
2025 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At Virginia Housing No Later Than
12:00 PM Richmond, VA Time On **March 13, 2025**

Tax Exempt Bonds

Applications must be received at Virginia Housing
No Later Than 12:00 PM Richmond, VA Time for one of the two
available 4% credit rounds- January 15, 2025, May 1, 2025 or July
1, 2025.



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

INSTRUCTIONS FOR THE VIRGINIA 2025 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 365. 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 13, 2025**. 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 via your specific Procorem workcenter.

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
7. Developer Experience Documentation (PDF)

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. You may also use the drag function.

► 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
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Jonathan Kinsey	jonathan.kinsey@virginiahousing.com	(804) 584-4717
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
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Hadia Ali	hadia.ali@virginiahousing.com	(804) 343-5873

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2025 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) - Invoice information will be provided in your Procorem Workcenter
☒	Electronic Copy of the Microsoft Excel Based Application (MANDATORY)
☒	Scanned Copy of the Signed Tax Credit Application with Attachments (excluding market study, 8609s 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 (MANDATORY)
☒	Electronic Copy of the Specifications (MANDATORY)
☒	Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab)
☒	Electronic Copy of Unit by Unit Matrix and Scope of Work narrative (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)
☒	Electronic Copy of Development Experience and Partnership or Operating Agreement, including chart of ownership structure with percentage of interests (MANDATORY)
☒	Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests (see manual for details) (MANDATORY)
☒	Tab B: Virginia State Corporation Commission Certification (MANDATORY)
☒	Tab C: Syndicator's or Investor's Letter of Intent (MANDATORY)
☐	Tab D: Any supporting documentation related to List of LIHTC Developments (Schedule A)
☒	Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY)
☒	Tab F: Third Party RESNET Rater Certification (MANDATORY)
☒	Tab G: Zoning Certification Letter (MANDATORY)
☒	Tab H: Attorney's Opinion using Virginia Housing template (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 if Rehab)
☐	Tab K: Documentation of Development Location:
☐	K.1 Revitalization Area Certification
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☐	Tab L: PHA / Section 8 Notification Letter
☐	Tab M: <i>(left intentionally blank)</i>
☐	Tab N: Homeownership Plan
☐	Tab O: Plan of Development Certification Letter
☐	Tab P: Zero Energy or Passive House documentation for prior allocation by this developer
☒	Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
☒	Tab R: Documentation of Utility Allowance Calculation
☐	Tab S: Supportive Housing Certification
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☒	Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing
☐	Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
☒	Tab W: Internet Safety Plan and Resident Information Form
☒	Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
☐	Tab Y: Inducement Resolution for Tax Exempt Bonds
☐	Tab Z: Documentation of team member's Diversity, Equity and Inclusion Designation or Veteran Owned Small Business certification
☐	Tab AA: Priority Letter from Rural Development
☐	Tab AB: Ownership's Social Disadvantage or Veteran Owned Small Business Certification

VHDA TRACKING NUMBER 2025-TEB-139

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 7/25/25

1. Development Name: Sussex Trace Apartments
2. Address (line 1): 7144 Leneave Lane
 Address (line 2):
 City: Waverly State: VA Zip: 23890
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 Sussex 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: 8703.00
7. Development is located in a **Qualified Census Tract**..... FALSE *note regarding DDA and QCT*
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 or by the locality**.... FALSE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a household poverty rate
- | 3% | 10% | 12% |
|--------------|--------------|--------------|
| <u>FALSE</u> | <u>FALSE</u> | <u>FALSE</u> |
13. Development is located in a medium or high-level economic development jurisdiction based FALSE
14. Development is located on land owned by federally or Virginia recognized Tribes FALSE
- Enter only Numeric Values below:**
15. Congressional District: 4
 Planning District: 19
 State Senate District: 13
 State House District: 83

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

The proposed redevelopment of 50 one- and two-bedroom units in Waverly, VA. The developer intends to spend ~\$162,000 per unit to totally modernize the property. All finishes, fixtures, and exterior finishes will be replaced.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 7/25/25

The site will be revamped, with a mill and overlay, the addition of the accessible path, overhauled site lighting, and the creation of an outdoor recreation area with playground, picnic area, and gazebo.

VHDA TRACKING NUMBER 2025-TEB-139

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 7/25/25

17. 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: Richard Douglas
Chief Executive Officer's Title: County Admin Phone: 434-246-1000
Street Address: 20135 Princeton Rd
City: Sussex State: VA Zip: 23884

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

- 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:

B. RESERVATION REQUEST INFORMATION**1. Requesting Credits From:**

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

or

b. If requesting Tax Exempt Bond credits, select development type:

Acquisition/Rehab

For Tax Exempt Bonds, where are bonds being issued?

Virginia Housing

ACTION: Provide Inducement Resolution at **TAB Y** (if available)**Skip to Number 4 below.****2. Type(s) of Allocation/Allocation Year**

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2025.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, 2025, 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 2025 credits pursuant to Section 42(h)(1)(E).**3. Select Building Allocation type:****Note** regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

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

5. Planned Combined 9% and 4% Developments

a. A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development to this 9% allocation request and the remaining development will be a 4% tax exempt bond ap FALSE

If true, provide name of companion development

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

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

6. Extended Use Restriction**Note:** Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.**Must Select One:** 50**Definition of selection:**

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

7. Virginia Housing would like to encourage the efficiency of electronic payments. Indicate if developer commits to submitting any p due the Authority, including reservation fees and monitoring fees, by electronic payment. TRUE

Virginia Housing offers the Rental Housing Invoicing Portal to allow easy payments via secure ACH transactions. See Login at top rig An invoice for your application fee along with access information was provided in your development's assigned Procorem w

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.

a. Owner Name: Sussex Trace Preservation, LLC

Developer Name: Green Street Housing, LLC

Contact: M/M ▶ Mr. First: Thomas MI: J Last: Ayd

Address: 212 E Main Street, Suite 200

City: Salisbury St. ▶ MD Zip: 21801

Phone: (443) 614-4976 Ext. Fax:

Email address: tom@greenstreethousing.com

Federal I.D. No. 991862772 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ limited liability company Formation State: ▶ Virginia

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

Jake Lanza, jake@greenstreethousing.com, 443-880-3149

- 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)**
 - c. Complete the Principals' Previous Participation Certification tabs within this spreadsheet. Include signed in Application PDF.
 - d. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments the last 15 years. **(Mandatory at TABS A/D)**

- b. FALSE Indicate if at least one principal listed within Org Chart qualifies for socially disadvantaged status and least 25% ownership interest in the controlling general partner or managing member as defined in the

ACTION: If true, provide Virginia Housing Socially Disadvantaged Certification **(TAB AB)**

- c. FALSE Indicate if at least one principal listed within Org Chart has a Veteran-Owned Small Business Certification at least 25% ownership interest in the controlling general partner or managing member as defined in

ACTION: If true, provide Virginia Housing Veteran Owned Small Business Certification **(TAB AB)**

- d. FALSE Indicate True if the owner meets the following statement:

C. OWNERSHIP INFORMATION

An applicant with a principal that, within three years prior to the current application, received an IRS Form 8609 for placing a separate development in service without returning credits to or requesting additional credits from the issuing housing finance agency, will be permitted to increase the amount of developer’s fee included in the development’s eligible basis by 10%.

If True above, what property placed in service

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: ☒ Purchase Contract

Expiration Date: 12/31/25

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..... 12/31/25 .

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:

Sussex Village Apartments TM, LLC

Address:

1375 Piccard Drive Suite 150

City:

Rockville

St.:

MD

Zip:

20850

Contact Person:

Adam Stockmaster

Phone:

(202) 256-3764

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

FALSE

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

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

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

E DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

- Indicate either DEI (Diversity, Equity, and Inclusion) or Veteran Owned Small Business designation (as defined in the manual) that you would like to assign to each contract (if applicable). Each contract can only be assigned to one designation. You can mark True for 3 contracts per each designation to receive the full 10 points.

ACTION: Provide copy of certification from Commonwealth of Virginia, if applicable - **TAB Z**

1. Tax Attorney:	Allison T. Domson, Esq.	This is a Related Entity.	FALSE
Firm Name:	Williams Mullen	DEI Designation:	FALSE OR
Address:	200 South 10th St, Suite 1600	Veteran Owned Small B	FALSE
City, State, Zip	Richmond, VA 23218		
Email:	adomson@williamsmullen.com	Phone:	(804) 420-6915
2. Tax Accountant:	Todd Fentress	This is a Related Entity.	FALSE
Firm Name:	EisnerAmper	DEI Designation:	FALSE OR
Address:	4249 Easton Way, Suite 210	Veteran Owned Small B	FALSE
City, State, Zip	Columbus, OH 43219		
Email:	todd.fentress@eisneramper.com	Phone:	(614) 306-7824
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation:	FALSE OR
Address:		Veteran Owned Small B	FALSE
City, State, Zip		Role:	
Email:		Phone:	
4. Management Entity:	Mike Severe	This is a Related Entity.	FALSE
Firm Name:	Gateway Management Services, LLC	DEI Designation:	FALSE OR
Address:	350C Fortune Terrace, Suite 202	Veteran Owned Small B	FALSE
City, State, Zip	Potomac, Maryland 20854		
Email:	mike@gwaffordable.com	Phone:	(301) 412-6460
5. Contractor:	Jimmy Holland	This is a Related Entity.	FALSE
Firm Name:	Peacock Holland Construction, LLC	DEI Designation:	FALSE OR
Address:	301 S Main St #105	Veteran Owned Small B	FALSE
City, State, Zip	Blacksburg, VA 24060		
Email:	jimmy@peacockhollandconstruction.co	Phone:	(540) 613.2160
6. Architect:	Chuck Hawley, AIA	This is a Related Entity.	FALSE
Firm Name:	Studio 343	DEI Designation:	FALSE OR
Address:	1912 D Lincoln Drive	Veteran Owned Small B	FALSE
City, State, Zip	Annapolis, MD 21401		
Email:	chuck@studio343.com	Phone:	(410) 267-6589

E DEVELOPMENT TEAM INFORMATION

7. Real Estate Attorney	Allison T. Domson, Esq.	This is a Related Entity.	FALSE
Firm Name:	Williams Mullen	DEI Designation:	FALSE OR
Address:	200 South 10th St, Suite 1600	Veteran Owned Small B	FALSE
City, State, Zip	Richmond, VA 23218		
Email:	adomson@williamsmullen.com	Phone:	(804) 420-6915
8. Mortgage Banker:	Ryne Johnson, President	This is a Related Entity.	FALSE
Firm Name:	Astoria, LLC	DEI Designation:	FALSE OR
Address:	3450 Lady Marian Court	Veteran Owned Small B	FALSE
City, State, Zip	Midlothian, VA 23223		
Email:	rynejohnson@astoriallc.com	Phone:	(804) 320-0585
9. Other 1:	John Parreco	This is a Related Entity.	FALSE
Firm Name:	East West Advisors, LLC	DEI Designation:	FALSE OR
Address:	4539 Mary Ellen Avenue	Veteran Owned Small B	FALSE
City, State, Zip	Los Angeles, CA 91423	Role:	HUD Consultant
Email:	John@ewallc.com	Phone:	(301) 646-6020
10. Other 2:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation:	FALSE OR
Address:		Veteran Owned Small B	FALSE
City, State, Zip		Role:	
Email:		Phone:	
11. Other 3:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation:	FALSE OR
Address:		Veteran Owned Small B	FALSE
City, State, Zip		Role:	
Email:		Phone:	
12. Other 4:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation:	FALSE OR
Address:		Veteran Owned Small B	FALSE
City, State, Zip		Role:	
Email:		Phone:	
13. Other 5:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation:	FALSE OR
Address:		Veteran Owned Small B	FALSE
City, State, Zip		Role:	
Email:		Phone:	

F. REHAB INFORMATION**1. Acquisition Credit Information**

- a. Credits are being requested for existing buildings being acquired for development. **TRUE**

Action: If true, provide an electronic copy of the Existing Condition Questionnaire, Unit by Unit Matrix and Appraisal.

- b. This development has received a previous allocation of credits..... **FALSE**

If so, when was the most recent year that this development received credits?

If this is a preservation deal,

what date did this development enter its Extended Use Agreement period?

- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... **FALSE**

- d. This development is an existing RD or HUD S8/236 development..... **TRUE**

Action: (If True, provide required form in **TAB Q**)

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

- d. There are different circumstances for different buildings..... **FALSE**

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

F. REHAB INFORMATION**3. Rehabilitation Credit Information**

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

b. Minimum Expenditure Requirements

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

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

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

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

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

Applications for 9% Credits - Section 1 must be completed in order to compete in the Non Profit tax credit pool.
All Applicants - Section 2 must be completed to obtain points for nonprofit involvement.

- 1. Tax Credit Nonprofit Pool Applicants:** To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:
- FALSE a. Be authorized to do business in Virginia.
 - FALSE b. Be substantially based or active in the community of the development.
 - FALSE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
 - FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the partnership or managing member interest.
 - FALSE e. Not be affiliated with or controlled by a for-profit organization.
 - FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
 - FALSE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

- ### A. Nonprofit Involvement (All Applicants)

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

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

- B. Type of involvement:
Nonprofit meets eligibility requirement for points only, not pool..... **FALSE**
or
Nonprofit meets eligibility requirements for nonprofit pool and points. **FALSE**

- C. Identity of Nonprofit (All nonprofit applicants):
- The nonprofit organization involved in this development is: ▶
- Name:
- Contact Person:
- Street Address:
- City: State: ▶ Zip:
- Phone: Contact Email:

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

G. NONPROFIT INVOLVEMENT

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

G. NONPROFIT INVOLVEMENT**3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal**

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

Action: Provide Option or Right of First Refusal in recordable form using Virginia Housing's template. **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit:

or indicate true if Local Housing Authority..... **FALSE**

Name of Local Housing Authority

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

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

Action: Provide Homeownership Plan **(TAB N)** and contact Virginia Housing for a Pre-App

NOTE: Applicant is required to waive the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION**# General Information**

- | | | | |
|--|---------|----------|-----|
| a. Total number of all units in development | 50 | bedrooms | 120 |
| Total number of rental units in development | 50 | bedrooms | 120 |
| Number of low-income rental units | 50 | bedrooms | 120 |
| Percentage of rental units designated low-income | 100.00% | | |
-
- | | | | |
|---------------------------------------|----|----------|-----|
| b. Number of new units:..... | 0 | bedrooms | 0 |
| Number of adaptive reuse units: | 0 | bedrooms | 0 |
| Number of rehab units:..... | 50 | bedrooms | 120 |
-
- 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..... 60,244.00 (Sq. ft.)
- e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... 4,754.00 (Sq. ft.)
- f. Nonresidential Commercial Floor Area (Not eligible for funding)..... 0.00
- g. Total Usable Residential Heated Area..... 55,490.00 (Sq. ft.)
- h. Percentage of Net Rentable Square Feet Deemed To Be **New Rental Space**..... 0.00%
- i. Exact area of site in acres 4.680
- 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**# UNIT MIX**

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

LIHTC Units can not be greater than Total Rental

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	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	889.37	SF	30	30
2+ Story 3BR Townhouse	1138.15	SF	20	20
2+ Story 4BR Townhouse	0.00	SF	0	0
			50	50

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

Structures

- a. Number of Buildings (containing rental units)..... 8
- b. Age of Structure:..... 43 years
- c. Maximum 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

- 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>FALSE</u> | vi. Detached Two-family | <u>FALSE</u> |
| iii. Slab on Grade | <u>TRUE</u> | vii. Basement | <u>FALSE</u> |
| iv. Crawl space | <u>FALSE</u> | | |

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

H. STRUCTURE AND UNITS INFORMATION

- | | | |
|----------------------------|---|---------|
| i. Roof Type | ▶ | Pitched |
| j. Construction Type | ▶ | Frame |
| k. Primary Exterior Finish | ▶ | Vinyl |

Site Amenities (indicate all proposed)

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

- | | |
|-----------------------------------|---|
| l. Describe Community Facilities: | Community Room with Business Center, Playground |
|-----------------------------------|---|

- | | |
|---------------------------------------|-------|
| m. Number of Proposed Parking Spaces | 90 |
| 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 or proffered public bus stop. | FALSE |
|---|-------|

If **True**, Provide required documentation (**TAB K2**).

