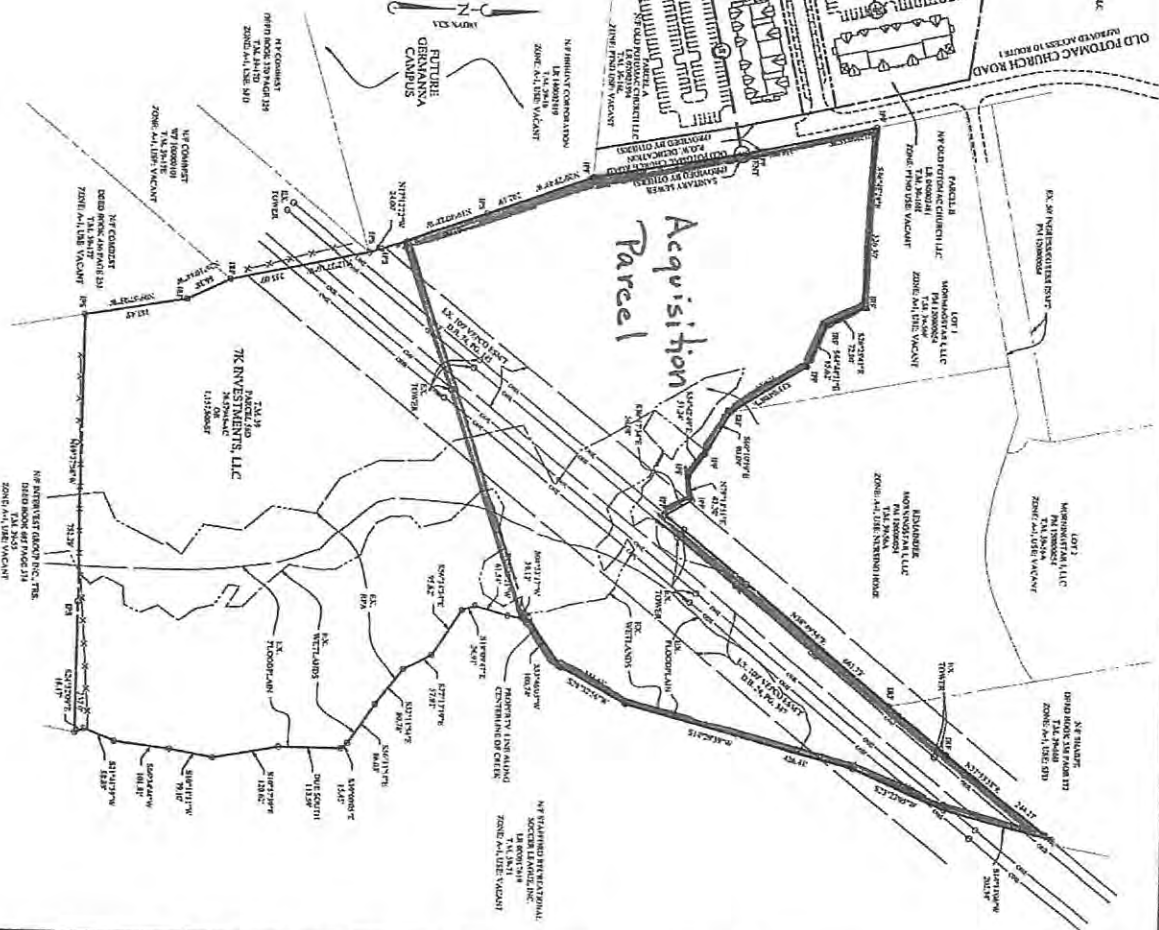
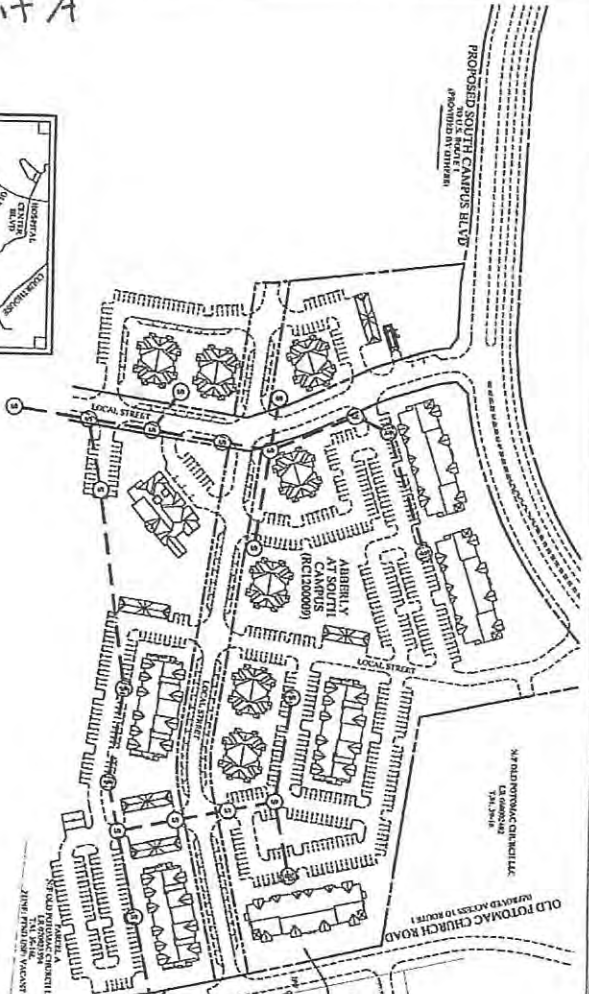
Exhibit A



