
2021 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

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

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2021 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Sheila Stone	sheila.stone@virginiahousing.com	(804) 343-5582
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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.

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

VHDA TRACKING NUMBER

2021-C-77

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/18/2021

1. Development Name: Sweetbriar II Apartments
2. Address (line 1): 19274 Elementary Drive
Address (line 2): (Lots 5-7, 9 and 12-18, Sweetbriar)
City: Abingdon State: VA Zip: 24210
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 Washington 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: 104.02
7. Development is located in a Qualified Census Tract..... FALSE
8. Development is located in a Difficult Development Area..... FALSE
9. Development is located in a Revitalization Area based on QCT FALSE
10. Development is located in a Revitalization Area designated by resolution TRUE
11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE
(If 9, 10 or 11 are True, Action: Provide required form in TAB K1)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 9
- Planning District: 3
- State Senate District: 40
- State House District: 4

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

Sweetbriar II Apartments involves the new construction of 22 3-bedroom units serving low-income families in Abingdon, Virginia. This is the second phase of Sweetbriar (1) constructed in 2009. The additional lots for Phase 1 comprise the new project location as outlined in the Address above. Five of the units will be constructed for persons with disabilities under Section 504 requirements. Construction of the 11 townhouse and garden style buildings will utilize certain green building features to exceed expectations for EPA EnergyStar certification and achieve Earthcraft Gold certification.

VHDA TRACKING NUMBER

2021-C-77

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

3/18/2021

16. Local Needs and Support

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

Chief Executive Officer's Name: Jason Berry
 Chief Executive Officer's Title: County Administrator Phone: 276-525-3100
 Street Address: 1 Government Center Place, Ste A
 City: Abingdon State: VA Zip: 24210

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

- 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:

Non Profit Pool

or

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

[Redacted]

For Tax Exempt Bonds, where are bonds being issued?

[Redacted]

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

2. Type(s) of Allocation/Allocation Year

Carryforward Allocation

Definitions of types:

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

New Construction

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

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

TRUE

If True, additional Credit Request cannot exceed 10% of the prior credit award.

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:

[Redacted]

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

FALSE

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

Total Units within 9% allocation request? 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: Sweetbriar II Apartments, L.L.C.

Developer Name: People Incorporated Housing Group

Contact: M/M Mr. First: Robert MI: G. Last: Goldsmith

Address: 1173 West Main Street

City: Abingdon St. VA Zip: 24210

Phone: (276) 623-9000 Ext. Fax:

Email address: rgoldsmith@peopleinc.net

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

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

Additional Contact: Please Provide Name, Email and Phone number.
Bryan Ailey, bailey@peopleinc.net, 276-623-9000

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

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

Names **	Phone	Type Ownership	% Ownership	
Sweetbriar II Apartments Management, LLC	(276) 623-9000	Managing Member	0.009%	
-President Robert G. Goldsmith			0.000%	needs
Housing Equity Fund of Virginia XXIV, L.L.C.	(804) 482-6231	Investor Member	99.990%	
-Virginia Housing Capital Corporation, Managing Me			0.000%	needs
-Secretary Christopher Sterling			0.000%	needs
VAHM, L.L.C.	(804) 482-6231	Special Member	0.001%	
-Secretary Chris Sterling			0.000%	needs

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

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

C. OWNERSHIP INFORMATION

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

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

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

Action: Must be included on 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: ▶ Option

Expiration Date: 12/31/2021

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

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 12/31/2021 .

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

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

D. SITE CONTROL

3. Seller Information:

Name: People Incorporated of Virginia

Address: 1173 West Main Street

City: Abingdon St.: VA Zip: 24210

Contact Person: Robert Goldsmith Phone: (276) 623-9000

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
People Incorporated of Virginia	(276) 623-9000	Fee Simple	100.00%
			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:		This is a Related Entity.	FALSE
Firm Name:			
Address:			
Email:		Phone:	
2. Tax Accountant:	Mike Vicars	This is a Related Entity.	FALSE
Firm Name:	Dooley and Vicars, CPAs		
Address:	21 South Sheppard Street, Richmond, VA 23221		
Email:	mike@dvcpas.com	Phone:	(804) 355-2508
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:		Role:	
Address:			
Email:		Phone:	
4. Management Entity:	People Incorporated of Virginia	This is a Related Entity.	TRUE
Firm Name:			
Address:	1173 West Main Street, Abingdon, VA 24210		
Email:	agroseclose@peopleinc.net	Phone:	(276) 623-9000
5. Contractor:	Jimmy Holland, PE	This is a Related Entity.	FALSE
Firm Name:	Peacock Holland Construction		
Address:	301 S Main St., Ste 105, Blacksburg, VA 24060		
Email:	jimmy@peacockhollandconstruction.com	Phone:	(540) 613-2160
6. Architect:	Jessamyn Newcomb, NCARB, AIA, LEED,	This is a Related Entity.	FALSE
Firm Name:	Hughes Associates, Architects & Engineers		
Address:	656 Elm Avenue SW, Roanoke, VA 24016		
Email:	jnewcomb@hughesae.com	Phone:	(540) 442-4002
7. Real Estate Attorney:	Erik Hoffman	This is a Related Entity.	FALSE
Firm Name:	Klein Hornig		
Address:	1325 G Street NW Ste 770, Washington, DC 20005		
Email:	ehoffman@kleinhornig.com	Phone:	(202) 842-0125
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**
- 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

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..... TRUE

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..... TRUE

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:

- TRUE a. Be authorized to do business in Virginia.
- TRUE b. Be substantially based or active in the community of the development.
- TRUE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
- TRUE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
- TRUE e. Not be affiliated with or controlled by a for-profit organization.
- TRUE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
- TRUE 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..... TRUE (If false, go on to #3.)

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: Applicant

Name: (Please fit NP name within available space)

Contact Person:

Street Address:

City: State: VA Zip:

Phone: Extension: Contact Email:

G. NONPROFIT INVOLVEMENT

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

Specify the nonprofit entity's percentage ownership of the general partnership interest: 100.0%

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

A. TRUE 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: People Incorporated Housing Group

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

1. General Information

a. Total number of all units in development	22	bedrooms	66
Total number of rental units in development	22	bedrooms	66
Number of low-income rental units	22	bedrooms	66
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	22	bedrooms	66
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			27,867.75 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			2,644.69 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			25,223.06 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	5.080		
j. Locality has approved a final site plan or plan of development.....			FALSE
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.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	1185.71	SF	6	6
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	1131.80	SF	16	16
2+ Story 4BR Townhouse		SF	0	0
			22	22

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

3. Structures

- a. Number of Buildings (containing rental units)..... **11**
- b. Age of Structure:..... **0** years
- c. Number of stories:..... **2**
- 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>TRUE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>TRUE</u>
iii. Slab on Grade	<u>FALSE</u>	vii. Basement	<u>FALSE</u>
iv. Crawl space	<u>TRUE</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 ▶ Brick

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: _____

m. Number of Proposed Parking Spaces..... 44
 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. TRUE

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

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

6. Market Study Data:

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

Project Wide Capture Rate - LIHTC Units	2.10%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	2.10%
Project Wide Absorption Period (Months)	3

J. ENHANCEMENTS

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

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

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

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

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

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

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

- | | |
|--------|--|
| FALSE | a. A community/meeting room with a minimum of 749 square feet is provided. |
| 85.00% | b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations. |
| TRUE | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| FALSE | 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. |
| FALSE | k. Cooking surfaces are equipped with fire prevention features |
| or | |
| TRUE | l. Cooking surfaces are equipped with fire suppression features. |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| or | |
| TRUE | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| TRUE | o. All interior doors within units are solid core. |
| TRUE | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| TRUE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| FALSE | r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway. |
| TRUE | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet. |

J. ENHANCEMENTS

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:

- | | | | |
|--------------|--|--------------|--|
| TRUE | Earthcraft Gold or higher certification | FALSE | National Green Building Standard (NGBS) certification of Silver or higher. |
| FALSE | U.S. Green Building Council LEED certification | FALSE | Enterprise Green Communities (EGC) Certification |

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

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

- | | | | |
|--------------|-------------------------------------|--------------|-------------------------|
| FALSE | Zero Energy Ready Home Requirements | FALSE | Passive House Standards |
|--------------|-------------------------------------|--------------|-------------------------|

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

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

- 6** b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:
27% of Total Rental Units

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

If not, please explain: **These are not market rate units.**

<i>JAN</i>	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	0	0	39	0
Air Conditioning	0	0	0	10	0
Cooking	0	0	0	7	0
Lighting	0	0	0	30	0
Hot Water	0	0	0	17	0
Water	0	0	0	51	0
Sewer	0	0	0	72	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$0	\$226	\$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: Local HCV Program

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

K. SPECIAL HOUSING NEEDS

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

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

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

TRUE

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

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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


FALSE

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

FALSE

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

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

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

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

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

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

b. The development has existing tenants and a relocation plan has been developed..... 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 - Tab J**)

3. Leasing Preferences

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

Organization which holds waiting list:

Contact person:

Title:

Phone Number:

Action: Provide required notification documentation (**TAB L**)

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

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

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

% of total Low Income Units

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

K. SPECIAL HOUSING NEEDS

3. Target Population Leasing Preference

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

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

First Name: Kyle

Last Name: Sensabaugh

Phone Number: (276) 623-9000

Email: ksensabaugh@peopleinc.net

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

TRUE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

*Administering Organization: _____

FALSE State Assistance

*Administering Organization: _____

FALSE Other: _____

K. SPECIAL HOUSING NEEDS

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

FALSE

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

0

d. Number of units receiving assistance:

5

How many years in rental assistance contract?

15.00

Expiration date of contract:

12/31/2036

There is an Option to Renew.....

TRUE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

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

a. Units Provided Per Household Type:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
0	0.00%	50% Area Median	0%
22	100.00%	60% Area Median	1320%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
22	100.00%	Total	60.00%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
3	13.64%	40% Area Median	120%
8	36.36%	50% Area Median	400%
11	50.00%	60% Area Median	660%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
22	100.00%	Total	53.64%

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

2. Unit Detail

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

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

JAN
 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	3 BR - 2 Bath	40% AMI	3	3	1103.30	\$389.00	\$1,167
Mix 2	3 BR - 2 Bath	50% AMI	3	2	1103.30	\$500.00	\$1,500
Mix 3	3 BR - 2 Bath	50% AMI	5		961.19	\$500.00	\$2,500
Mix 4	3 BR - 2 Bath	60% AMI	3		961.19	\$500.00	\$1,500
Mix 5	3 BR - 2 Bath	60% AMI	8		1090.06	\$500.00	\$4,000
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0

L. UNIT DETAILS

Mix 15									\$0
Mix 16									\$0
Mix 17									\$0
Mix 18									\$0
Mix 19									\$0
Mix 20									\$0
Mix 21									\$0
Mix 22									\$0
Mix 23									\$0
Mix 24									\$0
Mix 25									\$0
Mix 26									\$0
Mix 27									\$0
Mix 28									\$0
Mix 29									\$0
Mix 30									\$0
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Mix 66									\$0
Mix 67									\$0
Mix 68									\$0
Mix 69									\$0

L. UNIT DETAILS

Mix 70									\$0
Mix 71									\$0
Mix 72									\$0
Mix 73									\$0
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Mix 76									\$0
Mix 77									\$0
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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				22		5			\$10,667

Total Units	22	Net Rentable SF:	TC Units	23,029.80
			MKT Units	0.00
			Total NR SF:	23,029.80

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$0
2. Office Salaries		\$0
3. Office Supplies		\$0
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$10,290
<u>7.81%</u> of EGI	<u>\$467.73</u> Per Unit	
6. Manager Salaries		\$11,749
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$90
9. Auditing		\$0
10. Bookkeeping/Accounting Fees		\$0
11. Telephone & Answering Service		\$0
12. Tax Credit Monitoring Fee		\$440
13. Miscellaneous Administrative		\$5,630
Total Administrative		\$28,199

Utilities

14. Fuel Oil		\$0
15. Electricity		\$270
16. Water		\$0
17. Gas		\$0
18. Sewer		\$0
Total Utility		\$270

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$250
21. Janitor/Cleaning Contract		\$0
22. Exterminating		\$1,500
23. Trash Removal		\$4,137
24. Security Payroll/Contract		\$0
25. Grounds Payroll		\$0
26. Grounds Supplies		\$0
27. Grounds Contract		\$4,500
28. Maintenance/Repairs Payroll		\$10,512
29. Repairs/Material		\$3,200
30. Repairs Contract		\$4,800
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$2,000
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$500
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$65
37. Miscellaneous		\$0
Totals Operating & Maintenance		\$31,464

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$12,000
39. Payroll Taxes	\$1,380
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$16,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$1,492
44. Health Insurance & Employee Benefits	\$7,620
45. Other Insurance	\$593
Total Taxes & Insurance	\$39,085

Total Operating Expense	\$99,018
--------------------------------	-----------------

Total Operating Expenses Per Unit	\$4,501	C. Total Operating Expenses as % of EGI	75.19%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$6,600
---	----------------

Total Expenses	\$105,618
-----------------------	------------------

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	3/11/2020	Bryan Ailey
b. Site Acquisition	9/1/2021	Bryan Ailey
c. Zoning Approval		Stephen Richardson
d. Site Plan Approval	7/1/2021	Jason Boswell
2. Financing		
a. Construction Loan		
i. Loan Application	6/1/2021	Bryan Ailey
ii. Conditional Commitment	7/1/2021	Bryan Ailey
iii. Firm Commitment	9/1/2021	Bryan Ailey
b. Permanent Loan - First Lien		
i. Loan Application	4/15/2020	Bryan Ailey
ii. Conditional Commitment	8/14/2020	Bryan Ailey
iii. Firm Commitment	8/14/2020	Bryan Ailey
c. Permanent Loan-Second Lien		
i. Loan Application	12/4/2020	Bryan Ailey
ii. Conditional Commitment	3/1/2021	Bryan Ailey
iii. Firm Commitment	3/1/2021	Bryan Ailey
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
2. Formation of Owner	5/12/2009	Pete Curcio
3. IRS Approval of Nonprofit Status	3/22/2002	Pete Curcio
4. Closing and Transfer of Property to Owner	9/1/2021	Bryan Ailey
5. Plans and Specifications, Working Drawings	8/1/2021	Jessamyn Newcomb
6. Building Permit Issued by Local Government	8/29/2021	Jason Boswell
7. Start Construction	9/19/2021	Jimmy Holland
8. Begin Lease-up	5/31/2022	Bryan Ailey
9. Complete Construction	8/31/2022	Jimmy Holland
10. Complete Lease-Up	9/30/2022	Bryan Ailey
11. Credit Placed in Service Date	8/1/2022	Bryan Ailey

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)	2,725,120	0	0	2,725,120
b. Unit Structures (Rehab)	0	0	0	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	2,725,120	0	0	2,725,120
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	499,479	0	0	250,000
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
Total Land Improvements	499,479	0	0	250,000
Total Structure and Land	3,224,599	0	0	2,975,120
q. General Requirements	137,500	0	0	137,500
r. Builder's Overhead (4.3% Contract)	137,500	0	0	137,500
s. Builder's Profit (3.4% Contract)	110,000	0	0	110,000
t. Bonds	20,000	0	0	20,000
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: _____	0	0	0	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
Contractor Costs	\$3,629,599	\$0	\$0	\$3,380,120

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	5,000	0	0	5,000
b. Architecture/Engineering Design Fee \$7,347 /Unit)	161,640	0	0	161,640
c. Architecture Supervision Fee \$0 /Unit)		0	0	0
d. Tap Fees	106,986	0	0	106,986
e. Environmental	0	0	0	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	25,500	0	0	0
h. Appraisal	6,000	0	0	0
i. Market Study	6,000	0	0	6,000
j. Site Engineering / Survey	31,600	0	0	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	20,000	0	0	20,000
n. Construction Interest (2.5% for 24 months)	70,000	0	0	35,000
o. Taxes During Construction	10,000	0	0	0
p. Insurance During Construction	35,000	0	0	0
q. Permanent Loan Fee (0.0%)	0	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	20,000	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	35,000	0	0	25,000
w. Legal Fees for Closing	120,000	0	0	60,000
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	33,089			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	75,000	0	0	0
ad. Contingency	181,000	0	0	90,000
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify: Lease Up Reserves	10,000	0	0	0
(2) Other* specify:	0	0	0	0
(3) Other* specify:	0	0	0	0
(4) Other* specify:	0	0	0	0
(5) Other* specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$951,815	\$0	\$0	\$509,626
Subtotal 1 + 2 (Owner + Contractor Costs)	\$4,581,414	\$0	\$0	\$3,889,746
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	513,000	0	0	513,000
4. Owner's Acquisition Costs Land	570,000			
Existing Improvements	0	0		
Subtotal 4:	\$570,000	\$0		
5. Total Development Costs Subtotal 1+2+3+4:	\$5,664,414	\$0	\$0	\$4,402,746

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: \$648,170

Proposed Development's Cost per Sq Foot \$183 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$197

2021 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(B) Acquisition	"30 % Present Value Credit"	
			(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
1. Total Development Costs	5,664,414	0	0	4,402,746

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	0	4,402,746
---	---	-----------

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	1,320,824
c. For Green Certification (Eligible Basis x 10%)		0
Total Adjusted Eligible basis	0	5,723,570

5. Applicable Fraction

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

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

0	0	5,723,570
---	---	-----------

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%	0.00%	9.00%
-------	-------	-------

8. Maximum Allowable Credit under IRC §42

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

\$0	\$0	\$515,121
\$515,121		
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. Atlantic Union Bank	TBD	TBD	TBD	Nathan Hockersmith
2.				
3.				
Total Construction Funding:			\$0	

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. DHCD HOME	4/15/2020	8/14/2020	\$800,000	\$8,000	1.00%	1000.00	30.00
2. DHCD VHTF	12/4/2020	3/1/2021	\$600,000	\$6,000	1.00%	1000.00	30.00
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$1,400,000	\$14,000			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

	Source of Funds	Date of Commitment	Amount of Funds
1.	DHCD HOME	8/14/2020	\$800,000
2.	VHTF	3/1/2021	\$600,000
3.			
4.			
5.			
Total Subsidized Funding			\$1,400,000

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

a.	Tax Exempt Bonds	\$0
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$800,000
h.	Other: DHCD VHTF	\$600,000
i.	Other:	

Market-Rate Loans

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

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

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

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

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

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

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

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

c. FALSE Other

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

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit			
Amount of Federal historic credits	\$0	x Equity \$	\$0.000 = \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000 = \$0
b. Equity that Sponsor will Fund:			
i. Cash Investment	\$0		
ii. Contributed Land/Building	\$0		
iii. Deferred Developer Fee	\$219,560	(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	\$219,560		

2. Equity Gap Calculation

a. Total Development Cost	\$5,664,414
b. Total of Permanent Funding, Grants and Equity	- \$1,619,560
c. Equity Gap	\$4,044,854
d. Developer Equity	- (\$34,595)
e. Equity gap to be funded with low-income tax credit proceeds	\$4,079,449

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	VCDC		
Contact Person:	Steve Bleile	Phone:	(804) 343-1200
Street Address:	1840 W. Broad Street, Ste 200		
City:	Richmond	State:	Zip: 23235
b. Syndication Equity			
i. Anticipated Annual Credits	\$458,411.00		
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.890		
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)	\$35,000		
v. Net credit amount anticipated by user of credits	\$458,365		
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$4,079,449		
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	\$4,044,449
---	-------------

5. Net Equity Factor

Must be equal to or greater than 85%	88.2363967127%
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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>\$5,664,414</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$1,619,560</u>
3. Equals Equity Gap		<u>\$4,044,854</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>88.2363967127%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$4,584,110</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$458,411</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$515,121</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$458,411</u>
Credit per LI Units	<u>\$20,836.8636</u>	
Credit per LI Bedroom	<u>\$6,945.6212</u>	
	Combined 30% & 70% PV Credit Requested	\$458,411

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

T. CASH FLOW

1. Revenue

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

Total Monthly Rental Income for LIHTC Units		\$10,667
Plus Other Income Source (list):	HAP Subsidy	\$1,133
Equals Total Monthly Income:		\$11,800
Twelve Months		x12
Equals Annual Gross Potential Income		\$141,600
Less Vacancy Allowance	7.0%	\$9,912
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$131,688

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

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

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$131,688
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$131,688
d. Total Expenses	\$105,618
e. Net Operating Income	\$26,070
f. Total Annual Debt Service	\$14,000
g. Cash Flow Available for Distribution	\$12,070

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	131,688	134,322	137,008	139,748	142,543
Less Oper. Expenses	105,618	108,787	112,050	115,412	118,874
Net Income	26,070	25,535	24,958	24,337	23,669
Less Debt Service	14,000	14,000	14,000	14,000	14,000
Cash Flow	12,070	11,535	10,958	10,337	9,669
Debt Coverage Ratio	1.86	1.82	1.78	1.74	1.69

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	145,394	148,302	151,268	154,293	157,379
Less Oper. Expenses	122,440	126,113	129,897	133,794	137,808
Net Income	22,954	22,189	21,371	20,500	19,572
Less Debt Service	14,000	14,000	14,000	14,000	14,000
Cash Flow	8,954	8,189	7,371	6,500	5,572
Debt Coverage Ratio	1.64	1.58	1.53	1.46	1.40

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	160,527	163,737	167,012	170,352	173,760
Less Oper. Expenses	141,942	146,200	150,586	155,104	159,757
Net Income	18,585	17,537	16,426	15,249	14,003
Less Debt Service	14,000	14,000	14,000	14,000	14,000
Cash Flow	4,585	3,537	2,426	1,249	3
Debt Coverage Ratio	1.33	1.25	1.17	1.09	1.00

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

U. Building-by-Building Information

Must Complete

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

Number of BINS: 11

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

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.		2	0	Elementary Drive Building 1		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
2.		2	0	Elementary Drive Building 2		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
3.		2	0	Elementary Drive Building 3		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
4.		2	0	Elementary Drive Building 4		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
5.		2	0	Elementary Drive Building 5		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
6.		2	0	Elementary Drive Building 6		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
7.		2	0	Elementary Drive Building 7		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
8.		2	0	Elementary Drive Building 8		Abingdon	VA	24210				\$0				\$0	\$506,926	08/01/22	9.00%	\$45,623				
9.		2	0	Elementary Drive Building 9		Abingdon	VA	24210				\$0				\$0	\$556,054	08/01/22	9.00%	\$50,045				
10.		2	0	Elementary Drive Building 10		Abingdon	VA	24210				\$0				\$0	\$556,054	08/01/22	9.00%	\$50,045				
11.		2	0	Elementary Drive Building 11		Abingdon	VA	24210				\$0				\$0	\$556,054	08/01/22	9.00%	\$50,045				
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				
		22	0																					
Totals from all buildings								\$0					\$0					\$5,723,570					\$0	\$515,121

Number of BINS: 11

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

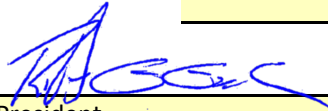
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia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

V. STATEMENT OF OWNER

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

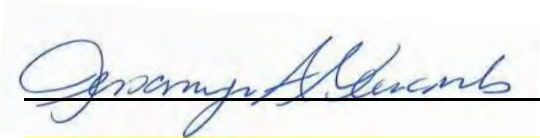
By: 
Its: President (Title)

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:	<u>Jessamyn A. Newcomb</u>
Virginia License#:	<u>38178321</u>
Architecture Firm or Company:	<u>Hughes Associates Architects & Engineers</u>

By:  _____

Its: Architect
(Title)

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

W. LIHTC SELF SCORE SHEET

Self Scoring Process

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

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

MANDATORY ITEMS:

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

Included

Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y, N, N/A
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N
Y	Y or N

Score

0
0
0
0
0
0
0
0
0
0
0
0
0
0

Total:

0.00

1. READINESS:

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

Y	0 or -50
N	0 or -25
N	0 or 40
N	0 or 10
Y	0 or 15
N	0 or 15

0.00
0.00
0.00
0.00
15.00
0.00

Total:

15.00

2. HOUSING NEEDS CHARACTERISTICS:

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

Y	0 or up to 5
N	0 or 20
24.72%	Up to 40
N	0 or 5
Y	0 or 10
10%	0, 20, 25 or 30
N	0 or 15
N	Up to -20
N	Up to 20

3.86
0.00
40.00
0.00
10.00
25.00
0.00
0.00
0.00

Total:

78.86

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			51.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
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)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet Virginia Housing's Universal Design standards	27%	Up to 15	4.09
h. Developments with less than 100 units	Y	up to 20	20.00
i. Historic Structure	N	0 or 5	0.00
Total:			<u>155.09</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$59,100	\$62,300

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	100.00%	Up to 15	15.00
c.	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	13.64%	Up to 10	10.00
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	50.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	50.00%	Up to 50	50.00
Total:			<u>90.00</u>

5. SPONSOR CHARACTERISTICS:

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

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	28.25
b. Cost per unit		Up to 100	25.39
Total:			<u>53.64</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
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>60.00</u>

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

TOTAL SCORE: 502.59

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	0.00
b. Exterior walls constructed with brick and other low maintenance materials	25	25.00
c. Sub metered water expense	5	5.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Infrastructure for high speed internet/broadband	1	1.00
f. Free WiFi Access in community room	4	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	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	4.00
		<u>51.00</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>51.00</u>

X. Development Summary

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

Deal Name: Sweetbriar II Apartments

Cycle Type: 9% Tax Credits Requested Credit Amount: \$458,411
 Allocation Type: New Construction Jurisdiction: Washington County
 Total Units: 22 Population Target: General
 Total LI Units: 22
 Project Gross Sq Ft: 27,867.75 Owner Contact: Robert Goldsmith
 Green Certified? TRUE

Total Score
502.59

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$1,400,000	\$63,636	\$50	\$14,000

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$3,224,599	\$146,573	\$116	56.93%
General Req/Overhead/Profit	\$385,000	\$17,500	\$14	6.80%
Other Contract Costs	\$20,000	\$909	\$1	0.35%
Owner Costs	\$951,815	\$43,264	\$34	16.80%
Acquisition	\$570,000	\$25,909	\$20	10.06%
Developer Fee	\$513,000	\$23,318	\$18	9.06%
Total Uses	\$5,664,414	\$257,473		

Total Development Costs	
Total Improvements	\$4,581,414
Land Acquisition	\$570,000
Developer Fee	\$513,000
Total Development Costs	\$5,664,414

Income		
Gross Potential Income - LI Units		\$141,600
Gross Potential Income - Mkt Units		\$0
Subtotal		\$141,600
Less Vacancy %	7.00%	\$9,912
Effective Gross Income		\$131,688

Proposed Cost Limit/Sq Ft: \$183
 Applicable Cost Limit/Sq Ft: \$197

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	0
# of 2BR	0
# of 3BR	22
# of 4+ BR	0
Total Units	22

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$28,199	\$1,282
Utilities	\$270	\$12
Operating & Maintenance	\$31,464	\$1,430
Taxes & Insurance	\$39,085	\$1,777
Total Operating Expenses	\$99,018	\$4,501
Replacement Reserves	\$6,600	\$300
Total Expenses	\$105,618	\$4,801

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	3
50% AMI	0	8
60% AMI	22	11
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$131,688
Total Expenses	\$105,618
Net Income	\$26,070
Debt Service	\$14,000
Debt Coverage Ratio (YR1):	1.86

Income Averaging? TRUE

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 comments.