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% Application:

- 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.

J. ENHANCEMENTS

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

- a. **New Construction:** must obtain 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. The HERS report should be completed for the whole development and not an individual unit.

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

ACTION: Provide RESNET rater certification of Development Plans (**TAB F**)

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

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

- | | |
|---------------|--|
| TRUE | a. A community/meeting room with a minimum of 749 square feet is provided with free WIFI access restricted to residents only. |
| 60.00% | b1. Percentage of brick covering the exterior walls. |
| 0.00% | b2. Percentage of Fiber Cement Board or other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations. |
| TRUE | c. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| TRUE | d. Cooking surfaces are equipped with fire suppression features as defined in the manual. |
| TRUE | e. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| or | |
| FALSE | f. Full bath fans are equipped with a humidistat. |
| TRUE | g. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| TRUE | h. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| FALSE | i. Each unit is provided free individual high-speed internet access.
(Must have a minimum 20Mbps upload/100Mbps download speed per manual.) |
| FALSE | j. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| FALSE | k. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| or | |
| TRUE | l. All Construction types: each unit is equipped with a permanent dehumidification system. |
| FALSE | m. All interior doors within units are solid core. |
| FALSE | n. Installation of a renewable energy electric system in accordance with manufacturer's specifications and applicable provisions of the National Electrical Code - Provide documentation at Tab F . |
| FALSE | o. 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.
- FALSE** d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

- | | | | |
|--------------|-------------------------------------|--------------|-------------------------|
| FALSE | Zero Energy Ready Home Requirements | FALSE | Passive House Standards |
|--------------|-------------------------------------|--------------|-------------------------|
- FALSE** Applicant wishes to claim points from a prior allocation that has received certification for Zero Energy Ready or Passive House Standards. Provide certification at **Tab P**. See Manual for details and requirements.

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

- | | |
|--------------|--|
| FALSE | a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards. |
| 0 | b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards: |

0% of Total Rental Units

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



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

I. UTILITIES

1. Utilities Types:

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

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

Water?	TRUE	Heat?	FALSE
Hot Water?	FALSE	AC?	FALSE
Lighting/ Electric?	FALSE	Sewer?	TRUE
Cooking?	FALSE	Trash Removal?	TRUE

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	21	30	0
Air Conditioning	0	0	21	30	0
Cooking	0	0	21	30	0
Lighting	0	0	21	30	0
Hot Water	0	0	21	30	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$103	\$151	\$0

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

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

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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

Any development in which ten percent (10%) of the total 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 the application for credits.

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.

Special Housing Needs/Leasing Preference:

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

####

Elderly (as defined by the United States Fair Housing Act.)

####

Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only

####

Supportive Housing (as described in the Tax Credit Manual)

####

If Supportive Housing is True: Will the supportive housing consist of units designated for tenants that are homeless or at risk of homelessness?

####

Action: Provide Permanent Supportive Housing Certification (**Tab S**)

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

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

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

Leasing Preferences

- Phone Number:

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms:	20
% of total Low Income Units	40%

[Download Current CMA List from VirginiaHousing.com](http://VirginiaHousing.com)

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 total 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.

Phone Number: (301) 412-6460 Email: mike@gwaffordable.com

K. SPECIAL HOUSING NEEDS**# 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

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

Section 8 New Construction Substantial Rehabilitation

Section 8 Moderate Rehabilitation

Section 811 Certificates

TRUE Section 8 Project Based Assistance

RD 515 Rental Assistance

Section 8 Vouchers

*Administering Organization

State Assistance

*Administering Organization

Other:

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

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

d. Number of units receiving assistance:

50

How many years in rental assistance contract

20.00

Expiration date of contract:

9/1/27

There is an Option to Renew.....

TRUE**Action:** Contract or other agreement provided **(TAB Q)**.**# Public Housing Revitalization**

Is this development replacing or revitalizing Public Housing Units?

FALSE

If so, how many existing Public Housing units?

0

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

Note: In order to qualify for any tax credits, a development must meet one of three 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), (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), or (iii) 40% or more of the units are both rent-restricted and occupied by persons whose income does not exceed the imputed income limitation designated in 10% increments between 20% to 80% of the AMI, and the average of the imputed income limitations collectively does not exceed 60% of the AMI (this is called the Average Income Test (AIT)). All occupancy tests are described in Section 42 of the IRC. Rent- and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
5	10.00%	50% Area Median
45	90.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
50	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
5	10.00%	50% Area Median
45	90.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
50	100.00%	Total

- b. Indicate that you are electing to receive points for the following deeper targets shown in the chart above and those targets will be reflected in the set-aside requirements within the Extended Use Agreement.

20-30% Levels **FALSE** 40% Levels **FALSE** 50% levels **FALSE**

- c. The development plans to utilize average income test **FALSE**

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliance	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	2 BR - 1 Bath	60% AMI	11		885.00	\$1,430.00	\$15,730
Mix 2	2 BR - 1 Bath	60% AMI	14		888.00	\$1,430.00	\$20,020
Mix 3	2 BR - 1 Bath	50% AMI	2		901.00	\$1,174.00	\$2,348
Mix 4	2 BR - 1 Bath	50% AMI	1		908.00	\$1,174.00	\$1,174
Mix 5	2 BR - 1 Bath	60% AMI	2	2	902.00	\$1,430.00	\$2,860
Mix 6	3 BR - 1 Bath	60% AMI	17		1147.00	\$1,619.00	\$27,523
Mix 7	3 BR - 1 Bath	50% AMI	2		1085.00	\$1,324.00	\$2,648
Mix 8	3 BR - 1 Bath	60% AMI	1	1	1094.00	\$1,619.00	\$1,619
Mix 9							\$0

L. UNIT DETAILS

Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0
Mix 17							\$0
Mix 18							\$0
Mix 19							\$0
Mix 20							\$0
Mix 21							\$0
Mix 22							\$0
Mix 23							\$0
Mix 24							\$0
Mix 25							\$0
Mix 26							\$0
Mix 27							\$0
Mix 28							\$0
Mix 29							\$0
Mix 30							\$0
Mix 31							\$0
Mix 32							\$0
Mix 33							\$0
Mix 34							\$0
Mix 35							\$0
Mix 36							\$0
Mix 37							\$0
Mix 38							\$0
Mix 39							\$0
Mix 40							\$0
Mix 41							\$0
Mix 42							\$0
Mix 43							\$0
Mix 44							\$0
Mix 45							\$0
Mix 46							\$0
Mix 47							\$0
Mix 48							\$0
Mix 49							\$0
Mix 50							\$0
Mix 51							\$0
Mix 52							\$0
Mix 53							\$0
Mix 54							\$0
Mix 55							\$0
Mix 56							\$0
Mix 57							\$0
Mix 58							\$0
Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0

L. UNIT DETAILS

Mix 66							\$0
Mix 67							\$0
Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0
Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
Mix 83							\$0
Mix 84							\$0
Mix 85							\$0
Mix 86							\$0
Mix 87							\$0
Mix 88							\$0
Mix 89							\$0
Mix 90							\$0
Mix 91							\$0
Mix 92							\$0
Mix 93							\$0
Mix 94							\$0
Mix 95							\$0
Mix 96							\$0
Mix 97							\$0
Mix 98							\$0
Mix 99							\$0
Mix 100							\$0
TOTALS			50	3			\$73,922

Total Units	50	Net Rentable SF: TC Units	49,444.00
		MKT Units	0.00
		Total NR SF:	49,444.00

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

M. OPERATING EXPENSES**Administrative:****Use Whole Numbers Only!**

1. Advertising/Marketing				\$550
2. Office Salaries				\$0
3. Office Supplies				\$4,150
4. Office/Model Apartment	(type		)	\$0
5. Management Fee				\$50,000
5.93% of EGI	\$1,000.00	Per Unit		
6. Manager Salaries				\$46,550
7. Staff Unit (s)	(type		)	\$0
8. Legal				\$3,000
9. Auditing				\$9,000
## Bookkeeping/Accounting Fees				\$0
## Telephone & Answering Service				\$3,000
## Tax Credit Monitoring Fee				\$2,250
## Miscellaneous Administrative				\$2,300
Total Administrative				\$120,800

Utilities

## Fuel Oil				\$0
## Electricity				\$8,600
## Water				\$33,000
## Gas				\$0
## Sewer				\$33,000
Total Utility				\$74,600

Operating:

## Janitor/Cleaning Payroll				\$0
## Janitor/Cleaning Supplies				\$1,000
## Janitor/Cleaning Contract				\$0
## Exterminating				\$2,650
## Trash Removal				\$9,500
## Security Payroll/Contract				\$3,500
## Grounds Payroll				\$0
## Grounds Supplies				\$650
## Grounds Contract				\$5,500
## Maintenance/Repairs Payroll				\$45,000
## Repairs/Material				\$5,000
## Repairs Contract				\$5,000
## Elevator Maintenance/Contract				\$0
## Heating/Cooling Repairs & Maintenance				\$750
## Pool Maintenance/Contract/Staff				\$0
## Snow Removal				\$950
## Decorating/Payroll/Contract				\$500
## Decorating Supplies				\$0
## Miscellaneous				\$0
Totals Operating & Maintenance				\$80,000

M. OPERATING EXPENSES**Taxes & Insurance**

## Real Estate Taxes		\$47,000
## Payroll Taxes		\$10,000
## Miscellaneous Taxes/Licenses/Permits		\$6,000
## Property & Liability Insurance	\$754 per unit	\$37,685
## Fidelity Bond		\$400
## Workman's Compensation		\$2,000
## Health Insurance & Employee Benefits		\$14,000
## Other Insurance		\$0
Total Taxes & Insurance		\$117,085

Total Operating Expense	\$392,485
--------------------------------	------------------

Total Operating Expenses Per Unit	\$7,850	C. Total Operating Expenses as % of	46.57%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const./Elderly Min	\$15,000
--	-----------------

Total Expenses	\$407,485
-----------------------	------------------

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	12/20/23	Jake Lanza/Chase Powell
b. Site Acquisition	12/1/25	Jake Lanza/Chase Powell
c. Zoning Approval	NA	NA
d. Site Plan Approval	7/15/25	Beverly Walkup
2. Financing		
a. Construction Loan		
i. Loan Application	7/1/25	Jake Lanza/Chase Powell
ii. Conditional Commitment	10/5/25	Jake Lanza/Chase Powell
iii. Firm Commitment	10/23/25	Jake Lanza/Chase Powell
b. Permanent Loan - First Lien		
i. Loan Application	7/1/25	Jake Lanza/Chase Powell
ii. Conditional Commitment	10/5/25	Jake Lanza/Chase Powell
iii. Firm Commitment	10/23/25	Jake Lanza/Chase Powell
c. Permanent Loan-Second Lien		
i. Loan Application	11/1/24	Charlie Moore/Chase Powell
ii. Conditional Commitment	3/19/25	Jake Lanza/Chase Powell
iii. Firm Commitment	10/31/25	Jake Lanza/Chase Powell
d. Other Loans & Grants		
i. Type & Source, List	VA DHCD HOME & HIEE	Charlie Moore/Chase Powell
ii. Application	3/19/25	Jake Lanza/Chase Powell
iii. Award/Commitment	10/31/25	Jake Lanza/Chase Powell
2. Formation of Owner	1/16/24	Charlie Moore/Chase Powell
3. IRS Approval of Nonprofit Status	NA	NA
4. Closing and Transfer of Property to Owner	12/10/25	Jake Lanza/Chase Powell
5. Plans and Specifications, Working Drawings	7/1/25	Matt Auchey
6. Building Permit Issued by Local Government	8/1/25	Matt Auchey
7. Start Construction	1/1/26	Matt Auchey
8. Begin Lease-up	5/1/26	Jake Lanza/Chase Powell
9. Complete Construction	12/1/26	Matt Auchey
10. Complete Lease-Up	12/31/26	Jake Lanza/Chase Powell
11. Credit Placed in Service Date	12/31/26	Jake Lanza/Chase Powell

O. PROJECT BUDGET - HARD COSTS**Cost/Basis/Maximum Allowable Credit**

Complete cost column and basis column(s) as appropriate

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to

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.

<u>Must Use Whole Numbers Only!</u>		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
Item	(A) Cost	"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	6,387,890	0	6,387,890	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	6,387,890	0	6,387,890	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	0	0	0	0
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Hard Cost Contingency	738,390	0	738,390	0
Total Land Improvements	738,390	0	738,390	0
Total Structure and Land	7,126,280	0	7,126,280	0
r. General Requirements	384,293	0	384,293	0
s. Builder's Overhead (3.5% Contract)	246,196	0	246,196	0
t. Builder's Profit (3.5% Contract)	246,196	0	246,196	0
u. Bonds	108,574	0	108,574	0
v. Building Permits	10,739	0	10,739	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1:	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

		To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left			
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	20,000	0	20,000	0
b.	Architecture/Engineering Design Fee \$5,400 /Unit)	270,000	0	270,000	0
c.	Architecture Supervision Fee \$1,800 /Unit)	90,000	0	90,000	0
d.	Tap Fees	0	0	0	0
e.	Environmental	90,000	0	90,000	0
f.	Soil Borings	10,000	0	10,000	0
g.	Green Building (Earthcraft, LEED, etc.)	88,000	0	88,000	0
h.	Appraisal	15,000	0	15,000	0
i.	Market Study	7,000	0	7,000	0
j.	Site Engineering / Survey	58,500	0	58,500	0
k.	Construction/Development Mgt	0	0	0	0
l.	Structural/Mechanical Study	16,000	0	16,000	0
m.	Construction Loan Origination Fee	145,000	0	29,000	0
n.	Construction Interest (5.6% fo 12 months)	720,000	0	432,000	0
o.	Taxes During Construction	47,000	0	0	0
p.	Insurance During Construction	60,000	0	18,000	0
q.	Permanent Loan Fee (0.0%)	0			
r.	Other Permanent Loan Fees	0			
s.	Letter of Credit	450,000	0	0	0
t.	Cost Certification Fee	25,000	0	25,000	0
u.	Accounting	30,000	0	0	0
v.	Title and Recording	130,000	0	65,000	0
w.	Legal Fees for Closing	200,000	0	100,000	0
x.	Mortgage Banker	57,500	0	0	0
y.	Tax Credit Fee	40,000			
z.	Tenant Relocation	250,000			
aa.	Fixtures, Furnitures and Equipment	75,000	0	75,000	0
ab.	Organization Costs	0			
ac.	Operating Reserve	385,390			
ad.	Soft Costs Contingency				
ae.	Security	30,000	0	30,000	0

O. PROJECT BUDGET - OWNER COSTS

af. Utilities	30,000	0	30,000	0
ag. Supportive Service Reserves	0			

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify	Capital Needs Assessment	12,000	0	12,000	0
(2) Other* specify	Syndication Fee	100,000	0	0	0
(3) Other* specify	Plan and Cost Review	45,000	0	45,000	0
(4) Other* specify	Marketing	15,000	0	0	0
(5) Other* specify	Lease Up Reserve	25,000	0	0	0
(6) Other* specify	VHDA Out of Balance	50,000	0	0	0
(7) Other* specify		0	0	0	0
(8) Other* specify	HAP Consultant	60,000	0	0	0
(9) Other* specify	EBL Fees- Commitment	90,000	0	10,000	0
Owner Costs Subtotal (Sum 2A..2(10))		\$3,736,390	\$0	\$1,535,500	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)		\$11,858,668	\$0	\$9,657,778	\$0
3. Developer's Fees		1,610,693	0	1,610,693	0
4. Owner's Acquisition Costs					
Land		260,000			
Existing Improvements		2,640,000	2,640,000		
Subtotal 4:		\$2,900,000	\$2,640,000		
5. Total Development Costs					
Subtotal 1+2+3+4:		\$16,369,361	\$2,640,000	\$11,268,471	\$0