VICINITY MAP
SCALE: 1"=100'

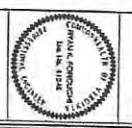
GENERAL NOTES

1. THESE PLANS WILL BE A SUPPLEMENT TO THE ZONING ORDINANCE.
2. THE PROJECT WILL BE SUBJECT TO THE ZONING ORDINANCE.
3. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.
4. EROSION CONTROL MEASURES SHALL BE INSTALLED AND MAINTAINED THROUGHOUT CONSTRUCTION.
5. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.
6. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.
7. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.
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18. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.
19. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.
20. ALL DISTURBED AREAS SHALL BE RESTORED TO ORIGINAL OR BETTER CONDITION.



DATE	BY	REVISION

THE RESERVE AT ACCOKEEK CREEK
 A/C/S/A MAGNOLIA DISTRICT
 STAFFORD COUNTY, VIRGINIA
 CONTACT INTERVAL = 2" DATE: 26 SEPTEMBER 2018



EXISTING CONDITIONS PLAN

FOROUGHI & ASSOCIATES ENGINEERING, PLLC
 1110 COMMONWEALTH DRIVE
 SUITE 200
 FALLS CHURCH, VA 22044
 (703) 441-1100

BS

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- [Property Report](#)
- [Map It](#)

General Info		
7K INVESTMENTS LLC 818 18TH ST NW STE 400 WASHINGTON DC 20006-3504	Property ID	39 56D
	Alternate ID/PIN	24194
	Address	
	Property Class	VACANT LAND / COMMERCIAL
	Neighborhood	390000 MAIN MAP 39
	Deed Acres	30.0000

Value History								
Year	2020	2018	2016	2014	2012	2010	2008	
Reason	*Reassessment	*Reassessment	*Reassessment	*Reassessment	*Reassessment	*Reassessment	*Reassessment	*Reassessment
Land Val	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$714,500
Imp Val	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Appr	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$714,500

Sales History									
Book	Page	Doc Num	Date	Grantor	Grantee	Type	Vacant Land	Sale Price	
		CONV000000112168	12/8/2009 12:00:04 AM	7K INVESTMENTS	7K INVESTMENTS LLC		Yes	\$0	
		090020588X	12/8/2009 12:00:03 AM	STAFFORD LAKES LIMITED PARTNERSHIP	7K INVESTMENTS		Yes	\$575,000	
B692	P096	CONV000000112144	8/1/1989 12:00:02 AM	STAFFORD LAKES LIMITED PARTNERSHIP C	STAFFORD LAKES LIMITED PARTNERSHIP		Yes	\$347,000	
B692	P096	CONV000000112130	8/1/1989 12:00:01 AM	See Clerk Of Courts Records 34941	STAFFORD LAKES LIMITED PARTNERSHIP C		Yes	\$347,000	
B692	P096	CONV000000112119	1/1/1900		See Clerk Of Courts Records 34941		Yes	\$0	

Improvements
Improvements do not exist for this account.

Land Details	
Land Type	Acres
B3-B3 OFFICE COMMERCIAL	20.00
WL-WETLAND ACREAGE	7.00
UE-UTILITY EASEMENT	3.00

Legal Descriptions
Description
POTOMAC RUN 30 AC
MORE OR LESS

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

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

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

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

Additional Optional Certifications

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

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

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

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

FALSE Enterprise Green Communities - The 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: 10.8.2020

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridian

Signature [Signature]

Provider Contact and Phone/Email sean.evensen-shanley@viridian.org 804-212-1934

Potomac Church Apartments 2020 Energy Star Modeling Summary

Project Summary

Potomac Church Apartments is a low-rise multifamily development, comprised of 144 units across 5 building located in Stafford, VA. Marlyn Development plans to construct the project utilizing 4% LIHTC funding. As part of the application the project is seeking Energy Star certification under Version 3 of the program.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope V3.2.2 based on the proposed scope and plans provided by the project team on September 25th, 2020. With the current scope of work, the worst case unit in the development is obtaining a **HERS 67**. Based on the scope outlined below, Potomac Church is on track to meet Energy Star requirements and target HERS score of 72 or less.