Credit Points:

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

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

Using Current E-U-R method (up to 200)		28.25
Using proposed method:		
Combined Max	\$515,121	
Credit Requested	\$458,411	
% of Savings	11.01%	
Sliding Scale Points		36.7
<i>Difference</i>		8.45

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)		25.39
Using proposed method:		
Total Costs Less Acquisition	\$5,094,414	
Total Square Feet	27,867.75	
Proposed Cost per SqFt	\$182.81	
Applicable Cost Limit per Sq Ft	\$197.00	
% of Savings	7.20%	
Sliding Scale Points		14.40
<i>Difference</i>		-10.99

\$/SF = **\$194.76** Credits/SF = **18.17428** Const \$/unit = **\$164,981.7727**

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

11000
600
1

*REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
AVG UNIT SIZE	0.00	0.00	0.00	1,185.71	0.00	0.00	1,131.80	0.00
NUMBER OF UNITS	0	0	0	6	0	0	16	0
PARAMETER-(COSTS=>35,000)	0	0	0	310,200	0	0	295,200	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	310,200	0	0	295,200	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	310,200	0	0	295,200	0
PROJECT COST PER UNIT	0	0	0	230,928	0	0	220,429	0
PARAMETER-(CREDITS=>35,000)	0	0	0	24,174	0	0	24,300	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	24,174	0	0	24,300	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	24,174	0	0	24,300	0
PROJECT CREDIT PER UNIT	0	0	0	21,549	0	0	20,570	0
COST PER UNIT POINTS	0.00	0.00	0.00	6.97	0.00	0.00	18.42	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	5.92	0.00	0.00	22.33	0.00

TOTAL COST PER UNIT POINTS **25.39**

TOTAL CREDIT PER UNIT POINTS **28.25**

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
Standard Parameter - low rise	0	0	0	310,200	0	0	295,200	(
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	310,200	0	0	295,200	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	0	0	0	24,174	0	0	24,300	(
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	24,174	0	0	24,300	(

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
Standard Cost Parameter - low rise	0	0	0	310,200	0	0	295,200	(
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	310,200	0	0	295,200	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	0	0	24,174	0	0	24,300	(
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	24,174	0	0	24,300	(

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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
600
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
AVG UNIT SIZE	0.00	0.00	0.00	1,185.71	0.00	0.00	1,131.80	0.00
NUMBER OF UNITS	0	0	0	6	0	0	16	0
PARAMETER-(COSTS=>35,000)	0	0	0	310,200	0	0	295,200	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	310,200	0	0	295,200	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	310,200	0	0	295,200	0
PROJECT COST PER UNIT	0	0	0	230,928	0	0	220,429	0
PARAMETER-(CREDITS=>35,000)	0	0	0	24,174	0	0	24,300	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	24,174	0	0	24,300	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	24,174	0	0	24,300	0
PROJECT CREDIT PER UNIT	0	0	0	21,549	0	0	20,570	0
COST PER UNIT POINTS	0.00	0.00	0.00	6.97	0.00	0.00	18.42	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	5.92	0.00	0.00	22.33	0.00

TOTAL COST PER UNIT POINTS **25.39**

TOTAL CREDIT PER UNIT POINTS **28.25**

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
Standard Parameter - low rise	0	0	0	310,200	0	0	295,200	(
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	310,200	0	0	295,200	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Credit Parameter - low rise	0	0	0	24,174	0	0	24,300	(
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	24,174	0	0	24,300	(

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
Standard Cost Parameter - low rise	0	0	0	310,200	0	0	295,200	(
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	310,200	0	0	295,200	(

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR
Standard Cost Parameter - low rise	0	0	0	24,174	0	0	24,300	(
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	24,174	0	0	24,300	(

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Partnership or Operating Agreement

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

AMENDED AND RESTATED OPERATING AGREEMENT OF
SWEETBRIAR II APARTMENTS, L.L.C.

This AMENDED AND RESTATED OPERATING AGREEMENT OF SWEETBRIAR II APARTMENTS, L.L.C. (“Agreement”) is entered into and shall be effective as of the 31st day of December 2020 (“Effective Date”), by and among [Sweetbriar II Apartments Management LLC], a Virginia limited liability company (the “Managing Member”), Housing Equity Fund of Virginia XXIV, L.L.C., a Virginia limited liability company (the “Investor Member”), VAHM, L.L.C., a Virginia limited liability company (the “Special Member”), People Incorporated of Virginia, a Virginia non-stock corporation (the “Withdrawing Member”), and People Incorporated Housing Group, a Virginia non-stock corporation (the “Withdrawing Managing Member”).

RECITALS

WHEREAS, Robert G. Goldsmith, as organizer, executed a certificate of organization (the “Certificate”) for the formation of Sweetbriar II Apartments L.L.C. (the “Company”) pursuant to the terms of the Revised Uniform Limited Liability Company Act of the Commonwealth of Virginia (the “Act”), which Certificate was subsequently filed with the State Corporation Commissioner of the Commonwealth of Virginia (the “State of Formation”) on January 30, 2008;

WHEREAS, the Withdrawing Member and Withdrawing Managing Member previously executed an operating agreement of the Company dated as of May 12, 2009 (the “Original Operating Agreement”); and

WHEREAS, the parties desire to (i) withdraw the Withdrawing Member and the Withdrawing Managing Member, (ii) admit the Managing Member, the Special Member and the Investor Member, (iii) the Managing Member, Special Member and Investor Member wish to continue the Company pursuant to the Act, and (iv) amend and restate the Original Operating Agreement in its entirety in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Company pursuant to the Act, as set forth in this Amended and Restated Operating Agreement, which reads in its entirety as follows:

ARTICLE I
THE COMPANY

- 1.1 Admission of Managing Member, Investor Member and Special Member. Housing Equity Fund of Virginia XXIV, L.L.C., a Virginia limited liability company, is hereby admitted as the investor member of the Company. VAHM, L.L.C., a Virginia limited liability company, is hereby admitted as a special member of the Company. Sweetbriar II Apartments Management LLC, a Virginia limited liability, is hereby admitted as the Managing Member of the Company.

- 1.2 Withdrawal of the Withdrawing Member and Withdrawing Managing Member. The Withdrawing Member and Withdrawing Managing Member hereby withdraw from the Company as members effective on the date hereof. The Withdrawing Member and Withdrawing Managing Member hereby acknowledge, represent and warrant to the Company, Managing Member, Investor Member and Special Member that as of the date hereof, they have no interest in or rights or claims against the Company in their capacity as a member of the Company, including any claims for or interest in any unpaid fees or compensation earned prior to the date hereof, or any other fees, distributions, compensation, property or assets of the Company. The Company hereby releases the Withdrawing Member and Withdrawing Managing Member from all obligations under the Original Operating Agreement in its capacity as members of the Company. The Withdrawing Member and Withdrawing Managing Member hereby release and forever discharge the Company from (i) any and all obligations of the Company to the Withdrawing Member and Withdrawing Managing Member concerning or relating to the Original Operating Agreement, and (ii) any and all claims against the Company held by the Withdrawing Member and Withdrawing Managing Member in their capacity as members of the Company.
- 1.3 Continuation. The Members hereby agree to continue the Company pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement.
- 1.4 Company Name. The name of the Company shall be Sweetbriar II Apartments, L.L.C. and all business of the Company shall be conducted in such name. The Company shall hold all of its property in the name of the Company and not in the name of any Member.
- 1.5 Purpose. The purpose of the Company is to acquire, develop, construct, finance and operate 22 units of housing for rental to low-income or very-low income individuals and families to be located in Abington, Virginia and to be known as Sweetbriar II Apartments (the acquisition and construction of such improvements shall be referred to collectively, as the “Project”). The Company shall engage in any and all activities related or incidental to the Project and shall engage in no other business.
- 1.6 Principal Place of Business. The principal place of business of the Company shall be at 1173 West Main Street, Abingdon, VA 24210. The principal place of business of the Company shall not be changed except upon the provision of prior written notice to the Members.
- 1.7 Term. The term of the Company commenced as of the date of the filing of the Articles of Organization with the Secretary of State of the State of Formation and shall continue until the winding up and liquidation of the Company and its business is completed following a Liquidating Event, as provided in Article VIII hereof.
- 1.8 Independent Activities; Commitment Letter; Right to Withdraw.
- (a) Except as otherwise provided in this Agreement, each Member and the members, stockholders, officers and directors of each Member may, notwithstanding this

Agreement, directly or indirectly, independently or with others, engage in or possess any interest in whatever activities it or they may choose, whether the same or competitive with the Company or otherwise, without having or incurring any obligation to offer any interest in or opportunity with respect to such activities to the Company or any Member or to account in any way to any such Person.

- (b) The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other than its liability for the debts of the Company. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business.
- (c) The Members hereby acknowledge that the Investor Member and Company have entered into that certain conditional Commitment Letter dated December 29, 2020 addressed to the Company (the “**Commitment Letter**”), a copy of which is attached hereto as Exhibit E, pursuant to which the Investor Member has an exclusive right to invest in the Project. The Investor Member’s commitment to invest in the Project is subject to the conditions set forth in the Commitment Letter (the “**Commitment Conditions**”). Neither the Managing Member, the Guarantor nor anyone acting on their behalf or at their direction, shall sell, assign, encumber or otherwise transfer any right, title or interest in or with respect to the Project or the Federal Tax Credits without the prior written consent of Investor Member. Further, neither the Managing Member, the Guarantor nor anyone on their behalf shall communicate, solicit bids, negotiate or enter into any contracts, agreements or other understandings with any syndicators, brokers or investors with respect to investments in the Federal Tax Credits. The Company shall proceed to carry out the Commitment Letter through a Second Amended and Restated Operating Agreement, which the parties hereto agree to use reasonable, timely and good faith efforts to negotiate (the “A/R Operating Agreement”). The Parties hereto will use best efforts to execute the A/R Operating Agreement on or before August 1, 2021, or such later date as to which the Investor Member Consents, which Consent shall not be unreasonably withheld, conditioned or delayed (as extended, the “Outside Closing Date”). However, the Investor Member and Special Member shall not be obligated to execute the A/R Operating Agreement if the Commitment Conditions are not satisfied prior to the Outside Closing Date. If the A/R Operating Agreement is not executed by the Outside Closing Date, the Investor Member and Special Member shall have the right, by providing written notice of withdrawal to the Managing Member, to withdraw as members of the Company and terminate the Commitment Letter. Upon such withdrawal, the Investor Member and Special Member shall have no further obligations under this Agreement or the Commitment Letter to contribute capital to the Company or take

any other actions. Moreover, if the A/R Operating Agreement is not executed by the Outside Closing Date, the Managing Member shall have the call rights under Section 9.3 hereof.

1.9 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

“Act” means the Virginia Limited Liability Company Act, as amended from time to time (or any corresponding provisions of succeeding law).

“Adjusted Capital Account Deficit” means with respect to any Investor Member, the deficit balance, if any, in such Investor Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

- (i) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1704-2(g)(1) and 1704-2(i)(5); and
- (ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(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.

“Affiliate” means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with a designated Person, as the context may require. “Control” shall mean (a) ownership or control of ten percent (10%) or more of the shares entitled to vote for the election of directors in the case of a corporation and ten percent (10%) or more of the beneficial interests in the case of a legal entity other than a corporation, (b) boards of directors that overlap by fifty percent (50%) or more of their directors, or (c) control of a majority of the directors in the case of a corporation.

“Agreement” or “Operating Agreement” means this Operating Agreement, as amended from time to time. Words such as “herein,” “hereinafter,” “hereof,” and “hereunder” refer to this Agreement as a whole, unless the context otherwise requires.

“Capital Account” means the capital account maintained for each Member in accordance with the following provisions:

- (i) To such 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 Section 3.3(a) hereof,

and the amount of any Company liabilities assumed by such Member or which are secured by any Property distributed to such Member.

(ii) To such Member's Capital Account there shall be debited the amount of cash and the fair market value of any property distributed to such Member (net of any liabilities secured by such property) 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 Section 3.3(a) 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.

(iii) 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.

(iv) In determining the amount of any liability for purposes of the foregoing subparagraphs (i) and (ii) of this definition of "Capital Account," 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.

“Capital Contributions” means, with respect to any Member, the amount of money and the fair market value, as determined by the Members, of any property other than money contributed to the Company with respect to the interest in the Company held by such Member.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

“Company” means Sweetbriar II Apartments, L.L.C., a Virginia limited liability company.

“Consent” means the prior written consent or approval of the Investor Member and/or any other Person, as the context may require, to do the act or thing for which the consent is solicited, provided that the Investor Member may designate the Special Member as the party to determine if any Consent is to be given or withheld.

“Consent of the Members” means the agreement of or a determination by the Members requiring the unanimous written consent of all Members.

“Federal Tax Credits” means the low-income housing tax credits allowed for low-income housing projects pursuant to Section 42 of the Internal Revenue Code.

“Guarantor” means collectively, People Incorporated Housing Group and People Incorporated of Virginia.

“Interest” means the ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of said Act.

“Investor Member” means Housing Equity Fund of Virginia XXIV, L.L.C., a Virginia limited liability company, or its assigns.

“Land” means the tract of land to be purchased by the Company upon which the Project will be located, as more particularly described on Exhibit C attached hereto.

“Managing Member” means Sweetbriar II Apartments Management, LLC, a Virginia limited liability company.

“Members” means, collectively, the Managing Member, Investor Member and Special Member.

“Outside Closing Date” has the meaning set forth in Section 1.8.

“Percentage Interest” means the percentage set forth for the Members on Exhibit A.

“Person” means any individual, Company, investment fund, corporation, trust, limited liability company, limited partnership or other entity.

“Property” means all real and personal property acquired by the Company and any improvements thereto and shall include both tangible and intangible property.

“Regulations” means the Income Tax Regulations, including Temporary Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Special Member” means VAHM, L.L.C., a Virginia limited liability company.

“Transfer” means, as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, grant of security interest, or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate, grant a security interest or otherwise dispose of.

ARTICLE II
MEMBERS' CAPITAL CONTRIBUTIONS; REPRESENTATIONS
AND WARRANTIES

2.1 Members. The names, addresses, Capital Contributions, and Percentage Interests of the Members are set forth on Exhibit “A” attached hereto.

2.2 Representations and Warranties. As of the date hereof, the Managing Member hereby represents, warrants and covenants to Investor Member, the Company and to the Members:

- a. Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate actions or proceedings. The Managing Member is duly organized, validly existing and in good standing under the laws of the State of Virginia with power to enter into this Agreement and to consummate the transactions contemplated hereby.
- b. Valid Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the State of Virginia and shall have and shall continue to have full power and authority to acquire the Land and to develop the Project. The Company at all times will be operated in accordance with the provisions of the Act, any other applicable state statutes relating to limited liability companies, and this Agreement. The Company has claimed and will always claim to be a partnership for federal income tax purposes.
- c. No Defaults. The Managing Member is not aware of (i) any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any Operating Agreement, contract, lease, loan, or other commitment, or (ii) of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against the Managing Member, the Project or the Company, or related to the business or assets of the Managing Member, Project or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, Project or Company.
- d. No Violation. The execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any agreement, indenture, provision of law, or court order, judgment or decree binding on the Company, the Managing Member, and/or any Affiliate(s) thereof, and will not result in a breach of or constitute a default under any such agreement, indenture or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Land or Project.
- e. Low-Income Housing Tax Credit Carryover Allocation Agreement. The Company submitted an application for Federal Tax Credits for the Project to the Virginia Housing (the “State Agency”). The State Agency allocated to the Project Federal Tax Credits in the annual amount of \$416,738 on November 20, 2020. A copy of the

carryover allocation agreement is attached hereto as Exhibit D. The Project will be developed and operated in a manner which is consistent with all of the representations made by the Managing Member, Project developer or sponsor, and/or the Company in the foregoing application, reservation and carryover allocation.

- f. Title to Land. The Company will acquire and will maintain at all times good and marketable fee title to the Land. Any Investor Member's Consent to title exceptions granted at or prior to the execution of this Agreement shall not limit or constitute a waiver of the Investor Member's right to object to any title exception or encumbrance concerning the Land at or prior to the entry of the forthcoming A/R Operating Agreement.
- g. Good Faith of Managing Member. The Managing Member shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Project, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company.
- h. No Security Interests or Encumbrances. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, and equipment now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for those securing any of the loans, mortgages and any additional security agreements executed in connection with the development of the Project, all as may be approved by the Investor Member.
- i. Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of Exhibit B attached hereto.
- j. Duties. The Managing Member shall be specifically and solely responsible for the following duties (some of which may have occurred prior to the date of this Agreement):
 - (1) Analyzing the Qualified Allocation Plan ("QAP") for targeted areas within a state;
 - (2) Identifying potential land sites.
 - (3) Analyzing the demographics of potential sites.
 - (4) Analyzing a site's economy and forecast future growth potential.
 - (5) Determining the site's zoning status and possible rezoning actions.

- (6) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.
- (7) Performing environmental tests on selected sites.
- (8) Negotiating the purchase of the land upon which the Project is located and its related financing.

The Managing Member agrees that it shall take no action or refrain from action which will be in breach of the representations and agreements contained in its application(s) for Federal Tax Credits or in this Agreement, which has or is likely to have a material adverse impact on the Company, Investor Member or Project. All of the representations, warranties and covenants contained herein shall survive this Agreement. The Managing Member shall indemnify and hold harmless the Investor Member against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, which has or is likely to have a material adverse impact on the Company, Investor Member or Project, including reasonable attorneys' fees and costs and expenses of litigation and collection.

ARTICLE III ALLOCATIONS AND DISTRIBUTIONS

3.1 Profits. After giving effect to the special allocation provisions set forth in Section 3.3(a) hereof, Profits for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests.

3.2 Losses.

(a) Losses for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests.

(b) The Losses allocated pursuant to Section 3.2(a) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Investor Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. All Losses in excess of the limitations set forth in this Section 3.2(b) shall be allocated to the Managing Members.

3.3 Other Allocation Rules.

(a) Target Final Capital Account Balances. The allocations of Profits and Losses under this Agreement are intended to produce final Capital Account balances (Capital Account balances immediately prior to the liquidation of the Company or of a Member's Interest, after taking into account all allocations of fiscal periods through such point in time) that are at levels ("Target Final Balances") which permit liquidating distributions made in accordance with final Capital Account balances to equal the distributions which would occur if such liquidating proceeds were distributed in accordance with Section 3.4. To the extent that the tax allocation provisions of this Agreement would not produce the Target Final Balances, the Members agree to take such reasonable actions as are necessary to amend such tax allocation provisions to produce such Target Final

Balances. Notwithstanding the other provisions of this Agreement, allocations of income, gain, loss and deduction (including items of gross income, gain, loss and deduction) shall be made prospectively as necessary to produce such Target Final Balances, and, to the extent such prospective allocations would not effect such result, the prior tax returns of the Company shall be amended to reallocate items of gross income, gain, loss and deductions to produce such Target Final Balances.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Managing Member using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits or Losses, as the case may be, for the year.

(d) The Members are aware of the income tax consequences of the allocations made by this Article III and hereby agree to be bound by the provisions of this Article III in reporting their shares of Company income and loss for income tax purposes.

3.4 Distributions. The net cash proceeds from operations of the Company and all sales and other distributions of Company property for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests.

ARTICLE IV
MANAGEMENT

- 4.1 Decisions on Behalf of the Company by the Managing Member. Except as provided elsewhere in this Agreement (including Section 4.2 below), all decisions relating to the Company and the conduct of its business, including the operation of the Project after its acquisition, shall be made by the Managing Member and in accordance with any budget or other operating agreements adopted by the Company upon the Consent of the Members, which Consent shall not be unreasonably withheld, conditioned or delayed.
- 4.2 Restrictions on Authority of the Managing Member. Without the Consent of Investor Member, which Consent shall not be unreasonably withheld, conditioned or delayed, the Managing Member shall have no authority to:
- (a) do or refrain from doing any act which terminates, cancels, annuls, invalidates, amends, modifies or otherwise affects the reservation and allocation of Federal Tax Credits allocated to the Project;
 - (b) do or refrain from doing any act which terminates, cancels, annuls, invalidates, amends, modifies or otherwise affects any contract or option in favor of the Company to purchase the Property (provided the legal description may be changed by the Managing Member to reflect a non-consequential change in site configuration);
 - (c) sell, transfer, convey or otherwise encumber the Property; or
 - (d) enter into any commitment for construction or permanent loan financing after the Effective Date.
- 4.3 Assignment of Project Documents. As a condition to and inducement for the Investor Member's admission to the Company as Investor Member, the Managing Member and its Affiliates hereby transfer, assign, convey and set over unto the Company all of its respective right, title and interest in and to: (i) all existing or future purchase agreements, service and other contracts with respect to the Project; (ii) any and all governmental permits, approvals and licenses with respect to the Project; (iii) any and all plats and surveys of the Project; (iv) any and all Federal Tax Credits, reservations, allocations or other rights with respect to the Project; (v) agreements with third party contractors, attorneys, accountants, architects and engineers, and consultants, and (vi) any and all warranties and guaranties relating to the Project.

ARTICLE V
BOOKS AND RECORDS

- 5.1 Books and Records. The Company shall keep adequate books and records at its principal place of business, setting forth a true and accurate account of all business transactions arising

out of and in connection with the conduct of the Company and meeting the requirements of the Act. Any Member or its designated representative shall have the right, at any reasonable time, to have access to and inspect and copy the contents of such books or records.

ARTICLE VI
AMENDMENTS

- 6.1 Amendments. Amendments and restatements to this Agreement may be proposed by any Member and shall be adopted only upon the Consent of the Members. The Members hereby consent to an amendment and restatement to this Agreement in accordance with the terms set forth in the Commitment Letter.

ARTICLE VII
TRANSFERS OF INTERESTS

- 7.1 Restriction on Transfers. The Managing Member shall not Transfer all or any portion of its Interest except upon the Consent of the Members, which Consent shall not be unreasonably withheld, conditioned or delayed. The Investor Member shall have the right to transfer its Interest without the Consent of the Members to an Affiliate, but the Consent of the Members shall be required prior to the transfer of the Investor Member's Interest to any entity that is not an Affiliate. For purposes of this Agreement, the Transfer of an interest in either Member which results in a change in the control of such Member, as such control exists as of the date of this Agreement, shall constitute and be deemed a Transfer of an Interest in the Company subject to the foregoing restriction. Any Transferee of an Interest or any portion thereof shall agree to be bound by the terms of this Agreement.

ARTICLE VIII
DISSOLUTION AND WINDING UP

- 8.1 Liquidating Events. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following ("Liquidating Events"):
- (a) The Consent of the Members to dissolve, wind up, and liquidate the Company;
 - (b) The sale of all or substantially all of the Property;
 - (c) The happening of any other event that makes it unlawful or impossible to carry on the business of the Company; or
 - (d) The occurrence of any event causing dissolution under the Act.

ARTICLE IX
OTHER WITHDRAWAL CONDITIONS

9.1 Withdrawal. Subject to Section 9.2 hereof, the Investor Member, in its sole and exclusive discretion, shall have the right to withdraw as a member (along with the Special Member), for any of the following reasons:

- (a) Any fraud, gross negligence or intentional misconduct, material breach of fiduciary duty in violation of the covenants, terms and conditions to be performed or observed by the Managing Member hereunder that has a material and adverse effect on the Company or the Investor Member;
- (b) Material breach by the Managing Member of any representations, warranty or covenant set forth in this Agreement;
- (c) (i) The filing by the Managing Member or Guarantor of a voluntary petition under federal or state bankruptcy laws; (ii) a general assignment for the benefit of creditors by the Managing Member or Guarantor; or (iii) the appointment of a receiver or trustee to administer all or any part of the assets of the Managing Member or Guarantor or seizure of such assets or part thereof by a judgment creditor; or
- (d) The Federal Tax Credits are returned to or recaptured by the Agency for any reason.

9.2 Notice of Cure. The Investor Member, prior to exercising its rights under 9.1 to withdraw, shall provide the Managing Member written notice by certified mail of such default. Managing Member shall have thirty (30) days to cure such default from the date of receipt of such notice or if such cure cannot by its nature be completed within such 30-day period, then such longer period as may reasonably be required, in the judgment of the Investor Member, to effect such cure, not to exceed sixty (60) days.

9.3 Redemption of Investor Member's Interest.

(a) At any time after the Outside Closing Date, the Managing Member shall have the right, exercised by giving written notice (the "Call Notice") to the Investor Member, to cause the Managing Member to purchase the Investor Member's interest in the Company for a redemption price equal to its paid in capital contribution plus interest on such capital contribution accruing at a rate of 10.00% per annum, compounded annually, plus reimbursement of the Investor Member's expenses incurred in connection with its investment in and redemption from the Company, excluding its capital contribution but including, without limitation, attorney's fees (the "Call Price") incurred through the closing of the sale of the Investor Member's interest pursuant to this Section 9.3 (the "Call Closing"). At the Call Closing, which shall occur on the date specified by the Investor Member, but in any event not less than fourteen (14) nor more than sixty (60) days following the date on which the Managing Member delivered the Call Notice, the Investor Member shall execute an assignment of its interest in the Company to the Managing Member or its designee and enter into such agreements as reasonably necessary or requested by the Managing Member to cause the Investor Member's interest to be transferred to the Managing Member and the Managing Member shall pay the Call Price in consideration thereof. Upon

the redemption of such interests, the Investor Member shall cease to be a Member and shall have no further rights, duties or obligations with respect to the Company or any of the other Members.

(b) The Guarantor unconditionally guarantees to the Investor Member the due and punctual payment and performance by the Managing Member of its obligation to pay the Call Price pursuant to Section 9.3(a).

ARTICLE X
MISCELLANEOUS

10.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be delivered personally to the Person or to an officer of the Person to whom the same is directed, or sent by registered or certified mail, or by overnight courier, addressed as follows, or to such other address as such Person may from time to time specify by notice to the Members:

(a) If to the Company, to the Company at the address set forth in Section 1.5 hereof with a copy to each Member; and

(b) If to a Member, to the address set forth below its name on Exhibit A attached hereto.

Any such notice shall be deemed to be delivered, given, and received for all purposes as of the date so delivered, if delivered personally or by overnight courier, or as of five business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, if sent by registered or certified mail, postage and charges prepaid. Any Person may from time to time specify a different address by notice to the Company and the Members.

10.2 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 or legality of the remainder of this Agreement.

10.3 Governing Law. The laws of the Commonwealth of Virginia shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Members.

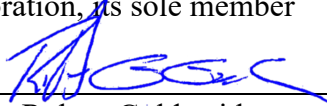
10.4 Entire Agreement. This Agreement constitutes the entire agreement and understanding among the Members hereof and supersedes any prior understandings or written or oral agreements among them respecting the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on December 31st, 2020 but effective as of the date first above written.

MANAGING MEMBER

Sweetbriar II Apartments Management, L.L.C.,
a Virginia limited liability company

By: People Incorporated Housing Group, a Virginia
corporation, its sole member

By: 
Name: Robert Goldsmith
Title: President and CEO

WITHDRAWING MANAGING MEMBER:

People Incorporated Housing Group, a Virginia
non-stock corporation

By: 
Name: Robert Goldsmith
Title: President and CEO

WITHDRAWING MEMBER:

People Incorporated of Virginia, a Virginia
non-stock corporation

By: 
Name: Robert Goldsmith
Title: President and CEO

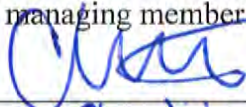
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on December 21, 2020 but effective as of the date first above written.

INVESTOR MEMBER:

Housing Equity Fund of Virginia XXIV L.L.C., a Virginia limited liability company

By: Virginia Housing Capital Corporation, its

managing member

By: 

Name: Christopher Sterling

Title: Secretary

SPECIAL MEMBER:

VAHM, L.L.C., a Virginia limited liability company

By: 

Name: Christopher Sterling

Title: Secretary, VAHM, its sole member

EXHIBIT "A"

OPERATING AGREEMENT
OF
SWEETBRIAR II APARTMENTS, L.L.C.