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

(Provide documentation at Tab E)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$1,610,693

Proposed Development's Cost per Sq Foot

\$224

Meets Limits

Applicable Cost Limit by Square Foot:

\$253

Proposed Development's Cost per Unit

\$269,387

Proposed Cost per Unit exceeds limit

Applicable Cost Limit per Unit:

\$246,756

P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	16,369,361	2,640,000	11,268,471	0

2. Reductions in Eligible Basis

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

3. Total Eligible Basis (1 - 2 above) 2,640,000 11,268,471 0

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

a. For QCT or DDA (Eligible Basis x 30%)	0	0
<i>State Designated Basis Boosts:</i>		
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	0
c. For Green Certification (Eligible Basis x 10%)		0
Total Adjusted Eligible basis	11,268,471	0

5. Applicable Fraction 100.00000% 100.00000% 100.00000%

6. Total Qualified Basis 2,640,000 11,268,471 0
(Eligible Basis x Applicable Fraction)

7. Applicable Percentage 4.00% 4.00% 9.00%

8. Maximum Allowable Credit under IRC §42 \$105,600 \$450,739 \$0
(Qualified Basis x Applicable Percentage)
(Must be same as BIN total and equal to or less than credit amount allowed) \$556,339
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.	TE Bonds	07/01/25		\$5,750,000	Virginia Housing
2.	ST Bonds	07/01/25		\$1,500,000	Virginia Housing
3.	EBL	06/01/25	06/11/25	\$4,000,000	Erik Ingbreton - Cinnaire
Total Construction Funding:				\$11,250,000	

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

Source of Funds		Date of Application	(Whole Numbers only)		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
		Date of Commitment	Amount of Funds	Annual Debt Service Cost			
1.	VH Tax Exempt Bonds	7/1/25	\$3,750,000	\$269,247	6.42%	35	35
2.	VH REACH	7/1/25	\$2,000,000	\$105,547	3.95%	35	35
3.	HUD GRRP	5/16/24	1/20/25	\$3,000,000	1.00%	35	35
4.	ASNH VHTF	11/1/24	3/3/25	\$1,400,000	0.00%	35	35
5.	ASNH HOME	11/1/24	3/3/25	\$700,000	\$3,500	0.50%	35
6.	ASNH HIEE	11/1/24	3/3/25	\$525,000	0.00%	35	35
7.							
8.							
9.							
10.							
Total Permanent Funding:				\$11,375,000	\$378,294		

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

Source of Funds		Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.					
2.					
3.					
4.					
5.					
6.					

Q. SOURCES OF FUNDS

Total Permanent Grants:	\$0
-------------------------	-----

Q. SOURCES OF FUNDS**4. Subsidized Funding**

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$7,250,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$2,000,000
g.	HOME Funds	\$700,000
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$0
j.	Virginia Housing Trust Fund	\$1,400,000
k.	Other: DHCD HIEE	\$525,000
l.	Other: HUD GRRP	\$3,000,000

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: 51.17%

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

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

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

- a. FALSE

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

New project based subsidy from HUD or Rural Development or any other binding federal project based subsidy

0 Number of New PBV Vouchers
- c. FALSE

Other

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

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. Housing Opportunity Tax Credit Request (paired with 4% credit requests only)

Amount of State HOTC	\$0	x Equity \$	\$0.000	=	\$0
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c. Equity that Sponsor will Fund:

i. Cash Investment	\$0	
ii. Contributed Land/Building	\$0	
iii. Deferred Developer Fee	\$543,652	(Note: Deferred Developer Fee cannot be negative.)
iv. 45L Credit Equity	\$0	
v. 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 \$543,652

2. Equity Gap Calculation

a. Total Development Cost		\$16,369,361
b. Total of Permanent Funding, Grants and Equity	-	<u>\$11,918,652</u>
c. Equity Gap		\$4,450,709
d. Developer Equity	-	<u>\$445</u>
e. Equity gap to be funded with low-income tax credit proceeds		\$4,450,264

3. Syndication Information (If Applicable)**a. Actual or Anticipated Name of Syndicator:**

Contact Person:	Jacob Stern - Cinnaire	Phone:	302-298-3867
Street Address:	100 W 10th St, Suite 502		
City:	Wilmington	State:	Delaware
		Zip:	19801

b. Syndication Equity

i. Anticipated Annual Credits	\$556,339.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.800
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.99000%
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0
v. Net credit amount anticipated by user of credits	\$556,283
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	<u>\$4,450,264</u>

c. Syndication:

Private

Action: Provide Syndicator's or Investor's signed Letter of Intent
(Mandatory at Tab C)

d. Investors:

Corporate

4. Net Syndication Amount\$4,450,264

Which will be used to pay for Total Development Costs

5. Net Equity Factor79.9999473506%

Must be equal to or greater than 85%, unless the applicant has an approved waiver

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>\$16,369,361</u>
2. Less Total of Permanent Funding, Grants and Equity	-		<u><u>\$11,918,652</u></u>
3. Equals Equity Gap			<u>\$4,450,709</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)			<u><u>79.9999473506%</u></u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap			<u>\$5,563,390</u>
Divided by ten years			<u><u>10</u></u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap			<u>\$556,339</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)			<u>\$556,339</u>
8. Requested Credit Amount		For 30% PV Credit:	<u>\$556,339</u>
		For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$11,126.7800</u>	Combined 30% & 70% PV Credit Requested	
Credit per LI Bedroom	<u>\$4,636.1583</u>		
			\$556,339

9. **Action:** Provide Attorney's Opinion using Virginia Housing template **(Mandatory Tab H)**

1. Revenue

Total Monthly Rental Income for LIHTC Units	\$73,922
Plus Other Income Source (list)	\$0
Equals Total Monthly Income:	\$73,922
Twelve Months	x12
Equals Annual Gross Potential Income	\$887,064
Less Vacancy Allowance 5.0%	\$44,353
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$842,711

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 7.0%	\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units	\$0

3. Cash Flow (First Year)

a.	Annual EGI Low-Income Units	\$842,711
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$842,711
d.	Total Expenses	\$407,485
e.	Net Operating Income	\$435,226
f.	Total Annual Debt Service	\$378,294
g.	Cash Flow Available for Distribution	\$56,932

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	842,711	859,565	876,756	894,291	912,177
Less Oper. Expenses	407,485	419,710	432,301	445,270	458,628
Net Income	435,226	439,855	444,455	449,022	453,549
Less Debt Service	378,294	378,294	378,294	378,294	378,294
Cash Flow	56,932	61,561	66,161	70,728	75,255
Debt Coverage Ratio	1.15	1.16	1.17	1.19	1.20

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	930,421	949,029	968,010	987,370	1,007,117
Less Oper. Expenses	472,387	486,558	501,155	516,190	531,676
Net Income	458,034	462,471	466,855	471,180	475,442
Less Debt Service	378,294	378,294	378,294	378,294	378,294
Cash Flow	79,740	84,177	88,561	92,886	97,148
Debt Coverage Ratio	1.21	1.22	1.23	1.25	1.26

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,027,260	1,047,805	1,068,761	1,090,136	1,111,939
Less Oper. Expenses	547,626	564,055	580,976	598,405	616,358
Net Income	479,634	483,750	487,785	491,731	495,581
Less Debt Service	378,294	378,294	378,294	378,294	378,294
Cash Flow	101,340	105,456	109,491	113,437	117,287
Debt Coverage Ratio	1.27	1.28	1.29	1.30	1.31

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:

8

Total Qualified Basis should equal total on Elig Basis Tab

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.		6		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,559	12/01/26	4.00%	\$56,342				\$0
2.		6		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,559	12/01/26	4.00%	\$56,342				\$0
3.		7		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,559	12/01/26	4.00%	\$56,342				\$0
4.		6		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,559	12/01/26	4.00%	\$56,342				\$0
5.		6		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,559	12/01/26	4.00%	\$56,342				\$0
6.		6		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,558	12/01/26	4.00%	\$56,342				\$0
7.		7		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,558	12/01/26	4.00%	\$56,342				\$0
8.		6		7144 Leneave Lane		Waverly	VA	23890	\$330,000	12/01/26	4.00%	\$13,200	\$1,408,558	12/01/26	4.00%	\$56,342				\$0
9.												\$0				\$0				\$0
10.												\$0				\$0				\$0
11.												\$0				\$0				\$0
12.												\$0				\$0				\$0
13.												\$0				\$0				\$0
14.												\$0				\$0				\$0
15.												\$0				\$0				\$0
16.												\$0				\$0				\$0
17.												\$0				\$0				\$0
18.												\$0				\$0				\$0
19.												\$0				\$0				\$0
20.												\$0				\$0				\$0
21.												\$0				\$0				\$0
22.												\$0				\$0				\$0
23.												\$0				\$0				\$0
24.												\$0				\$0				\$0
25.												\$0				\$0				\$0
26.												\$0				\$0				\$0
27.												\$0				\$0				\$0
28.												\$0				\$0				\$0
29.												\$0				\$0				\$0
30.												\$0				\$0				\$0
31.												\$0				\$0				\$0
32.												\$0				\$0				\$0
33.												\$0				\$0				\$0
34.												\$0				\$0				\$0
35.												\$0				\$0				\$0

50 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings

#####

#####

\$0

\$105,600

\$450,739

\$0

Number of BINS: 8

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, cost damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising, 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 hereto 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 more restrictive than 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 submitted by the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relating 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 agrees to provide disclosure to all tenants of the availability of Renter Education provided by Virginia Housing.
16. that undersigned waives the right to pursue a Qualified Contract on this development.
17. 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 Sussex Trace Preservation, LLC

By:

Its:


Authorized Signatory, GSH Sussex Trace, LLC

V. STATEMENT OF OWNER

(Title)

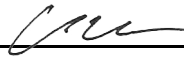
V. STATEMENT OF ARCHITECT

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:	Chuck Hawley
Virginia License#:	0401017672
Architecture Firm or Company:	Studio 343

By:



Its:

Principal

(Title)

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

V. Previous Participation Certification

Development Name: Sussex Trace Apartments**Name of Applicant (entity):** Sussex Trace Preservation, LLC

The undersigned, being duly authorized to sign on behalf of the Applicant, provide this Certification with the understanding that Virginia Housing intends to rely upon the statements made herein for the purpose of awarding and allocating federal low-income housing tax credits.

The following terms shall be defined as follows *for the purpose of this Certification only*:

- “Principal” has the same meaning as defined within the QAP, but as applied to each specific property referenced within this Certification, it excludes individuals and entities whose ownership interest is solely vested in limited partnership interests of the ownership entity.
- “Participant” means all Principals of the Owner who are required to be individually listed within a Schedule A attached hereto.

Accordingly, I hereby certify the following:

1. All the statements made within this Certification 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, and I will immediately alert Virginia Housing should I become aware of any information prior to the application deadline which may render my statements herein false or misleading.
2. During any time that any of the Participants were Principals in any multifamily rental property, no mortgagee of any such property declared a default under its mortgage loan or assigned it to the mortgage insurer (governmental or private); no such property was foreclosed upon or dispossessed pursuant to a deed-in-lieu of foreclosure; and no such property received mortgage relief from the mortgagee.
3. During any time that any of the Participants were Principals in an owner(s) of any multifamily rental property, no such owner(s) was determined to have breached any agreement related to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership or limited liability company.
4. That at no time have any Participants listed in this certification been required to turn in a property to the investor or been removed from a multifamily rental property ownership structure.
5. 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 such property.

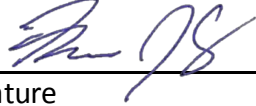
7. None of the Participants have been convicted of a felony and none are presently the subject of a complaint of indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less.
Virginia Housing | Federal Housing Credit Manual 100
8. None of the Participants have been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity.
9. None of the Participants have 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. No Participant is a Virginia Housing employee or a member of the immediate household of any Virginia Housing employee.
11. None of the Participants participate 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 have 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. No Participant 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 of the owner of such property (this does not refer to corrected 8823's).
14. No Participants are 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. No Participant 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 and failure to certify, I have attached the following, which if not provided will automatically disqualify this Application from consideration:

- A. Supporting documentation sufficient to both outline the relevant facts and circumstances that necessitated each deletion and to explain why such deletion(s) should not result in disqualification; and

- B. A draft of Virginia Housing's form Right of First Refusal, which the Applicant commits to properly execute and record as a condition of any reservation or allocation of low-income housing tax credits made with regard to the Development named above.

Any material misrepresentations or omissions made on this form are grounds for rejection of this Application, forfeiture of any credits awarded with connection with this Application, and prohibition against the submission of future applications.



Signature

Thomas J. Ayd, Jr.

Printed Name

7/25/2025

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

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Preservation, LLC

Principals' Name: GSH Sussex Trace, LLC

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	None, GSH Sussex Trace is a				Y/N					Y/N
2.	Special Purpose Entity formed for									
3.	this LIHTC rehabilitation.									
4.										
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

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. Items 5f and 5g require a numeric value to be entered.

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

MANDATORY ITEMS:

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

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	N	0 to 10	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
or e. Location in a revitalization area with resolution or by locality	N	0 or 15	0.00
or f. Location in a Opportunity Zone	N	0 or 15	0.00
g. Location in a Medium to High level Economic Development Jurisdiction	N	0 or 5	0.00
h. Location on land owned by Tribal Nation	N	0 or 15	0.00
Total:			0.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	N	0 or up to 5	0.00
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	0.00%	Up to 60	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy in Northern Virginia or New Construction pool	N	up to 40	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	Y	Up to 20	0.00
Total:			20.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			42.00
b. <removed for 2025>			0.00
c. HUD 504 accessibility for 10% of units	N	0 or 20	0.00
d. Proximity to public transportation	N	0, 10 or 20	0.00
e. Development will be Green Certified	Y	0 or 10	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
g. Developments with less than 100 low income units	Y	up to 20	20.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
i. Meets Target Population Development Characteristics	N	0 or 10	0.00
Total:			72.00

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$110,300	\$73,300

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	40.00%	Up to 15	0.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units in Higher Income Jurisdictions with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units in Higher Income Jurisdictions with rents <= 50% rented to tenants with <= 60%	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			0.00

5. SPONSOR CHARACTERISTICS:

a. Socially Disadvantaged Principal owner 25% or greater	N	0 or 30	0.00
b. Veteran Small Business Principal owner 25% or greater	N	0 or 30	0.00
c. Developer experience - uncorrected life threatening hazard	N	0 or -50	0.00
d. Developer experience - noncompliance	N	0 or -15	0.00
e. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
f. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
g. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
h. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
i. Developer experience - more than 2 requests for Final Inspection	0	0 or -5 per item	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			0.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 100	44.50
Total:			44.50

7. BONUS POINTS:

a. Extended Use Restriction beyond 15 year compliance period	35	Years	40 or 70	70.00
or b. Nonprofit or LHA purchase option/ ROFR	N		0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N		0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N		10 or 15	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N		0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation	N		up to 10	0.00
g. Team member with Veteran Owned Small Business Certification	N		up to 10	0.00
h. Commitment to electronic payment of fees	Y		0 or 5	5.00

i. Zero Ready or Passive House certification from prior allocation	N	0 or 20	0.00
	Total:		75.00
300 Point Threshold - all 9% Tax Credits		TOTAL SCORE:	211.50
200 Point Threshold - Tax Exempt Bonds			

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance material	40	20.00
c. LED Kitchen Light Fixtures	2	2.00
d. Cooking surfaces equipped with fire suppression features	2	2.00
e. Bath Fan - Delayed timer or continuous exhaust	3	3.00
f. Baths equipped with humidistat	3	0.00
g. Watersense labeled faucets, toilets and showerheads (without Green Cer	3	0.00
h. Rehab only: Infrastructure for high speed internet/broadband	5	5.00
i. Each unit provided free individual high speed internet access	15	0.00
j. USB in kitchen, living room and all bedrooms	1	0.00
k. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
l. Provides Permanently installed dehumidification system	5	5.00
m. All interior doors within units are solid core	3	0.00
n. Installation of Renewable Energy Electric system	10	0.00
o. New Construction: Balcony or patio	4	0.00

 42.00

All elderly units have:

p. Front-control ranges	1	0.00
q. Independent/suppl. heat source	1	0.00
r. Two eye viewers	1	0.00
s. Shelf or Ledge at entrance within interior hallway	2	0.00
		0.00

Total amenities: 42.00

X.