Enclosure:

- R-10 slab edge, 2' insulation underneath slab
- R-22 GII Fiberglass batt insulation in exterior walls
- R-22 Batt insulation in rim joist
- R-11 Grade II cavity insulation in adiabatic walls
- R-11 Grade II cavity insulation between floors
- 0.17 U value for entry doors (ESTAR Minimum Requirement)
- 0.30 U Value / 0.40 SHGC windows (ESTAR Minimum Requirement)
- R-49 attic insulation

Mechanicals:

- 15 SEER 8.5 HSPF 18k Heat Pumps w/ECM motor (ECM motor required for ESTAR)
- 40 gallon electric storage – 0.93 UEF
- 5 ACH₅₀ for infiltration threshold/blower door test based on Energy Star requirements
- 4% duct leakage to the outside, 8% total duct leakage (ESTAR minimums)
- Ductwork insulated to R-6 in conditioned space
- Mechanical ventilation provided by an air cycler per ASHRAE 62.2 requirements



Lights & Appliances:

- ES rated kitchen appliances
 - 390 kWh refrigerator
 - 270 kWh dishwasher
- 100% LED lighting

Please let me know if you have any questions or if the above information does not accurately capture your current scope, happy to make adjustments wherever necessary.

Sincerely,



Bill Riggs
Multifamily Project Manager, Viridiant

Home Energy Rating Certificate

Projected Report

Rating Date: 2020-10-05
 Registry ID:
 Ekotrope ID: bL76AWe2

HERS® Index Score:

67

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$543

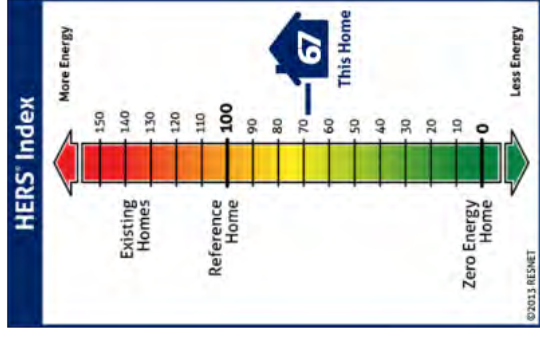
*Relative to an average U.S. home

Home:
 Old Potomac Church Road
 Stafford, VA 22554
Builder:
 Marilyn

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	4.5
Cooling	0.7
Hot Water	5.0
Lights/Appliances	13.2
Service Charges	0.0
Generation (e.g. Solar)	0.0
Total:	23.5

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	855 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	45 CFM • 250 Watts
Duct Leakage to Outside:	34.2 CFM @ 25Pa (4 / 100 s.f.)
Above Grade Walls:	R-21
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Bill Riggs
 RESNET ID: 3259518
Rating Company: Viridian
 1431 W. Main Street, Richmond, VA 23220
Rating Provider: Viridian
 1431 W. Main Street, Richmond, VA 23220



Bill Riggs, Certified Energy Rater
 Digitally signed: 10/6/20 at 10:02 AM



G

Zoning Certification Letter
(MANDATORY)

DATE:

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

RE: ZONING CERTIFICATION

Name of Development: Potomac Church Apartments

Name of Owner/Applicant: Marilyn Development Corporation

Name of Seller/Current Owner: 7K Investments 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:

unassigned address, portion of Tax Map 39-56D

Legal Description:

See attached plat.

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>144</u>	# Units	<u>5</u>	# Buildings	<u>191,325</u>	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	_____	# Units	_____	# Buildings	_____	Approx. Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: B-3 (Transfer of Development Rights) allowing a density of 1.3 Max FAR units per acre, and the following other applicable conditions: _____

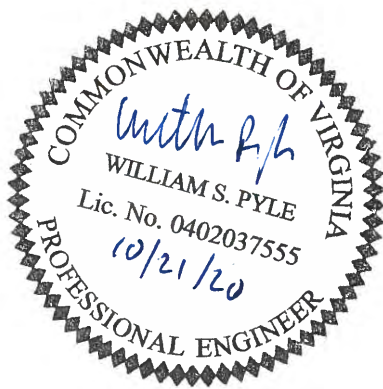
Other Descriptive Information:

- Stafford County's TDR program (Chapter 28 Article XX) lists a max FAR of 1.3 for B-3 TDR. This plan proposes a 0.73 FAR, (6 acre multi-family portion of site, $6 * 43560 = 261,360$ sf, $191,325/261,360 = 0.73$) and 12.0 DU/Acre provided density (144 DU/12 acres total site).