Members

<u>Names and Addresses</u>	<u>Capital Contributions</u>	<u>Percentage Interests</u>
Managing Member: Sweetbriar II Apartments Management, LLC 1173 West Main Street Abington, VA 24210 Attention: Robert Goldsmith	\$0.009	.009%
Investor Member: Housing Equity Fund of Virginia XXIV, L.L.C. c/o Virginia Housing Capital Corporation 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	\$999.99	99.990%
Special Member: VAHM, L.L.C. c/o Virginia Housing Capital Corporation 1840 West Broad Street, Suite 200 Richmond, Virginia 23220	\$0.001	00.001%

SWEETBRIAR II APARTMENTS – ORGANIZATIONAL CHART

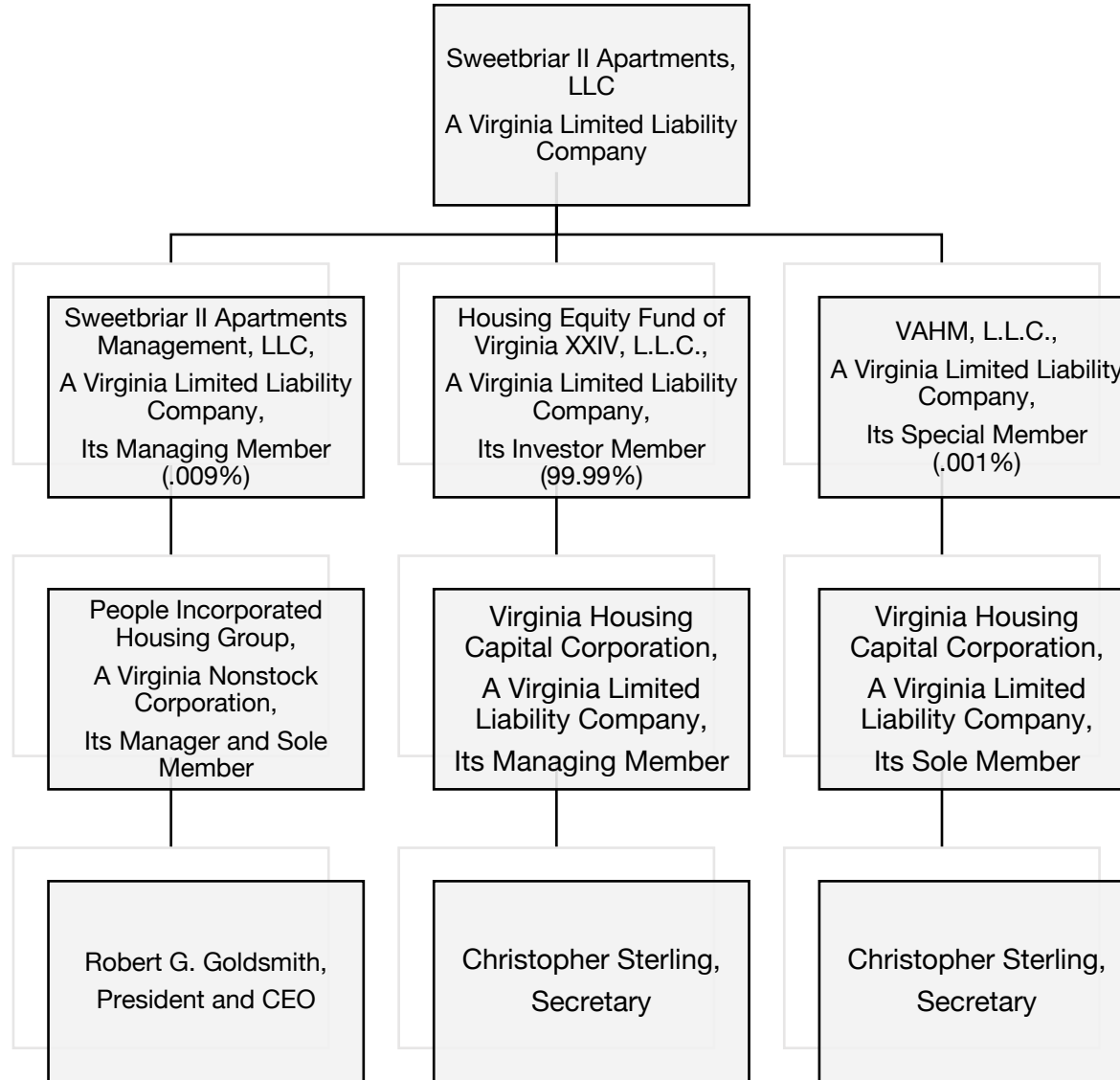


EXHIBIT "B"

Insurance Requirements

Throughout the term of this Agreement, Managing Member shall obtain, and maintain in full force and effect, the following policies of insurance:

- Commercial General Liability insurance, insuring for legal liability of the Company, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the ownership or management of the Project and including the costs to defend such actions brought against the Company. The policy shall include endorsements adding the Investor Member and Special Member as additional insureds, and shall be primary coverage for the additional insureds, without contribution from other valid insurance policies which may be carried directly by the additional insureds. Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the aggregate. If the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a "per project basis."
- Automobile Liability insurance, insuring for legal liability of the Company, and caused by bodily injury, property damage, or personal injury arising out of the ownership or use of motor vehicles, including vehicles not owned by the Company, and including the costs to defend such actions brought against the Company. The policy shall include endorsements adding and as additional insureds, and shall be primary coverage for the additional insureds, without contribution from other valid insurance policies which may be carried directly by the additional insureds. Limits of the policy shall be at least \$1 million combined single limits per accident.
- Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Company's full liability for statutory compensation to any person or persons who perform work for the Company or perform duties on the site of the Project, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$500,000 per occurrence.
- Umbrella/Excess Liability insurance, with the Commercial General Liability, Automobile Liability and Employers Liability policies scheduled as underlying policies. Limits of the policy shall be at least \$5 million per occurrence and in the annual aggregate. If the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a "per project basis."
- Rental Interruption insurance in amounts required by all lenders, but not less than the equivalent of six months' gross rental income.

- Other forms or types of insurance that the Investor Member may now or hereafter require, including without limitation, earthquake, flood and other special hazards.

Prior to the commencement of any construction of the Project, Managing Member shall obtain (or cause to be obtained by the Contractor) and keep in force until the Final Closing:

- Builder's Risk insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Investor Member) to the real property comprising or intended to comprise the Project construction, and personal property of the Company used to maintain or service the Project construction, whether located at the site or elsewhere, including while in-transit Coverage Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation and for any additional architectural or engineering fees incurred as a result of an insured loss (and include a soft costs endorsement); loss payment shall be to the Company. Limits of policy will be at least the estimated replacement value of the completed Project. The policy shall have a deductible of no greater than \$10,000 per occurrence. The policy shall carry no coinsurance provisions. The policy shall include an endorsement naming the Investor Member and Special Member as Loss Payees, as their interests may appear, and as additional insureds, and shall allow the Investor Member and Special Member to be associated in the adjustment of any claim.
- Evidence from the Contractor of Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project construction, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability Limits shall be at least \$1 million per occurrence.
- Comprehensive General Liability and Property Damage Insurance (including limited contractual liability and completed operations) in the amount of not less than two million dollars (\$2,000,000.00) covering personal injury, bodily injury and property damage, and covering products and completed operations for a minimum of three years following completion of construction.
- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than one million dollars (\$1,000,000.00) covering personal injury, bodily injury and property damage.
- Pollution coverage insurance providing defense and indemnity coverage for bodily injury, property damage, and environmental investigation and clean-up costs for pollution conditions arising from the contractor's operations.

Managing Member shall provide or cause to be provided by the architect for the renovation/construction of the Project, and keep in force until Final Closing:

- Architect's professional liability insurance in the amount of not less than one million dollars (\$1,000,000.00) (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Agreement or the commencement of the Architects' services in relation to the Project) covering personal injury, bodily injury and property damages.
- Comprehensive General Liability Insurance (including limited contractual liability and completed operations) in the amount of not less than two million dollars (\$2,000,000.00) covering personal injury, bodily injury and property damage.
- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than one million dollars (\$1,000,000.00) covering personal injury, bodily injury and property damage.
- Workmen's Compensation Insurance in the amount of the statutory maximum with an employer's liability coverage of at least five hundred thousand dollars (\$500,000.00).

Prior to any occupancy of the Project, Managing Member shall obtain, and shall maintain in full force and effect throughout the term of this Agreement, the following policies of insurance:

- Property Damage insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Investor Member) to the real property comprising the Project, personal property of the Company used to maintain or service the Project, and new construction, additions, alterations and repairs to structures. Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation; loss payment shall be to the Company. Limits of policy will be at least the replacement value of the Project (excluding from the value of the Project, site utilities, foundations and architectural and engineering expenses). The policy shall have a deductible of no greater than \$10,000 per occurrence. The policy shall carry no coinsurance provisions. Coverage and limits shall be extended to include the actual loss of rents sustained due to an insured loss, for a period of at least twelve months from the date of such loss. Coverage shall be further extended to include debris removal, outdoor trees, shrubs, plants and lawns, and Ordinance or Law coverage for the increased costs of construction caused by the enforcement of building, zoning or Project use law. The policy shall include an endorsement naming the Investor Member and Special Member as Loss Payees, as their interests may appear, and as additional insureds, and shall allow the Investor Member and Special Member to be associated in the adjustment of any claim.
- Evidence of Worker's Compensation insurance from any contractor performing work for the Company, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1 million per occurrence.

- If applicable, boiler and machinery insurance written on a comprehensive form basis.

All such policies shall be underwritten by companies licensed to write such insurance in the state in which the Project is located, and shall be rated in the latest A.M. Best's Insurance Rating Guide with a rating of at least A-, and be in a financial category of at least X. The Managing Member shall furnish to the Investor Member and Special Member a complete copy of each such policy of insurance. If the policy is not available prior to the Final Closing, then certificates of insurance detailing the policy terms and conditions as noted above shall be provided, but the policies must then be provided within sixty days. All such policies shall include endorsements requiring at least 30 days prior written notice to the Investor Member of any cancellation, termination or reduction of coverage therein. Notice of the renewal of any policy shall be made at least 10 days prior to the scheduled date of such renewal and shall be in the form of endorsement to the policy. Notice to the Investor Member and Special Member of any replacement of any policy shall be made at least 10 days prior to such replacement and shall be in the form of a copy of the replacement policy, or by certificate, as noted above.

The Managing Member hereby releases and relieves the Investor Member and Special Member for any and all liability, and waives its entire right of recovery against them, with respect to any loss or damage of property or for property damage, bodily injury or personal injury to third-parties arising out of or incident to any loss or peril insured against under any for the foregoing policies, and any other perils for which the Managing Member has arranged insurance.

EXHIBIT "C"

**LEGAL DESCRIPTION OF
PROJECT REAL ESTATE**

All that certain tract or parcel of land lying and being in the Harrison Magisterial District of Washington County, Virginia, more particularly described as follows:

Being lots designated #5-7, 9, and 12-18 of the Sweetbriar Subdivision in Washington County, Virginia, which lots are more specifically designated on a plat of L. K. Addison dated September 17, 2009, of record in the office of the Clerk of the Circuit Court for Washington County Virginia in Plat Book 61, pages 08-09, reference to which is made for a more particular description of the property, and being the same property conveyed to the Option or by deed dated February 12, 2008 of record in the aforementioned Clerk's office at Instrument No. 080004757.

Tax Map Nos. 103A510-5
103A510-6
103A510-7
103A510-9
103A510-12
103A510-13
103A510-14
103A510-15
103A510-16
103A510-17
103A510-18

EXHIBIT "D"

CARRYOVER ALLOCATION AGREEMENT

See attached



November 20, 2020

Sweetbriar II Apartments, L.L.C.
1173 West Main Street
Abingdon, VA 24210

Attn: Mr. Robert Goldsmith

Re: Low-Income Housing Tax Credits
for Sweetbriar II Apartments

Dear Mr. Goldsmith:

Enclosed is a form by which the Virginia Housing Development Authority ("VHDA") makes, with respect to the captioned Development, a Carryforward Allocation of low-income housing tax credits ("Credits") in accordance with § 42(h)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code").* After you have a chance to review the document, please execute and return the original to me by January 22, 2021.

On the Carryforward Allocation form, information has been inserted from the "Owner's Certification" submitted with your Allocation Application package. Also, the table attached to the form sets forth information with respect to each building which was taken from that Application.

The form also indicates whether you have already locked in the applicable Credit percentage pursuant to the Reservation of Credits previously issued to you, or have not and are not locking in at all. In any case, please let me know if any of the information contained in the enclosed Carryforward Allocation form is not correct.

Please note that if you have not already provided us with either (1) specific street addresses for each building or (2) your taxpayer I.D. number, you must do so as soon as you have that information in hand. It is required by the IRS.

If you have not yet certified that your actual basis in the project is more than 10% of your reasonably expected basis in the project, you must resubmit the Owner's Certification from your Allocation Application showing that more than ten percent (10%) of the reasonably expected basis in such project has been achieved not later than twelve months from the date of the Carryforward Allocation.

At the time the buildings are "placed in service" (within the Code's meaning of that term for whichever type of Credit - new construction or rehab - you are receiving the Carryforward Allocation), you must receive from VHDA an executed IRS Form 8609 for each building (even though the Carryforward Allocation is made to the Development as a whole). You must notify VHDA in writing of the project's last placed in service date within thirty (30) days of such date, unless an application is submitted to VHDA within that thirty-day period. **Failure to provide such notification will cause the Owner to be subject to a penalty of \$100 per day for each day after the notification deadline.**

*Note: If you are also receiving a "regular" allocation of Credits for buildings which were placed in service this year (including Credits for the acquisition of buildings for which the rehab expenditures are getting a Carryforward Allocation), you will receive such allocations in the form of an IRS Form 8609 for each such building, all under cover of a separate letter.

Virginia Housing
Headquarters

601 South Belvidere Street
Richmond, VA 23220
804-782-1986

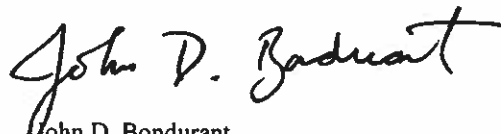
Toll Free: 877-843-2123
VirginiaHousing.com

A completed IRS Form 8609 Application must be filed to VHDA no later than six months following the date the building (or the last building in a multiple building project) is placed in service. However, in no event shall an application be submitted after April 30th of the year following the year of the last building placed in service date. **Applications received after that date will be subject to a \$100 per day penalty for late submission.** (Other fines and penalties may apply for extended delays.) Your IRS Form 8609 Application must provide such information as VHDA may require in order to make the feasibility determination required by § 42(m)(2)(C)(i)(III) of the Code. It is acknowledged by the Owner (a) that such aforementioned subsection requires VHDA to determine, not only as of the time of the making of this Carryforward Allocation, but also as of the date of placement in service of each building in the Development, the amount of Credits necessary for the financial feasibility of the Development and its viability as a qualified low-income housing project throughout the Credit period (the "Feasibility Amount") and limits the amount of Credits to be allocated to the Development to no more than such Feasibility Amount and (b) that (if there are material changes - e.g., in the Development's Qualified Basis - between the time of the VHDA's determination of the Feasibility Amount as of the date of this Carryover Allocation and its determination of the Feasibility Amount as of the date each building is subsequently placed in service), such requirement may result in a decrease in the amount of the Carryover Allocation. Finally, IRS Form(s) 8609 will not be issued until all of VHDA's applicable minimum design and construction requirements have been met.

In any event, once the Form 8609s are issued after you place the buildings in service, you will have to complete Part II and Schedule A thereof and file this form (and any others that the IRS may require by that time) along with a copy of the Carryover Allocation with your tax return when you begin claiming the Credits.

The Allocation of credits to the project will be subject to all of the requirements of Section 42 of the IRC and any pertinent changes. We will let you know if we become aware of any other changes in the IRS's requirements with respect to this allocation. Please note your assigned Allocation Officer for this project is Stephanie J. Flanders and the Allocation Officer can be reached at (804) 343-5939. Please do not hesitate to call if you have any questions concerning the enclosures.

Sincerely,



John D. Bondurant
Authorized Officer

Enclosures

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

2020 Low-Income Housing Tax Credit
Carryforward Allocation Agreement

Pursuant to § 42(h)(1)(E) of the
Internal Revenue Code

THIS CARRYFORWARD ALLOCATION is an allocation of Low-Income Housing Tax Credit ("Tax Credit") authority made pursuant to § 42(h)(1)(E) of the Internal Revenue Code (the "Code"). This allocation is subject to the terms and conditions stated herein, including Exhibit A, and the Reservation Agreement, Contract to Enforce Representations, and Extended Use Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreements"), each of which has been entered into between the Virginia Housing Development Authority and the Owner identified in paragraph 2 below.

1. Identification of the Project (the "Project"): Sweetbriar II Apartments
 - (i) Number of buildings in Project: 11
 - (ii) Located in Washington County. The address of the building(s) in the Project, or if none exists, a specific description of their location (see Exhibit A).
2. The name, address and Federal taxpayer identification number of the Project owner (the "Owner") to which this allocation is made is:

Name: Sweetbriar II Apartments, L.L.C.
Address: 1173 West Main Street, Abingdon, VA 24210
Identification Number: 85-3167093
3. The name and address of the Tax Credit housing agency (the "Agency") making this allocation are:

Agency Name: Virginia Housing Development Authority
Address: 601 South Belvidere Street, Richmond, VA 23220
4. The taxpayer identification number of the Agency is: 54-0921892
5. The date of this Carryforward Allocation is November 20, 2020.

Based on representations made by the Owner to the Agency:

6. The housing credit dollar amount allocated to the Project is: \$416,738.00
 - (i) Pursuant to § 42(h)(1)(F) of the Code, this allocation of credit is made on a project basis, and not later than the close of the calendar year in which the building is placed in service, the Agency shall determine the portion of this allocation which is allocated to the buildings listed in Exhibit A.
 - (ii) This allocation is expressly conditioned upon satisfaction of the requirements of § 42(h)(1)(E) of the Code and upon the terms and conditions set forth in this Carryforward Allocation.
7. The Owner's total reasonably expected basis in the Project is: \$3,767,736.00
8. The Owner's actual basis in the Project, and the percentage such basis bears to the total reasonably expected basis in the Project (from paragraph 7 above) are as follows:
 - (i) The Owner's actual basis as of the date of this Carryforward Allocation is: \$55,056.22
 - (ii) Percentage of (i) to the total reasonably expected basis in the Project is: 1.461%
 - (iii) If the percentage in (ii) above is less than or equal to ten percent (10%), the Owner has not fully met the requirements of § 42(h)(1)(E)(ii) by the date of this Carryforward Allocation, and the conditions of paragraph 11, below, apply.
9. The expected dates on which the Project building(s) will be placed in service are as shown in Exhibit A (must be on or before December 31, 2022).
10. The building identification number ("B.I.N.") for the Project building(s) to which an allocation is being made are as shown in Exhibit A.

11. In addition to all other terms and conditions of this allocation, if, by the date of this Carryforward Allocation, the Owner's basis in the Project is not more than ten percent (10%) of the reasonably expected basis in the Project, this allocation is further subject to the Owner's demonstration to the Agency, in a manner sufficient to the Agency's determination, that more than ten percent (10%) of the reasonably expected basis in such project has been achieved not later than twelve months from the date of this Agreement. Owner acknowledges that the Agency's determination as to satisfaction of the ten percent (10%) requirement is not binding upon the Internal Revenue Service and does not constitute a representation by the Agency to the Owner or any other party to that effect.

12. Pursuant to § 42(b)(1), the Owner and the Agency may enter into an agreement as to the housing credit amount allocated to such Project.

13. The Owner has irrevocably elected, pursuant to §42(b)(1)(ii)(I) of the Code, in a separate binding agreement, to fix the applicable credit percentage(s) for each building in the Project as the percentage(s) prescribed by the Secretary for the month of July, 2020.

14. Owner acknowledges that all the terms, conditions, obligations and deadlines set forth herein and in the Agreements constitute conditions precedent to this allocation and that the Project's failure to comply with all such terms and conditions will entitle the Agency, in its discretion, to deem this allocation to be canceled by mutual consent. After any such cancellation, Owner acknowledges that neither it nor the Project will have any right to claim credits pursuant to this allocation. The Agency reserves the right, in its discretion, to modify and/or waive any such failed condition precedent.

15. Upon notification by the Owner that a building has been placed in service, the Agency will issue an IRS Form 8609 to such building to the extent required by, and in accordance with, applicable Federal law then governing allocation of Tax Credits under § 42 of the Code. The total dollar amount of Tax Credit allocation reflected on such Form 8609 will not exceed the housing Tax Credit dollar amount allocated to the building(s) in paragraph 6 above.

16. In issuing this Tax Credit allocation, the Agency has relied upon information provided and representations made by the Owner or the Owner's designee in connection with this allocation, and this allocation does not in any way constitute a representation, warranty, guaranty, advice or suggestion by the Agency as to the qualification of the Project for the Tax Credits or the feasibility or viability of the Project and may not be relied on as such by any owner, developer, investor, tenant, lender or other person, for any reason. In addition, the Agency's acceptance of the Owner's certification as to satisfaction of the ten percent (10%) requirement does not constitute a representation as to the satisfaction of the requirements under § 42(h)(1)(E) as binding on the part of the Internal Revenue Service.

The Owner hereby agrees and acknowledges that whether the ten percent (10%) requirement has been met and whether the Owner has provided sufficient evidence thereof may be subject to future determination by the Agency or the Internal Revenue Service.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
(AGENCY)

BY: John D. Baduati

DATE: November 20, 2020

ACKNOWLEDGED, AGREED AND ACCEPTED:

SWEETBRIAR II APARTMENTS, L.L.C.
(OWNER)

BY: [Signature]

DATE: 11 Dec 20

STATE OF Virginia

CITY/COUNTY OF Washington, To-Wit:

The foregoing instrument was acknowledged before me this 1 day of December, 2020, by Robert G. Goldsmith, the President & CEO of Sweetbriar II Apartments, L.L.C., the Owner.

My notary seal is affixed below:

[Signature]
Notary Public

My commission expires: 8/31/2024

Exhibit A

to

Carryforward Allocation of Low Income Housing Tax Credits

VHDA Deal #

2728

Building Allocation Type: New Construction

Deal Name:

Sweetbriar II Apartments

Number of BINS: 11

Bldg#	NUMBER OF		BIN	Street Address 1	Address Line 2	City	Zip	Acq ¹		Rehab/ New Const	Present Value Credit
	Tax Credit Units	Market Units						Actual or Anticipated In-Service Date ²	Actual or Anticipated In-Service Date ²	Actual or Anticipated In-Service Date ²	
1.	2	0	VA2019001	Elementary Drive Building 1		Abingdon	24210				12/31/21
2.	2	0	VA2019002	Elementary Drive Building 2		Abingdon	24210				12/31/21
3.	2	0	VA2019003	Elementary Drive Building 3		Abingdon	24210				12/31/21
4.	2	0	VA2019004	Elementary Drive Building 4		Abingdon	24210				12/31/21
5.	2	0	VA2019005	Elementary Drive Building 5		Abingdon	24210				12/31/21
6.	2	0	VA2019006	Elementary Drive Building 6		Abingdon	24210				12/31/21
7.	2	0	VA2019007	Elementary Drive Building 7		Abingdon	24210				12/31/21
8.	2	0	VA2019008	Elementary Drive Building 8		Abingdon	24210				12/31/21
9.	2	0	VA2019009	Elementary Drive Building 9		Abingdon	24210				12/31/21
10.	2	0	VA2019010	Elementary Drive Building 10		Abingdon	24210				12/31/21
11.	2	0	VA2019011	Elementary Drive Building 11		Abingdon	24210				12/31/21
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¹A Carryforward is available for Acquisition Credit only if there is also a Carryforward of the requisite amount of Rehab Credits which must be associated with it.

²There may be different placed in service dates for Acquisition and Rehab Credits. In fact, the placed in service date for an Acquisition Credit may even be an "Actual" rather than an "Anticipated" Date because the building may have been "Placed" (as contemplated by Sec 42 of the code) with respect to the Acquisition Credit this year but, because the Rehab Credit with which the Acquisition Credit must be linked will not be available until a subsequent year. The 8609s for the Acquisition Credit may not be issued until the Rehab 8609s are issued.

EXHIBIT "E"
COMMITMENT LETTER

See attached



December 29, 2020

Mr. Robert Goldsmith
Sweetbriar II Apartments, L.L.C.
c/o People Incorporated Housing Group
1173 West Main Street
Abingdon, VA 24210

RE: Sweetbriar II Apartments
Sweetbriar II Apartments, L.L.C.
Commitment Letter

Dear Mr. Goldsmith:

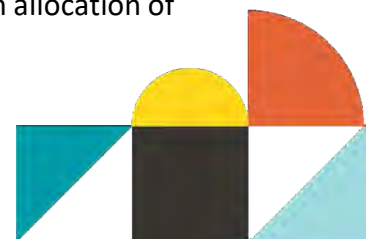
Subject to the terms and conditions outlined in this letter, additional underwriting and due diligence including reviews of tax-related technical details and appraisal reports, and investor committee review and approval, we are prepared to purchase the Investor Members interests in the above referenced Limited Liability Company (the "Company"). As a condition to our investment in this project, from the date hereof until the date of closing, there shall be no adverse change in existing law, no additional adverse change in current investor market conditions, and no adverse change in the project information provided to us.

This letter outlines some of the major terms and conditions that we would include in the second amended and restated operating agreement (the "Operating Agreement") and related documents. These terms and conditions are based on our analysis of information provided to date by you and certain assumptions and information, including estimates of project costs and debt financing and is subject to change as the assumptions and information change. Defined terms used herein and not otherwise defined will have the meaning to be set forth in the Operating Agreement.

1. The Company

A. The Project

The project ("Project") involves the new construction of Sweetbriar II Apartments, located at 19274 Elementary Drive in the City of Abingdon, Virginia, and consisting of 22 three-bedroom apartments. The Company will own and operate this project and intends to elect the Income Averaging income restrictions, but will adhere to the 40/60 set aside income restrictions requirement unless and until the Investor consents to Income Averaging, although 100% of the residential units (the "Applicable Fraction") are expected to be eligible to receive an allocation of



federal low income housing tax credits (the "Housing Credits") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

B. Company Interests

The Company will consist of an entity to be named later, a wholly owned subsidiary of People Incorporated Housing Group, as the Managing Member (the "Managing Member"), the Housing Equity Fund of Virginia XXIV, L.L.C. (the "Fund") as the Investor Members (the "Investor Members"), and VAHM, LLC as a Special Member (the "Special Member"). The Managing Member shall be a single purpose entity and shall not engage in any business other than that of the Company. The Managing Member will own a .009% interest in the Company, and will file an 8832 with its tax return (and, make a Section 168(h) on that same return). The Fund will own a 99.99% interest in the Company. The Special Investor Member shall own .001% interest in the Company.

C. Capital Contributions

The Managing Member will be required to make a nominal capital contribution of \$100 to the Company at Closing.

The Fund will acquire the Investor Members interest in the Company for a total contribution of \$3,708,597. This total contribution is based on the availability of \$416,738 in annual Housing Credits (the "Projected Credits"), and on the accuracy of the other information and assumptions set forth in the Project's Housing Credit application.

The Fund's capital contributions to the Company will be paid in installments according to the following schedule:

(i) \$550,000 at the time of Closing and the commencement of construction. This amount shall include up to \$75,000 to pay a portion of the cash developer's fee and \$42,000 to pay for the Fund's due diligence and the tax opinion rendered by its counsel. These funds would be subject to timely review and approval by the Fund of the items set forth on the Fund's checklist, including but not limited to:

(a) Legal Opinion. Tax and local law opinions as described herein.

(b) Title Policy. An ALTA owner's title insurance policy with respect to the Project in an amount equal to total project costs as shown in the Project Budget, ensuring that the Company has fee simple title to the Project with only those encumbrances and exceptions acceptable to the Fund.