Development Summary

Summary Information

2025 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Sussex Trace Apartments

Cycle Type: 4% Tax Exempt Bonds Credits

Requested Credit Amount: \$556,339

Allocation Type: 0

Jurisdiction: Sussex County

Total Units 50

Population Target: General

Total LI Units 50

Project Gross Sq Ft: 60,244.00

Owner Contact: Thomas Ayd

Green Certified? TRUE

Total Score
211.50

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$11,375,000	\$227,500	\$189	\$378,294
Grants	\$0	\$0		
Subsidized Funding	\$0	\$0		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$7,126,280	\$142,526	\$118	43.53%
General Req/Overhead/Profit	\$876,685	\$17,534	\$15	5.36%
Other Contract Costs	\$119,313	\$2,386	\$2	0.73%
Owner Costs	\$3,736,390	\$74,728	\$62	22.83%
Acquisition	\$2,900,000	\$58,000	\$48	17.72%
Developer Fee	\$1,610,693	\$32,214	\$27	9.84%
Total Uses	\$16,369,361	\$327,387		

Income		
Gross Potential Income - LI Units		\$887,064
Gross Potential Income - Mkt Unit:		\$0
Subtotal		\$887,064
Less Vacancy %	5.00%	\$44,353
Effective Gross Income		\$842,711

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$120,800	\$2,416
Utilities	\$74,600	\$1,492
Operating & Maintenance	\$80,000	\$1,600
Taxes & Insurance	\$117,085	\$2,342
Total Operating Expenses	\$392,485	\$7,850
Replacement Reserves	\$15,000	\$300
Total Expenses	\$407,485	\$8,150

Cash Flow	
EGI	\$842,711
Total Expenses	\$407,485
Net Income	\$435,226
Debt Service	\$378,294
Debt Coverage Ratio (YR1):	1.15

Total Development Costs	
Total Improvements	\$11,858,668
Land Acquisition	\$2,900,000
Developer Fee	\$1,610,693
Total Development Costs	\$16,369,361

Proposed Cost Limit/Sq Ft: \$224
Applicable Cost Limit/Sq Ft: \$253
Proposed Cost Limit/Unit: \$269,387
Applicable Cost Limit/Unit: \$246,756

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	0
# of 2BR	30
# of 3BR	20
# of 4+ BR	0
Total Units	50

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	5	5
60% AMI	45	45
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 50

Y. Efficient Use of Resources

Credit Points (updated in 2025):

If the Combined Max Allowable Credits 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 100 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 100. In this example, $(40\%/60\%) \times 100$ or 66.67 points.

Tax Exempt Deals are granted a starting point value greater than zero to allow for the nature of these deals.

Combined Max	\$556,339
Credit Requested	\$556,339
% of Savings	0.00%
Sliding Scale Points	44.5

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Preservation, LLC

Principals' Name: GSH Partners II, LLC

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Atlantic Boulevard Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	#####	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Preservation, LLC

Principals' Name: Thomas J. Ayd, Jr.

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Hollybrook Farms Apartments	Laurel, DE	Holly Brook Farms, LP	(443) 614-4976	Y	124	124	2010	2010	N
2.	Seaford Apartments	Seaford, DE	Seaford Family, LP	(443) 614-4976	Y	37	37	2011	2011	N
3.	Greenside Manor	Seaford, DE	Greenside Associates, LP	(443) 614-4976	Y	40	40	2012	2012	N
4.	Heron Run Apartments	Smyrna, DE	Heron Run Associates, LP	(443) 614-4976	Y	40	40	2013	2013	N
5.	Samuel Chase Apartments	Princess Anne, MD	Samuel Chase Associates, LP	(443) 614-4976	Y	60	60	2015	2016	N
6.	McKee Branch	Dover, DE	McKee Branch Associates, LP	(443) 614-4976	Y	66	66	2014	2014	N
7.	Greenwood Village	Cambridge, MD	Greenwood Village Preservation, LP	(443) 614-4976	Y	20	20	2018	2019	N
8.	Chestertown Cove	Chestertown, MD	Chestertown Cove Preservation, LP	(443) 614-4976	Y	32	32	2018	2019	N
9.	Brookside Station	Edgewood, MD	Brookside Station, LLC	(443) 614-4976	Y	56	56	2018	2019	N
10.	Village at Iron Branch	Millsboro, DE	Iron Branch Associates, LP	(443) 614-4976	Y	38	38	2019	2020	N
11.	Lex Woods Apartments	Lexington Park, MD	Lex Woods Preservation, LP	(443) 614-4976	Y	76	76	2019	2020	N
12.	Villages at Slippery Hill I	Queenstown, MD	Slippery Hill I, LP	(443) 614-4976	Y	66	66	2020	2021	N
13.	Spring School Apartments	Elkton/Port Deposit, M	Spring School Preservation, LP	(443) 614-4976	Y	69	69	2020	2022	N
14.	Carrolltowne Village	Sykesville, MD	Carrolltowne Village Preservation, LP	(443) 614-4976	Y	40	40	2020	2021	N
15.	Pinecrest Apartments	Bedford, VA	Pinecrest Preservation, LLC	(443) 614-4976	Y	64	64	2021	2021	N
16.	Fairview Apartments	Rising Sun, MD	Fairview Preservation, LLC	(443) 614-4976	Y	75	75	2021	2022	N
17.	Brookmeadow Apartments	Chestertown, MD	Brookmeadow Preservation, LP	(443) 614-4976	Y	67	67	2022	2022	N
18.	Village at Blenheim Run	Havre De Grace, MD	Blenheim Run I, LP	(443) 614-4976	Y	51	51	2023	2023	N
19.	Waxpool Apartments	Ashburn, VA	Waxpool Apartments, LLC	(443) 614-4976	Y	52	52	2024	2025	N
20.	Villages at Slippery Hill II	Queenstown, MD	Slippery Hill II, LP	(443) 614-4976	Y	66	66	2024	2025	N
21.	Villages at Slippery Hill III	Queenstown, MD	Slippery Hill III, LP	(443) 614-4976	Y	51	51	TBD	TBD	N
22.	Sligo Apartments	Silver Spring, MD	Sligo 42, LLC and Sligo 60, LLC	(443) 614-4977	Y	98	98	TBD	TBD	N
23.	Little Patuxent Senior	Gambrills, MD	Little Patuxent Senior, LLC	(443) 614-4978	Y	78	78	TBD	TBD	N
24.	Diamond Court I	Harrington, DE	Diamond Court I Preservation, LP	(443) 614-4979	Y	32	32	TBD	TBD	N
25.	Diamond Court II	Harrington, DE	Diamond Court II Preservation, LP	(443) 614-4980	Y	56	56	TBD	TBD	N
26.	Point at Smithsburg	Smithsburg, MD	Point at Smithsburg, LLC	(443) 614-4981	Y	40	40	TBD	TBD	N
27.	Rivermitch Apartments	Salisbury, MD	Rivermitch, LLC	(443) 614-4982	Y	96	96	TBD	TBD	N
28.	Laurel Grove Apartments	Salisbury, MD	Laurel Grove I, LLC	(443) 614-4983	Y	56	56	TBD	TBD	N
29.	Great Baker Apartments	Lexington Park, MD	Great Baker Preservation, LP	(443) 614-4984	Y	80	80	TBD	TBD	N
30.	Atlantic Blvd Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	(443) 614-4976	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Preservation, LLC

Principals' Name: David F. Layfield, Jr.

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Hollybrook Farms Apartments	Laurel, DE	Holly Brook Farms, LP	4436144976	Y	124	124	2010	2010	N
2.	Seaford Apartments	Seaford, DE	Seaford Family, LP	4436144976	Y	37	37	2011	2011	N
3.	Greenside Manor	Seaford, DE	Greenside Associates, LP	4436144976	Y	40	40	2012	2012	N
4.	Heron Run Apartments	Smyrna, DE	Heron Run Associates, LP	4436144976	Y	40	40	2013	2013	N
5.	Samuel Chase Apartments	Princess Anne, MD	Samuel Chase Associates, LP	4436144976	Y	60	60	2015	2016	N
6.	McKee Branch	Dover, DE	McKee Branch Associates, LP	4436144976	Y	66	66	2014	2014	N
7.	Greenwood Village	Cambridge, MD	Greenwood Village Preservation, LP	4436144976	Y	20	20	2018	2019	N
8.	Chestertown Cove	Chestertown, MD	Chestertown Cove Preservation, LP	4436144976	Y	32	32	2018	2019	N
9.	Brookside Station	Edgewood, MD	Brookside Station, LLC	4436144976	Y	56	56	2018	2019	N
10.	Village at Iron Branch	Millsboro, DE	Iron Branch Associates, LP	4436144976	Y	38	38	2019	2020	N
11.	Lex Woods Apartments	Lexington Park, MD	Lex Woods Preservation, LP	4436144976	Y	76	76	2019	2020	N
12.	Villages at Slippery Hill I	Queenstown, MD	Slippery Hill I, LP	4436144976	Y	66	66	2020	2021	N
13.	Spring School Apartments	Elkton/Port Deposit, MD	Spring School Preservation, LP	4436144976	Y	69	69	2020	2022	N
14.	Carrolltowne Village	Sykesville, MD	Carrolltowne Village Preservation, LP	4436144976	Y	40	40	2020	2021	N
15.	Pinecrest Apartments	Bedford, VA	Pinecrest Preservation, LLC	4436144976	Y	64	64	2021	2021	N
16.	Fairview Apartments	Rising Sun, MD	Fairview Preservation, LLC	4436144976	Y	75	75	2021	2022	N
17.	Brookmeadow Apartments	Chestertown, MD	Brookmeadow Preservation, LP	4436144976	Y	67	67	2022	2022	N
18.	Village at Blenheim Run	Havre De Grace, MD	Blenheim Run I, LP	4436144976	Y	51	51	2023	2023	N
19.	Waxpool Apartments	Ashburn, VA	Waxpool Apartments, LLC	4436144976	Y	52	52	2024	2025	N
20.	Villages at Slippery Hill II	Queenstown, MD	Slippery Hill II, LP	4436144976	Y	66	66	2024	2025	N
21.	Villages at Slippery Hill III	Queenstown, MD	Slippery Hill III, LP	4436144976	Y	51	51	TBD	TBD	N
22.	Sligo Apartments	Silver Spring, MD	Sligo 42, LLC and Sligo 60, LLC	4436144977	Y	98	98	TBD	TBD	N
23.	Little Patuxent Senior	Gambrills, MD	Little Patuxent Senior, LLC	4436144978	Y	78	78	TBD	TBD	N
24.	Diamond Court I	Harrington, DE	Diamond Court I Preservation, LP	4436144979	Y	32	32	TBD	TBD	N
25.	Diamond Court II	Harrington, DE	Diamond Court II Preservation, LP	4436144980	Y	56	56	TBD	TBD	N
26.	Point at Smithsburg	Smithsburg, MD	Point at Smithsburg, LLC	4436144981	Y	40	40	TBD	TBD	N
27.	Rivermitch Apartments	Salisbury, MD	Rivermitch, LLC	4436144982	Y	96	96	TBD	TBD	N
28.	Laurel Grove Apartments	Salisbury, MD	Laurel Grove I, LLC	4436144983	Y	56	56	TBD	TBD	N
29.	Great Baker Apartments	Lexington Park, MD	Great Baker Preservation, LP	4436144984	Y	80	80	TBD	TBD	N
30.	Atlantic Blvd Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	4436144976	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Preservation, LLC

Principals' Name: Charles H Powell

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Atlantic Boulevard Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	4436144976	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Perservation, LLC

Principals' Name: Charles R. Moore

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Atlantic Boulevard Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	4436144976	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex Trace Preservation, LLC

Principals' Name: Matthew E. Auchey

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Atlantic Boulevard Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	4436144976	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Development Name: Sussex Trace Apartments

Name of Applicant: Sussex trace Preservation, LLC

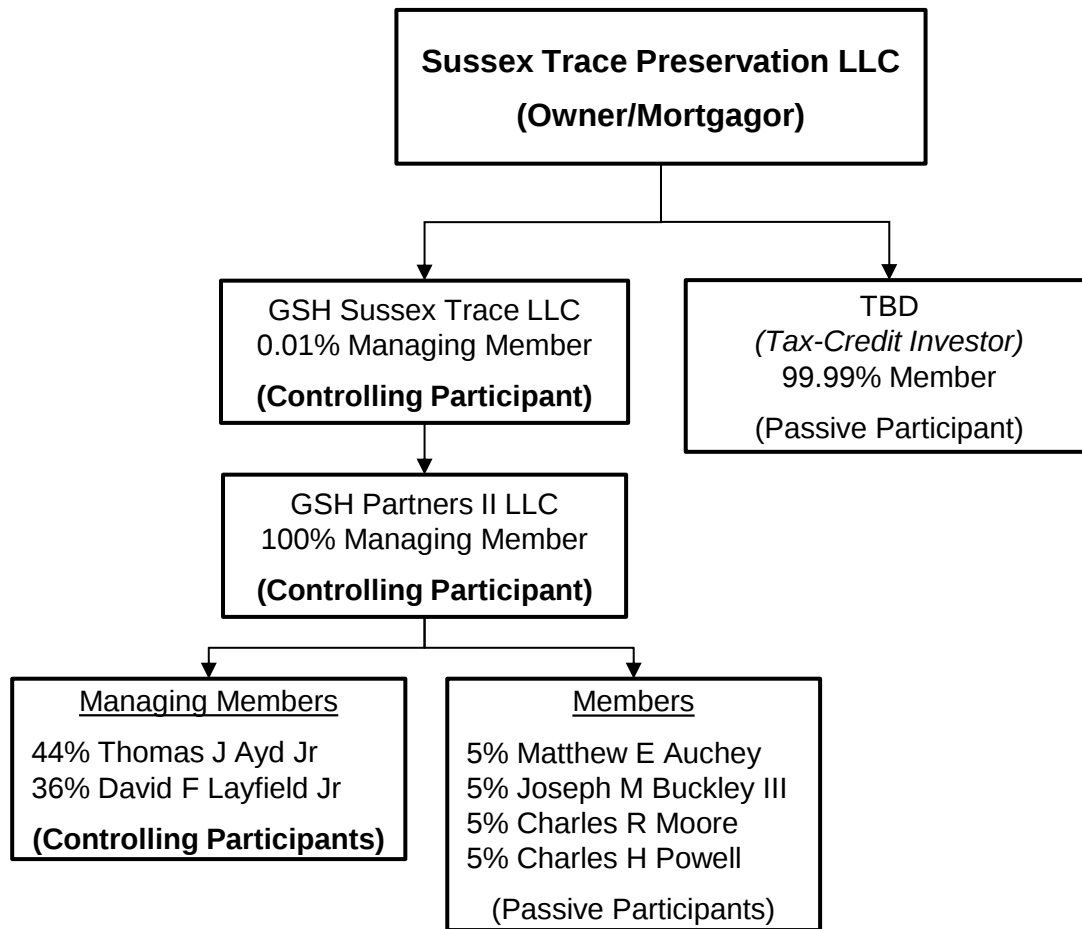
Principals' Name: Joseph M. Buckley, III

#	Development Name	Location	Ownership Entity	Ownership Entity Phone	CGP or "Named" Managing Member at the time of deal?	Total Development Units	Total Low Income Units	Placed in Service Date	8609 Issued Date	Uncorrected 8823s? If Y, Explain at Tab D
1.	Atlantic Boulevard Apartments	Sterling, VA	Atlantic Blvd Apartments, LLC	4436144976	Y	80	80	TBD	TBD	N
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*** Must have the ability to bind the LIHTC entity; document with Partnership/operating agreements and one 8609 (per entity/development) for a total of 6.**

Tab A:

Partnership or Operating Agreement, including
Org Chart with percentages of ownership interest



**ASSIGNMENT OF MEMBERSHIP INTEREST
(GSH SUSSEX TRACE, LLC)**

THIS ASSIGNMENT OF MEMEBERSHIP INTEREST (this “Agreement”) is made and entered into as of the 1st day of January, 2025, by and between GSH Partners, LLC, a Maryland limited liability company (“Assignor”), and GSH Partners II, LLC, a Maryland limited liability company (“Assignee”).