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.



William Pyle
Signature

William Pyle
Printed Name

Sr Project Manager
Title of Local Official or Civil Engineer

540 371 0266
Phone:

10/21/20
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.

H

Attorney's Opinion
(MANDATORY)

January 20, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Potomac Church Apartments
Name of Owner: Potomac Church, LP

Ladies and Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated January 20, 2021 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs 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.

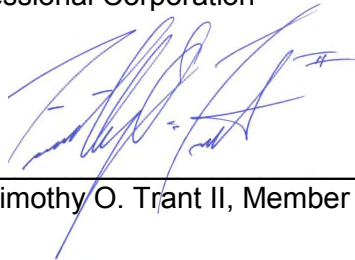
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.

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.

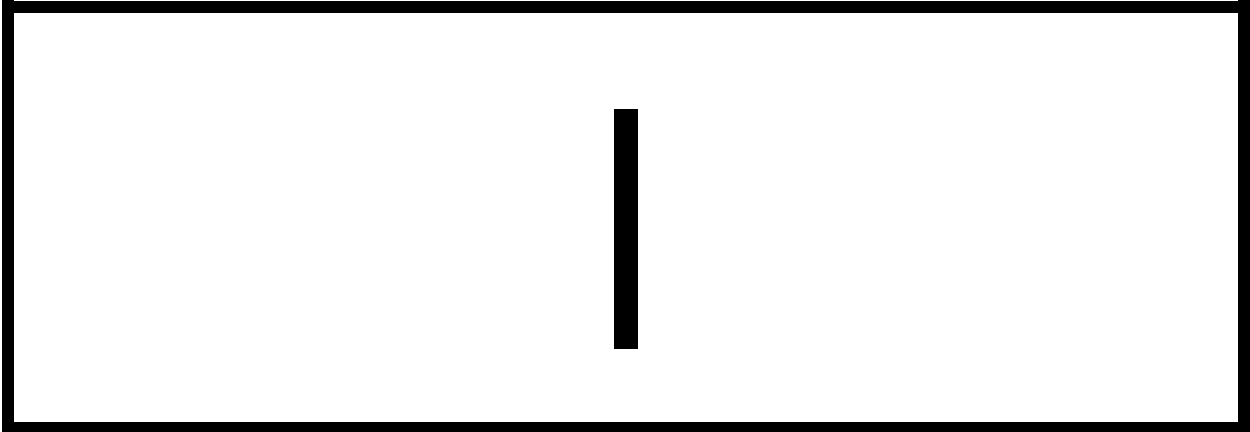
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

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.

KAUFMAN & CANOLES,
a Professional Corporation

By: 

Timothy O. Trant II, Member



Nonprofit Questionnaire

(MANDATORY for points or pool)

Not Applicable

J

Relocation Plan

(MANDATORY, if tenants are displaced)