(c) Environmental Matters. Reports, in accordance with current ASTM standards at the time of Company closing, satisfactorily confirming no adverse environmental



conditions, including, without limitation, evidence that radon gas is not present in any of the apartment units at a level above the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable governmental authority, or that lead-based paint and asbestos containing materials, if present, can be properly abated as part of construction.

(d) Survey. An ALTA survey, dated no more than ninety (90) days prior to the date of funding.

(e) Plans and Specifications. The Managing Member shall have submitted to the Fund Plans and Specifications for the Project.

(f) Permits. A copy of any permits and licenses that are required for the construction of the Project, issued by the appropriate governmental authorities.

(g) Checklist. All other items as the Fund may reasonably request to satisfy its due diligence requirements, including, without limitation, those documents set forth on the Fund's closing checklist and to otherwise verify the accuracy of the representations and warranties and compliance with the covenants, duties and obligations set forth in the Operating Agreement.

(h) Permanent Financing. Copies of commitment letters or agreements from all anticipated financing sources, in form and substance acceptable to the Fund, necessary to meet the Company's financial needs.

(i) Construction Financing. Receipt and approval of all construction financing documents.

(j) Housing Credits. A reservation for annual Credits in the amount of at least \$416,738.

(k) Construction Contract. The general construction contract, in form and substance acceptable to the Fund and with a fixed price or maximum upset price acceptable to the Fund, and with a general contractor reasonably acceptable to the Fund.

(l) Financials. Current financial statements of the Managing Member and its affiliates, verification of background information to be provided to the Fund by the Managing Member and there having been no changes in the tax laws or treasury regulations or pronouncements or interpretations of existing tax issues that would materially and adversely affect the Fund's investment in the Company.

(m) Subsidy. Evidence of commitment from HUD for 5 Main Street Project Based Vouchers.



(n) Construction Documentation. The Investor Member shall have received the Sworn Statement and Contractor Information Form.

(ii) Up to \$450,000 at the time of 50% completion of construction based on certification by a construction inspector selected by the Fund. The Fund from this contribution will be used to repay any balance outstanding on the construction loan (if the construction loan is revolving), or otherwise for approved development expenses;

(iii) Up to \$450,000 at the time of 75% completion of construction based on certification by a construction inspector selected by the Fund and following completion of documentation of the 10% test cost certification required for the Low-Income Housing Tax Credits. Of this amount, \$10,000 will be used to fully fund the Lease-Up Reserve and \$75,000 to pay towards the Developer Fee. These Fund will be used to repay any balance outstanding on the construction loan (if the construction loan is revolving), or otherwise for approved development expenses;

(iv) \$2,058,597 at completion of construction in accordance with plans and specifications and after receipt of a certificate of occupancy, and in conjunction with closing the permanent financing. The remaining Fund will be used to repay the construction loan and other development expenses, including a projected \$195,689 to pay a portion of the cash developer's fee. However, this installment will not be paid before receipt, by the Fund from the Company's independent accountant, a draft Cost Certification confirming basis sufficient to generate the projected Housing Credits.

(vi) \$125,000 when the project has achieved full qualified occupancy, and breakeven operations with physical and economic occupancy of at least 95% for at least 3 consecutive months including debt service coverage of 1.15 or better (except for \$10,000 discussed below). All \$125,000 will be used to pay towards the cash developer's fee. However, this installment will not be paid before the (1) receipt by the Fund of the Company's tax return, (2) satisfaction of the other terms and conditions of this Commitment Letter, (3) receipt by the fund of an environmental assessment of the property certifying that there are no adverse environmental conditions, (4) receipt of IRS Form(s) 8609, and (5) receipt of a final Cost Certification confirming sufficient basis. Of this amount, if the project achieves full qualified occupancy and breakeven operations with physical and economic occupancy of at least 95% for at least 3 consecutive months and all of the other above-identified conditions are met, the Investor Members consent to release of all but \$10,000 of the capital contribution amount not otherwise targeted for reserves (all but \$10,000 of the \$100,000 projected to be payable towards developer's fee). The remaining \$10,000 would be released following achievement of 6 consecutive months of the breakeven operations as discussed above.



(vii) \$75,000 will be used to the Operating Reserves. The Investor Members reserve the right to deposit any or all of the \$75,000 in Reserves within 24 months of the date the project is eligible to receive the sixth capital contribution. Any amounts not deposited immediately upon satisfaction of the other conditions for equity funding will accrue interest at 1.5% per annum to be paid by the Investor Members. If the Managing Member determines that these are needed within this 24 month period, the Investor Member will promptly fund these reserves. All of this contribution will be paid by the Investor Member.

Withdrawals from the Operating Reserve shall require the prior written consent of the special member of the Company which shall not be unreasonably withheld, conditioned or delayed. No operating deficit loan obligation of the Managing Member or related guaranty obligation of the Guarantor may be enforced if it related to an approved operating expense that is then due and the Investor Member has not release operating reserves to pay that specific expense.

The payments identified in Paragraph 1C are subject to reduction pursuant to Paragraph 2C below, if the actual, available Credit is less than the Projected Housing Credits. Also, each payment will be contingent upon satisfaction of certain representations and warranties to insure the Project's viability, including that (a) the operation of the Project in all respects complies with the Code; (b) the Managing Member's representations, warranties and covenants contained in the Operating Agreement remain true and correct in all material respects; including but not limited to, any environmental representations and warranties set forth in the Operating Agreement; and (c) the Managing Member has complied with the covenants and obligations contained in the Operating Agreement and related documents.

2. Early and Late Delivery Capital Adjustments

As an incentive to encourage the early delivery of Housing Credits, the Investor Members will contribute an additional amount equal to \$0.50 times the amount the actual 2021 credits exceeds \$0.00 and 2022 credits exceed \$325,182. The upward adjuster shall not exceed \$10,000 and payment will not be required if 100% Qualified Occupancy is not achieved by December 31, 2022. A reduction in the above Investor Members contributions will occur if the actual amount of 2022 Housing Credits delivered is less than the projected. This "Late Delivery Capital Adjustment" will equal the amount by which \$325,182 exceeds 2022 credits. The Late Delivery Capital Adjustment would also include late Housing Credit delivery, if any, in 2023 and beyond, for which \$416,738 in credits are projected to be delivered.

The increase in Capital Contributions arising from any Upward Capital Adjuster, Early Delivery Capital Adjuster or Upward Rehabilitation Credit Adjuster shall not exceed 5%, in the aggregate, of the amount of the Investor Member Capital Contributions set forth in Section 1(c) above.



3. **Managing Member and Guarantees**

The Managing Member and People Incorporated of Virginia will be responsible for the following items. Any costs borne by it will not be considered as loans or capital contributions to be reimbursable or repayable by the Company unless otherwise stated herein.

A. The Managing Member and People Incorporated of Virginia will unconditionally guarantee construction completion in accordance with approved plans and specifications and will bear and timely pay for any construction costs, costs to achieve permanent loan closings and operating deficits until the property has achieved six consecutive months of breakeven operations with physical and economic occupancy of at least 95%. Any funds provided hereunder shall be treated as a loan to the Company accruing interest at the Applicable Federal Rate and repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 5 hereof. No additional Company debt financing will be permitted unless approved by the Fund. Any amounts paid under this guaranty will be a "Construction Loan."

B. The Managing Member and People Incorporated of Virginia will be obliged to fund operating deficits, as may be limited as per Section 3H below, for a period of 10 years, commencing after expiration of the construction completion guaranty, in excess of reserves allocated therefore from debt and/or equity Fund (as indicated in the attached Exhibit A and below). This obligation will be unsecured. Fund expended to satisfy this operating deficit obligation shall be treated as a loan to the Company with interest at the Applicable Federal Rate and repaid out of cash flow, refinancing, sale and liquidation proceeds as provided in Paragraph 4 hereof (an "Operating Deficit Loan").

C. The total Housing Credits reserved for this project are \$416,738. The Managing Member, People Incorporated of Virginia and the Guarantor shall guarantee the allocation of 99.99% of the foregoing amount of Housing Credits to the Fund. If the Credits are reduced for any reason other than a change in federal or state tax laws and the Managing Member is unable to comply with same despite its good faith efforts to do so, condemnation, casualty loss (unless the Managing Member has failed to maintain the insurance required under the Operating Agreement), or a sale approved by the Investor Members, then, if the Credit shortfall exceeds Operating Reserves, the Managing Member, People Incorporated of Virginia and Guarantor will pay to the Fund an amount equal to the Housing Credit shortfall multiplied by \$.89. If a Housing Credit shortfall occurs while capital contributions are still unpaid, the amount to be contributed will first be reduced by the amount to be paid to the Fund. If the Managing Member, People Incorporated of Virginia or the Guarantor do not pay such amounts as and when required under the Operating Agreement, and the Fund does not exercise its remedies as set forth therein, all benefits and distributions, including Developer Fee, Construction Period Management Incentive Fee, Incentive Management Fee and repayment of operating deficit loans, shall be subordinated until such shortfall is paid.



In addition to the Credit guarantees described above, the Managing Member shall guarantee to the Fund the receipt of Credits in 2022 of \$325,182, \$416,738 per year for years 2023 through 2031, and \$91,556 in 2032. If Credits are not delivered in the amounts as projected ("late delivery"), the Fund may reduce its remaining capital contributions as per the Late Delivery provisions discussed above.

D. The Managing Member and People Incorporated of Virginia will repurchase the Fund's interest and return its investment payments made to date of repurchase, with interest, if the Project does not generate 95% of the Projected Credit for the year it is placed in service or in the subsequent year and the occurrence of other events to be set forth in the Operating Agreement.

E. The Managing Member and People Incorporated of Virginia will unconditionally guarantee receipt of permanent mortgage financing with terms and conditions equivalent to those described in Exhibit A. The proposed total debt is projected to have a minimum annual debt service coverage ratio in excess of 1.15.

F. The Managing Member and People Incorporated of Virginia shall indemnify and hold the Company and the Investor Members(s) harmless from and against claims and losses due to the presence of any and all hazardous waste upon, under or otherwise affecting the property.

G. People Incorporated of Virginia and People Incorporated Housing Group (the "Guarantor"), or such other Guarantor with an acceptable financial condition will unconditionally guarantee only the Managing Member obligations as delineated above in Sections 3.A through 3.F, and Managing Member's obligation to repay any deferred Development Fee in year 15, subject to the limitations set forth in H. below.

H. Certain of Guarantor's guarantee obligations will be limited as follows: (i) guaranty obligation under Section 3B will, until the longer of 5 years after commencement of such guaranty or 2 consecutive years of operations with positive distributable cash from the achievement of breakeven operations, and thereafter the guaranty obligation will be limited to an amount equal to six months of the then current operating expenses and debt service; (ii) guaranty obligation under Section 3C will be limited to the amount of the development fee (including deferred fee) and the incentive management fee, but excluding the property management fees, paid to guarantor or its affiliates with respect to the Project; (iv) guaranty obligation under Section 3D will be limited to the amount of the Investor Members' capital contributions, but will not include interest.

I. If there is an Upward Capital Adjustment and/or Early Delivery Adjustment (a "Positive Adjustment"), then the Capital Contribution of the Investor Member shall be increased by the Positive Adjustment, but in no event shall the additional Capital Contribution by the Investor Member be greater than 5% of the total contribution shown in Section 1.C. above.



4. Reserves

A. An Operating Reserve in the minimum amount of \$75,000 will be established by the Members no sooner than concurrent with the fifth capital contribution and no later than 24 months after the release of all other contributions. In the event the Investor Members delay the deposit of any or all of the Reserve, the amount not deposited will accrue interest at 1.5% per annum and this interest will be paid by the Investor Members to the Operating Reserve account no later than 24 months after the remaining contributions have been released. The Investor Member shall have no right to delay a deposit of the reserve is required by the Managing Member or the Project lender. The Operating Reserve will remain in place and may be used by the Managing Member to fund the Managing Member's obligations under the operating deficit guarantee and Credit shortfall guarantee. In the event the Investor Members have delayed funding the Operating Reserves, but the Operating Reserve is needed to fund obligations under the guarantees or for other purposes, the Investor Members will release the amount needed to the Managing Member. The Operating Reserve will be replenished, if drawn upon, out of cash flow and other available Fund, throughout the life of the Company, as described in Section 5B, prior to payment of a management incentive fee. In addition, the Investor Members may elect to have additional cash reserves held at the Fund level as an additional Operating Reserve amount that will be strictly for this project. This Fund level reserve amount is in addition to the total capital contribution amount detailed above subject, also, to Investor Committee approval. No such Fund level reserve is detailed in the attached projections. To the extent permitted by the Project Lenders, the Operating Reserve may be used, at the time of a withdrawal of the Investor Member or a dissolution of the Company, for payment of the following obligations (as applicable), in this order: the Company's exit fee), as applicable, hereof (unless paid with other funds), Assumed Investor Member Tax Liability, LIHTC Reduction Guaranty Payment, Rehabilitation Credit Reduction Guaranty Payment, Unpaid LIHTC Shortfall, deferred Development Fee, Operating Deficit Loans, Completion Loans, MM Loans, accrued Asset Management Fee, Seller Loan, if applicable and then in accordance with Article XI of the Operating Agreement or XII hereof.

B. A Replacement Reserve shall be funded out of cash flow on a monthly basis, this amount shall be no less than \$300 per residential unit per year under VHDA LIHTC program requirements. This is a Lender-controlled reserve and not Partnership property.

C. A Lease-Up Reserve in the amount of \$10,000 will be created through the third capital contribution for the purpose of funding operating expenses during the lease-up period, following full-qualified occupancy and the achievement of 3 consecutive months of break-even operations. Any uses for operating expenses prior to Final Closing for third party documented expenses are approved and either such expenditures will not count toward expenses in determining debt-service coverage tests (breakeven or stabilization) or such released reserved will count toward revenues for the purposes of such calculations.



**5. Allocation of Operational Profits/Losses
Credits and Distributable Cash Flow**

A. Generally, the Managing Member will be entitled to .009%, the Fund will be entitled to 99.99%, and the Special Member will be entitled to .001% of ordinary profit, losses and Credits. Subject to confirmation of the Investor Member's capital account in updated projections and tax counsel approval, the final Operating Agreement may include a provision for a flip of the losses to the Managing Member once the Investor Member's capital account is reduced to zero or in the year following the year in which the 15 year compliance period ends, Other allocations will be provided to ensure that the allocations have substantial economic effect.

B. Distributable Cash Flow (as defined in the Operating Agreement, after replenishment of the reserve accounts identified in Paragraph 4 hereof) in any year shall be distributed or paid in the following order and amounts:

- (i) To Investor Members for their phantom tax liability;
- (ii) Amounts due to the Fund pursuant to adjustments described in Paragraph 2 hereof;
- (iii) Amounts due to the Managing Member for assumed Managing Member tax liability for current and prior years;
- (iv) To replenish the Operating Reserve up to a balance of \$75,000 at the project level, or to provide additional capital to the Operating Reserves, or other reserves, as may be determined later by mutual agreement of the Managing Member and Investor Members;
- (v) Amounts due to the Developer(s) for any deferred Developer Fee as described in Paragraph 6A hereof;
- (vi) To the payment of any outstanding Operating Deficit Loans or Managing Member loans, based on the respective balances of each;
- (vii) To the Managing Member(s) for any incentive management fee then due and payable;
- (viii) Any amounts then remaining to the Members in percentages as shall be specified in the final Operating Agreement.



6. Allocation of Net Proceeds of Sales and Refinancing and Profits/Losses From Sale or Refinancing

A. Proceeds of Sale, Refinancing or Liquidation (as defined in the Operating Agreement) will be distributed in the following order, after payment of all debts and liabilities to third parties:

(i) To the Investor Members for amounts due as a result of adjustments described in Paragraph 2 hereof and not previously received from Distributable Cash Flow;

(ii) To the Managing Member(s) for any loans described in Paragraph 2 hereof not previously repaid;

(iii) To the Fund in payment of any exit taxes incurred as a result of the sale or refinancing;

(iv) To the Developer to pay any deferred Developer's Fee or any other deferred or unpaid fees;

(v) To the Guarantor for payments made by the Guarantor under the first paragraph of Section 3C.;

(vi) To the Partners in percentages as shall be specified in the final Operating Agreement.

B. Profits and Losses from sale or refinancing will be similarly allocated after certain priority allocations designed to meet requirements of the Code and treasury regulations ("Regulations") there under.

7. Fees to Be Paid

The following fees will be paid by the Company for services rendered in organizing, developing and managing the Company and the Project.

A. Developer Fee. The Managing Member(s), or an affiliate thereof will earn a Developer Fee of \$513,000 deemed earned as follows:

- (1) 20% on November 1, 2020;
- (2) 40% when the units are deemed occupiable by the project architect;
- (3) 20% on achievement of 95% qualified occupancy;
- (4) 20% on receipt of IRS Form(s) 8609.



The Developer Fee will be paid from Investor Members capital contributions as set forth in the Operating Agreement. If the proceeds from the Project Budget are insufficient to pay the Developer Fee, the fee will be deferred at no interest and payable from up to 100% of Distributable Cash Flow (as described in Section 5B). The Managing Member and Guarantor will unconditionally guarantee payment of any developer fee remaining unpaid after 15 years from placement in service. It is projected that \$42,311 of the Developer Fee is expected to be deferred and the remainder will be released from the Fund's capital contributions.

B. Accounting Fee. An accounting fee estimated to be \$3,750 per year, commencing when the asset management department is required to begin compliance duties but no earlier than the commencement of Lease Up, increasing annually by 3.00%, shall be paid by the Company to an independent accounting firm approved by the Investor Member for causing the preparation of monthly income and expense statements, the Company's annual tax return, the Company's independent audit, and shall coordinate communications with both the Managing Member and the investors for timely preparation and submission of project audits and other accounting related services.

C. Property Management Fee. The management agent and the terms and conditions of the management agreement for the Project shall be subject to the prior approval of the Fund. The management agreement shall contain provisions providing for termination of the management agreement by the Fund in the event of the removal or withdrawal of the Managing Member and for certain events of default to be described in the Operating Agreement. Each said management agreement shall be for a term of no more than two years and will automatically renew for 1 year periods after that initial term. The property management fees shall not exceed 7.81% of gross rental revenues.

D. Asset Management Fee – the Company shall pay Virginia Housing Capital Corporation, an affiliate of VCDC, a fee of \$2,400, increasing 3% annually, as an annual expense to the Company before the determination of Distributable Cash Flow.

E. Incentive Management Fee. An incentive management fee shall be payable to the Managing Member on an annual basis in an amount equal to 90% of Distributable Cash Flow after payment of the items described in Paragraph 5B(i)-(vi), but not in excess of 10% of gross collections for that year.



8. Schedule of Events

The schedule of events on which this commitment's projections of profit, loss, cash flow and Credits and the Fund's capital contribution commitment are predicated as follows:

Closing and Start-Up:	March 1, 2021
Construction Completion:	April 1, 2022
Qualified Occupancy:	June 1, 2022

9. Rights of the Investor Members

Special rights of the Fund as Investor Members shall include, among other things, subject to the prior consent of the Company's lenders, if required, the right to:

A. After the provision of notice and an opportunity to cure as to be set forth in the Operating Agreement, remove the Managing Member and admit a replacement Managing Member upon a default under the Operating Agreement, including one or more of the following events:

(i) a material breach of certain specified obligations of the Managing Member as more particularly to be set forth in the Operating Agreement that haven't been cured following the delivery of given a 90-day notice

(ii) if the Managing Member defaults on its guarantee obligations as described herein, and such defaults are not cured within 30 days by the Guarantor;

(iii) upon the bankruptcy or insolvency of the Managing Member;

(iv) upon filing by the Managing Member of an assignment for the benefit of creditors; or

(v) upon the attachment, execution or judicial seizure, whether by enforcement of money judgment, writ or warrant of attachment or any other process, of all or substantially all of the assets of the Managing Member which is not released within 90 days after such action.

B. Dissolve the Company (with the consent of the Managing Member);

C. As to be more particularly set forth in the Operating Agreement, continue the business of the Company with a substitute Managing Member(s);



D. Consent to the sale of all or substantially all of the assets of the Company (which sale shall not be permitted without such consent) without abrogating the terms of the recorded Right of First Refusal Agreement; The rights of the Investor Member or Special Member to approve the exercise of rights under the Right of First Refusal Agreement will be set forth in that agreement

E. Consent to any refinancing of long-term debt (which refinancing shall not be permitted without such consent and such consent will not be unreasonably withheld),

F. Consent to any assignment, sale, encumbrance or pledge of the Managing Member's interest (which shall not be permitted without such consent).

G. Consent to any action that jeopardizes the Credit or increases the risk of recapture.

10. **Accountant's Letter; Selection**

A. The Fund will receive an Accountant's letter from the Fund's Accountant that addresses issues on the Project and shall contain a line item accounting and calculation of Credit basis. If the Housing Credit basis includes the cost of land or materials, the letter shall set forth the name of the seller or vendor therefore, purchase price, down payment and other material terms, and shall have attached thereto all relevant invoiced and back-up for such items. The cost of this letter will be included in the Project Budget.

B. Virginia Community Development Corporation shall be entitled to select an independent firm of certified public accountants to prepare or review the Company's year-end financial statements and prepare the Company's annual tax returns. The fee of said accountants is an annual expense of the Company. Audited financial statements shall be required.

11. **Opinion of Counsel**

The Fund will require an opinion of counsel satisfactory to the Fund on such matters as may be requested, including, without limitation, a tax opinion that all conditions are met for distribution of tax attributes to the Fund, formation of the Company, Limited of the Investor Members, no conflict between the Operating Agreement and other binding documents, and no litigation. The cost of this opinion shall be a Project expense and an allowance therefore is included in the Project Budget. If the fees or cost thereof exceed the allowance thereof, the excess shall be borne by the Company not to exceed \$60,000.

12. **Legal Cost**



The Company shall be responsible for the legal costs of the Fund for Company document preparation, due diligence and other tasks necessary to complete the transaction. These legal costs will total \$42,000. The legal costs of the Investor Member to be paid by the Company will be due and payable by the Company only upon Closing of the transaction and delivery of the first capital contribution by the Investor Member.

13. Company Closing

Final Company closing will be contingent upon completion of Fund's due diligence review, including, but not limited to, the following:

A. The Fund's determination that the financial projections, Project Budget and other assumptions can be met or satisfied by the Company and the Managing Member. Certain terms and rights of the Managing Member will be subject to review and revision based upon the final financial projections.

B. Preparation and execution of an Operating Agreement acceptable to the Fund and the Managing Member and the satisfaction of other conditions to closing set forth in this letter of commitment and said Company documents.

C. During construction, a title company acceptable to the Fund will be used to obtain lien waivers and secure other title needs of the Fund.

D. Acceptance of the Project by the Fund's Investor Committee.

E. Receipt of firm commitments of financing.

The Managing Member shall make available to the Fund any and all items, reports or information requested by the Fund in connection with such due diligence review. Costs of all due diligence reports shall be paid by the Managing Member. The Company shall reimburse the fund for out-of-pocket due diligence expenses, including legal fees. Such amount shall be limited to \$42,000 and will be payable out of the Fund's first capital contribution.

14. Non-Profit Purchase Option

People Incorporated Housing Group will be granted a purchase option and right of first refusal with respect to the Project on the terms to be set forth in the Right of First Refusal and Option Agreement ("ROFR Agreement") recorded against the property. It is recognized that the ROFR Agreement submitted to VHDA will be the base form of ROFR Agreement, with any necessary amendment that the Investor Member requires in its reasonable discretion.



15. Commitment Letter

This letter of commitment outlines terms and conditions that will be included in Company documents, in form and substance acceptable to both parties. The parties agree to review promptly and cooperate in good faith in preparing the Company documents.

16. No Forced Sale

At all times after the end of the Compliance Period, the Investor Member, shall have the right, in its sole and absolute discretion, to put its entire Interest (and that of the Special Member) to the Managing Member (or its designee) an exit fee equal to \$20,000. Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the parties

17. Force Majeure

All dates in the Operating Agreement except for credit delivery schedules shall be extended for a period of time equal to the period of any delay directly affecting such date which is caused by fire, earthquake or other acts of God, strike, lockout, acts of public enemy, riot, insurrection, pandemic (including COVID-19), disease, work shortages, a presidentially declared disaster area within the meaning of Revenue Procedure 2014-49 or any subsequent rulings or regulations issued by the Internal Revenue Service with respect to Force Majeure Acts, acts beyond the control of the parties, declared state of emergency or public emergency or public health emergency, government mandated quarantine, stay-at-home order, shelter-in-place order, lockdown or travel ban, government mandated construction freeze, halt or ban, government shutdown, including, without limitation, court systems, public or quasi-public agencies, and registries of deeds, government mandated closure of non-essential businesses, government mandated restrictions, limitations or bans on public gatherings, or governmental regulation. All federal, state and/or local extensions permitted due to any pandemic (including COVID-19), declared state of emergency or public emergency, government mandated quarantine or travel ban, or any other similar event, shall also apply to the dates in this Operating Agreement.

18. Prohibited Transfers

“Prohibited Party” [LIST UNDER REVIEW BY PEOPLES] means an Affiliate of the Hunt Company, Alden Torch Financial, LLC, Alden Capital Partners, HCP Pacific Asset Management, Centerline, Hunt Mortgage Group, or Hunt Development Group, and any of their respective affiliates; provided that the definition of Prohibited Party may be updated subject to Investor Member approval, which will not be unreasonably withheld or delayed. If the Managing



Members provide reasonably detailed and specific examples of prior developer, nonprofit, or credit agency negative dealings with a person or entity, the definition of Prohibited Party shall include such person or entity.

The Consent of the Managing Member shall be required for a transfer by the Investor Member if the transfer is to a Prohibited Party. In addition, if the proposed transfer is to occur prior to the final Capital Contribution, no Non-Managing Member will sell, transfer, assign, pledge, or encumber any portion of its Interest without the prior written consent of the Managing Members, unless such transfer is to an affiliate of the Investor Member or Special Member.

19. Failure to Agree

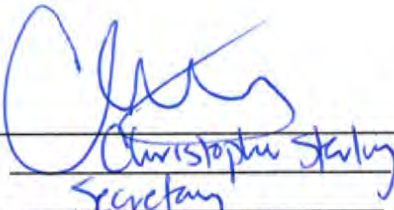
A. This letter of commitment will be null and void if not signed by you and returned to the Fund before 5:00 p.m., Richmond, Virginia time, on December 31, 2020.

B. This letter of commitment is contingent upon successful completion of the Fund's underwriting process.

C. If the parties do not reach an agreement with respect to the Company documents or if the conditions described herein to the Fund's purchase of the Investor Members' interest are not satisfied within 180 days after the date of acceptance of this letter of commitment (which date of acceptance shall be the effective date of the commitment letter), either party may terminate this letter of commitment by written notice to the other.



Sincerely,


By: _____
Its: Secretary
Virginia Housing Capital Corporation
Managing Member for the Housing Equity Fund of
Virginia XXIV, L.L.C.

Agreed and accepted:
Sweetbriar II Apartments, LLC and People Incorporated of Virginia:

By _____ Date: _____

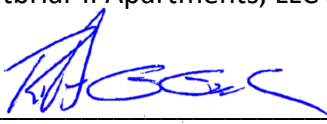
Title _____



Sincerely,

By: _____
Its: _____
Virginia Housing Capital Corporation
Managing Member for the Housing Equity Fund of
Virginia XXIV, L.L.C.

Agreed and accepted:
Sweetbriar II Apartments, LLC and People Incorporated of Virginia:

By  Date: 31Dec 20

Title: President and CEO



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") made as of _____ between People Incorporated Housing Group, a Virginia nonprofit corporation (the "Developer") and Sweetbriar II Apartments, LLC, a Virginia limited liability company (the "Company").