WHEREAS, Assignor owns one hundred percent (100%) of the membership interests of GSH Sussex Trace, LLC, a Virginia limited liability company (the “Company”);

WHEREAS, Assignee is an affiliate of Assignor; and

WHEREAS, Assignor desires to assign and transfer all of its interest in the Company (the “Assigned Interest”) to Assignee, and Assignee desires to assume and accept the Assigned Interest from Assignor, on the terms and conditions set forth in this Agreement.

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

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor’s right, title, and interest in and to the Assigned Interests, free and clear of all liens and restrictions.
2. Acceptance by Assignee. Assignee accepts the assignment of Assignor’s right, title, and interest in and to the Assigned Interests, free and clear of all liens and restrictions.
3. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legatees, successors and assigns.
4. Further Assurances. The parties agree to (a) execute and deliver to each other such other documents, and (b) to do such other acts and things, all as any other party may reasonably request for the purpose of carrying out the intent and purposes of this Agreement.
5. Amendment. This Agreement shall not be amended or modified except with the express written consent of the Assignor and Assignee.
6. Counterparts. This Agreement may be executed in two or more counterparts all of which together shall constitute one and the same instrument.
7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without reference to any conflict of laws principles.

8. Entire Agreement. This Agreement contains the entire understanding of the parties with regard to the subject matter contained herein and supersede all prior agreements and understandings between the parties hereto.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

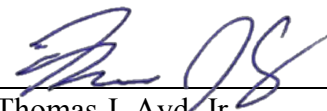
ASSIGNOR:

GSH PARTNERS, LLC,
a Maryland limited liability company

By: 
Name: Thomas J. Ayd, Jr.
Title: Operating Manager

ASSIGNEE:

GSH PARTNERS II, LLC,
a Maryland limited liability company

By: 
Name: Thomas J. Ayd, Jr.
Title: Operating Manager

**OPERATING AGREEMENT
OF
SUSSEX TRACE PRESERVATION, LLC**

This OPERATING AGREEMENT (this “*Agreement*”) of Sussex Trace Preservation, LLC, a Virginia limited liability company (the “*Company*”) is made and entered into as of January 16, 2024, by GSH Sussex Trace, LLC, a Virginia limited liability company, as the sole member of the Company (the “*Member*”).

**SECTION 1
ORGANIZATIONAL MATTERS**

1.01 Formation. The Company was formed as a Virginia limited liability company under the Virginia Limited Liability Company Act (the “*Act*”) on January 16, 2024. The rights and obligations of the Member shall be as provided in the Act, except as otherwise expressly provided herein. In the event of any inconsistency between any terms and conditions contained in this Agreement and any non-mandatory provisions of the Act, the terms and conditions contained in this Agreement shall govern and in the event of any inconsistency between any items and conditions contained in this Agreement and any mandatory provisions of the Act, the terms and conditions of the Act shall govern.

1.02 Name. The name of the Company is Sussex Trace Preservation, LLC.

1.03 Principal Office. The principal office of the Company is 212 E Main Street, Suite 200, Salisbury, Maryland, 21801, or such other place as the Member may from time to time designate. The Company may have other offices at any place or places as may be determined by the Member.

1.04 Purpose. The primary purpose of the Company shall be to acquire, develop, rehabilitate, lease and operate a 50-unit low-income residential housing project located in the Waverly, Virginia, commonly known as Sussex Trace Apartments, and carry on any lawful business or activity under the Act. The Company may engage in any and all other lawful activities as may be necessary, incidental or convenient to carrying out the business of the Company as contemplated by this Agreement. The Company may also pursue any other lawful activity that is approved by the Member.

1.05 Articles of Organization; Filing. The Company executed and filed Articles of Organization with the Virginia State Corporation Commission as required by the Act. The Member may execute and file any amendments to the Articles of Organization from time to time in a form prescribed by the Act. The Member also shall cause to be made, on behalf of the Company, such additional filings and recordings as the Member shall deem necessary or advisable.

1.06 Fictitious Business Name Statements; Qualification in Other States. Following the execution of this Agreement, fictitious business name statements and qualifications in various states may be filed and published as deemed necessary by the Member.

1.07 Registered Agent. The Company shall continuously maintain a registered office and a designated and duly qualified agent for service of process on the Company in the

Commonwealth of Virginia. As of the date of this Agreement, the address of the registered office is 7288 Hanover Green Drive, Mechanicsville, Virginia, 23111, and its registered agent is Incorp Services, Inc. The registered office and registered agent may be changed from time to time by action of the Member.

1.08 Term. The Company commenced on January 16, 2024, and shall continue until terminated pursuant to this Agreement.

SECTION 2

MEMBER AND MANAGEMENT

2.01 Initial Member. As of the date of this Agreement, the Member owns 100% of the membership interests in the Company.

2.02 Additional Members. One or more additional members may be admitted to the Company with the consent of the Member. Prior to the admission of any such additional members, the Member shall amend this Agreement to make such changes as the Member shall determine to reflect the fact that the Company shall have such additional members. Each additional member shall execute and deliver a supplement or counterpart to this Agreement, as necessary.

2.03 Management

(a) Authority; Powers and Duties of the Member. The Member shall have exclusive and complete authority and discretion to manage the operations and affairs of the Company and to make all decisions regarding the business of the Company. Any action taken by the Member shall constitute the act of and serve to bind the Company. Persons dealing with the Company are entitled to rely conclusively on the power and authority of the Member as set forth in this Agreement.

(b) Election of Officers; Delegation of Authority. The Member may, from time to time, designate one or more officers with such titles as may be designated by the Member to act in the name of the Company with such authority as may be delegated to such officers by the Member (each such designated person, an “*Officer*”). Any such Officer shall act pursuant to such delegated authority until such Officer is removed by the Member. Any action taken by an Officer designated by the Member pursuant to authority delegated to such Officer shall constitute the act of and serve to bind the Company. Persons dealing with the Company are entitled to rely conclusively on the power and authority of any Officer set forth in this Agreement and any instrument designating such Officer and the authority delegated to him or her.

SECTION 3

LIABILITY OF MEMBER AND INDEMNIFICATION

3.01 Liability of Member. Except as otherwise provided in the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort, or otherwise, are solely the debts, obligations, and liabilities of the Company. The Member is not personally liable for a debt, obligation, or liability of the Company solely by reason of being or acting as a member.

3.02 Indemnification of Member and Officers. The Member and the Officers shall be entitled to indemnification and advancement of expenses from the Company for and against any loss, damage, claim, or expense (including attorneys' fees) whatsoever incurred by the Member or Officers to the fullest extent a corporation would be permitted to indemnify the directors of a Virginia corporation under the Virginia Stock Corporation Act; *provided*, however, that any indemnity under this Section 3.02 shall be provided out of and to the extent of Company assets only, and neither the Member nor any other person shall have any personal liability on account thereof. Any determination required regarding whether indemnification is proper under the circumstances or whether an individual has met the applicable standard of conduct shall be made by either (a) the Member or (ii) if requested by the Member, independent legal counsel, chosen by the Member, in a written opinion.

SECTION 4

CONTRIBUTIONS TO THE COMPANY AND DISTRIBUTIONS

4.01 Member's Capital Contributions.

(a) Initial Capital Contribution. The Member shall make an initial capital contribution as determined by the Member.

(b) Additional Capital Contributions. The Member shall not be required to make any further capital contributions beyond that set forth in Section 4.01(a).

(c) Loans. The Member may endeavor to obtain a loan or loans to the Company, including from the Member, from time to time, for necessary capital on reasonable terms, in order to finance the ownership and operation of the business of the Company.

4.02 Distributions. Distributions shall be made to the Member at the times and in the amounts determined by the Member.

SECTION 5

TAX MATTERS

It is intended that the Company be treated as a single member entity within the meaning of Section 301.7701-2(c)(2) of the Income Tax Regulations promulgated under the Internal Revenue Code of 1986, as each may be amended, and, accordingly, disregarded as a separate entity for tax purposes.

SECTION 6

DISSOLUTION AND TERMINATION

6.01 Events of Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

- (a) The determination in writing of the Member.
- (b) The sale, transfer, or assignment of substantially all the assets of the Company.

(c) The adjudication of the Company as insolvent in either bankruptcy or equity proceedings, or the filing of an involuntary petition in bankruptcy against the Company (which is not dismissed within ninety days), or the filing against the Company of a petition for reorganization under the federal bankruptcy code or any state statute (which is not dismissed within ninety days), or a general assignment by the Company for the benefit of creditors, or the voluntary claim (by the Company) that it is insolvent under any provisions of the federal bankruptcy code (or any state insolvency statutes), or the appointment for the Company of a temporary or permanent receiver, trustee, custodian, or sequestrator, and such receiver, trustee, custodian, or sequestrator is not dismissed within ninety days.

(d) As otherwise required by Virginia law.

6.02 Liquidation. Upon the dissolution of the Company, it shall wind up its affairs by either or a combination of the following methods as the Member shall in the Member's sole discretion determine:

(a) Selling the Company's assets and, after paying the Company's liabilities or reserving sufficient funds for such liabilities, distributing the net proceeds to the Member in satisfaction of the Member's interest in the Company.

(b) Distributing the Company's assets to the Member in kind with the Member accepting the Company's assets, subject to its liabilities, in satisfaction of the Member's interest in the Company.

6.03 Articles of Cancellation. Upon completion of the liquidation of the Company and the distribution of all the Company's assets, the Company shall terminate, and the Member shall execute and record Articles of Cancellation, as well as all other documents required to effectuate the dissolution and termination of the Company, which shall have the effect provided for in the Act.

SECTION 7

MISCELLANEOUS PROVISIONS

7.01 Bank Accounts. The Company shall maintain such bank accounts as the Member may determine to be appropriate from time to time.

7.02 Application of Virginia Law. This Agreement, and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the Commonwealth of Virginia, without reference to its choice of law provisions, and specifically the Act.

7.03 Amendments. This Agreement may be amended only by the Member in writing, but may be so amended at any time.

7.04 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement.

7.05 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal, or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

7.06 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company. The specific intent of the undersigned is that there shall be no third-party beneficiaries of this Agreement.

7.07 Entire Agreement. This Agreement sets forth all the promises, agreements, conditions, and understandings of the Member respecting the subject matter hereof.

{signature page follows}

IN WITNESS WHEREOF, the undersigned has executed this Agreement to be effective as of the date first above written.

MEMBER:

GSH Sussex Trace, LLC,
a Virginia limited liability company

By: GSH Partners, LLC,
a Maryland limited liability
company, Its Sole Member

By: 
Thomas J. Ayd,
Operating Manager

Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth of Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing is a true copy of all business entity documents on file in the Office of the Clerk of the Commission related to Sussex Trace Preservation, LLC, a Virginia limited liability company.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

January 16, 2024

A handwritten signature in cursive script, reading "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission

Tab C:

Syndicator's or Investor's Letter of Intent
(MANDATORY)



cinnaire.com | 844-4CINNAIRE

June 27, 2025

Tom Ayd
Green Street Housing
212 E. Main St.
Salisbury, MD 21801

Re: Sussex Trace Apartments in Waverly, VA (the "Development" or "Property")

Dear Mr. Ayd:

Thank you for the opportunity to present this Letter of Intent for the above proposed affordable housing development. A full-service CDFI, Cinnaire is also able to provide long-term debt, pre-development loans, sponsor AHP loans/grants from the Federal Home Loan Bank-Chicago, and first-rate title services.

The Cinnaire Fund for Housing Limited Partnership 43, a Delaware limited partnership or its assignees (including one or more limited partnerships affiliated with Cinnaire) ("Investor") has been organized by the Cinnaire Corporation, a Michigan nonprofit corporation ("Cinnaire"), for the purpose of acquiring limited partnership interests in housing Developments, which qualify for the federal low income housing tax credits ("Tax Credit") available under Section 42 of the Internal Revenue Code of 1986, as amended ("Code"). Cinnaire will have the right to assign any portion of the Investment to a Cinnaire controlled investment fund. Representatives of Cinnaire have reviewed the financial information you have provided and we are pleased to submit this Letter of Intent ("Letter") to invest in the proposed acquisition and rehabilitation of a 50-unit family housing development.

This Letter of Intent is based upon the financial and other information you have provided for review by Cinnaire and is intended to outline the basic terms and conditions under which the Investor would make an equity investment in the Development. The terms of this Letter are contingent upon and subject to Cinnaire Investment Committee approval, final approval from the Investor, and satisfaction of all other terms and conditions contained herein.

Notwithstanding the above, it is understood that the terms and conditions set forth in this Letter will be included in the First Amended and Restated Limited Operating Agreement of Sussex Trace Preservation, LLC ("Operating Agreement"). Capitalized terms shall have the meaning as defined herein or if not defined herein then shall ultimately be defined terms in the Operating Agreement.

Lansing | Corporate Headquarters
1118 South Washington Avenue
Lansing, Michigan 48910
517 482 8555

Detroit
2111 Woodward Avenue, Suite 600
Detroit, Michigan 48201
313 841 3751

Grand Rapids
100 César E. Chávez Avenue, Suite 202
Grand Rapids, Michigan 49503
616 272 7880

Chicago
225 West Washington Street, Suite 1350
Chicago, Illinois 60606
312 957 7283

Milwaukee
231 E. Buffalo Street, Suite 302
Milwaukee, Wisconsin 53202
517 482 8555

Indianapolis
320 North Meridian, Suite 516
Indianapolis, Indiana 46204
317 423 8880

Madison
10 East Doty Street, Suite 617
Madison, Wisconsin 53703
608 234 5291

Wilmington
100 West 10th Street, Suite 502
Wilmington, Delaware 19801
302 655 1420

1. The Development.

The Development will be a 50-unit multifamily, Family affordable apartment development in Waverly, VA. 100% of the units will qualify for the Tax Credit.

2. Capital Contributions.

The Investor shall make Capital Contributions in cash to the Company in the amount of \$4,450,264 at a price of \$0.8000, which shall be made as the Development progresses in 4 payments of varying amounts and upon the achievement of prescribed benchmarks as described in below and outlined in the projections dated June 25, 2025 (v8) and attached to this Letter and referred to as Exhibit A. This is based on the Development receiving an annual Reservation of Tax Credits of \$556,339, at the applicable rate of 4.00% for rehabilitation credit and 4.00% for acquisition credit.