Not Applicable

K

Documentation of
Development Location

Not Applicable

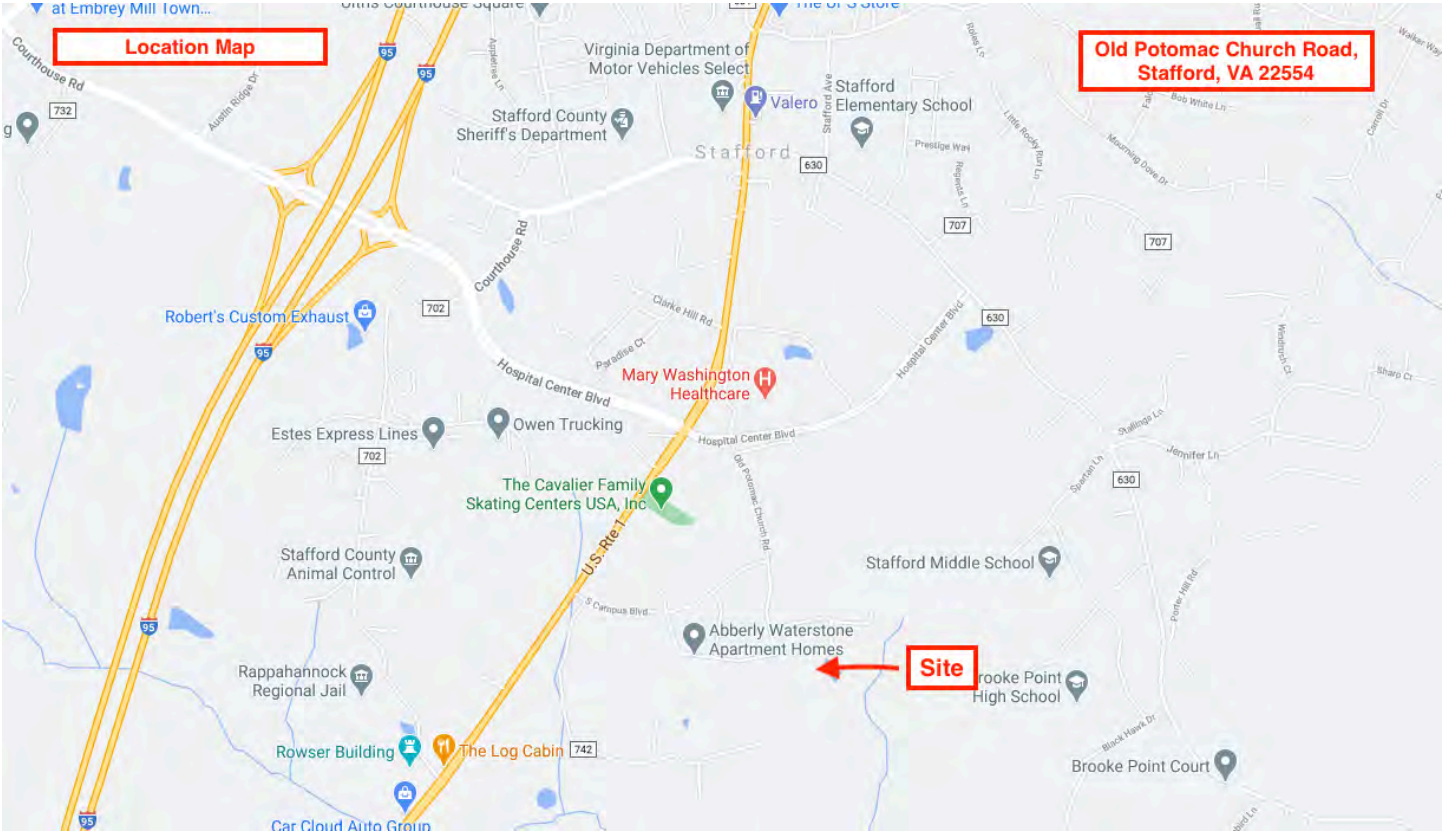
K.1

Revitalization Area
Certification

Not Applicable

K.2

Location Map



K.3

Surveyor's Certification of
Proximity to Public
Transportation

Not Applicable



L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: Potomac Church Apartments

Tracking #: _____

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

General Instructions

1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have project based Section 8 or project based vouchers.
2. This PHA or Section 8 Notification letter must be included with the application.
3. 'Development Address' should correspond to I.A.2 on page 1 of the Application.
4. 'Proposed Improvements' should correspond with I.B & D and III.A of the Application.
5. 'Proposed Rents' should correspond with VII.C of the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

NOTE: Any change to this form letter may result in a reduction of points under the scoring system.

PHA or Section 8 Notification Letter

DATE: October 28, 2020

TO: Betty Newberry, HCVP Director

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Potomac Church Apartments

Name of Owner: Potomac Church, L.P.

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on April 1, 2022 (date).

The following is a brief description of the proposed development:

Development Address:
Old Potomac Church Rd, Stafford, VA 22554

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>144</u>	# units	<u>5</u>	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	_____	# units	_____	# Bldgs
<input type="checkbox"/> Rehabilitation:	_____	# units	_____	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ _____	/ month
<input checked="" type="checkbox"/> 1 Bedroom Units:	\$ <u>1,090</u>	/ month
<input checked="" type="checkbox"/> 2 Bedroom Units:	\$ <u>1,270</u>	/ month
<input checked="" type="checkbox"/> 3 Bedroom Units:	\$ <u>1,470</u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ _____	/ month

Other Descriptive Information:

Garden apartments located on Potomac Church Road. 500 feet from intersection with S. I
100% of the units will be restricted at the 60% AMI level.

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (757)437-1677.