WITNESSETH:

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate certain property as low-income residential rental housing, to be known as Sweetbriar II Apartments, to be located at 19274 Elementary Drive, Abingdon, Virginia (the "Project"); and

WHEREAS, the Project, following the completion of construction, is expected to constitute a "qualified low-income housing project" (as defined in Section 42(g)(1) of the Code).

WHEREAS, the Developer has provided and will continue to provide certain services with respect to the Project during the acquisition, development, rehabilitation and initial operating phases thereof.

WHEREAS, in consideration for such services, the Company has agreed to pay to the Developer certain fees computed in the manner stated herein.

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

Section 1. Development Services.

(a) The Developer has performed certain services relating to the development of the Project and shall oversee the development and construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Company.

(b) The Developer's services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in subparagraphs (i)-(xiii) below of this Section 1(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i)

use its best efforts to perform such duty and (ii) promptly notify the Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Company or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been approved by the managing member of the Company (“Managing Member”) unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements;

(ii) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders;

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

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(D) the rendering of advice and recommendations as to the selection of subcontractors and suppliers;

(E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any construction loan agreements with any lending

institutions providing funds for the benefit of the Company for the design or construction of any improvements;

(F) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for the maintaining in full force and effect any and all governmental permits and approvals required for the lawful construction of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful construction of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

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

(J) keeping the Company fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;

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

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

(iv) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to

and on such construction so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or construction of the Project, and in addition to verify that the construction is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event construction is not being so carried out, to promptly notify the Company;

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

(vi) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and construction of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate;

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the management agent of the Project ("Management Agent"), and the Developer and its employees, at all times until final completion of construction of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company;

(viii) To the extent applicable to the construction of the Project, comply with all present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (ix) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices having jurisdiction over the

Project. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors performing work in connection with the construction of the Project shall include the agreement of said independent contractors to comply with all such applicable laws;

(ix) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Company and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will take application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

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

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

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

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

Section 2. Limitations and Restrictions. Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any of the following matters unless and until the same has been approved by the Company:

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

(b) Any proposed change in the work of the construction of the Project, or in the plans and specifications therefor as previously approved by the Company, or in the cost thereof, or any other change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(c) Making any expenditure or incurring any obligation by or on behalf of the Company or the Project involving a sum in excess of \$25,000 or involving a sum of less than \$25,000 where the same relates to a component part of any work, the combined cost of which exceeds \$25,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Company (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Company;

(d) Making any expenditure or incurring any obligation which, when added to any other expenditure, exceeds the Construction Budget or any line item specified in the Construction Budget, except for such matters as may be otherwise expressly delegated in writing to the Developer by the Company; or

(e) Expending more than what the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Company or otherwise in connection with the Project.

Section 3. Accounts and Records.

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

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the management agreement between the Company and the Management Agent (“Management Agreement”).

(c) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Company, and shall be available for and subject to audit, inspection and copying by the Management Agent, the Company or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Company Agreement.

Section 4. Obligation To Complete Construction.

The Developer shall complete the construction of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanic’s, materialmen’s or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the loan and other documents governing the development and operation of the Project and in the plans and specifications for the Project.

Section 5. Development Amount.

As a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project as set forth in Section 1 and elsewhere in this Agreement, the Developer shall be paid an amount (the “Development Amount”) equal to Five Hundred and Thirteen-thousand Dollars (\$513,000). The Development Amount shall be deemed to have been earned as follows:

- (i) Twenty percent (20%) as of the date of this Agreement;
- (ii) Eighty percent (80%) upon substantial completion of the Project;

The Development Amount shall be paid from and only to the extent of the Company's available cash, in installments as follows:

- (i) _____ percent (___%) on initial equity funding of the Project;
- (ii) _____ percent (___%) upon substantial completion of the Project; and
- (iii) _____ percent (___%) upon achievement of 95% occupancy for the Project.

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred without interest and shall be paid from next available cash, provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events at the earlier of (i) the thirteenth anniversary of the date of this Agreement, or (ii) if the Project qualifies for Tax Credits under Code Section 42, then the end of the Project's compliance period.

Section 6. Applicable Law.

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

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns. As long as the Developer is not in default under this Agreement, the obligation of the Company to pay the Development Amount shall not be affected by any change in the identity of the Managing Member of the Company.

Section 8. Headings.

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

Section 9. Terminology.

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

Section 10. Benefit of Agreement.

The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Company and its Partners and shall not inure to the benefit of

any creditor of the Company other than a Partner, notwithstanding any pledge or assignment by the Company of this Agreement of any rights hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

COMPANY:

Sweetbriar II Apartments, LLC, a Virginia limited liability company

By: Sweetbriar II Apartments Management, LLC,
Its managing member,

By: People Incorporated Housing Group,
A Virginia nonstock corporation,

By: _____
Name: Robert Goldsmith
Title: President and CEO

DEVELOPER:

People Incorporated Housing Group,
a Virginia nonstock corporation

By: _____
Name: Robert Goldsmith
Title: President and CEO

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



State Corporation Commission

CERTIFICATE OF FACT

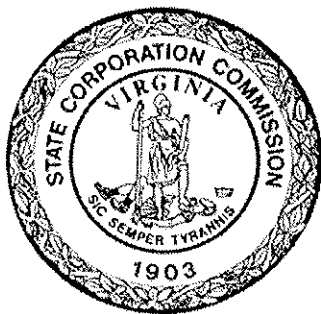
I Certify the Following from the Records of the Commission:

That Sweetbriar II Apartments, L.L.C. is duly organized as a limited liability company under the law of the Commonwealth of Virginia;

That the limited liability company was formed on January 30, 2008; and

That the limited liability company is in existence in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

February 18, 2020

Joel H. Peck

Joel H. Peck, Clerk of the Commission

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, January 30, 2008

This is to certify that the certificate of organization of

Sweetbriar II Apartments, L.L.C.

was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business. Effective date: January 30, 2008



*State Corporation Commission
Attest:*

Joel H. Peck
Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name:	<u>Sweetbriar II Apartments</u>
Name of Applicant (entity):	<u>Sweetbriar II Apartments, L.L.C. / People Incorporated Housing Group</u> <u>People Incorporated Housing Group</u>

I hereby certify that:

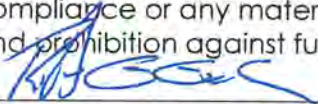
1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily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

Previous Participation Certification, cont'd

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

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

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



Signature

Robert G. Goldsmith, President and CEO

Printed Name

10 March 21

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: Sweetbriar II Apartments
 Name of Applicant: Sweetbriar II Apartments, L.L.C./People Incorporated Housing Group

INSTRUCTIONS:

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

Principal's Name: People Incorporated Housing Group 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	Village Estates/Victoria VA	Village Estates VA LLC	N	39	39	7/28/2016	5/3/2017	N
2	Country Estates/Farmville VA	Country Estates VA LLC	N	24	24	12/6/2016	4/7/2017	N
3	Plaza Apartments/Staunton, VA	Plaza Apartments VA LLC	N	36	36	12/6/2016	2/21/2017	N
4	White's Mill Point, Abingdon, VA	White's Mill Point, LP 276-623-9000	Y	32	32	12/31/2006	8/29/2007	
6	Clinchfield Place Dante, VA	Clinchfield Place, LP 276-623-9000	Returned	Credits				
8	Sweetbriar Abingdon, VA	Sweetbriar, LP 276-623-9000	Y	20	20	8/31/2009	5/4/2010	N
10	Abingdon Green Abingdon, VA	Abingdon Green, LLC 276-623-9000	Y	32	32	10/6/2009	7/8/2010	N
12	Norton Green Norton, VA	Norton Green, LLC 276-623-9000	Y	40	40	10/13/2009	7/8/2010	N
14	Pulaski Village Pulaski, VA	Pulaski Village, LLC 276-623-9000	Y	44	44	11/30/2009	7/21/2010	N
16	Dante Crossing Dante, VA	Dante Crossing, LLC 276-623-9000	Y	12	12	12/31/2009	7/21/2010	N
18	Jonesville Manor Jonesville, VA	Jonesville Manor, LLC 276-623-9000	Y	40	40	12/20/2010	6/10/2011	N
20	Valley Vista Apartments Woodstock, VA	Valley Vista Apartments, LLC 276-623-9000	Y	85	85	12/20/2010	10/13/2011	N
22	Riverside Place Apts. Damascus, VA	Riverside Place Apartments, LLC 276-623-9000	Y	22	22	12/31/2011	11/29/2012	N
24	Tom's Brook Apartments Tom's Brook, VA	Tom's Brook School Apartments, LLC 276-623-9000	Y	14	14	12/31/2012	8/18/2014	N
26	Clinch View Manor Gate City, VA	Clinch View Manor, LLC 276-623-9000	Y	42	42	12/31/2013	8/6/2014	N
28	Woods Landing/Damascus VA	Woods Landing VA Limited Partnership	N	40	40	9/2/2014	9/24/2014	N
29	Washington Court/Abingdon VA	Washington Court VA Limited Partnership	N	39	39	6/30/2014	9/12/2014	N
30	New River Overlook/Radford VA	New River Overlook VA, LLC	N	40	40	10/29/2014	12/11/2015	N
31	Abingdon Village Apts Abingdon, VA	Abingdon Village Apartments, LLC 276-623-9000	Y	44	44	11/26/2014	10/7/2015	N
33	Spruce Hill Apartments Floyd, VA	Spruce Hill Apartments, LLC 276-623-9000	Y	36	36	12/30/2013	9/18/2014	N
35	West Lance Apartments New Castle, VA	West Lance Apartments, LLC 276-623-9000	Y	34	34	12/30/2013	9/23/2014	N
37	Abingdon Terrace Apts Abingdon, VA	Abingdon Terrace Apartments, L.L.C. 276-623-9000	Y	32	32	12/31/2014	9/3/2015	N
39	East Gate Village Gordonsville, VA	East Gate Village, L.L.C. 276-623-9000	Returned	Credits				

* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development)

1st PAGE TOTAL: 747 747 LIHTC as % of Total Units 100%

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	Luray Meadow Apartments	Luray Meadows, L.L.C	Y	N/A	N/A	N/A	N/A	N/A
47	Luray, VA	276-623-9000	Returned	Credits				
48	Brunswick Manor Apts.	Brunswick Manor Apartments, L.L.C.	Y	40	40	12/31/2017	9/25/2018	N
49	Lawrenceville, VA	276-623-9000						
50	Essex Manor Apartments	Essex Manor Apartments, L.L.C.	Y	40	40	11/22/2019	11/20/2020	N
51	Tappahannock, VA	276-623-9000						
52	Pennington Gap Apartments	Pennington Gap Apartments, L.L.C.	Y	40	40	11/13/2019	5/20/2020	N
53	Pennington Gap	276-623-9000						
54	Millview Apartments	Millview Apartments, L.L.C.	Y	28	28	TBD	TBD	N
55	Remington, VA	276-623-9000						
56	Culpeper Crossing	Culpeper Crossing, LLC	Y	28	28	TBD	TBD	N
57	Culpeper, VA	276-623-9000						
58	Luray Meadows Apartments	Luray Meadows, L.L.C.	Y	52	52	TBD	TBD	N
59	Luray, VA	276-623-9000						
60	East Gate Village/Gordonsville VA	East Gate Village LLC/276-698-8760	N	24	24	TBD	TBD	N
61	Mountain Laurel Manor II/Staunton VA	Mountain Laurel Manor VA LLC/276-698-8760	N	48	48	TBD	TBD	N
62	Baileyton Terrace/Greeneville TN	Baileyton Terrace Owner LLC	Y	40	40	12/28/2020	TBD	N
63	Greeneville Landina/Greeneville TN	Greeneville Owner LLC	Y	40	40	9/30/2020	TBD	N
64	Jamestown Village/Jamestown TN	Jamestown Village Owner LLC	Y	40	40	12/29/2020	TBD	N
65	Mountain City Manor/Mountain City TN	Mountain City Manor Owner LLC	Y	40	40	TBD	TBD	N
66	Newport Village/Newport TN	Newport Village Owner LLC	Y	40	40	9/9/2020	TBD	N
67	Tazewell Village/New Tazewell TN	Tazewell Village Owner LLC	Y	44	44	12/29/2020	TBD	N
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95								
96								
97								
98								
99								
100								

2nd PAGE TOTAL: 544 544

GRAND TOTAL: 1,291 1,291

LIHTC as % of 100% Total Unit

List of LIHTC Developments (Schedule A)



Development Name: Sweetbriar II Apartments
 Name of Applicant: Sweetbriar II Apartments, L.L.C./People Incorporated

INSTRUCTIONS:

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

Principal's Name: Sweetbriar II Apartments Management, LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1 Sweetbriar II Apartments	Sweetbriar II Apartments, L.L.C.	Y	22	22	N/A	N/A	N
2 19274 Abingdon, VA 24210							
3							
4							
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6							
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32							
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34							
35							
36							
37							
38							
39							
40							

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

1st PAGE TOTAL: 22 22 **LIHTC as % of Total Units**
 100%

E

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

THIS AMENDED PURCHASE OPTION, made this 10th day of March, 2021, by and between PEOPLE INCORPORATED OF VIRGINIA herein referred to as "Optionor;" SWEETBRIAR II APARTMENTS, L.L.C., hereinafter referred to as "Optionee;"

WITNESSETH:

WHEREAS, the Optionor is the owner in fee simple absolute of the following real property, together with all improvements thereon, and all rights and appurtenances thereunto, all of which is hereinafter referred to as "the Property:"

All that certain tract or parcel of land lying and being in the Harrison Magisterial District of Washington County, Virginia, more particularly described as follows:

Being lots designated #5-7, 9, and 12-18 of the Sweetbriar Subdivision in Washington County, Virginia, which lots are more specifically designated on a plat of L. K. Addison dated September 17, 2009, of record in the office of the Clerk of the Circuit Court for Washington County Virginia in Plat Book 61, pages 08-09, reference to which is made for a more particular description of the property, and being the same property conveyed to the Optionor by deed dated February 12, 2008 of record in the aforementioned Clerk's office at Instrument No. 080004757.

WHEREAS, the Optionor and Optionee entered into a Purchase Option on the 11th day of March, 2020, and

WHEREAS, the parties hereto desire to amend certain dates contained therein for the exercise of the option and subsequent settlement thereto.

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00) cash in hand paid and other good and valuable consideration, the receipt of all of which is hereby acknowledged by the Optionor, the parties agree as follows:


1. The exercise of the option to purchase the property shall be made by the Optionee only after receiving a reservation of tax credits from VHDA by delivering written notice of the exercise of the option to the Optioner not later than the 31st day of

December, 2021 at such place as Optioner may designate herein for delivery of said notice. If Optionee does not exercise this Option Agreement by the aforesaid date, this Option Agreement shall be considered null, void and of no effect, unless the parties otherwise agree in writing to extend the option.


All provisions of the Purchase Option dated the 11th day of March, 2020 not expressly amended herein remain in full force and effect.

WITNESS the signatures and seals of the parties the day, month and year first above written.

PEOPLE INCORPORATED OF VIRGINIA

By 
Robert G. Goldsmith, President and
CEO of People Incorporated of
Virginia

SWEETBRIAR II APARTMENTS, L.L.C.

By 
Robert G. Goldsmith, President of
Sweetbriar II Apartments
Management, LLC, Managing
Member

THIS PURCHASE OPTION, made this 11TH day of MARCH, 2020, by and between PEOPLE INCORPORATED OF VIRGINIA, hereinafter referred to as "Optionor;" and SWEETBRIAR II APARTMENTS, L.L.C., hereinafter referred to as "Optionee."

WITNESSETH:

WHEREAS, the Grantor is the owner of the following real property, together with all improvements thereon, and all rights and appurtenances thereunto, all of which is hereinafter referred to as "the Property:"

All that certain tract or parcel of land lying and being in the Harrison Magisterial District of Washington County, Virginia, more particularly described as follows:

Being lots designated #5-7, 9, and 12-18 of the Sweetbriar Subdivision in Washington County, Virginia, which lots are more specifically designated on a plat of L. K. Addison dated September 17, 2009, of record in the office of the Clerk of the Circuit Court for Washington County Virginia in Plat Book 61, pages 08-09, reference to which is made for a more particular description of the property, and being the same property conveyed to the Optionor by deed dated February 12, 2008 of record in the aforementioned Clerk's office at Instrument No. 080004757.

WHEREAS, the Optionee is a limited liability company established by its managing member, People Incorporated Housing Group, for the express purpose of acquiring the above described property and rehabilitating said property through the use of tax credits available under Section 42 of the Internal Revenue Code, and

WHEREAS, the Optionee desires to enter into an option agreement for the purchase of the aforementioned property for the express purpose stated hereinabove.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the parties agree and covenant as follows:

1. Optionor hereby grants to the Optionee the sole and exclusive option to purchase the property hereinabove-described for a purchase price of FIVE HUNDRED AND SEVENTY THOUSAND DOLLARS (\$570,000.00).

2. The exercise of the option to purchase the property shall be made by the Optionee delivering written notice of the exercise of the option to the Optionor not later than the 31st day of December, 2020 at such place as Optionor may designate herein for delivery of said notice. If Optionee does not exercise this Option Agreement by the aforesaid date, this Option Agreement shall be considered null and void and of no effect, unless the parties otherwise agree in writing.

3. In the event the Optionee exercises this option, the following provisions shall govern the settlement:

- a) At closing, Optionor shall deliver to Optionee a deed of general warranty with English covenants of title conveying a good and marketable and insurable fee simple title to Optionee, free of all liens, encumbrances and effects and subject only to such restrictions, covenants and easements as shall now be of record which do not effect the use of the property for Optionee's purchases, or render the title unmarketable. If a defect is found which is of such character that it can be remedied by legal action within a reasonable time, Optionor shall at Optionor's expense promptly take such action as is necessary to cure the defect. If such defect cannot be cured within a reasonable period of time, Optionee shall have the option of terminating any agreement to purchase the property.
- b) Risk of loss by fire or other casualty is assumed by Optionor until settlement.
- c) Optionee accepts the property in its present condition, "AS IS." Prior to closing, Optionee will be or has been afforded the opportunity to conduct a physical examination of the property and otherwise investigate the property as Optionee in its and exclusive discretion has deemed necessary and prudent and shall have or has the opportunity to satisfy itself to the extent it

has deemed necessary and prudent as to the physical, environmental and general condition of the property.

- d) Settlement shall take place within six (6) months of Optionee's written notice to Optionor of its intent to exercise the option and purchase the property, unless the parties otherwise agree in writing to an alternative closing date.
- e) Optionee shall pay the expense of preparing the deed and recordation tax applicable to Grantors. Except as otherwise herein agreed all other expenses incurred by Optionee in connection with the settlement, including but not limited to title examination, insurance premiums, survey costs, engineering and other study costs, recording costs, loan document preparation fees and the fees of Optionee's attorney shall be borne by Optionee.

4. This Option Agreement shall be binding upon and inure to the benefit of the respective successors in interest and assigns of the parties.

5. This Agreement represents the entire understanding between the parties and there are no collateral or oral agreements or understandings and this Agreement shall not be modified unless in writing of equal formality signed by both parties.

6. This Agreement shall be construed according to the laws of the Commonwealth of Virginia.

7. This Agreement may be recorded in the office of the Clerk of the Circuit Court of Washington County, Virginia by either party hereto at said party's sole discretion and expense.

WITNESS the signatures and seals of the parties the day, month and year first above written.

PEOPLE INCORPORATED OF VIRGINIA

By  (SEAL)
President and CEO

Prepared by
CURCIO & CURCIO, PC
Bristol, Virginia 24203

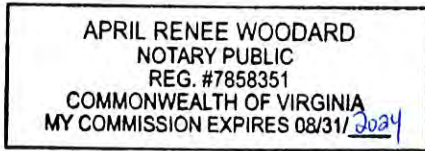
STATE OF VIRGINIA
CITY/COUNTY OF Washington

The foregoing instrument was acknowledged before me this 11 day of March, 2020 by Robert G. Goldsmith, President and CEO of People Incorporated of Virginia, a Virginia non-stock corporation, on behalf of the corporation.

7858351
Notary Registration Number

April Renee Woodard
Notary Public

My commission expires: August 31, 2024



SWEETBRIAR II APARTMENTS, L.L.C.

PEOPLE INCORPORATED HOUSING GROUP,
Managing Member

By Robert G. Goldsmith (SEAL)
Robert G. Goldsmith

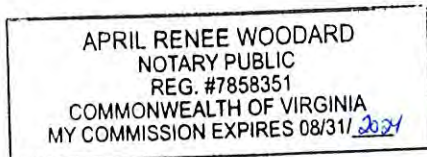
STATE OF VIRGINIA
CITY/COUNTY OF Washington

The foregoing instrument was acknowledged before me this 11 day of March, 2020 by Robert G. Goldsmith, President and CEO of People Incorporated Housing Group, a Virginia non-stock corporation, on behalf of the corporation, as Managing Member of Sweetbriar II Apartments, L.L.C.

7858351
Notary Registration Number

April Renee Woodard
Notary Public

My commission expires: August 31, 2024





WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484



OCT 02 2020

001390/10--S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

2020 REAL ESTATE 2nd Half	
Ticket #:	21682
Code:	
Tax Rate:	.630
Map #:	103A510 5
District:	HA
Due Date: Nov 20, 2020	

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 5 SWEETBRIAR LP ACR .52	35000	
<u>Buildings/Structures</u>	0	
Total Annual Assessed Value	35000	
Total Annual Assessed TAX	\$220.50	
Total 2nd Half Assessed Tax		110.25
<p style="text-align: center;">Authorize for Payment</p> <p>Signature </p>		
DUE DATE 11/20/2020	TOTAL DUE	110.25

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.

** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484

OCT 02 2020

001390/10-S 0-B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

2020 REAL ESTATE
 2nd Half

Ticket #: 21683
 Code:
 Tax Rate: .630
 Map #: 103A510 6
 District: HA

Due Date: Nov 20, 2020

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND LOT NO 6 SWEETBRIAR LP ACR .54	35000	
Buildings/Structures	0	
Total Annual Assessed Value	35000	
Total Annual Assessed TAX \$220.50		
Total 2nd Half Assessed Tax		110.25
Authorize for Payment Signature <i>[Handwritten Signature]</i>		
DUE DATE 11/20/2020	TOTAL DUE	110.25

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-406-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484

**2020 REAL ESTATE
 2nd Half**

Ticket #: 21684
 Code:
 Tax Rate: .630
 Map #: 103A510 7
 District: HA

Due Date: Nov 20, 2020

001390/10--S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-670-6271
 BRISTOL LINE 270-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 7 SWEETBRIAR LP ACR .51	35000	
Buildings/Structures	0	
Total Annual Assessed Value	35000	
Total Annual Assessed TAX \$220.50		
Total 2nd Half Assessed Tax		110.25
Authorize for Payment Signature <i>[Signature]</i>		
DUE DATE 11/20/2020	TOTAL DUE	110.25

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 270-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484

**2020 REAL ESTATE
 2nd Half**

Ticket #: 21685
Code:
Tax Rate: .630
Map #: 103A510 9
District: HA


Due Date: Nov 20, 2020

001390/10--S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-8029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
<u>LAND</u>		
LOT NO 9 SWEETBRIAR LP ACR .34	30000	
<u>Buildings/Structures</u>	0	
Total Annual Assessed Value	30000	
Total Annual Assessed TAX \$189.00		
Total 2nd Half Assessed Tax		94.50
Authorize for Payment Signature 		
DUE DATE 11/20/2020	TOTAL DUE	94.50

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484



OCT 22 2020

001390/10-S 0-B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

**2020 REAL ESTATE
 2nd Half**

Ticket #: 21686
 Code:
 Tax Rate: .630
 Map #: 103A510 12
 District: HA

Due Date: Nov 20, 2020

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 12 SWEETBRIAR LP ACR .42	30000	
<u>Buildings/Structures</u>		
Total Annual Assessed Value	0	
Total Annual Assessed TAX	30000	
Total 2nd Half Assessed Tax		94.50
DUE DATE 11/20/2020	TOTAL DUE	94.50

Authorize for Payment
 Signature

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE



WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484

**2020 REAL ESTATE
 2nd Half**

Ticket #: 21687
Code:
Tax Rate: .630
Map #: 103A510 13
District: HA

Due Date: Nov 20, 2020

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

001390/10--S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 13 SWEETBRIAR LP ACR .56	35000	
<u>Buildings/Structures</u>		
Total Annual Assessed Value	0	
Total Annual Assessed TAX \$220.50	35000	
Total 2nd Half Assessed Tax		110.25
Authorize for Payment Signature <i>[Signature]</i>		
DUE DATE 11/20/2020	TOTAL DUE	110.25

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

**2020 REAL ESTATE
2nd Half**

Ticket #: 21688
Code:
Tax Rate: .630
Map #: 103A510 14
District: HA

Due Date: Nov 20, 2020

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484



001390/10--S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 14 SWEETBRIAR LP ACR .35	30000	
Buildings/Structures	0	
Total Annual Assessed Value	30000	
Total Annual Assessed TAX \$189.00		
Total 2nd Half Assessed Tax		94.50
AUTHORIZATION FOR PAYMENT <i>[Signature]</i> DATE: <u>10/19/20</u>		
DUE DATE 11/20/2020	TOTAL DUE	94.50

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484



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PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

2020 REAL ESTATE 2nd Half	
Ticket #:	21692
Code:	
Tax Rate:	.630
Map #:	103A510 15
District:	HA
Due Date: Nov 20, 2020	

IF YOU HAVE QUESTIONS CONCERNING THIS ASSESSMENT, PLEASE CONTACT THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 15 SWEETBRIAR LP ACR .52	35000	
Buildings/Structures	0	
Total Annual Assessed Value	35000	
Total Annual Assessed TAX \$220.50		
Total 2nd Half Assessed Tax		110.25
Authorize for Payment Signature <i>[Handwritten Signature]</i>		
DUE DATE 11/20/2020	TOTAL DUE	110.25

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE



WASHINGTON COUNTY VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484

2020 REAL ESTATE
2nd Half

Ticket #: 21689
Code:
Tax Rate: .630
Map #: 103A510 16
District: HA

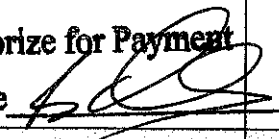
Due Date: Nov 20, 2020

001390/10-S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-8211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
LAND		
LOT NO 16 SWEETBRIAR LP ACR .46	30000	
<u>Buildings/Structures</u>	0	
Total Annual Assessed Value	30000	
Total Annual Assessed TAX \$189.00		
Total 2nd Half Assessed Tax		94.50
Authorize for Payment Signature 		
DUE DATE 11/20/2020	TOTAL DUE	94.50

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



WASHINGTON COUNTY, VIRGINIA
 FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484



OCT 02 2020

001390/10--S 0--B 0

PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

**2020 REAL ESTATE
 2nd Half**

Ticket #: 21690
Code:
Tax Rate: .630
Map #: 103A510 17
District: HA

Due Date: Nov 20, 2020

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
<u>LAND</u>		
LOT NO 17 SWEETBRIAR LP ACR .42	30000	
<u>Buildings/Structures</u>	0	
Total Annual Assessed Value	30000	
Total Annual Assessed TAX \$189.00		
Total 2nd Half Assessed Tax		94.50
Authorize for Payment Signature <i>[Signature]</i>		
DUE DATE 11/20/2020	TOTAL DUE	94.50

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.