A. First Equity Payment: \$1,252,749 (28.15%). The requirements for this payment include but are not limited to satisfactory evidence or approval of:

- (i) Legal opinion in form and substance acceptable to Fund Counsel from qualified local counsel;
- (ii) Satisfactory owner's title policy;
- (iii) Executed construction and permanent loan documents;
- (iv) Investor's satisfactory approval of all due diligence; and
- (v) Satisfactory receipt of Managing Member's representations, warranties, and covenants;

B. Second Equity Payment: \$890,053 (20.00%). The conditions for this payment include satisfactory evidence or approval of:

- (i) 100% Construction Completion. Completion of construction means work completed and in place on the Project structures per the plans and specifications as accepted in writing by Cinnaire construction inspector and Lender construction inspector (it does not include delivery of materials, interest during construction, general conditions, or other construction soft costs);
- (ii) Receipt of title bring down to date showing no additional liens from title policy issued at Closing;
- (iii) Receipt of evidence of meeting the 50% test;
- (iv) Receipt of renewed insurance certification;
- (v) Receipt of 2025 Company Tax Return and Form K-1;
- (vi) Accountant's estimate of 2026 Actual Tax Credits as compared with Projected Tax Credits, and estimate of 2027 Actual Tax Credits;
- (vii) Developer's estimate of incurred tax credit basis;
- (viii) Satisfaction of conditions from previous installments; and
- (ix) Payment shall occur no earlier than January 1, 2027.

C. Third Equity Payment: \$2,107,462 (47.36%). The conditions for this payment include satisfactory evidence or approval of:

- (i) 95% Economic Occupancy and 100% Qualified Occupancy along with copies of the resident files including certifications for all Tax Credit units;
- (ii) Receipt and Fund approval of final Cost Certification;
- (iii) Receipt of Recorded LIHTC Regulatory Agreement not later than December 31, 2026;
- (iv) Receipt of 2026 Company Tax return, audited financial statements, and Form K-1;
- (v) Receipt of title bring down to date showing no additional liens from title policy issued at Closing;
- (vi) Accountant's determination of 2026 and 2027 Actual Tax Credits as compared with Projected Tax Credits;
- (vii) Achievement of Underwritten Operations as defined below in Section 4(b);
- (viii) Permanent Mortgage Commencement;
- (ix) Establishment of all required reserves funded to the extent then required;
- (x) Satisfaction of conditions from previous installments; and
- (xi) Payment shall occur no earlier than April 1, 2027.

D. Fourth Equity Payment: \$200,000 (4.49%). The conditions for this payment include satisfactory evidence or approval of:

- (i) Receipt of Form 8609 for all buildings;
- (ii) Satisfaction of conditions from previous installments; and
- (iii) Payment shall occur no earlier than July 1, 2027.

The above schedule of payments and benchmarks assume closing by December 1, 2025 and may be revised based upon new information or if the closing date is significantly delayed.

3. Summary of Compensation, Share of Revenues from Operations and Residual Profits.

- A. Company Interest. The Managing Member shall retain a 0.01% interest in Tax Credits and distributions from normal operations of the Company. The Investor will own a 99.99% interest in the Company including Tax Credits and distributions from normal operations of the Company.
- B. Distribution of Annual Cash Flow. Annual Cash Flow, prior to distribution pursuant to the percentage ownership described in 3(a) above, shall be paid out in the following order and priority:

- (i) First, to the Investor to the extent of any amount to which the Investor is entitled to receive from Cash Flow as payment to satisfy any Credit Reduction Payment, repayment of any Investor Loans or any other amount owed to the Investor;
 - (ii) Second, to Cinnaire, an Investor Services Fee pursuant to the Investor Services Agreement between the Company and Cinnaire in a cumulative amount not to exceed \$5,000 per annum, increasing 3% annually. This fee is cumulative and will accrue if there is not sufficient annual Cash Flow and will be excluded from the Debt Service Coverage Ratio calculation and the Underwritten Operations calculation;
 - (iii) Third, to the Developer(s) any unpaid and Deferred Development Fee per the terms of the Development Agreement between the Company and the Developer(s);
 - (iv) Fourth, to the Managing Member a Company Management Fee pursuant to the Company Management Services Agreement between the Company and the Managing Member in an annual cumulative amount not to exceed \$45,000 increasing 3% annually, subject to review and approval by tax counsel.
 - (v) Fifth, 90% of the balance, if any, to the Managing Member as a noncumulative Incentive Management Fee pursuant to the Incentive Management Fee Agreement between the Company and the Managing Member provided that the fee does not exceed 12% of gross rent receipts collected in any given year;
 - (vi) The balance, if any, shall be distributed 0.01% to the Managing Member and 99.99% to the Investor pro rata.
- C. Distribution of Net Cash from Sale and Refinancing. Except upon liquidation of the Company, net cash from sales and refinancing shall be paid or distributed as follows:
- (i) First, to the Investor to the extent of any amount to which the Investor is entitled to receive from Net Cash from Sales and Refinancing as payment to satisfy any Credit Reduction Payment, which remains outstanding and to pay any taxes of the Investor resulting from the sale or refinancing and any related liquidation of the Company computed as if the Investor were tax-paying entities and based on a tax rate equal to the highest rate applicable to corporations at the time of such distributions and other payments owed to the Investor;
 - (ii) Second, a disposition fee of 3% percent of proceeds from Net Cash from Sales and Refinancing payable to the Company upon the sale of the

Property or any portion thereof shall be paid be paid 1.5% to the Managing Member and 1.5% percent to Cinnaire;

(iii) Third, to Cinnaire for any unpaid and accrued investor service fee;

(iv) Fourth, to the Developer(s) to pay any unpaid (and deferred) Development Fee per the Development Agreement;

(v) Fifth, to the to the Managing Member to return any amounts treated as loans including but not limited to any sums paid under the Operating Deficit Guaranty described in Section 4(b) below, and not yet repaid;

(vi) Sixth, to the Managing Member to pay any accrued but unpaid Company Management Fees; and

(vii) The balance, if any, shall be distributed 90.00% to the Managing Member and 10.00% to the Investor pro rata.

The preceding distributions of cash flow and net proceeds are subject to review by Cinnaire's tax counsel and may be adjusted as needed for tax purposes or to protect acquisition credits if related party relationships between the buyer and seller exist.

4.Obligations of the Managing Member and Guarantor(s).

All the obligations set forth in this Letter and the Operating Agreement will be guaranteed by persons and/or entities acceptable to Cinnaire. Such guaranteed obligations shall be joint and several with those of Managing Member and any other Guarantors and will include, but not be limited to, those obligations described in this Section and elsewhere in this Letter. The Guarantor(s) must demonstrate to Cinnaire, in its discretion, their ability to offer meaningful guarantees as evidenced by maintaining a liquidity position of \$1 million and net worth of \$5 million, respectively.

- A. Completion Guaranty. The Managing Member, Green Street Housing, LLC, Tom Ayd and David Layfield, Jr. ("Guarantor(s)") shall absolutely and unconditionally guarantee to the Company and the right Investor that the Development will be constructed in accordance with the Plans and Specifications and in accordance with the terms, conditions and provisions of the construction loan documents, including any changes approved by the Investor and the project architect and evidenced by the architect's certificate of completion. The Managing Member and Guarantor shall also absolutely and unconditionally guarantee to the Company and the Investor that the construction will be 100% complete, other than punch list items, no later than June 1, 2027. The Managing Member and Guarantor understand that Contribution adjustments ("Adjusters") will be invoked if the delivery of the building(s) does not match the attached proforma (Exhibit A). The obligations of the Managing Member and Guarantor shall include, without limitation, providing all funds required of the

Company to complete construction of the Development (to the extent not available under the construction loan and other sources) including, without limitation, cash equity, unanticipated or additional development or construction costs, on and off-site escrows, taxes, insurance premiums, interest, funding of Operating Deficits prior to achievement of Underwritten Operations, providing all funds needed to attain permanent loan closing or conversion, reserves, escrows, legal expenses and accounting expenses. Underwritten Operations means the date following construction completion upon which the Development achieves 3 months of stabilized operations as evidenced by 95% occupancy and the revenues received from normal operations exceed all accumulated operating costs, including required replacement reserves, of the Development by 15% (1.15 DCR). Any Letters of credit or other borrowings arranged by the Managing Member to fund its obligations shall be in the name of the Company but the sole obligation of the Managing Member. The General Contractor will be required to provide payment and performance bonds or a Letter of Credit in amounts and form acceptable to the Investor.

B. Operating Deficit Guaranty. The Managing Member and Guarantors agree that if at any time the Company requires funds to pay any cash obligations to continue operations ("Operating Deficits") incurred such Operating Deficits shall be cured as follows:

- (i) First – from funds held in the Company Operating Reserves; and in the event such funds are not sufficient; and
- (ii) Second – from such funds paid by the Managing Member and Guarantors under this Guaranty, which shall be in an amount that is equal to 6 months of final underwritten operating expenses, required replacement reserves, and amortizing debt service, currently projected to be \$392,890. Such funds shall be treated as interest-free loans to the Company;

If after 5 years from the date the Development achieves Underwritten Operations, subject to the conditions below, and if the Operating Reserve remains fully funded, then Cinnaire will permit the release of the Operating Deficit Guaranty. However, if the Development is unable to meet the following requirements, the Operating Deficit Guaranty will remain in place for a period of up to 15 years. Requirements for the release will include:

- (i) the Development achieves 95% Occupancy;
- (ii) the revenues received from the normal operation of the Development divided by all accumulated operational costs for a period of 12 consecutive months preceding release of the guarantee results in a debt coverage of no less than 1.15 and the development is in accordance with the Loan Documents; and
- (iii) the Project has no unpaid credit adjusters.

C. Repurchase Obligation. The Managing Member and the Guarantors will be obligated to repurchase the Investor's interest in the Company upon failing of certain development, operational, or tax credit benchmarks including but not limited to:

- (i) Failure to achieve construction completion and place in service by June 1, 2027;
- (ii) Failure to deliver Form 8609s by April 1, 2028;
- (iii) Failure to meet the 50% test if as of the Completion Date less than 50% of the aggregate basis of the Project buildings and land has been financed by the proceeds of tax exempt bonds;
- (iv) Failure to commence amortization of the permanent mortgage by October 1, 2027;
- (v) Failure to achieve qualified occupancy by April 1, 2027;
- (vi) An event of foreclosure has occurred;
- (vii) Failure to record the Section 42 Extended Use Agreement prior to the end of the first year of the Credit Period;
- (viii) Prior to the Completion Date, any substantial damage to or destruction of the Project shall occur and the applicable insurance proceeds shall not be made available by the Lender for restoration of the Project or shall not, in the reasonable opinion of the Limited Partner, be sufficient to repair or restore the Project in a manner which would qualify for the aggregate Credits projected to be available, or the Project is not restored by October 1, 2027 following such casualty;
- (ix) Construction work on the Development ceases for a period of 45 days or more unless cessation is for a reason outside of the control of the Managing Member, in which case the period shall be 180 days;
- (x) Any interim or permanent loan commitment or grant is withdrawn so as to materially adversely affect the Company or the Development and is not replaced with comparable financing acceptable to Cinnaire within 60 days, or disbursement of construction loan proceeds is withheld for more than 30 days;
- (xi) The Company fails to meet the Minimum Set-Aside Test at any time during the Compliance Period; or
- (xii) Other conditions as outlined in the Operating Agreement to be executed that are in line with industry standard.

The repurchase price will be limited to the amount of the Investor's capital contributions made to date along with interest, damages, and expenses including reasonable legal fees incurred by the Investor less the sum of any prior delivery of Tax Credits (to the extent not subject to possible recapture in the future) to the Investor. The Investor will be fully released from any further obligation to make additional capital contributions thereto.

D. The Managing Member and Guarantors will guarantee all other obligations of the Managing Member including, but not limited to: tax credit adjusters; payment of

developer fee; tax credit recapture; representations, warranties, indemnifications and covenants by the Managing Member to the Investor.

- E. The Managing Member and Guarantors will also execute an environmental indemnity agreement in form and substance satisfactory to Investor to indemnify the Investor and the Company from and against all claims, actions, causes of action, damages, costs, liability and expense incurred or suffered based upon a violation of Environmental Laws as defined in the Environmental Representations, Warranties and Covenants.
- F. Indemnity Agreements. The Managing Member shall defend, indemnify, and hold harmless the Company and the Investor from any liability, loss, damage, fees, costs and expenses incurred by reason of any demands, claims, suits, actions or proceedings arising out of any breach of the representations, covenants, and warranties or obligations set forth in §5.3 and 5.4 of the Operating Agreement or violation of this Operating Agreement, the Loan Documents or Project Documents, including all reasonable attorney's fees and costs incurred in defending any claim or liability or protecting itself or the Company from, or lessening the effect of, any such breach. In the event that the Investor become personally liable for Company violations with respect to the Company Property under any Environmental Laws as defined in the Environmental Representations, Warranties and Covenants executed by the Managing Member of even date herewith, the Managing Member shall indemnify and hold harmless the Investor for any and all costs, expenses (including reasonable attorney's fees necessarily incurred), damages, or liabilities to the extent that the Investor is required personally to discharge such costs, expenses, damages, or liabilities in whole or in part from any source other than Company resources. The foregoing indemnification shall be a recourse obligation of the Managing Member, shall be joint and several and shall survive the dissolution of the Company with respect to violations which occurred prior to any Voluntary or Involuntary Withdrawal with respect to the Managing Member against whom the indemnification provided in this paragraph is sought to be enforced.

These indemnity obligations shall be guaranteed by the Guarantors. This Indemnity shall survive the execution of the contemplated Operating Agreement and all other Closing matters set forth in the Closing Procedures in Section 12.

- G. Company Operating Reserve Fund. \$392,890 from the Third Capital Installment upon receipt will be immediately placed in the Cinnaire Operating Reserve Fund. Draws from the Company Operating Reserve Fund shall be by joint signature of the Managing Member and Cinnaire. The account shall be in the joint names of the Company and Cinnaire. The Reserve will remain in place for so long as the Investor maintains an ownership interest in the Company. Upon disposition of the Development or the Investor interest therein, all unused funds will be released to the Company to be used for paying the Investor's exit taxes and then in accordance with the Operating Agreement.

- H. Replacement Reserves. The Managing Member will establish and maintain a Replacement Reserve in the amount of \$300 per unit per year to commence in 2025 and to be increased by 3% annually.
- I. Rent-Up Reserves. The Managing Member will establish and maintain a Rent-Up Reserve in the amount of \$25,000 upon receipt of the First Capital Installment. If not utilized, and assuming all other Lenders and the Agency approve, this Reserve may be released according to Section 4B upon achievement of Underwritten Operations.
- J. Depreciation Assumptions. Cinnaire's investment assumes the Managing Member will use the Modified Accelerated Recovery System for the Company's assets: 30 years, 15 years, and 5 years. The investment also assumes the buildings are placed in service in 2026 and the Investor reserves the right to adjust downward its capital contributions in the event a building or buildings are placed in service after December 31, 2026, in order to offset the negative impact to the Investor caused by such a delay. The amount of this adjustment will be the present value of the projected bonus depreciation times 21% less the present value of bonus depreciation to be received the following year using a 10% discount rate.
- K. Cinnaire's investment assumes the Company will use a Cost Segregation study. The cost of this study will be borne by Cinnaire.

All reserves set forth above, except the Company's operating account shall be held at financial institutions designated by the Investor, unless a lender otherwise has a requirement for such accounts.

5. Other Requirements.

- A. Reporting Requirements. The Managing Member will deliver to the Investor financial reports for the Company on a quarterly basis except for rent roll, tenant certification and re-certifications, which shall be furnished on a monthly basis. The Managing Member will deliver year-end audited financial statements and tax returns for the Company in draft form no later than February 15 for the prior year, and in final form no later than March 1 for that prior year. The Managing Member shall also furnish to the Investor all Beneficial Owner Reports and other required information as required and within the deadlines required by the Corporate Transparency Act and upon the request of the Investor.
- B. Insurance. The Company shall obtain: (i) builder's risk insurance; (ii) all-risk casualty insurance in an amount not less than the full replacement cost of the Development; and (iii) liability insurance of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate (including umbrella policy) in accordance with the terms and conditions of the Operating Agreement. The Investor and its affiliates

shall be named as additional insureds (or loss payee, in the case of casualty insurance) on each policy.