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

Sincerely yours,

Brian L. Stueb

Name

Manager of Potomac Church GP,
LLC, the general partner

Title

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

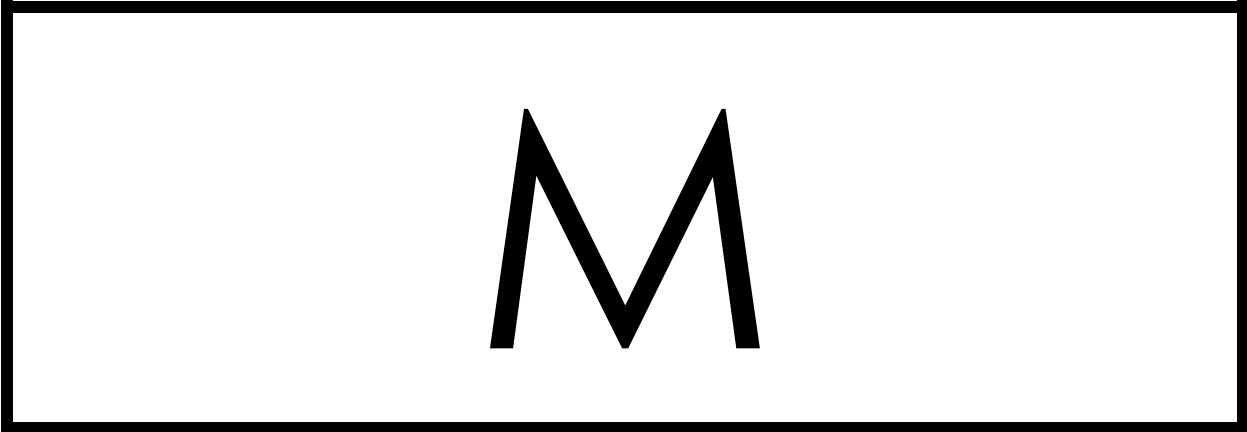
Seen and Acknowledged By: Betty Newberry

Printed Name: Betty Newberry

Title: HOV Director

Phone: 604 9943 x219

Date: 10/28/2020



M

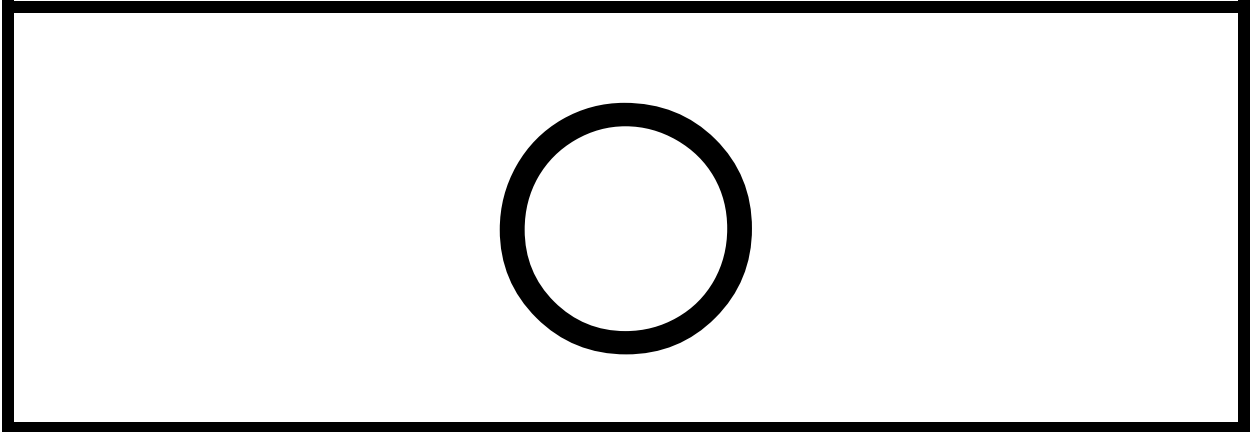
Locality CEO Response
Letter

Tab M – Submitted Separately

N

Homeownership Plan

Not Applicable



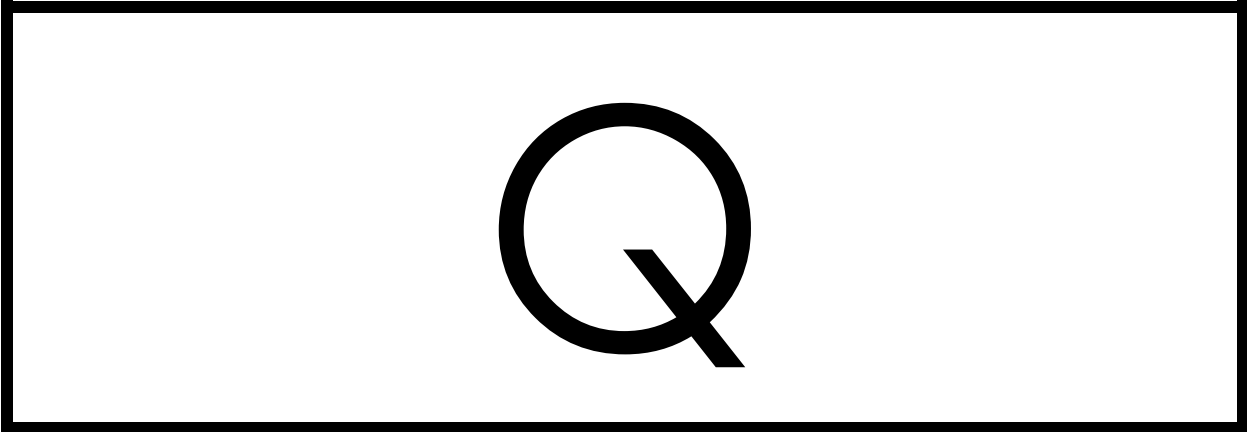
Plan of Development
Certification Letter