FRED W. PARKER, TREASURER
 1 GOVERNMENT CENTER PLACE SUITE B
 ABINGDON VA 24210-8484



007 62 303

*001390/10--S 0--B 0



PEOPLE INCORPORATED OF SOUTHWEST VA
 1173 W MAIN ST
 ABINGDON VA 24210-4703

2020 REAL ESTATE

2nd Half

Ticket #: 21691
 Code:
 Tax Rate: .630
 Map #: 103A510 18
 District: HA

Due Date: Nov 20, 2020

IF YOU HAVE QUESTIONS CONCERNING
 THIS ASSESSMENT, PLEASE CONTACT
 THE COMMISSIONER OF REVENUE
 REAL ESTATE 276-676-6271
 BRISTOL LINE 276-821-6029
 SALTVILLE 1-800-659-6211

PENALTY 10% OF TOTAL TAX PLUS INTEREST AT 10% APR

DESCRIPTION	ASSESSED VALUE	ASSESSED TAX
<u>LAND</u>		
LOT NO 18 SWEETBRIAR LP ACR .44	30000	
<u>Buildings/Structures</u>	0	
Total Annual Assessed Value	30000	
Total Annual Assessed TAX \$189.00		
Total 2nd Half Assessed Tax		94.50
Authorize for Payment Signature <i>[Signature]</i>		
DUE DATE 11/20/2020	TOTAL DUE	94.50

FOR PAYMENT QUESTIONS OR PAYMENT AMOUNT AFTER THE DUE DATE, PLEASE CALL 276-676-6272 or 276-466-2242.
 ** PRIOR YEAR DELINQUENT TAXES ARE NOT INCLUDED IN THE ABOVE TOTAL AMOUNT, IF APPLICABLE.

PAY THIS AMOUNT ON
 OR BEFORE DUE DATE

DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS.

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.

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

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

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

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

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

Signed: [Signature]

Date: 3.11.2020

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature [Signature]

Provider Contact and Phone/Email

sean.evensen-shanley@viridiant.org

804-212-1934

Home Energy Rating Certificate

Projected Report

Rating Date: 2020-03-10

Registry ID:

Ekotrope ID: VvnJ6anv

HERS® Index Score:

61

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

\$657

*Relative to an average U.S. home

Home:

19274 Elementary Drive
Abingdon, VA 24210

Builder:

People Incorporated of Virginia

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	6.5
Cooling	1.1
Hot Water	8.1
Lights/Appliances	18.6
Service Charges	
Generation (e.g. Solar)	0.0
Total:	34.3

This home meets or exceeds the criteria of the following:

ENERGY STAR v3
ENERGY STAR v3.1

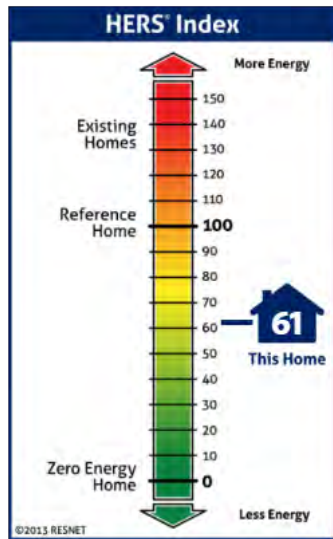
Rating Completed by:

Energy Rater: Bill Riggs
RESNET ID: 3259518

Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220


Bill Riggs, Certified Energy Rater
Digitally signed: 3/10/20 at 3:06 PM



Home Feature Summary:

Home Type:	Duplex, single unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,237 ft ²
Number of Bedrooms:	3
Primary Heating System:	Ground Source Heat Pump • Electric • 4.2 COP
Primary Cooling System:	Ground Source Heat Pump • Electric • 19.7 EER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	55 CFM • 250 Watts
Duct Leakage to Outside:	49 CFM @ 25Pa (3.96 / 100 s.f.)
Above Grade Walls:	R-14
Ceiling:	Attic, R-50
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A

G

Zoning Certification Letter
(MANDATORY)



COUNTY OF WASHINGTON, VIRGINIA

COUNTY ADMINISTRATION BUILDING
1 GOVERNMENT CENTER PLACE, SUITE A
ABINGDON, VIRGINIA 24210

STEPHEN R. RICHARDSON
ZONING & SUBDIVISION OFFICIAL

DEPARTMENT OF ZONING ADMINISTRATION

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

March 12, 2021

RE: ZONING CERTIFICATION

Name of Development: Sweetbriar II Apartments

Name of Owner/Applicant: Sweetbriar II Apartments, L.L.C./People Incorporated Housing Group

Name of Seller/Current Owner: People Incorporated of Virginia

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

DEVELOPMENT DESCRIPTION:

Development Address:

19274 Elementary Drive, Abingdon, VA 24210

Legal Description:

All that certain tract or parcel of land lying and being in the Harrison Magisterial District of Washington, County, Virginia more particularly described as follows:

Being lots #5-7, 9, and 12-18 of the Sweetbriar Subdivision in Washington County, Virginia, which lots are more specifically designated on a plat of L.K. Addison dated September 17, 2009, of record in the office of the Clerk of the Circuit Court for Washington County Virginia in Plat Book 61, pages 08-09, reference to which is made for a more particular description of the property, and being the same property conveyed to the Optionor by deed dated February 12, 2008 of record in the aforementioned Clerk's office at Instrument No. 080004757
Tax Map Nos. 103A510-5; 103A510-6; 103A510-7; 103A510-9; 103A510-12; 103A510-13; 103A510-14; 103A510-15; 103A510-16; 103A510-17; 103A510-18

Proposed Improvements:

<input checked="" type="checkbox"/>	New Construction:	<u>22</u>	# Units	<u>11</u>	# Buildings	<u>27,868</u>	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/>	Adaptive Reuse:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/>	Rehabilitation:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Approx. Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: R-1, Residential Limited allowing a density of _____ units per acre, and the following other applicable conditions: One use, which can be a duplex unit, is permitted per 15,000 square feet where public water and sewer are available.

Other Descriptive Information:

The project consists of 22 three-bedroom, two bathroom units in 11 new duplex buildings in Washington County.

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.

Stephen R. Richardson
Signature

Stephen R. Richardson
Printed Name

Zoning and Subdivision Official
Title of Local Official or Civil Engineer

276 - 525 - 1391
Phone:

3/12/21
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)

March 18, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Sweetbriar II Apartments
Name of Owner: Sweetbriar II Apartments, L.L.C.

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 (of which this opinion is a part) dated March 18, 2021 (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 appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in the Application form.
4. 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.

ATTORNEY'S OPINION LETTER, continued

5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.
6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

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 compliance by the Owner with the requirements of Code Section 42(h)(1)(E), 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.

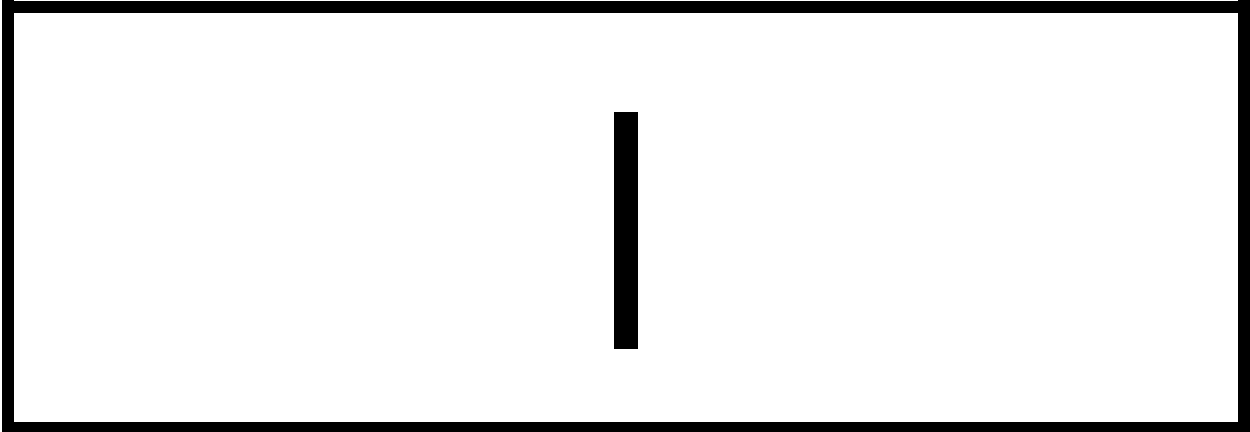
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

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.

Klein Hornig LLP

By: 
Erik T. Hoffman
Its: Partner





Nonprofit Questionnaire

(MANDATORY for points or pool)



Non-profit Questionnaire

Part II, 13VAC10-180-60, of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority") for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the non-profit pool established under the Plan and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Answers to the following questions will be used by the Authority in its evaluation of whether or not an applicant meets such requirements. **Attach additional sheets as necessary to complete each question.**

1. General Information

- Name of development: Sweetbriar II Apartments
- Name of owner/applicant: Sweetbriar II Apartments, L.L.C. / People Incorporated Housing Group
- Name of non-profit entity: People Incorporated Housing Group
- Address of principal place of business of non-profit entity:
1173 West Main Street, Abingdon, VA 24210
- Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
- Date of legal formation of non-profit (must be prior to application deadline): 02/22/2002
evidenced by the following documentation: State Corporate Commission letter available upon request.
- Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):
06/29/2003
- Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):
The purpose of the corporation is affordable community housing development and improvement for low-to moderate-income families
- How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?
220 How many part time, paid staff members? 40
- Describe the duties of all staff members:
People Incorporated Housing Group and People Incorporated of Virginia share staff.

Non-profit Questionnaire, cont'd

- Does the non-profit share staff with any other entity besides a related non-profit described above?

Yes No If yes, explain in detail: _____

- What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development)

People Incorporated of Virginia provides services through over 30 unique programs to low-and moderate income individuals and families. These programs are funded through a variety of sources including state, federal, local, and private grants. (Audit available upon request.)

- List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:

Please see the attached list.

2. Non-profit Formation

- If this is your first Non-profit Questionnaire in Virginia please explain in detail the genesis of the formation of the non-profit; otherwise please skip this question:

- Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes No If yes, explain in detail:

- Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes No If yes, explain:

- Does any for-profit organization or local housing authority have the right to make such appointments?

Yes No If yes, explain:

Non-profit Questionnaire, cont'd

- Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes No, If yes, explain: _____

- Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes No

- Explain any experience you are seeking to claim as a related or subsidiary non-profit.

3. Non-profit Involvement

- Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in

§42(i)(1) of the Code)?

Yes No

(i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes No

(ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

- (i) Will the non-profit be the managing member or managing general partner?
 Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

Exhibit A

(ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest? Yes No

- Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced? Article VI 6.4.

Non-profit Questionnaire, cont'd

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

- Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes No If yes,

- (i) Describe the non-profit's proposed involvement in the construction or rehabilitation of the Development:

People Incorporated Housing Group shares staff with People Incorporated of Virginia, which will have controlling involvement in the construction of the development and will generate monthly reports and submit draw requests during construction.

- (ii) Describe the nature and extent of the non-profit's involvement in the operation or management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

People Incorporated Housing Group is the Managing Member and is responsible on a day-to-day basis for decisions regarding the property.

- (iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture? Yes No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

7 hours per week (364 annually) in oversight of management and maintenance
3 hours per week (156 annually) for meetings and on-site inspections

- If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.
-
-

- Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development?

Yes No If yes,

(i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

- Will the non-profit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services? Yes No If yes, explain the amount and source of the funds for such payments.
-
-

Non-profit Questionnaire, cont'd

- Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner? Yes No If yes, explain in detail the amount and timing of such payments.

- Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow? Yes No If yes, explain:

- Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity? Yes No If yes, explain:

- Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

None

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

- Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No
- Define the non-profit's geographic target area or population to be served:
VA counties of Lee, Wise, Scott, Dickenson, Buchanan, Russell, Washington, Tazewell, Smyth, Grayson, Wythe, Bland, Pulaski, Carroll, Patrick, Floyd, Montgomery, Roanoke, Franklin, Bedford, Botetourt, Alleghany, Shenandoah, Frederick, Clarke, Warren, Page, Rappahannock, Fauquier, Loudon, Culpeper, and Prince William; VA cities of Bristol, Manassas, and Manassas Park.

- Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?
 Yes No If yes, or no, explain nature, extent and duration of any service:
People Incorporated of Virginia is a Community Action Agency in Washington County. Service provided includes small business lending, consumer lending, Virginia Cares, technical assistance and training.

- Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing? Yes No If yes, explain:
Article VI of the bylaws. Bylaws available upon request.

- Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?
 Yes No
- Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?
 Yes No If yes, explain:

- Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input? Yes No If yes, describe the general discussion points:

- Are at least 33% of the members of the board of directors representatives of the community being served? Yes No If yes,
 - (i) low-income residents of the community? Yes No
 - (ii) elected representatives of low-income neighborhood organizations? Yes No

Non-profit Questionnaire, cont'd

- Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No

- Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule:
 The Board holds regularly scheduled meetings and are accessible to the target community.

- Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No

- Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:

- Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area? Yes No If yes, explain:

- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Yes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).
 People Incorporated Housing Group had a Right of First Refusal with HEGM Corporation and Surber Development and Consulting LLC
 See the attached property list.

- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? Yes No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).
 See attached development list.

- To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No The first phase, Sweetbriar Apartments, was completed in 2008 on ten building lots in the same subdivision. The remaining lots were subdivided for the second phase, Sweetbriar II Apartments.

- Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources? Yes No If yes, explain the need identified:

Non-profit Questionnaire, cont'd

5. Attachments

Documentation of any of the above need not be submitted unless requested by VHDA

The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

17 March 21
Date



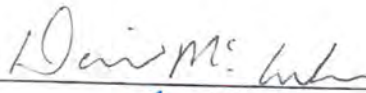
Owner/Applicant

By: Robert G. Goldsmith

Its: President and CEO

Title
People Incorporated Housing Group
Non-profit

17 March 21
Date

By: 

Board Chairman

By: 

Executive Director

People Incorporated Housing Group
2020-2021

David McCracken - Chair
518 S. Monte Vista Drive, #6
Glade Spring, VA 24340
Cell: 276-356-1856
Phone: 276.429.5480
dmac1960@embarqmail.com

Tony Hooper
87 Dennison St.
Fredericksburg, VA 22406
540.373.1047
email: NThooper@gmail.com

John Ayers
115 Lou Jake Lane
Edinburg, VA 22824
john.ayers20@gmail.com
Cell: 540-335-2416
Home: 540-984-8357

Winona Fleenor
Virginia Highlands Community College
P. O. Box 828
Abingdon, VA 24212
(276) 739-2493
wfleenor@vhcc.edu

Tommy Burris-Secretary
1235 West State St., Unit #12
Bristol, VA 24201
Cell: 276.494.1794
Email: mickeyPTS2012@yahoo.com
Email: mickeypts20@yahoo.com

Billy Taylor-Vice-Chair
837 Portsmouth Ave., Apt. A15
Bristol, VA 24201
cell: 757.235.3911
email: BillyPaulTaylor@gmail.com

Phil McCall-Treasurer
24597 Walden Rd
Abingdon, VA 24210
Home: 276628-4536
Cell: 276-698-8040
email: pmccall@washcova.com

Walter Mahala
26101 Old Saltworks Rd
Abingdon, VA 24210
423.727.7387
276.685.9036 cell
Kathy (wife – CVS Pharmacy – 628.8119)

Chris Shortridge
(1025 Maple Street)
P. O. Box 288
Grundy, VA 24614
276.935.8437
276.935.4286
Email: cjproperties@verizon.net
Cell: 276.701.0112

Jan Selbo
178 Main St.
Warrenton, VA 20186
540.229.2036 cell
540.229.2742 Keith's
540.341.0036 home
jselbo@gmail.com

Development Name	Location	Date of Application	Non-Profit's role	Ownership Status	Name of JV	Name of GC	MGMT entity	Current Status
Village Estates	Victoria, VA	2014	10% Member and RQFR	SAME				
Country Estates	Farmville, VA	2014	10% Member and RQFR	SAME	HEGM: Gary D. Ellis, Timothy Gunderman, Melvin B. Melton	WB Properties	GEM	PIS
Plaza Apartments	Dublin, VA	2014	10% Member and RQFR	SAME	HEGM: Gary D. Ellis, Timothy Gunderman, Melvin B. Melton	WB Properties	GEM	PIS
Woods Landing	Damascus, VA	2014	10% Member and RQFR	SAME	HEGM: Gary D. Ellis, Timothy Gunderman, Melvin B. Melton	WB Properties	GEM	PIS
Washington Court	Abingdon, VA	2012	10% Member and RQFR	SAME	HEGM: Gary D. Ellis, Timothy Gunderman, Melvin B. Melton	WB Properties	GEM	PIS
New River Overlook	Radford, VA	2013	10% Member and RQFR	SAME	HEGM: Gary D. Ellis, Timothy Gunderman, Melvin B. Melton	WB Properties	GEM	PIS
East Gate Village	Gordonsville, VA	2018	10% Member and RQFR	SAME	HEGM: Gary D. Ellis, Timothy Gunderman, Melvin B. Melton	WB Properties	GEM	PIS
Mountain Laurel Manor II	Staunton, VA	2018	10% Member and RQFR	SAME	Surber Development and Consulting LLC; Jennifer E. H. Surber	Peacock Holland	GEM	under construction
					Surber Development and Consulting LLC; Jennifer E. H. Surber	WB Properties	GEM	under construction

People Incorporated

List and Status of LIHTC Developments

<u>Project Name</u>	<u>Owner Entity</u>	<u>GP/MM/Developer</u>	<u>Location</u>	<u>Date of Application</u>	<u>Current Status</u>
Deskins Apartments	Buchanan County Housing Limited Partnership	Deskins Apartments, LP/People Incorporated of Southwest Virginia	Vansant	March 13, 1998	Operational/Compliance
White's Mill Point Abingdon Green	White's Mill Point, LP Abingdon Green, LP	Mill Point Apartments, Inc./People Incorporated of Southwest Virginia People Inc. Housing Group Dante Crossing Apartments Management, Inc./Southwest Virginia Housing Corp	Abingdon Abingdon	March 2004 March 9, 2007	Operational/Compliance Operational/Compliance
Dante Crossing Norton Green Pulaski Village	Dante Crossing, LLC Norton Green, LLC Pulaski Village, LLC	People Inc. Housing Group People Inc. Housing Group Sweetbriar Apartments Management Inc./Southwest Virginia Housing Corp	Dante Norton Pulaski	March 9, 2007 Mach 9, 2007 March 9, 2007	Operational/Compliance Operational/Compliance Operational/Compliance
Sweetbriar Jonesville Manor Valley Vista Riverside Place	Sweetbriar, LP Jonesville Manor, LLC Valley Vista Apartments, LLC Riverside Place Apartments, LLC	People Inc. Housing Group People Inc. Housing Group People Inc. Housing Group People Inc. Housing Group	Abingdon Jonesville Woodstock Damascus	March 9, 2007 February 13, 2008 February 13, 2008 May 14, 2009	Operational/Compliance Operational/Compliance Operational/Compliance Operational/Compliance
Toms Brook School	Toms Brook School Apartments, LLC	People Inc. Housing Group	Toms Brook		Operational/Compliance
Abingdon Village	Abingdon Village Apartments, LLC	People Inc. Housing Group	Abingdon	March 10, 2011	Operational/Compliance
Clinch View Manor Spruce Hill Manor West Lance Apartments	Clinch View Manor Apartments, LLC Spruce Hill Apartments, LLC West Lance Apartments, LLC	People Inc. Housing Group People Inc. Housing Group People Inc. Housing Group	Gate City New Castle	March 10, 2011 March 10, 2011 March 10, 2011	Operational/Compliance Operational/Compliance Operational/Compliance
Abingdon Terrace	Abingdon Terrace Apartments, LLC	People Inc. Housing Group	Abingdon	March 14, 2012	Operational/Compliance
Brunswick Manor	Brunswick Manor Apartments, LLC	Brunswick Management, LLC Essex Management, LLC/People Inc.	Lawrenceville	March 6, 2015	Operational/Compliance
Essex Manor	Essex Manor Apartments, LLC	Housing Group	Tappahannock	March 4, 2016	Operational/Compliance

Pennington Gap	Pennington Gap Apartments, LLC	Pennington Gap Management, LLC/People Inc. Housing Group	Pennington Gap	March 4, 2016	Operational/Compliance
Culpeper Crossing	Culpeper Crossing, LLC	Culpeper Crossing Management, LLC/People Inc. Housing Group	Culpeper	March 3, 2017	Construction
Millview Apartments	Millview Apartments, LLC	Millview Management, LLC/People Inc. Housing Group	Remington	March 3, 2017	Construction
Luray Meadows	Luray Meadows, LLC	TBC/People Inc. Housing Group	Luray	March 3, 2017	Closing

J

Relocation Plan

(MANDATORY, if tenants are displaced)

N/A

K

Documentation of
Development Location

K.1

Revitalization Area
Certification



COUNTY OF WASHINGTON, VIRGINIA



BOARD OF SUPERVISORS

DWAYNE A. BALL
CHAIRMAN
G-11 "WILSON" ELECTION DISTRICT

RANDY L. PENNINGTON
VICE-CHAIRMAN
B-11 "JEFFERSON" ELECTION DISTRICT

PHILLIP B. MCCALL
A-11 "HARRISON" ELECTION DISTRICT

CHARLIE HARGIS
C-11 "MADISON" ELECTION DISTRICT

WAYNE STEVENS
D-11 "MONROE" ELECTION DISTRICT

MIKE RUSH
E-11 "TAYLOR" ELECTION DISTRICT

SAUL A. HERNANDEZ
F-11 "TYLER" ELECTION DISTRICT

RESOLUTION 2020 - 08

TO DECLARE SWEETBRIAR II APARTMENTS PROJECT TO BE A REVITALIZATION AREA IN WASHINGTON COUNTY, VIRGINIA

COUNTY ADMINISTRATION

JASON N. BERRY
COUNTY ADMINISTRATOR

LUCY E. PHILLIPS
COUNTY ATTORNEY

GOVERNMENT CENTER
BUILDING

1 GOVERNMENT CENTER PLACE
SUITE A

ABINGDON, VIRGINIA 24210

276-525-1300 TELEPHONE

276-525-1309 TELEFACSIMILE

WWW.WASHCOVA.COM

WHEREAS, PEOPLE INCORPORATED HOUSING GROUP, MANAGING MEMBER OF SWEETBRIAR II APARTMENTS, L.L.C., SEEKS A RESERVATION OF LOW-INCOME HOUSING TAX CREDITS (LIHTC) FOR THE DEVELOPMENT OF 11 PARCELS KNOWN AS SWEETBRIAR II APARTMENTS FROM THE VIRGINIA HOUSING DEVELOPMENT AUTHORITY (VHDA); AND

WHEREAS, ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING IN THE HARRISON MAGISTERIAL DISTRICT OF WASHINGTON COUNTY, VIRGINIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEING LOTS DESIGNATED #5-7, 9, AND 12-18 OF THE SWEETBRIAR SUBDIVISION IN WASHINGTON COUNTY, VIRGINIA, WHICH LOTS ARE MORE SPECIFICALLY DESIGNATED ON A PLAT OF L. K. ADDISON DATED SEPTEMBER 17, 2009, OF RECORD IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT FOR WASHINGTON COUNTY VIRGINIA IN PLAT BOOK 61, PAGES 08-09, TAX MAP NOS. 103A510-5; 105A510-6; 105A510-7; 103A510-9; 105A510-12; 103A510-13; 103A510-14; 103A510-15; 103A510-16; 103A510-17; 103A510-18; AND,

WHEREAS, THE ABOVE-REFERENCED DEVELOPMENT IS LOCATED IN A REVITALIZATION AREA IN THE COUNTY OF WASHINGTON, VIRGINIA. THE INDUSTRIAL, COMMERCIAL OR OTHER ECONOMIC DEVELOPMENT OF SUCH AREA WILL BENEFIT THE COUNTY BUT SUCH AREA LACKS THE HOUSING NEEDED TO INDUCE MANUFACTURING, INDUSTRIAL, COMMERCIAL, GOVERNMENTAL, EDUCATIONAL, ENTERTAINMENT, COMMUNITY DEVELOPMENT, HEALTHCARE OR NONPROFIT ENTERPRISES OR UNDERTAKINGS TO LOCATE OR REMAIN IN SUCH AREA; AND PRIVATE ENTERPRISE AND INVESTMENT ARE NOT REASONABLY EXPECTED, WITHOUT ASSISTANCE, TO PRODUCE THE CONSTRUCTION OR REHABILITATION OF DECENT, SAFE AND SANITARY HOUSING AND SUPPORTING FACILITIES THAT WILL MEET THE NEEDS OF LOW AND MODERATE INCOME PERSONS AND FAMILIES IN SUCH AREA AND WILL INDUCE OTHER PERSONS AND FAMILIES TO LIVE WITHIN SUCH AREA AND THEREBY CREATE A DESIRABLE ECONOMIC MIX OF RESIDENTS IN SUCH AREA; AND

NOW IT HEREBY RESOLVED, THAT THE BOARD OF SUPERVISORS FOR WASHINGTON COUNTY, VIRGINIA DESIGNATES THE ABOVE-REFERENCED DEVELOPMENT A REVITALIZATION AREA ACCORDING TO THE AUTHORITY GRANTED IT BY THE COMMONWEALTH IN THE CODE OF VIRGINIA SECTION § 36-55.30:2.

DONE THIS THE 25TH DAY OF FEBRUARY, 2020.

THE FOREGOING RESOLUTION WAS DULY ADOPTED BY THE FOLLOWING VOTE:

MR. MCCALL:	AYE
MR. PENNINGTON:	AYE
MR. HARGIS:	AYE
MR. STEVENS:	AYE
MR. RUSH:	AYE
MR. HERNANDEZ:	ABSENT
MR. BALL:	AYE


 JASON N. BERRY
 COUNTY ADMINISTRATOR

K.2

Location Map



Location Map

20-013 Sweetbriar II



K.3

Surveyor's Certification of
Proximity to Public
Transportation



ADDISON SURVEYORS
432 EAST MAIN STREET
ABINGDON, VA 24210
276-676-3001 PHONE
276-676-3190 FAX
robin@addisonsurveyors.com

Surveyor's Certification of Proximity to Transportation

DATE: 02-19-20

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

RE: 2020 Tax Credit Reservation Request

Name of Development: Sweetbriar II Apartments
Name of Owner: Sweetbriar II Apartments, LLC

Gentlemen:

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

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

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



ADDISON ENT. INC DBA ADDISON SURVEYORS

Firm Name

By: [Signature]

Its: PRESIDENT

Title



L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: Sweetbriar II Apartments

Tracking #: 2021-C-77

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 100% 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 the application.
4. 'Proposed Improvements' should correspond with the Application.
5. 'Proposed Rents' should correspond with 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: 03/11/2021

TO: People Incorporated of Virginia
1173 West Main Street
Abingdon, VA 24210

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Sweetbriar II Apartments

Name of Owner: Sweetbriar II Apartments, L.L.C. / Sweetbriar II Apartments Management, LLC / People Incorporated Housing Group

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from Virginia Housing. We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on May 31st 2022 (date).

The following is a brief description of the proposed development:

Development Address:

19274 Elementary Drive

Abingdon, VA 24210

Proposed Improvements:

<input checked="" type="checkbox"/> New Constr.:	<u>22</u>	# units	<u>11</u>	# Bldgs
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# units	<u> </u>	# Bldgs
<input type="checkbox"/> Rehabilitation:	<u> </u>	# units	<u> </u>	# Bldgs

Proposed Rents:

<input type="checkbox"/> Efficiencies:	\$ <u> </u>	/ month
<input type="checkbox"/> 1 Bedroom Units:	\$ <u> </u>	/ month
<input type="checkbox"/> 2 Bedroom Units:	\$ <u> </u>	/ month
<input checked="" type="checkbox"/> 3 Bedroom Units:	\$ <u>389,500</u>	/ month
<input type="checkbox"/> 4 Bedroom Units:	\$ <u> </u>	/ month

Other Descriptive Information:

Sweetbriar II Apartments is the second phase of the 2008 Sweetbriar, L.P. development. Sweetbriar II Apartments will have 22-3BR units in 11 buildings. Upon completion five(5) of the units in the complex will be 504 units.