6. Development Fee.

The Company shall pay the Developer a Development Fee of \$1,610,693 (or such other amount as approved by the Allocating Agency in computation of the Tax Credit allocation). The Development Fee will be paid to the Developer per the following schedule and per benchmarks listed in the above Section 2.

Payment	Percentage of Net Developer Fee	Amount
First Installment	20.00%	\$213,319
Second Installment	20.00%	\$213,319
Third Installment	41.25%	\$439,958
Fourth Installment	18.75%	\$200,000
Total Payments	100.00%	\$1,066,596

\$544,097 of Development Fee is currently projected to be deferred and paid from net operating cash flow. The Managing Member and the Guarantors will guarantee payment of the Development Fee by Year 13 either as a Managing Member capital contribution or a loan.

7. Credit Adjuster.

The Investor's Capital Contribution will be subject to adjustment according to the following conditions. Reductions in capital contributions, if any, will occur at the current, and if necessary, future capital contributions (to the extent such reductions in capital are not projected to cause any credit reallocation issues). If a reduction occurs, the Managing Member and the Guarantor(s) will meet their completion guarantees and loan the Company additional funds if needed.

- A. Deferral of First Low Income Housing Tax Credit Year. The financial projections assume that 2026 will be the first year of the Low Income Housing Tax Credit period for the Development and that \$347,677 will be allocated to the Investor. If it appears occupancy is delayed such that one hundred (100%) percent of the Low Income Housing Tax Credit units will not be initially occupied by qualified tenants prior to year end and cause those never occupied Low Income Housing Tax Credit units to be subject to the two-thirds reduction of Low Income Housing Tax Credits pursuant to §42(f)(3)(A) of the Code, the Investors may, in their sole discretion, require the Company to defer the First Low Income Housing Tax Credit Year to the following year in order to avoid the two-third reduction. If the deferral is required by the Investor the Managing Member or Guarantors cannot request a waiver.

- B. Downward Low Income Housing Capital Adjustment. If there is a shortfall in Housing Tax Credit Delivery the adjustment will be the Projected Housing Tax Credits minus the Actual Low Income Housing Tax Credits times the price per credit of \$0.8000. Any LIHTC recapture shall result in an adjuster equal to, on an after-tax basis, the amount recaptured plus applicable interest and penalties.
- C. Late Low Income Housing Credit Delivery Adjustment. If there is a shortfall in the Actual Low Income Housing Tax Credits in 2026 the adjustment shall equal the amount, if any, by which Projected First Year Housing credit amount exceeds the Actual Low Income Housing Tax Credits for such year minus the present value (using a 10% discount rate) of the additional Projected Low Income Housing Tax Credits to be received in calendar year 2036.
- D. Upward Low Income Housing Adjustment. In the event the Actual Tax Credits exceed the Projected Tax Credits by less than or equal to Five percent (2.50%) of the original projection, the Investor shall increase its Capital Contribution by the amount of said excess subject to availability of funds from the Investor. For an increase above five percent (2.50%), the Investor may in its sole discretion choose to increase its Capital Contribution and invest in the excess and will use best efforts to do so.
- E. Early Low Income Housing Adjustment. If there is a surplus in the Actual Low Income Housing Tax Credits in 2026 the adjustment shall be equal to the difference, if any, of the Actual Low Income Housing Tax Credits in minus the Projected First Year Housing Tax Credits times \$0.45. The adjustment shall be capped at \$40,000.
- F. Effect on Capital Contributions: Managing Member Payment. If there is a Downward Low Income Housing Capital Adjustment and/or a Late Low Income Housing Delivery Adjustment (a "Negative Adjustment"), then the Capital Contributions of the Investor, shall be immediately reduced by such amounts. A Negative Adjustment shall first reduce the next Capital Contribution, and then to the extent necessary, each succeeding Capital Contribution (to the extent not previously funded. If the Negative Adjustment exceeds the total of all unfunded Capital Contributions, then the Managing Member shall make a payment to the Company equal to the amount of such excess and the Company shall immediately distribute such amount to the Investor as return of its capital contributions. Such payment by the Managing Member shall constitute a non-reimbursable funding by it of excess development costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. Such payment shall be made within 10 days following a demand there for from the Investor, failing which interest shall accrue at the Default Rate.

9. Buyout Option.

Beginning after the end of the Compliance Period and ending eighteen (18) months thereafter, provided the Managing Member(s) have satisfied their obligations to the Investor and are not in default in any way under the Loan documents or the Operating Agreement and no bankruptcy has occurred or is pending, the Managing Member shall have the option to purchase the Project or Investor's entire interest in the Company for a price equal to the greater of: (i) the fair market value of the Property or the Investor's entire interest (assuming a sale of the Project) specifically appraised to take into account applicable affordable housing restrictions or (ii) the sum of (a) the principal amount of all outstanding indebtedness secured by the Project Property, all loans from the Investor, Managing Member or any of their Affiliates, and any accrued interest; and (b) all federal, state and local taxes of the Company (or the partners/members thereof) and its Managing Member attributable to such sale (at the highest corporate tax rate then in effect). To exercise the Buyout Option, the Managing Member will provide written notice to the Investor including an appraisal of the Project performed by an independent third party appraiser, subject to all applicable land use restriction agreements. Closing of the sale of the Investors' interest shall occur within thirty (30) days after the Investors consent to the computation of the buyout price.

10. Put Option.

The Managing Member will grant the Investor the individually exercisable right and option, but not the obligation, to require the Managing Member to purchase the Investor's interest in the Company at a price equal to \$100 plus all amounts due and owing to the Investor under the terms of the Operating Agreement to be executed. The Managing Member will reaffirm the indemnification and guarantee provisions set forth the Operating Agreement and the Guaranty and agrees to continue to provide reports as outlined in the Operating Agreement.

11. Transaction Expenses.

The undersigned, on behalf of the Sponsors, the Managing Member, and the Developers, will be responsible for transaction expenses commissioned in connection with the Investor's proposed investment in the Development. Under no circumstances shall Cinnaire or the Investor be responsible for any of these expenses, whether or not the proposed investment is closed. These expenses shall include, without limitation:

- A. An owner's title insurance policy from Cinnaire Title Services, or a title company acceptable to the Investor, in the full amount of the mortgage loan(s) plus the Capital Contributions of the Investor;
- B. Managing Member's accountant's fees and expenses for preparing the financial projections;

- C. Real estate transfer, recording and sales and other taxes imposed by any governmental agency; and
- D. Cinnaire's syndication, legal and accounting fees, construction inspector, market analyst fees and expenses for the transaction not exceeding \$50,000.
- E. The Company's legal fees and expenses and any real estate brokerage fees incurred by the Company.

Notwithstanding the foregoing, when Closing occurs, the foregoing expenses shall be borne by the Company to the extent reflected in the attached financial projections for the Development in Exhibit A.

12. Underwriting and Closing Procedures.

- A. Underwriting and Due Diligence. During the due diligence period, Cinnaire will verify factual representations made by the Managing Member, conduct a site visit, and further evaluate the following:
 - (i) Development Budget
 - (ii) Operating Budget
 - (iii) Construction and Lease-up Timing Assumptions
 - (iv) Experience and Capacity of the Development Team
 - (v) Managing Member's and Guarantor's Financial Capacity
 - (vi) Overall Strength of Real Estate
 - (vii) Other Relevant Factors as described in the Due Diligence Checklist

If Cinnaire, in its due diligence process, finds any factor, including but not limited to the factors listed above, is unacceptable then the due diligence period shall end and this Letter shall become invalid.

- B. Consents and Approvals. Upon return of this Letter of Intent signed by the Managing Member and Guarantors, the parties will enter into negotiations with regard to the form of the Operating Agreement and will jointly proceed to obtain (i) the approval of the investment by Cinnaire Investment Committee and the Investor, (ii) the approval of the Authority with regard to said Operating Agreement and (iii) allocation of the required Tax Credits from the Allocating Agency.
- C. Closing Date. The closing with regard to execution of the Operating Agreement will occur on a date (the "Closing Date") agreed to by the Managing Member and Investor, but no later than December 1, 2025. If construction begins after December 1, 2025 the projections will be subject to change based upon the revised timing assumption.

You agree and understand that Cinnaire and the Investor have spent substantial time on the proposed investment in your Development for which they expect no consideration other than the completion of the proposed investment as described herein. Accordingly, you agree to offer the Development for investment exclusively to Cinnaire and the Investor for a period of the later of 90 days from the date of your acceptance.

You acknowledge that this Letter of Intent contains confidential information and agree not to disclose either orally or in writing its contents to any third party other than your accountant(s) and/or attorney(s), without the express prior written consent of Cinnaire and you further agree to advise your representatives that such representatives shall not disclose either orally or in writing the contents of this Letter of Intent.

Furthermore, you agree that until Closing, the Sponsors, the Managing Member and the Developers agree not to disclose any of the terms of this Letter to anyone who is not a participant or potential lender to the transaction. Notwithstanding anything to the contrary contained herein, (i) each party to this Letter may disclose the tax structure of the proposed transaction to any party without restriction, and (ii) Cinnaire shall have the right to disclose any information received in conjunction with their proposed investment in the Managing Member to (i) any entity holding, either directly or indirectly, an ownership interest in the Investor, and (ii) any entity who is considering acquiring, either directly or indirectly, an interest in the Investor. Such disclosure may include, without limitation, any or all documents received in conjunction with Cinnaire due diligence review (including, but not limited to, financial statements for the Sponsors, the Managing Member, the Developers, and the Guarantors).

This Letter of Intent sets forth the entire agreement among Cinnaire, Managing Member, and the Guarantors, and supersedes all previous statements, agreements, and representations written or made by the Investor. Further, this Letter of Intent will be superseded by the terms and conditions of the First Amended and Restated Limited Operating Agreement to be entered into between the parties which will control when approved and executed. This Letter of Intent may be cancelled at the sole discretion of Cinnaire in the event the investment in the Development is not approved by the Investment Committee of Cinnaire or the investor.

This offer is valid for 15 days from the date of this Letter. Furthermore, in the event that the proposed transaction does not close on or before December 1, 2025, the pricing and other terms contained herein shall be subject to adjustment to reflect the then-current market conditions.

If the terms and conditions outlined herein are agreeable, please counter sign this Letter where indicated below and fill out the required forms attached in Exhibit B. We look forward to working with you.

Sussex Trace Apartments

Letter of Intent

June 27, 2025

Page 15

Very truly yours,



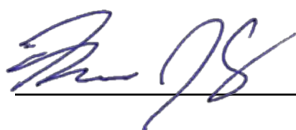
Jacob Stern

SVP, Business Development

ACCEPTED on this 27th day of June, 2025.

Owner: Sussex Trace Preservation, LLC

By: GSH Sussex Trace LLC, its Managing Member



Tom Ayd

Authorized Signatory

6/27/25

By: Authorized Signer

Name

Title

Date

Guarantor: Green Street Housing, LLC



Tom Ayd

Authorized Signatory

6/27/25

By: Authorized Signer

Name

Title

Date

Guarantor: Tom Ayd



Tom Ayd

Self

6/27/25

By: Authorized Signer

Name

Title

Date

Guarantor: David Layfield



David Layfield

Self

6/27/25

By: Authorized Signer

Name

Title

Date

EXHIBIT(S):

EXHIBIT A

See proforma dated June 25, 2025 (v8).

EXHIBIT B

Please fill out and return the following form(s) with the counter signed LOI:

- Authorization for Release of Credit Form
 - IRS FEIN Verification Form*
 - Form W9*

(* If the IRS FEIN Verification Form is unable to be provided, the Form W9 is acceptable.)

EXHIBIT C

Assumptions made by the Investor (add or delete as needed)

1. Bonus Depreciation claimed in 2026.
2. Cost segregation study utilized by Investor at Investor cost.
3. Each soft loan assumes the following rates: ASHN – VHTF at 0.00%, ASNH – HOME at 0.50%, HEE at 0.00%, and HUD GRRP at 1.00%.
4. The Investor assumes the project will include a Section 8 HAP for all 50 units. The Investor assumes the Managing Member will contract new agreements for the Section 8 HAP and that these vouchers will be in effect for at minimum the length of the Compliance Period.

Tab D:

Any Supporting Documentation related to List of
LIHTC Developments (Schedule A)

This deal does not require
information behind this tab.

Tab E:

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

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT is made as of May 13, 2024, by and between Green Street Housing, LLC, a Maryland limited liability company (the “Assignor”) and Sussex Trace Preservation, LLC, a Virginia limited liability company (the “Assignee”).

WHEREAS, Assignor entered into a Purchase and Sale Agreement dated as of December 20, 2023, (collectively, the “Contract”), with Sussex Village Apartments TM, LLC, as seller (the “Seller”) for the purchase of certain real property located in Waverly, Sussex County, Virginia, commonly known as Sussex Trace Apartments, and described more particularly in the Contract (the “Property”);

WHEREAS, Assignor formed Assignee for the purpose of purchasing the Property;

WHEREAS, Assignor desires to assign the Contract to Assignee and Assignee wishes to accept the Contract pursuant to the terms hereof.

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

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

[Signature Page Follows]

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

ASSIGNOR:

Green Street Housing, LLC,
a Maryland limited liability company

By: 

Name: Thomas J. Ayd

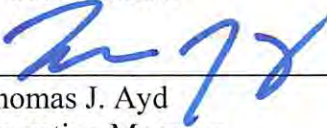
Title: Operating Manager

ASSIGNEE:

Sussex Trace Preservation, LLC,
a Virginia limited liability company

By: GSH Sussex Trace, LLC,
Its Manager

By: GSH Partners, LLC,
Its Sole Member

By: 

Name: Thomas J. Ayd

Title: Operating Manager

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

(Sussex Trace Apartments)

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is entered into as of October 31, 2024 by and between SUSSEX VILLAGE APARTMENTS TM LLC, a Virginia limited liability company ("Seller") and SUSSEX TRACE PRESERVATION, LLC, a Virginia limited liability company, ("Buyer") and, together with Seller, the "Parties", and each, a "Party").

RECITALS:

A. The Parties are the parties to that certain Purchase and Sale Agreement as of December 20, 2023 (the "Agreement") for the sale of certain real property located at 7144 Leneave Lane, Waverly, VA 23890 and known as Sussex Trace Apartments (the "Transaction"). All capitalized terms not defined herein shall have the meanings attributed to them in the Agreement.

B. The Closing Date is defined in the Agreement as being December 31, 2024 with two optional sixty-day extensions.

C. The Parties desire to extend the Closing Date to December 31, 2025 and remove the right of Buyer to further extend the Closing Date.

D. Under the terms of the Agreement, Buyer was required to have tendered the Second Deposit, the Third Deposit and the Fourth Deposit (together with the Second Deposit and the Third Deposit, the "Outstanding Deposit"), totaling Twenty Thousand and NO/100 Dollars (\$20,000.00), on or before June 1, 2024.

E. Buyer has not tendered the Outstanding Deposit.

F. The Parties desire to amend the Agreement to extend the date on which the Outstanding Deposit shall be due to November 30, 2024, and to obligate Purchaser to fund certain additional expenses as set forth herein.

G. The Parties intend to proceed with the Transaction and have agreed to amend the Agreement on the terms and conditions hereinafter set forth.