Not Applicable

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

M. David Jester has been pre-approved for Developer Experience



Q

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

Not Applicable

R

Documentation of
Operating Budget

2020 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$7,500
2. Office Salaries			\$35,000
3. Office Supplies			\$5,000
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$102,854
	<u>4.75%</u> of EGI	<u>\$714.26</u>	Per Unit
6. Manager Salaries			\$55,000
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$7,500
9. Auditing			\$7,500
## Bookkeeping/Accounting Fees			\$0
## Telephone & Answering Service			\$8,000
## Tax Credit Monitoring Fee			\$2,000
## Miscellaneous Administrative			\$22,000
Total Administrative			\$252,354

Utilities

## Fuel Oil			\$0
## Electricity			\$31,000
## Water			\$90,000
## Gas			\$0
## Sewer			\$0
Total Utility			\$121,000

Operating:

## Janitor/Cleaning Payroll			\$25,000
## Janitor/Cleaning Supplies			\$0
## Janitor/Cleaning Contract			\$0
## Exterminating			\$3,000
## Trash Removal			\$8,000
## Security Payroll/Contract			\$0
## Grounds Payroll			\$0
## Grounds Supplies			\$0
## Grounds Contract			\$11,000
## Maintenance/Repairs Payroll			\$45,000
## Repairs/Material			\$30,000
## Repairs Contract			\$20,000
## Elevator Maintenance/Contract			\$0
## Heating/Cooling Repairs & Maintenance			\$0
## Pool Maintenance/Contract/Staff			\$0
## Snow Removal			\$0
## Decorating/Payroll/Contract			\$0
## Decorating Supplies			\$0
## Miscellaneous			\$5,500
Totals Operating & Maintenance			\$147,500

2020 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Taxes & Insurance

## Real Estate Taxes	\$223,700
## Payroll Taxes	\$14,000
## Miscellaneous Taxes/Licenses/Permits	\$4,000
## Property & Liability Insurance	\$34,000
## Fidelity Bond	\$300
## Workman's Compensation	\$700
## Health Insurance & Employee Benefits	\$8,100
## Other Insurance	\$0
Total Taxes & Insurance	\$284,800

Total Operating Expense **\$805,654**

Total Operating Expenses Per Unit \$5,595 **C. Total Operating Expenses as % of** 37.21%

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

Total Expenses	\$848,854
-----------------------	------------------

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

ProCraft Inspection Services

757.362.2300 • www.procraftinspections.com

June 20, 2020

Re: Potomac Church Apartments, Stafford

Marie,

The monthly average water and sewer utility cost for Potomac Church Apartments units has been estimated to be:

\$52 for a one bedroom with 747 square feet

\$65 for a two bedroom with 932 square feet

\$79 for a three bedroom with 1,170 square feet

The monthly average electric cost for Potomac Church Apartments has been estimated to be:

\$52 for a one bedroom with 747 square feet

\$62 for a two bedroom with 932 square feet

\$69 for a three bedroom with 1,170 square feet

*One bedroom assumes 2 occupants; two bedrooms assume 3 occupants and three bedrooms assume 4 occupants.

Pursuant to Option 2 in the VHDA Utility Allowance Options and Procedures issued on February 12, 2009, the utilities were estimated by an unrelated RESNET professional using an energy consumption model. The estimate reflects current rates as of April 30, 2020.

Respectfully,



Brad Brinke
ProCraft Inspection Services
HERS Rater #7280903



Energy audits • energy ratings • weatherization • property inspections

ProCraft Inspection Services

757.362.2300 • www.procraftinspections.com

**Potomac Church Apartments
Stafford, VA**

Water Fixtures Used:

- 1.28gpf toilet
- 1.5gpm shower head
- Electric dishwasher
- Electric Washing Machine

Potomac Church Apartments was modeled using the EPA's "Water Sense Home" baseline figures of 70 gallons per person per day. By using the ultra-low flow fixtures and other water saving devices in the units a savings of 27.95 gallons per day is created. When subtracted from the EPA estimate a comparable unit will use 42.05 gallons of water per day per person.