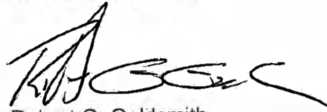
PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (271) 624-9000.

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

Sincerely yours,



Robert G. Goldsmith

Name

President and CEO

Title

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

Seen and Acknowledged By: Sherry Monroe

Printed Name: Sherry Monroe

Title: Section 8 Administrative Agent

Phone: 276-494-1079

Date: 3-11-2021

M

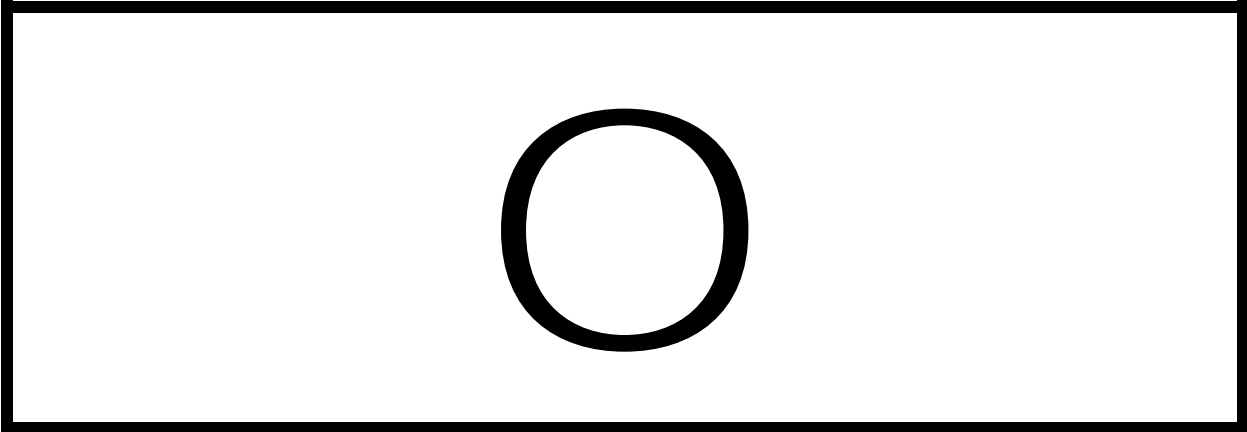
Locality CEO Response
Letter

N/A

N

Homeownership Plan

N/A



O

Plan of Development
Certification Letter

N/A

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

RE: Sweetbriar II Apartments
19274 Elementary Drive
Abingdon, VA 24210

People Incorporated is listed on the VHDA Experienced LIHTC Developers list dated March 4, 2021. Please see attached.

People Incorporated of Virginia

Headquarters 1173 West Main Street, Abingdon, VA 24210 *Phone* 276.623.9000 or 276.466.6527 *Fax* 276.628.2931 *Email* info@peopleinc.net

Bristol Office 800 Martin Luther King, Jr. Boulevard, Bristol, VA 24201 *Phone* 276.466.5587 *Fax* 276.466.0728 *Email* bristol@peopleinc.net

Clintwood Office P.O. Box 1439, Clintwood, VA 24228 *Phone* 276.926.5600 *Fax* 276.926.8244 *Email* dickenson@peopleinc.net

Grundy Office 20694 Riverside Drive, Grundy, VA 24614 *Phone* 276.935.4747 *Fax* 276.935.4368 *Email* buchanan@peopleinc.net

Lebanon Office 122 Price Street, Lebanon, VA 24266 *Phone* 276.889.0999 *Fax* 276.889.0117 *Email* russell@peopleinc.net

Manassas Office 9324 West St., Manassas, VA 20110 *Phone* 571.445.3020 *Fax* 571.445.3030 *Email* pwc@peopleinc.net

Woodstock Office 150 South Main Street, Woodstock, VA 22664 *Phone* 540.459.9096 *Fax* 540.459.8732 *Email* woodstock@peopleinc.net



VHDA Experienced LIHTC Developers

Notes:

Updated:

3/4/2021

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

I Listed if documentation supported at least 6 LIHTC developments

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

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

1 Alexander, Randall P.	30 Fitch, Hollis M.	58 Melton, Melvin B.
2 Arista, Roberto	31 Fore, Richard L.	59 Midura, Ronald J.
3 Asarch, Chad	32 Franklin, Wendell C.	60 Mirmelstein, George
4 Ayd, Tom	33 Friedman, Mitchell M.	61 Nelson, IV, John M.
5 Barnhart, Richard K.	34 Gardner, Mark E.	62 Orth, Kevin
6 Baron, Richard	35 Gunderman, Timothy L.	63 Page, David
7 Bennett, Vincent R.	36 Haskins, Robert G.	64 Parent, Brian
8 Burns, Laura P.	37 Heatwole, F. Andrew	65 Park, Richard A.
9 Chapman, Tim	38 Honeycutt, Thomas W.	66 Park, William N.
10 Cohen, Howard Earl	39 Hunt, Michael C.	67 Pasquesi, R.J.
11 Connelly, T. Kevin	40 Iglesias, Adrian	68 Pedigo, Gerald K.
12 Connors, Cathy	41 Jaeger, Jeffrey	69 Poulin, Brian M.
13 Copeland, M. Scott	42 Jester, M. David	70 Queener, Brad
14 Copeland, Robert O.	43 Johnston, Thomas M.	71 Rappin, Steve
15 Copeland, Todd A.	44 Jones Kirkland, Janice	72 Ripley, F. Scott
16 Cordingley, Bruce A.	45 Kirkland, Milton L.	73 Ripley, Ronald C.
17 Counselman, Richard	46 Kittle, Jeffery L.	74 Ross, Stephen M.
18 Crosland, Jr., John	47 Koogler, David M.	75 Salazar, Tony
19 Curtis, Lawrence H.	48 Koogler, David Mark	76 Sari, Lisa A.
20 Daigle, Marc	49 Lancaster, Dale	77 Sciortino, Richard
21 Dambly, Mark H.	50 Lawson, Phillip O.	78 Sinito, Frank T.
22 Deutch, David O.	51 Lawson, Steve	79 Stockmaster, Adam J.
23 Dischinger, Chris	52 Leon, Miles B.	80 Stoffregen, Phillip J.
24 Douglas, David D.	53 Lewis, David R.	81 Surber, Jen
25 Edmondson, Jim	54 Levitt, Michael	82 Taft, Thomas F.
26 Edson, Rick	55 Margolis, Robert B.	83 Valey, Ernst
27 Eichler, Moshe	56 McCormack, Kevin	84 Uram, David
28 Ellis, Gary D.	57 McNamara, Michael L.	85 Wilson, Stephen
29 Fekas, William L.		86 Woda, Jeffrey J.
		87 Wohl, Michael D.
		88 Wolfson, III, Louis

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

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

Q

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



People inc.

Building Futures, Realizing Dreams™

peopleinc.net

March 15, 2021

Sweetbriar II Apartments, L.L.C.
1173 West Main Street
Abingdon, VA 24210

RE: Notice of Project Based Voucher Award

Dear Robert Goldsmith,

People Inc. of Virginia is pleased to announce that your application through the competitive Request for Proposal (RFP) process for Project Based Vouchers has been approved and accepted. The award of PBV units is as follows:

Sweetbriar II Apartments

19274 Elementary Drive, Abingdon, VA

24210 Number of PBVs approved: 5

People Incorporated of Virginia will work with you to develop and execute an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) and/or a Project Based Voucher Housing Assistance Contract (HAP) as required by the U.S. Department of Housing and Urban Development (HUD) regulations.

Should you have any questions, please contact Sherri Monroe, Section 8 Manager, at smonroe@peopleinc.net.

Sincerely,

Sherri Monroe
Section 8 Manager

People Incorporated of Virginia

Headquarters 1173 West Main Street, Abingdon, VA 24210 Phone: 276.623.9000 or 276.466.6527 Fax: 276.628.2931 Email: info@peopleinc.net
Bristol Office 800 Martin Luther King, Jr. Boulevard, Bristol, VA 24201 Phone: 276.466.5587 Fax: 276.466.0728 Email: bristol@peopleinc.net
Grundy Office 20694 Riverside Drive, Grundy, VA 24614 Phone: 276.935.4747 Fax: 276.935.4368 Email: buchanan@peopleinc.net
Lebanon Office 122 Price Street, Lebanon, VA 24266 Phone: 276.889.0999 Fax: 276.889.0117 Email: russell@peopleinc.net
Manassas Office 9324 West Street, Manassas, VA 20110 Phone: 571.445.3020 Fax: 571.445.3030 Email: pwc@peopleinc.net
Woodstock Office 135 South Main Street, Woodstock, VA 22664 Phone: 540.459.9096 Fax: 540.459.8732 Email: woodstock@peopleinc.net
Culpeper Office 219 East Davis Street, Suite 100, Culpeper, VA 22701 Phone: 833.277.9330 Email: info@peopleinc.net



R

Documentation of
Operating Budget

2021-C-77

Sweetbriar II Apartments

**Operating Budget and
Utility Allowance**

The operating expenses for Sweetbriar II Apartments are based on the historical operational details from Sweetbriar I, in addition to other considerations including models from similar size and layout. Sweetbriar I, constructed in 2009, was designed as 20 three-bedroom units in 10 townhouse style, duplex buildings. Sweetbriar II has a similar site plan but will include more modern construction features including energy efficient systems and appliances.

People Incorporated is projecting the operating expense in this application at approximately \$4,501 per unit, which is comparable and directly correlated to the operating expenses of the first phase of Sweetbriar. Although conservatively modeled in the application, the shared management and maintenance staff in addition to construction efficiencies anticipate to improve the operating cash flow on both projects.

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$0
2. Office Salaries			\$0
3. Office Supplies			\$0
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$10,290
	<u>7.81%</u> of EGI	<u>\$467.73</u> Per Unit	
6. Manager Salaries			\$11,749
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$90
9. Auditing			\$0
## Bookkeeping/Accounting Fees			\$0
## Telephone & Answering Service			\$0
## Tax Credit Monitoring Fee			\$440
## Miscellaneous Administrative			\$5,630
Total Administrative			\$28,199

Utilities

## Fuel Oil			\$0
## Electricity			\$270
## Water			\$0
## Gas			\$0
## Sewer			\$0
Total Utility			\$270

Operating:

## Janitor/Cleaning Payroll			\$0
## Janitor/Cleaning Supplies			\$250
## Janitor/Cleaning Contract			\$0
## Exterminating			\$1,500
## Trash Removal			\$4,137
## Security Payroll/Contract			\$0
## Grounds Payroll			\$0
## Grounds Supplies			\$0
## Grounds Contract			\$4,500
## Maintenance/Repairs Payroll			\$10,512
## Repairs/Material			\$3,200
## Repairs Contract			\$4,800
## Elevator Maintenance/Contract			\$0
## Heating/Cooling Repairs & Maintenance			\$2,000
## Pool Maintenance/Contract/Staff			\$0
## Snow Removal			\$500
## Decorating/Payroll/Contract			\$0
## Decorating Supplies			\$65
## Miscellaneous			\$0
Totals Operating & Maintenance			\$31,464

M. OPERATING EXPENSES

Taxes & Insurance

## Real Estate Taxes	\$12,000
## Payroll Taxes	\$1,380
## Miscellaneous Taxes/Licenses/Permits	\$0
## Property & Liability Insurance	\$16,000
## Fidelity Bond	\$0
## Workman's Compensation	\$1,492
## Health Insurance & Employee Benefits	\$7,620
## Other Insurance	\$593
Total Taxes & Insurance	\$39,085

Total Operating Expense	\$99,018
--------------------------------	-----------------

Total Operating Expenses Per Unit	\$4,501	C. Total Operating Expenses as % of	75.19%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Mini	\$6,600
---	----------------

Total Expenses	\$105,618
-----------------------	------------------

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

Apartment/Duplex - 3 wall - Adjusted for Energy Efficiency Updated Apartments

Locality		Unit Type		Date (mm/dd/yy)			
People, Inc.		Apartment	3 wall	1-1-2020			
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	20	28	36	44	55	63
	b. Bottle Gas	39	52	67	80	100	115
	c. Electric AP	18	25	32	39	50	57
	d. Electric BVUB	18	25	32	39	50	57
	e. Fuel Oil	43	59	77	93	118	136
Cooking	a. Natural Gas	4	6	8	9	12	13
	b. Bottle Gas	7	9	11	14	17	20
	c. Electric AP	3	4	5	7	8	10
	d. Electric BVUB	3	4	5	7	8	10
Other Electric	a. AP	14	20	25	30	40	44
	b. BVUB	14	20	25	30	40	44
Air Conditioning	a. AP	6	6	7	10	11	13
	b. BVUB	8	8	9	13	14	16
Water Heating	a. Natural Gas	11	15	19	24	30	34
	b. Bottle Gas	20	27	35	42	52	60
	c. Electric AP	8	11	14	17	22	26
	d. Electric BVUB	8	11	14	17	22	26
Water	a. WCSA	33	37	44	51	62	71
	b. BVUB	21	25	29	32	38	41
Sewer	a. WCSA	49	57	65	72	84	92
	b. BVUB	22	26	30	34	39	43
Trash Collection	a. Abingdon	10	10	10	10	10	10
	b. WMI	19	19	19	19	19	19
Range		4	4	4	4	4	4
Refrigerator		3	3	3	3	3	3
Other - Specify	Customer Charge	a. Electric AP	8	8	8	8	8
		b. Electric BVUB	12	12	12	12	12
		c. Atmos NG	11	11	11	11	11
Actual Family Allowances used by the family to compute allowance		To be	Utility or Service per month cost				
Complete below for the actual unit rented		Heating		\$			
Name of Family		Cooking		\$			
		Other Electric		\$			
Address of Unit		Water Heating		\$			
		Water		\$			
		Sewer		\$			
		Trash Collection		\$			
		Range/Microwave		\$			
		Refrigerator		\$			
		Air Conditioner		\$			
Number of Bedrooms		Other		\$			
		Total		\$226.00			

Previous editions are obsolete

S

Supportive Housing
Certification

N/A



T

Funding Documentation



Ralph S. Northam
Governor

R. Brian Ball
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

Erik C. Johnston
Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

August 14, 2020

Mr. Robert Goldsmith
President & CEO
People Incorporated Housing Group
1173 W. Main Street
Abingdon, VA 24210

Proposed Affordable & Special Needs Housing Financing Offer

Dear Mr. Robert Goldsmith,

I am pleased to advise you that the Department of Housing and Community Development has approved the request of People Incorporated Housing Group's Sweetbriar II Apartments project. Included with this letter are the proposed rate and terms granted to you in accordance with your project description.

Please note, that upon agreement you will receive further communication regarding program agreement(s) within the next few weeks. These program agreements must be fully executed within 12 months from the date of this letter in order for this preliminary offer to result in a program commitment and reservation of funds.

Please review the attached offer letter carefully, and attach any updated or new information with your response as it may pertain to this project. For projects, which are awarded a HOME or NHTF award a HUD required environmental review must be completed prior to execution of a program agreement. In addition, any adjustment to the capital budget, operating expense budget, pro forma numbers, and other project parameters must be approved by DHCD before the program agreements may be executed.

At your earliest convenience, please submit your project's Phase I Environmental Assessment to DHCD staff for review. If your project is financed utilizing HOME or NHTF funds, please prepare and submit the Part 58 checklist with your EA to DHCD staff. The Part 58 Checklist may be found on DHCD's website under Affordable and Special Needs Housing.

We are looking forward to working with you to provide affordable housing, if you have any questions as it pertains to this offer please feel free to contact me. I can be reached at:
Michael.haas@dhcd.virginia.gov or 804-371-7116.

Sincerely,

Michael Haas
Housing Finance Program Manager



Terms & Conditions
Sweetbriar II Apartments
19274 Elementary Drive
Abingdon, VA 24210

The Department of Housing and Community Development herein referred to as DHCD (“Lender”), has approved the request of People Incorporated Housing Group, whom is listed as the developer of the project and herein is referred to as (“Developer”) regarding Sweetbriar II Apartments (“Project”), which will be owned by Sweetbriar II Apartments, L.L.C. (“Owner”). Please review the following information as it pertains to your project:

The Project is awarded \$800000 of HOME funding. Please review the following proposed terms and conditions carefully, and notate any questions you may have for DHCD staff:

Interest Rate	1% Fixed
Loan Repayment Period	240 months (Interest Only)
Loan Amortization Schedule	360 months
Mandatory Compliance Period	240 months (from date of loan closing)
Extended Affordability Period	120

The compliance and repayment period begins upon loan closing. This loan constitutes permanent, must pay hard debt, which is not cash flow dependent. Deferred principle & accrued interest shall be forgiven at the end of a successful 30-year mandatory compliance and/or affordability period.

This debt is eligible to be utilized as a sponsor loan towards the project. If the Developer wishes to do so, a copy of the loan terms and agreements must be provided to the Lender for approval prior to commitment to the project. Failure to do so will lead to a revocation of this offer, and if applicable a demand notice for repayment of any disbursed funds.

It is the intention of the lender to disburse the HOME award as part of the permanent financing package upon final permanent close, which includes the issuance of the final Certificate of Occupancy or Certificate of Substantial Completion.



Final permanent close shall commence upon receipt of acceptable title, survey & environmental reports, closing of other required funding, customary due diligence, rehab completion (if applicable), rental occupancy report, and issuance of COO/CSC by a local building official. Impediments to loan closing include, but are not limited to: failure to complete construction/renovations, due diligence items, or rent & occupancy requirements for the project in accordance with HOME, NHTF, and/or VHTF requirements (whichever is applicable).

DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency. Program agreements must be executed within 12 months of this letter, with an estimated closing of permanent debt to take place no later than 24 months after construction start. Failure to execute a program agreement within 12 months could result in a de-obligation of funds to your project.

Please execute and return one copy of this document to Michael Haas, Housing Finance Program Manager. Once received DHCD will be in communication with you regarding next steps.

It is our sincere pleasure to make this financing proposal to you; we look forward to your acceptance, and to our continuing relationship.

Sincerely,

Department of Housing & Community Development



Michael Haas: Housing Finance Program Manager

The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:



(Authorized Officer)

By: Robert G. Goldsmith _____ Its: President _____

Date: 8/14/20 _____





For Immediate Release: March 1, 2021

Contacts: Office of the Governor: Alena Yarmosky, Alena.Yarmosky@governor.virginia.gov | Virginia Department of Housing and Community Development: Amanda Love, Amanda.Love@dhcd.virginia.gov

Governor Northam Announces Over \$24 Million in Affordable and Special Needs Housing Loans

Funding will support new construction and rehabilitation of 1,635 affordable and permanent supportive housing units

RICHMOND—Governor Ralph Northam today announced more than \$24 million in Affordable and Special Needs Housing loans for 28 projects across the Commonwealth, creating or preserving 1,635 affordable housing units for low-income Virginians. The funding will help increase access to affordable housing, reduce homelessness, and provide permanent supportive housing options for individuals with intellectual and developmental disabilities.

“As the COVID-19 pandemic continues to create housing challenges in our Commonwealth and across the country, we are pleased to deploy this funding to support Virginians who are most in need,” **said Governor Northam**. “The Affordable Special Needs Housing program is a valuable resource for increasing the availability of safe, affordable, and sustainable housing for low-income Virginians, particularly those with special needs. With this round of funding, we will advance projects that strengthen our communities and help ensure every Virginia resident has the opportunity to build a healthy, productive life in our Commonwealth.”

The Virginia Department of Housing and Community Development (DHCD) administers Affordable and Special Needs Housing (ASNH) loans, which combine state and federal resources to provide a simplified and comprehensive application process. Funding comes from three main sources: the federal HOME Investment Partnerships Program, the federal National Housing Trust Fund (NHTF), and the Virginia Housing Trust Fund (VHTF). Through the ASNH program, DHCD also supports the creation of Permanent Supportive Housing (PSH) units to serve Virginia's most vulnerable citizens. In this round of funding, DHCD allocated more than \$7 million through the HOME Program, over \$4 million through the NHTF, \$12.6 million through the VHTF, and an allotment of \$500,000 through PSH funds.

Governor Northam and the General Assembly invested an historic \$55 million in the Virginia Housing Trust Fund this fiscal year, and the governor's budget proposal increases this funding to \$70.7 million in the current year. VHTF provides financing for construction projects that create or preserve affordable housing units, reduce the cost of affordable housing, and increase homeownership. This funding is a key source of financing for these affordable housing initiatives to support moderate- and low-income families, as well as supporting homeless reduction grants to provide rapid re-housing and longer-term housing solutions for individuals experiencing chronic homelessness.

"This vital program fills gaps in financing to make safe and affordable housing for our most vulnerable populations possible," **said Secretary of Commerce and Trade Brian Ball**. "Ensuring housing stability and supporting programs to make homelessness rare and nonrecurring is transformative, both to communities and to the lives of many Virginians, and with the pandemic it's more important than ever."

Affordable and Special Needs Housing loans are awarded through a competitive process. Forty-three applications were received for this round of funding, requesting more than \$42 million. Proposals were reviewed, evaluated, and scored, with proposals ranked and award offers recommended to the highest-ranking proposals based on funding availability. The funded projects will create or preserve 1,635 affordable housing units, targeting low-income and very low-income Virginians and leverage over \$351 million in additional federal, state, local, and private lending resources.

Fall 2020 Affordable and Special Needs Housing Awardees:

Arlington View Terrace East | AHC Inc.

\$900,000 (VHTF)

Arlington County

The Arlington View Terrace East project will be a partial redevelopment of an existing 60-year-old, 77-unit affordable multifamily rental community in the Arlington View neighborhood. The new construction building will more than double the number of long-term affordable units on the parcel and add family-sized units in a neighborhood experiencing increased housing costs.

Renaissance Ridge Phase I | Nelson County Community Development Foundation**\$400,000 (HOME)****\$200,000 (VHTF)***Nelson County*

The Renaissance Ridge Phase I project is the new construction of 60 housing units in the Wintergreen community, with 20 workforce housing units targeting families with household incomes less than 80 percent of the AMI. The proposed development has dedicated open space featuring minimal site disturbance and access to several amenities.

Carrier Point I | Newport News Redevelopment and Housing Authority**\$700,000 (VHTF)****\$700,000 (NHTF)***City of Newport News*

Carrier Point I is the 43-unit residential portion of Newport News' Marshall-Ridley Revitalization Choice Neighborhoods Transformation Plan's first phase. Carrier Point I and Carrier Point II are sister developments, located on parcels separated by a public street being developed simultaneously as nine-percent and four-percent low-income housing tax credit twinned transactions. Carrier Point I will have 43 mixed-income units, which will include seven one-bedroom units, 27 two-bedroom units, and nine three-bedroom units spread between two buildings. One building will be a four-story, elevator building with residential apartments, a community room, and a management suite on the ground floor.

Carrier Point II | Newport News Redevelopment and Housing Authority**\$700,000 (VHTF)****\$700,000 (NHTF)***City of Newport News*

Carrier Point II is the 38-unit residential portion of Newport News' Marshall-Ridley Revitalization Choice Neighborhoods Transformation Plan's first phase. Carrier Point I and Carrier Point II are sister developments, located on parcels separated by a public street being developed simultaneously as nine-percent and four-percent low-income housing tax credit twinned transactions. Carrier Point II will include 14 one-bedroom units, 21 two-bedroom units, and three three-bedroom units in a four-story, elevator building with residential apartments, a ground floor community room, and a fitness room on the ground floor.

Sweetbriar II Apartments | People Incorporated Housing Group**\$600,000 (VHTF)***Town of Abingdon*

Sweetbriar II Apartments is a new construction apartment community consisting of 22 units in 11 duplex-style buildings, comprised of three-bedroom, two-bathroom garden and townhome units. Five of the garden-style units will be fully accessible, and six will include Universal Design features. Highlands Community Services, the Community Services Board for Washington County, will provide referrals and offer ongoing supportive and independent living services to individuals with intellectual or developmental disabilities or serious mental illness living in these Permanent Supportive Housing units.

The Coile | Petersburg Community Development Corporation, Inc.

\$700,000 (VHTF)

\$700,000 (NHTF)

City of Newport News

The Coile is a 62-unit new construction multifamily, mixed-income development with sustainable design elements including a rooftop terrace garden, electric car charging ports, solar benches, and a kinetic tile children's game. The community will also be EarthCraft Gold certified, and all units will be constructed to meet Universal Design Standards. The Virginia Center for Housing Research at Virginia Tech is conducting a 10-year case study to monitor the construction processes and evaluate variances in energy consumption between the two buildings (traditional stick-framing methods versus panelization construction). The goal is to publish the academic findings and set a precedent for sustainable multifamily design in the Commonwealth.

Kilmarnock Village | Petersburg Community Development Corporation, Inc.

\$240,000 (VHTF)

Town of Kilmarnock

Kilmarnock Village is an affordable multifamily development consisting of 24 units originally constructed in 1984 and renovated in 2002 with tax credit financing. Kilmarnock Village will renovate the property with an allocation of tax credits and the assumption and reamortization of the outstanding USDA Rural Development Section 515 loan. Comprised of one- and two-bedroom garden apartments, all units will be restricted to households earning below 60 percent of the AMI. Twenty-three units are subsidized and will benefit from project-based rental assistance and five units are reserved for veterans. Five units will be renovated to be fully accessible according to Section 504 regulations and Uniform Federal Accessibility Standards. Under the proposed terms of the USDA and low-income housing tax credit financing, this development will remain affordable for 50 years.

Omni Park Place Senior | Project:HOMES

\$400,000 (VHTF)

U

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

Sweetbriar II Apartments

Tab U - Request for Exception to Penalty for Areas with Little or No Increase in Rent Burdened Population

People Incorporated Housing Group (PIHG), a Virginia nonprofit, community housing development organization and affiliate of People Incorporated of Virginia (PIV), is the developer and managing member of the Sweetbriar II Apartments. PIHG developed the first phase of Sweetbriar Apartments in 2008 to address the established need for affordable housing for low and moderate income families in Washington County. One of People, Inc.'s most successful developments to date, Sweetbriar Apartments experiences little turnover and vacancy. In fact, the property maintains an extensive waiting list with currently 30 families awaiting an opening. With historical vacancy rates hovering around one percent, a number of these families have been on the list for nearly four years.

The Washington County Board of Supervisors, recognizing the overwhelming need for additional, affordable housing options and the economic development benefits of a second phase of development, declared the project to be in a Revitalization Area. The County's Housing Choice Voucher Administrator also acknowledges the neighborhood revitalization potential of the project by committing to project base five of the mainstream vouchers under its authority. With an active voucher waiting list of 89 eligible households in Washington County, these units will be in high demand.

Sweetbriar II Apartments will not only help to alleviate the demand for affordable family units in the region, it will fill another critical, housing gap that Sweetbriar I cannot. Sweetbriar II Apartments will include five fully accessible units subsidized with mainstream, project-based vouchers. As such, these specialized, family units combine accessibility modifications and deep subsidy for households with a non-elderly, disabled member. They will add an important, new housing component to the limited affordable options in Washington County.

Highlands Community Services, the designated Community Services Board (CSB) for Washington County, expresses its support for the project in the attached letter. Highlands, as with most CSBs across the Commonwealth, continues to grapple with the task of facilitating housing and services that foster independence and community integration for individuals with Intellectual and Developmental Disabilities (ID/DD). Highlands identifies four ID/DD consumers in immediate need of housing and Sweetbriar II's specialized units would help meet that demand.

People Incorporated of Virginia

Headquarters 1173 West Main Street, Abingdon, VA 24210 *Phone* 276.623.9000 or 276.466.6527 *Fax* 276.628.2931 *Email* info@peopleinc.net

Bristol Office 800 Martin Luther King, Jr. Boulevard, Bristol, VA 24201 *Phone* 276.466.5587 *Fax* 276.466.0728 *Email* bristol@peopleinc.net

Clintwood Office P.O. Box 1439, Clintwood, VA 24228 *Phone* 276.926.5600 *Fax* 276.926.8244 *Email* dickenson@peopleinc.net

Grundy Office 20694 Riverside Drive, Grundy, VA 24614 *Phone* 276.935.4747 *Fax* 276.935.4368 *Email* buchanan@peopleinc.net

Lebanon Office 122 Price Street, Lebanon, VA 24266 *Phone* 276.889.0999 *Fax* 276.889.0117 *Email* russell@peopleinc.net

Manassas Office 9324 West St., Manassas, VA 20110 *Phone* 571.445.3020 *Fax* 571.445.3030 *Email* pwc@peopleinc.net

Woodstock Office 150 South Main Street, Woodstock, VA 22664 *Phone* 540.459.9096 *Fax* 540.459.8732 *Email* woodstock@peopleinc.net



In addition to ID/DD housing needs, Highlands has an active waiting list of ten low income family households with members battling substance abuse issues and another 11 with mental illnesses all in immediate need of housing. Sweetbriar II Apartments will also help address these needs by providing a safe, healthy environment for all family members to focus on their treatment and recovery.

In summary, PIHG and Sweetbriar II Apartments, LLC request an exception to the penalty for areas with little to no increase in rent-burdened population on the grounds that:

- The five newly constructed units meeting 504 accessibility requirements will provide priority to persons with disabilities under the aforementioned mainstream voucher program. Such a specialized housing option does not currently exist in Washington County but is in immense need for persons with disabilities.
- Highlands Community Services keeps a waiting list which currently identifies four ID/DD clients in immediate need of affordable, family units; demand that could be addressed by the new units in the Sweetbriar Apartment development.
- The 89 applicants on the County's Housing Choice Voucher waiting list and the 30 family households in line for an opening at Sweetbriar I, prove that these units are in high demand.
- County leadership and Voucher authority recognize the transformational potential that these units will have on the neighborhood and the economic development impacts of the project on the County at large.

People Incorporated of Virginia

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Lebanon Office 122 Price Street, Lebanon, VA 24266 *Phone* 276.889.0999 *Fax* 276.889.0117 *Email* russell@peopleinc.net

Manassas Office 9324 West St., Manassas, VA 20110 *Phone* 571.445.3020 *Fax* 571.445.3030 *Email* pwc@peopleinc.net

Woodstock Office 150 South Main Street, Woodstock, VA 22664 *Phone* 540.459.9096 *Fax* 540.459.8732 *Email* woodstock@peopleinc.net





March 4, 2020

Hunter Snellings
Senior Project Manager
People Inc
1173 W. Main Street
Abingdon, VA 24210

Dear Mr. Snellings:

Thank you for the opportunity to provide a letter of support for the Sweetbriar II Apartments application. It is our understanding that the additional funding will provide twenty-two more available housing units in Washington County for individuals with disabilities.

Highlands Community Services (HCS) provides Mental Health, Substance Abuse and Developmental Services to the residents of Washington County and is appreciate of additional housing options in the HCS service area. HCS has enjoyed a long community partnership with People Inc as we seek safe and affordable housing for the many individual's we serve who live at or below the poverty level. Adult Mental Health Case Management providers were able to identify eleven current consumers who are on housing waiting lists in Washington County and the City of Bristol and would benefit from additional housing options. HCS ID/DD Case Managers identified four consumers who are housing waiting lists and the HCS Substance Use Case Management Program identified ten consumers who are currently on the housing waiting lists.

Highlands Community Services looks forward to continuing the community partnership with People Inc. as both organizations work toward reducing homelessness and accessing available housing options for those with disabilities.

Sincerely,

Rebecca Holmes,
Executive Director
Highlands Community Services



Change Request Notification

03/10/2020

08:13 AM

This notification is in response to your LIHTC Change Request submitted for the below-mentioned development. Please keep VHDA informed of the progress to complete this transaction.

Change Request #	1-RentBurdenedPoints-SBII		
Deal Name	Sweetbriar II Apartments	VHDA #	
Address		Deal #	2728
Address cont		Request Date	03/05/2020
City		Regulation Year	2019
Zip		Status	Approved

Customer Requestor bailey@peopleinc.net

Define Requirement (as stated on Request)

According to section 13VAC10-180-60.2.2(k) in Virginia’s 2019-2020 Qualified Allocation Plan, “Any proposed new construction development (including adaptive re-use and rehabilitation that creates additional rental space) located in a pool identified by the Authority as a pool with little or no increase in rent burdened population. (up to minus 20 points, depending upon the portion of the development that is additional rental space, in all pools except the at-large pool, 0 points in the at-large pool; the executive director may make exceptions in the following circumstances: (1) specialized types of housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures; (2) housing designed to serve as a replacement for housing being demolished through redevelopment; or (3) housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority.)

Explanation of Request (as stated on Request)

As evidenced by the attached “Request for Exception to Penalty for Areas with Little or No Increase in Rent Burdened Population,” People Incorporated requests that Virginia Housing waive the negative twenty points on the Sweetbriar II Apartments 2020-C-87 new construction, 9% LIHTC reservation application on grounds that the additional, family units incorporating both UFAS accessibility and project-based, mainstream voucher subsidy represent specialized housing that meets needs that cannot otherwise be met with existing residential structures.

People Incorporated, in consultation with and support from Highlands Community Services Board, will offer these units to meet the significant demand for affordable, rental units for disabled family households. Sweetbriar II, like the current Sweetbriar Apartment development, will bring online more affordable, three-bedroom units to address demand for affordable family housing. However, unlike the current Sweetbriar Apartment development, Sweetbriar II will incorporate fully accessible units with deep subsidy prioritized for non-elderly households with disabilities. Highland Community Services’ has identified four ID/DD consumers in immediate need of housing in Washington County. The UFAS units subsidized with mainstream vouchers, particularly those designed for sensory impairments, are to be prioritized for these households. Another demographic in need that the CSB identified for other units at Sweetbriar II are those with substance abuse disorders. With an increasing number of Washington County residents succumbing to the opioid epidemic, the limited rental stock and the renter history issues attributed to chronic substance abuse have made securing affordable three-bedroom, units exceedingly difficult.

The Washington County Board of Supervisors, by its vote to declare the project site a revitalization area, unanimously supports Sweetbriar II Apartments. The County’s Housing Choice Voucher administrator is committed to support the development with the addition of five, project-based, mainstream vouchers. Highlands Community Services supports the creation of these new, specialized units to meet immediate demand among its extremely low-income consumers with disabilities. And with Virginia Housing’s decision to waive this point penalty, People Incorporated is prepared to deliver these new, specialized units to its neighbors in need.

Status: Approved



Change Request Notification

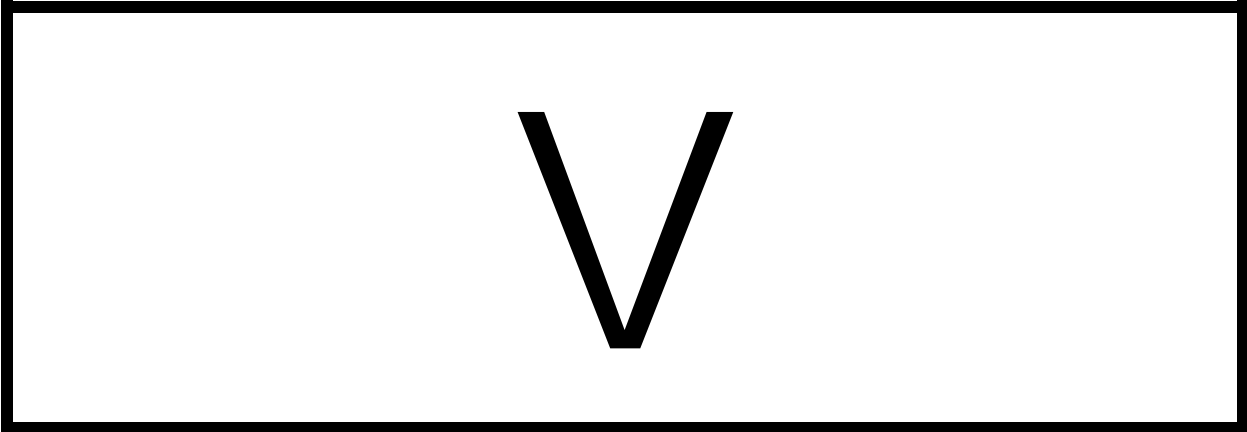
03/10/2020

08:13 AM

Comments

If you have any further questions, please contact the VHDA Tax Credit Allocation department.

JD Bondurant
Director of LITHC Programs



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

RIGHT OF FIRST REFUSAL AGREEMENT
PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

This Purchase Option and Right of First Refusal Agreement ("Purchase Agreement") is made as of the 17th day of March, 2021, by and between SWEETBRIAR II APARTMENTS, LLC, a Virginia limited liability company (the "Company"), PEOPLE INCORPORATED HOUSING GROUP, a Virginia non stock corporation ("Grantee").

Whereas, Grantee has been instrumental in the development of the Project Property known as Sweetbriar II Apartments, as described in the Purchase Agreement being executed concurrently with this Agreement and Exhibit A Legal Description, and will act as guarantor of the obligations of the Company for the further development of the Project Property; and

Whereas, the Project Property is or will be subject to one or more governmental agency regulatory agreements (collectively, the "Regulatory Agreement") restricting its use to low-income housing and may become subject to a low-income use restriction (the "Special Covenant") pursuant to the terms and conditions of this Agreement (such use restrictions under the Regulatory Agreement and any Special Covenant being referred to collectively herein as the "Use Restrictions"); and

Whereas, Grantee desires to provide for the continuation of the Project Property as low-income housing upon termination of the Company by Grantee purchasing the Project Property at the applicable price determined under this Purchase Agreement and operating the Project Property in accordance with the Use Restrictions; and

Whereas, as a condition precedent to the formation or continuation of the Company pursuant to the Agreement, Grantee has negotiated and required that the Company shall execute and deliver this Purchase Agreement in order to provide for such low-income housing.

Now, Therefore, in consideration of the execution and delivery of the Agreement and the payment by the Grantee to the Company of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Option.** The Company hereby grants to Grantee an option (the "Option") to purchase the real estate, fixtures, and personal property comprising the Project Property or associated with the physical operation thereof, owned by the Company at the time of purchase (the "Property"), after the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Project Property (the "Compliance Period") as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), on the terms and conditions set forth in this Purchase Agreement and subject to the conditions precedent to exercise of the Option specified herein. The Project Property real estate is legally described in Exhibit A attached hereto and made a part hereof. The Regulatory Agreement containing the

Use Restrictions to which the Project Property real estate will remain subject under Section 9 hereof is described in Exhibit B attached hereto and made a part hereof.

2. **Grant of Refusal Right.** In the event that the Company receives a bona fide offer to purchase the Project Property, which offer the Company intends to accept, Grantee shall have a right of first refusal to purchase the Property (the "Refusal Right") after the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Section 10 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h) (5) (C) of the Code, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Section 10 hereof meeting the requirements of Section 42(i)(7)(A) of the Code. Prior to accepting any such bona fide offer to purchase the Property, the Company shall notify Grantee of such offer and deliver a copy thereof. The Company shall not accept any such offer unless and until the Refusal Right has expired without exercise by Grantee under Section 6 hereof.

3. **Purchase Price Under Option.** The purchase price for the Property pursuant to the Option shall be the greater of the following amounts, subject to the proviso set forth hereinbelow:

a. **Debt and Taxes.** An amount sufficient (i) to pay all debts (including member loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, and (ii) to distribute to the Members, after payments under Section 11.04(a) and (b) of the Agreement and payments of an amount equal to any LIHTC Reduction Guaranty Payment, Unpaid LIHTC Shortfall, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Option, all as more fully stated in Sections of the Agreement, which is hereby incorporated herein by reference; or

b. **Fair Market Value.** The fair market value of the Property, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser, selected by the Company's regular certified public accountants, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Project Property is located;

4. **Purchase Price Under Refusal Right.** The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of (a) an amount sufficient to pay all debts (including member loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Refusal Right, and (b) an amount sufficient to distribute to the Members, after payments under Section 11.04(a) and (b) of the Agreement and an amount equal to any LIHTC Reduction Guaranty Payment, Unpaid LIHTC Shortfall, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Refusal Right, all as more fully stated in Section 11.04 of the Agreement, which is hereby incorporated herein by reference.

5. **Conditions Precedent.** Notwithstanding anything in this Agreement to the contrary, the Option and the Refusal Right granted hereunder shall be contingent on the following:

a. **Regulatory Agreement.** Either (i) the Regulatory Agreement shall have been entered into and remained in full force and effect, and those Use Restrictions to be contained therein, or (ii) if the Regulatory Agreement is no longer in effect due to reasons other than a default thereunder by the Company, such Use Restrictions, as so approved and unmodified, shall have remained in effect by other means and shall continue in effect by inclusion in the deed as required under Paragraph 10 hereof.

If any or all of such conditions precedent have not been met, the Option and the Refusal Right shall not be exercisable. Upon any of the events terminating the Grantee under the Agreement or affecting the Regulatory Agreement as described in this Section 5, the Option and the Refusal Right shall be void and of no further force and effect.

6. **Exercise of Option or Refusal Right.** The Option and the Refusal Right may each be exercised by Grantee by (a) giving prior written notice of its intent to exercise the Option or the Refusal Right to the Company and each of its Members in the manner provided in the Agreement and in compliance with the requirements of this Section 6, and (b) complying with the contract and closing requirements of Section 8 hereof. Any such notice of intent to exercise the Option shall be given during the last twelve (12) months of the Compliance Period. Any such notice of intent to exercise the Refusal Right shall be given within one hundred eighty (180) days after Grantee has received the Company's notice of a bona fide offer pursuant to Section 2 hereof, but in no event later than one hundred eighty (180) days immediately following the end of the Compliance Period, notwithstanding any subsequent receipt by the Company of any such offer. In either case, the notice of intent shall specify a closing date within one hundred eighty (180) days immediately following the end of the Compliance Period. If the foregoing requirements (including those of Section 9 hereof) are not met as and when provided herein, the Option or the Refusal Right, or both, as applicable, shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, all rights under the other shall be subordinate to the rights then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Property pursuant to such notice shall expire and be of no further force or effect, provided that in the event that the

Option and the Refusal Right are hereafter held by different parties by reason of any permitted assignment or otherwise, Grantee in its assignment(s) or such parties by written agreement may specify any other order of priority consistent with the other terms and conditions of this Agreement.

7. **Determination of Price.** Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, the Company and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property.

8. **Contract and Closing.** Upon determination of the purchase price, the Company and Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project Property is located, providing for a closing not later than the date specified in Grantee's notice of intent to exercise of the Option or the Refusal Right, as applicable, or thirty (30) days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Option or the Refusal Right, as applicable. The purchase and sale hereunder shall be closed through a deed-and-money escrow with the title insurer for the Project Property or another mutually acceptable title company.

9. **Use Restrictions.** In consideration of the Option and the Refusal Right granted hereunder at the price specified herein, Grantee hereby agrees that the deed of the Project Property to Grantee shall contain a covenant running with the land, restricting use of the Project Property to low-income housing to the extent required by those Use Restrictions contained in the Regulatory Agreement. Such deed covenant shall contain a reverter clause in the event of material violation of such Use Restrictions. Such deed covenant shall include a provision requiring Grantee to pay any and all costs, including attorneys' fees, incurred by any other holder of such reverter rights in enforcing or attempting to enforce the Use Restrictions or such reverter rights, and to pay any and all damages incurred. All reverter provisions contained in such deed and in this Agreement shall be subject and subordinate to any third-party liens encumbering the Project Property.

If prior to exercise of the Option or the Refusal Right, as applicable, the Service has issued a revenue ruling or provided a private letter ruling to the Company holding that a covenant of the nature described hereinbelow may be utilized without limiting tax credits or deductions that would otherwise be available, then as a condition of the Option and the Refusal Right, the deed to Grantee shall include a Special Covenant specifically restricting continued use of the Project Property to low-income housing as determined in accordance with the same low-income and maximum rent requirements (excluding any right under the Code to raise rents after notice to the applicable state or local housing credit agency if it is unable to find a buyer at the statutory price) as are currently specified in the Agreement with reference to the low-income housing tax credit (notwithstanding any future discontinuation of such credit or modification of federal requirements therefor), except insofar as more stringent use requirements are imposed by

the Regulatory Agreement. The Special Covenant shall constitute part of the Use Restrictions. The Special Covenant may state that it is applicable and enforceable only to the extent such housing produces income sufficient to pay all operating expenses and debt service and fund customary reserves and there is a need for low-income housing in the geographic area in which the Project Property is located. The Special Covenant shall run with the land for a period of fifteen (15) years after closing of the purchase under the Option or the Refusal Right, as applicable, or, if longer, for the period measured by the then remaining period of Use Restrictions under the Regulatory Agreement, provided that the Special Covenant shall terminate at the option of any holder of the reverter rights described hereinabove, upon enforcement thereof.

In the event that neither the Option nor the Refusal Right is exercised, or the sale pursuant thereto is not consummated, then upon conveyance of the Project Property to anyone other than Grantee or its permitted assignee hereunder, the foregoing provisions shall terminate and have no further force or effect.

10. **Assignment.** Grantee may assign all or any of its rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h) (5) (C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project Property (each a "Permitted Assignee") that demonstrates its ability and willingness to maintain the Project Property as low-income housing in accordance with the Use Restrictions, which shall not be unreasonably withheld if the proposed grantee demonstrates that it is reputable and creditworthy and is a capable, experienced owner and operator of residential rental property, and subject in any event to the conditions precedent to the Refusal Right grant and the Option price set forth in Sections 2 and 3 hereof. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Company. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Company. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

11. **Miscellaneous.** This Agreement shall be governed by the laws of the Commonwealth of Virginia. This Agreement may be executed in counterparts or counterpart signature pages, which together shall constitute a single agreement.

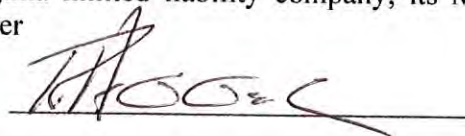
In Witness Whereof, the parties have executed this document as of the date first set forth hereinabove.

Company:

Sweetbriar II Apartments, L.L.C., a Virginia limited liability company

By: Sweetbriar II Apartments Management, LLC, a Virginia limited liability company, its Managing Member

By:



Robert G. Goldsmith, President

COMMONWEALTH OF VIRGINIA)

CITY/COUNTY OF Washington)

) ss
)

I, April Renee Woodard, a Notary Public in and for said City/County in the Commonwealth aforesaid, do hereby certify that Robert G. Goldsmith, President and CEO, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the Company known as People Incorporated Housing Group on behalf of which said corporation has executed the foregoing instrument as a Managing Member of Sweetbriar II Apartments, LLC, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 17, 2021.

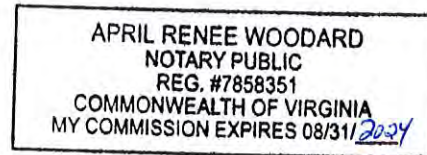
April Renee Woodard
Notary Public

My Commission Expires: August 31, 2024

[SEAL]

Registration Number:

7858351



Grantee:

People Incorporated Housing Group., a Virginia corporation

By: *[Signature]*

Robert G. Goldsmith, President and CEO

COMMONWEALTH OF VIRGINIA)
) ss
CITY/COUNTY OF Washington)

I, April Renee Woodard, a Notary Public in and for said City/County in the Commonwealth aforesaid, do hereby certify that Robert G. Goldsmith, President and CEO, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the Company known as People Incorporated Housing Group on behalf of which said corporation has executed the foregoing instrument as a Managing Member of Sweetbriar II Apartments, LLC, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 17, 2021.

April Renee Woodard
Notary Public

My Commission Expires: August 31, 2024

[SEAL]

Registration Number:
7858351

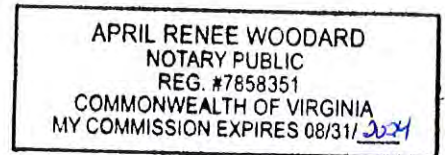


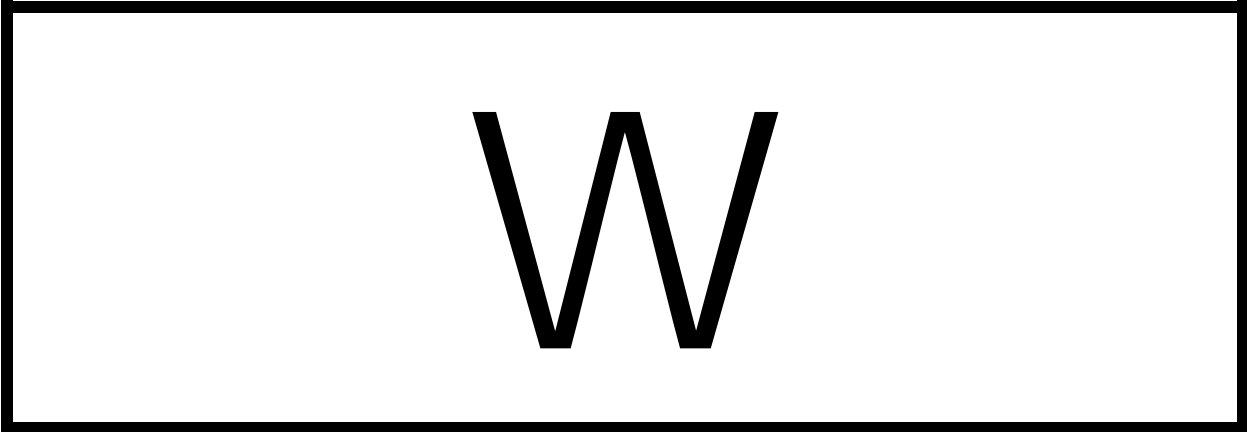
EXHIBIT A

**LEGAL DESCRIPTION OF
PROJECT REAL ESTATE**

All that certain tract or parcel of land lying and being in the Harrison Magisterial District of Washington County, Virginia, more particularly described as follows:

Being lots designated #5-7, 9, and 12-18 of the Sweetbriar Subdivision in Washington County, Virginia, which lots are more specifically designated on a plat of L. K. Addison dated September 17, 2009, of record in the office of the Clerk of the Circuit Court for Washington County Virginia in Plat Book 61, pages 08-09, reference to which is made for a more particular description of the property, and being the same property conveyed to the Optionor by deed dated February 12, 2008 of record in the aforementioned Clerk's office at Instrument No. 080004757.

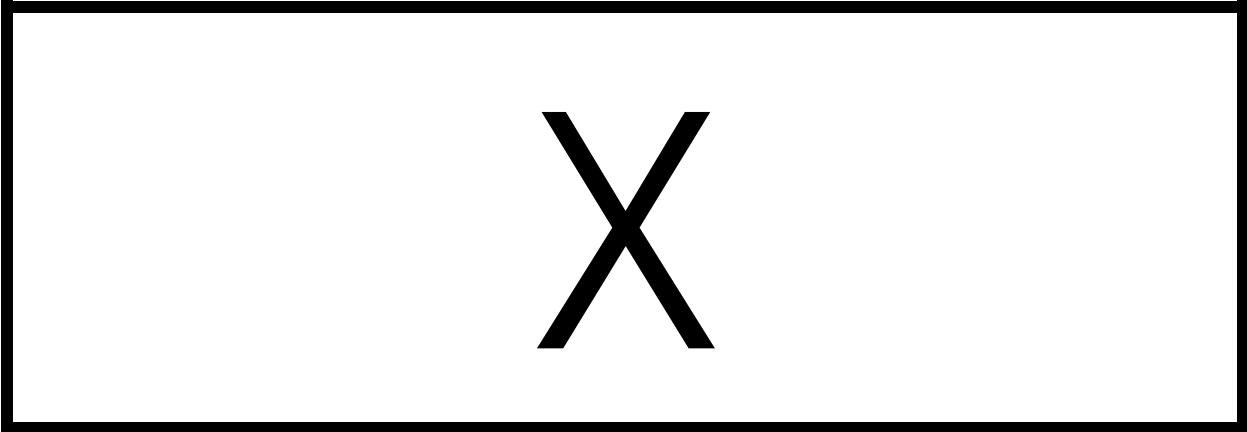
Tax Map Nos. 103A510-5
103A510-6
103A510-7
103A510-9
103A510-12
103A510-13
103A510-14
103A510-15
103A510-16
103A510-17
103A510-18



W

Internet Safety Plan and
Resident Information
Form

N/A



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

2021-C-77
Sweetbriar II Apartments, LLC
Sweetbriar II Apartments

Marketing Plan for Accessibility Units

Overview:

Upon completion of the construction of Sweetbriar II Apartments, five (5) of the units in the complex will meet accessibility requirements of HUD Section 504 for persons with disabilities and will be actively marketed to persons with disabilities as defined in the Fair housing Act. All five units are to be subsidized with Section 811 project-based Mainstream vouchers, and as such, will be subject to additional eligibility requirements and preferences. All units must be inhabited by households with a non-elderly disabled member between the ages of 18-62. Units will be held vacant for 60 days during which ongoing marketing will be documented. Whenever a 504 unit becomes available for occupancy, it shall first be offered to a qualified household with disabilities. If there are no such persons currently residing in the project, Sweetbriar II Apartments, LLC, the owner, shall then offer the unit to the next available qualified household with disabilities on its waiting list.

Additionally, Sweetbriar II Apartments, LLC will provide a first preference on its waiting list for households with non-elderly persons with disabilities who are transitioning out of institutional and other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless. Accessible units will be held vacant for 60 days during which ongoing marketing efforts to attract interest from this preferred demographic will be documented. During the period of vacancy, the owner will maintain monthly contact with at least two (2) of the resources listed below to fill the vacancy. If no such household qualifies for occupancy, the unit will be offered to the next eligible household on the waiting list.

Individuals seeking housing will need to qualify under the income restrictions and application screening of Sweetbriar II, including but not limited to earning at least 60% or less of the Area Median Income.

Resources:

Through the use of resources available from several organizations, Sweetbriar II Apartments, LLC, the owner, will be able to offer tenants in need of accessible, as well as affordable housing, a place to call home. With the assistance of Access Virginia, the owner will be able to locate many agencies and organizations capable of matching individual and family housing needs with properties that can meet those needs. In addition, the property will be listed at virginiahousingsearch.com.

The **National Accessible Apartment Clearinghouse (NAAC)** connects individuals with disabilities with apartments that have been designed for them or adapted to meet their needs. The NAAC maintains a registry of more than 80,000 units in 50 states. By registering Sweetbriar II Apartments with the NAAC, individuals in need of accessible and affordable housing will be able to find the development on the NAAC's website.

Highlands Community Services (CSB) provides mental health, substance abuse and developmental services to the residents of Washington County and Bristol for over forty years. Per an active Memorandum of Agreement (MOA) with Sweetbriar II Apartments, Highlands Community Services will provide referrals and offer ongoing supportive and independent living services to individuals with intellectual or development disabilities or serious mental illness living in the fully accessible units.

Appalachian Independence Center Is a Center for Independent Living (CIL) that provides peer counseling, information and referral, independent living skills training, advocacy, and transition services to individuals with all ranges of disabilities in Washington, Smyth, Wythe, Bland, Grayson, and Carroll Counties as well as the Cities of Bristol and Galax, VA.

People Incorporated of Virginia is the Section 8 administrator for Washington County. The owner will collaborate internally to assist voucher holders and persons with disabilities with locating housing at Sweetbriar II Apartments.

The owner will also utilize the **Virginia Department of Medical Assistance Services (DMAS)** and the **Virginia Department of Behavioral Health and Developmental Services (DBHDS)** as resources for referrals to the property.

When members of the community with mobility impairments or intellectual or developmental disabilities come to one of these organizations, they will be informed of the opportunities available to meet their housing needs at Sweetbriar II Apartments.