Water Rates are \$2.69/1000 gallons for the first 2000 and then \$3.74 to 4000 gallons, \$5.13 over 4000 gallons

Sewer Rates are \$6.36/1000 gallons

Meter Fees: Water \$12.91 and Sewer \$16.12

Electric Fixtures Used:

- RUDD Water Heater Pro 38 52RU95B (.95 efficiency)
- GE Refrigerator Model # GTE 16GT Energy Star
- GE Dishwasher Model GSD3360 Energy Star
- GE Clothes Washer Model GTW220AC
- GE Clothes Dryer Model GTX22EAS
- Split System – RUDD14 SEER RP14188J1NA & RUDD AHU RF1T2421MTANJA
- 80% LED and 20% fluorescent lighting

Electric rates at \$.02 for the first 800 KWH and \$.012 for over 800 KWH

Monthly Meter Fee \$7.00



Energy audits • energy ratings • weatherization • property inspections

S

Supportive Housing
Certification

Not Applicable

T

Funding Documentation

Not Applicable

U

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

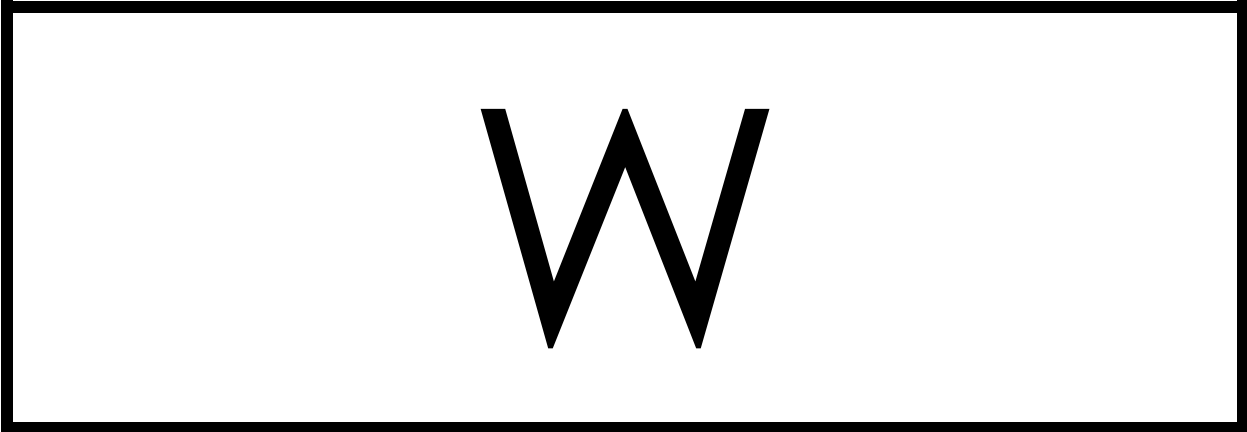
Not Applicable



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

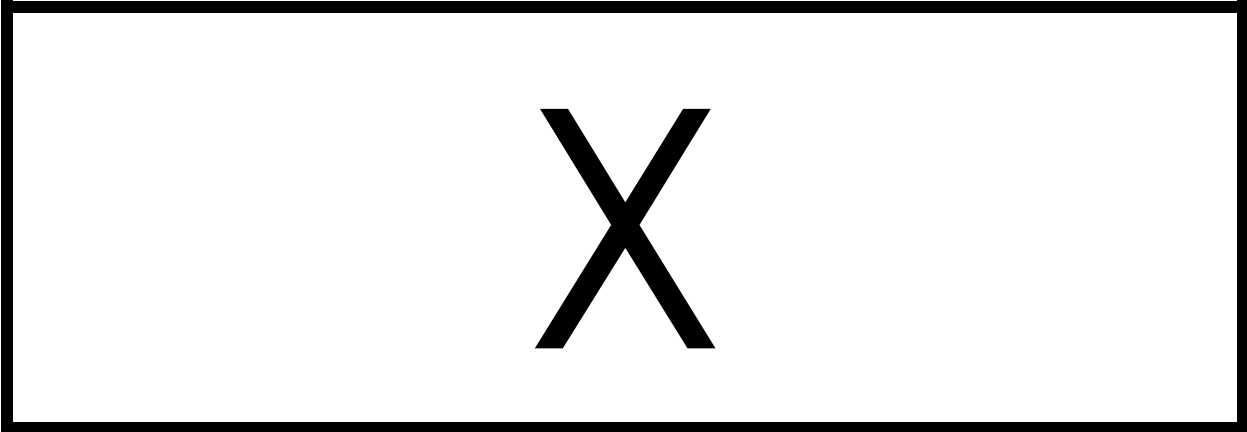
Not Applicable



W

Internet Safety Plan and
Resident Information
Form

Not Applicable



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Not Applicable

Y

Inducement Resolution
for Tax Exempt Bonds

Virginia Housing is the bond issuer.