AGREEMENT:

In consideration of these recitals and the mutual covenants, representations, warranties and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Closing Date. Section 1.1(f) of the Agreement is hereby deleted in its entirety and replaced with the following new Section 1.1(f)

(f) Closing Date: December 31, 2025

2. Deposit; Default and Certain Remedies.

a. Section 1.3(a) of the Agreement is hereby deleted in its entirety and replaced with the following new Section 1.3(a):

(a) Within fifteen (15) days after the Effective Date, Purchaser shall deposit in immediately available funds with the Escrow Agent Five Thousand and 00/100 Dollars (\$5,000.00) (the “First Deposit”). One-Hundred and 00/100 Dollars (\$100.00) (the “Independent Consideration”) of the First Deposit shall be independent consideration for this Agreement and shall be non-refundable to Purchaser, which such Independent Consideration shall be released to Seller immediately upon the Escrow Agent receiving the First Deposit. Upon (i) the expiration of the Due Diligence Period, the First Deposit shall become non-refundable (except in the event of a default by Seller hereunder) and the First Deposit shall be released to Seller within three (3) business days of the expiration of the Due Diligence Period. On or before November 30, 2024, Purchaser shall make an additional non-refundable (except in the event of a default by Seller hereunder) payment directly to Seller of Twenty Thousand and NO/100 Dollars (\$20,000.00) (the “Deposit”). The Deposit shall be credited against the Purchase Price at Closing (as hereinafter defined).

b. Section 1.3(b) of the Agreement is hereby amended by deleting the words “and the Closing Extension Payments, if any,” and the words “and Closing Extension Payment” from the fifth and seventh sentences thereto, respectively.

3. Loan Closing Costs. The following new Section 1.5 is hereby added to the Agreement:

1.5. Loan Closing Costs. If, prior to the Closing Date, Purchaser receives written notice that Seller has incurred costs in connection with the extension of its existing loan related to the Property (the “Loan Closing Costs”), then Purchaser shall reimburse Seller for such Loan Closing Costs within ten (10) business days of receiving written notice of the same and reasonable evidence of the payment of such costs and the amount of such reimbursement shall be credited against the Purchase Price at Closing, but shall not be refunded in the event that Closing does not occur for any reason. Unless this Agreement is terminated in accordance with the terms of this Agreement prior to Seller incurring Loan Closing Costs, Purchaser’s obligation to make the payment of the Loan Closing Costs shall survive the termination of

this Agreement. Purchaser acknowledges the Loan Closing Costs are currently anticipated to be approximately Thirty-Five Thousand and NO/100 Dollars (\$35,000.00), but may exceed that amount.

4. Milestones; ASNH Funding Contingency. The current Section 2.5 of the Agreement is hereby deleted in its entirety and replaced with the following new Section 2.5:

2.5. ASNH Funding Contingency. If Purchaser's November, 1 2024 application for funding through the Affordable and Special Needs Housing (ASNH) funding program does not result in an award of funding on or before February 1, 2025, or if Purchaser fails to make such application for funding on or before November 1, 2024, than Seller shall have the right to terminate this Agreement and to receive from the Escrow Agent promptly upon request, the entire Deposit as liquidated damages.

5. Ratification. Except as amended herein, the Agreement is hereby ratified and shall remain in full force and effect.

6. Counterparts/Facsimile. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original copy, but all of which together shall constitute one agreement binding on all parties hereto. Any documents delivered by facsimile transmission or other electronic delivery of an image file reflecting the execution hereof, including the execution hereof through electronic signatures such as DocuSign, may be relied on as if the document were a manually signed original and will be binding on such party for all purposes.

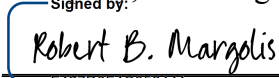
[Signature Pages Follow]

The parties have executed this Amendment as of the date first above written.

SELLER:

SUSSEX VILLAGE APARTMENTS TM LLC,
a Virginia limited liability company

By: MARG Rural LLC, a West Virginia limited
liability company, its managing member

By: 
Robert B. Margolis, Manager

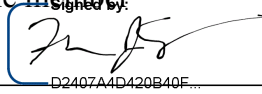
[Signatures Continue on Following Page]

PURCHASER

SUSSEX TRACE PRESERVATION, LLC,
a Virginia limited liability company

By: GSH Sussex Trace, LLC,
a Virginia limited liability company
its manager

By: GSH Partners, LLC,
a Virginia limited liability company,
its sole member

By: 
D2407A4D420B40E...
Tom Ayd, Operating Manager

PURCHASE AND SALE AGREEMENT

1. PROPERTY/PURCHASE PRICE

1.1 Certain Basic Terms.

- (a) Seller: Sussex Village Apartments TM LLC, a Virginia limited liability company
- (b) Purchaser: Green Street Housing, LLC, a Maryland limited liability company
- (c) Date of this Agreement: December 20, 2023 (the “Effective Date”)
- (d) Purchase Price: Two Million Nine Hundred Thousand and 00/100 Dollars (\$2,900,000.00).
- (e) Due Diligence Period: The period beginning on the Effective Date and ending at 5:00 p.m. Eastern Time on March 30, 2024.
- (f) Closing Date: December 31, 2024. Purchaser may extend the Closing Date for two additional periods of sixty (60) days each with prior written notice to Seller of at least five (5) days prior to the then scheduled Closing Date (“Extension Notice”) and payment of an additional non-refundable closing extension payment of Ten Thousand and 00/100 Dollars (\$10,000.00) (each, a “Closing Extension Payment” and, together, the “Closing Extension Payments”) directly to Seller within three (3) business days of the Closing Extension Notice being sent. Seller shall provide Purchaser its payment instructions upon receipt of an Extension Notice. The first Closing Extension Payment shall be credited towards the Purchase Price if the Closing occurs in accordance with this Agreement. The remaining Closing Extension Payment shall be in addition to, and not credited towards, the Purchase Price if the Closing occurs in accordance with this Agreement.
- (g) Broker: Lippincott Real Estate Advisors

(h) Title Company: Safe Harbor Title Company, LLC
4900 Augusta Avenue, Suite 150
Richmond, VA 23230
Attention: Candace Winston
Email: cwinston@safeharbortc.com

1.2 Property. Subject to the terms and conditions of this Purchase and Sale Agreement (this “Agreement”), Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller’s right, title and interest in and to the following property (collectively, the “Property”):

(a) The “Real Property,” being Seller’s interest in the land described in Exhibit A hereto, together with (i) all improvements located thereon (the “Improvements”), and (ii) the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or thereto, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way or in anywise appertaining to such real property. The Real Property is commonly known as Sussex Trace Apartments and located at 7144 Leneave Lane, Waverly, VA 23890.

(b) The “Leases,” being Seller’s interest in all leases, subleases, licenses, occupancy agreements and tenancies of portions of the Real Property, including all amendments thereto and guarantees thereof;

(c) The “HAP Contract,” being Seller’s interest in that certain Section 8 Housing Assistance Payments Basic Renewal Contract designated as VA36H027226, as amended, with respect to the Real Property, and any prior Housing Assistance Payments Contract, as amended, with respect to the Real Property, by and between Seller’s predecessor, JP Housing LP, and Navigate Affordable Housing Partners (“HAP Contract Administrator”) as contract administrator for the U.S. Department of Housing and Urban Development (“HUD”);

(d) The “Service Contracts,” being Seller’s interest in all service, supply, equipment rental, and other similar contracts related to the operation of the Real Property, together with all amendments thereof, to the extent assumed by Purchaser in accordance with Section 2.3;

(e) The “Tangible Personal Property,” being Seller’s interest in all fixtures, equipment, machinery, furniture, furnishings, apparatus, supplies and other tangible personal property of every nature or description owned by Seller, and Seller’s interest in any such property leased by Seller, now or hereafter located in or on, and used in connection with, the operation, ownership or management of the Real Property;

(f) The “Intangible Personal Property,” being Seller’s interest in and to all intangible personal property related to the Real Property, to the extent transferable without consent and without violating the terms thereof, including, without limitation: all trade names and trademarks associated with the Real Property, including Seller’s rights and interests in the name of the Real Property; the plans and specifications and other architectural and engineering drawings related to the Improvements; warranties; contract rights related to the construction, operation,

ownership, or management of the Real Property; governmental permits, approvals and licenses relating to the Real Property.

1.3 Deposit; Default and Certain Remedies.

(a) Within fifteen (15) days after the Effective Date, Purchaser shall deposit in immediately available funds with the Escrow Agent Five Thousand and 00/100 Dollars (\$5,000.00) (the “First Deposit”). One-Hundred and 00/100 Dollars (\$100.00) (the “Independent Consideration”) of the First Deposit shall be independent consideration for this Agreement and shall be non-refundable to Purchaser, which such Independent Consideration shall be released to Seller immediately upon the Escrow Agent receiving the First Deposit. Upon (i) the expiration of the Due Diligence Period, the First Deposit shall become non-refundable (except in the event of a default by Seller hereunder) and the First Deposit shall be released to Seller within three (3) business days of the expiration of the Due Diligence Period and Purchaser shall make an additional non-refundable (except in the event of a default by Seller hereunder) payment directly to Seller of Five Thousand and 00/100 Dollars (\$5,000.00) (the “Second Deposit”), (ii) on the earlier of (1) the submission of the Application for Reservation (“Application”) to Virginia Housing pursuant to Section 2.5(a) or (2) March 30, 2024, Purchaser shall make an additional non-refundable (except in the event of a default by Seller hereunder) payment directly to Seller of Five Thousand and 00/100 Dollars (\$5,000.00) (the “Third Deposit”), (iii) on the earlier of (1) the receipt of the Bond Inclusion Date for tax-exempt bond financing pursuant to Section 2.5(b) or (2) June 1, 2024, Purchaser shall make an additional non-refundable (except in the event of a default by Seller hereunder) payment directly to Seller of Ten Thousand and 00/100 Dollars (\$10,000.00) (the “Fourth Deposit” and, together with the First Deposit, the Second Deposit, and the Third Deposit, the “Deposit”). The Deposit shall be credited against the Purchase Price at Closing (as hereinafter defined).

(b) Escrow Agent. Title Company shall serve as escrow agent for the transaction contemplated in this Agreement (“Escrow Agent”). Escrow Agent shall hold the First Deposit in a non-interest-bearing account and shall disburse the First Deposit in accordance with the terms of this Agreement and the Escrow Agreement. Any interest earned on the First Deposit shall be added to and become a part of the First Deposit and shall follow the First Deposit. The duties of Escrow Agent hereunder, in its capacity as escrow agent, are purely ministerial in nature and shall be expressly limited to the safekeeping and disposition of the First Deposit in accordance with this Agreement. Escrow Agent shall incur no liability in connection with the safekeeping or disposition of the First Deposit and the Closing Extension Payments, if any, for any reason other than Escrow Agent’s willful misconduct or negligence. In the event that Escrow Agent shall be in doubt as to its duties or obligations with regard to the First Deposit, or in the event that Escrow Agent receives conflicting instructions from Purchaser and Seller with respect to the First Deposit, Escrow Agent shall not be required to disburse the First Deposit and may, at its option, continue to hold the First Deposit until both Purchaser and Seller agree as to its disposition, or until a final judgment is entered by a court of competent jurisdiction directing its disposition, or Escrow Agent may interplead the First Deposit in accordance with the Escrow Agreement and the laws of the state in which the Property is located. Purchaser and Seller acknowledge and agree that (i) Purchaser has the absolute right to terminate this Agreement before the expiration of the Due Diligence Period pursuant to Section 2.2(a) and receive a refund of the First Deposit, and (ii) except as otherwise set forth in this Agreement (including, without limitation, a default by Seller

hereunder), Seller has the absolute right to immediately retain any Deposit and Closing Extension Payment upon receipt of the same by Seller. Escrow Agent shall execute this Agreement solely for the purpose of being bound by the provisions of this Section 1.3(b) and the other provisions of this Agreement relating to the First Deposit.

(c) If Purchaser should fail to consummate the purchase of the Property for any reason other than a default by Seller or the exercise by Purchaser of an express right of termination granted herein (which provides for the return of any portion of the Deposit), Seller's sole remedy in such event shall be to terminate this Agreement and to retain the Deposit as liquidated damages, Seller waiving all other rights or remedies in the event of such default by Purchaser. The parties acknowledge that Seller's actual damages in the event of a default by Purchaser under this Agreement will be difficult to ascertain, and that such liquidated damages represent the parties' best estimate of such damages.

(d) If Seller shall default in the performance of its obligations under this Agreement and Purchaser does not waive such default, Purchaser may elect to (i) terminate this Agreement by notice to Seller, in which event Purchaser shall be entitled to a refund of the Deposit (other than the Independent Consideration, which shall be delivered to Seller pursuant to Section 1.3(a)) and Purchaser's actual out of pocket expenses up to One Hundred Thousand and No/100 Dollars (\$100,000.00); or (ii) seek specific performance of Seller's obligations to sell the Property pursuant to this Agreement (in which case the reimbursement of any out-of-pocket expenses shall be limited to One Hundred Thousand and No/100 Dollars (\$100,000.00)). Purchaser agrees that its failure to timely commence such an action for specific performance within such thirty (30) day period shall be deemed a waiver by it of its right to commence an action for specific performance as well as a waiver by it of any right it may have to file or record a notice of lis pendens or notice of pendency of action or similar notice against any portion of the Property.

1.4 Purchase Price; Payment. The Purchase Price shall be paid in immediately available funds upon Closing in accordance with Section 5.4(a).

2. INSPECTION

2.1 Seller's Delivery of Specified Documents. To the extent not already provided to Purchaser prior to the Effective Date, within five (5) business days after the date of this Agreement, Seller shall deliver or make available to Purchaser copies of the following documents relating to the Property, to the extent that such documents are in the possession or control of Seller (collectively, the "Documents"):

(a) Tax Information. Copies of all ad valorem tax statements relating to the Property for the current year or other current tax period (if available) and for calendar years 2021 and 2022, together with any agreements and/or notices from, to and/or with any taxing authorities since January 1, 2023, with respect to the Property (including, but not limited to, any materials relating to any past or pending tax appeals);

(b) Utility Bills. All bills for utility services to the Property for the twelve (12) months immediately preceding the date of this Agreement;

(c) Service Contracts. Copies of all management, service, supply, equipment rental and other contracts related to the operation of the Property currently in effect (together with all amendments and modifications thereof, the "Service Contracts");

(d) HUD Documents. Copies of the HAP Contract;

(e) Rent Roll. A current rent roll for the Property.

(f) Environmental Reports and Materials. Copies of all reports, permits, studies, analyses, documents and materials related to the environmental condition of the Real Property and/or the presence or absence of, and/or any bids, proposals or contracts for removal or remediation of, any Hazardous Materials (as defined below) located in, on, under, about and/or around the Real Property ("Environmental Reports");

(g) Existing Title Policies and Surveys. Copies of Seller's owner's title insurance policy and the most current ALTA "as-built" or other survey with respect to the Real Property;

(h) Insurance Policies. All existing insurance policies relating to the Property;

(i) Permits and Approvals. All certificates of occupancy, licenses, permits, governmental approvals and notices issued by any governmental authority, insurance company or underwriting relating to the Property;

(j) Pending or Threatened Proceedings. A list of all pending (for which process has been served) or threatened (in writing) lawsuits, administrative proceedings, violation notices, enforcement actions, governmental inquiries and tax appeals affecting the Property and/or Seller with respect to the Property;

(h) Financial Statements. Unaudited monthly and annual income and operating statements for the Property for 2020, 2021, 2022 and 2023 (YTD) (collectively, the "Financial Statements");

(i) Warranties. Copies of all warranties and guarantees (and related documentation) from any contractors, sub-contractors, manufacturers, and equipment/materials suppliers having anything whatsoever to do with the construction of the Property running to the benefit of Seller and obtained during Seller's period of ownership of the Property (collectively, the "Warranties").

(j) Plans and Specs. A complete set of the Seller's plans and specifications for the renovation of the Property submitted by Seller previously to Virginia Housing, including any approved changes and modifications thereto (collectively, the "Plans and Specs"). Notwithstanding anything to the contrary in this Agreement, Seller makes no representations or warranties regarding the Plans and Specs.

(k) Tenant Files. Copies of all current tenant files for tenants at the Property. Seller shall supplement such tenant files periodically throughout the term of this Agreement and cooperate with the Purchaser on any such requests for information during the term hereof.

Seller shall promptly (and, in any event, within not more than three (3) business days after receipt or creation) provide to Purchaser, true, correct and complete copies of any documents described above which come into the possession or control of, or are produced by, Seller or its agents or affiliates after the initial delivery referred to above and shall continue to promptly provide same during the pendency of this Agreement. In addition, Seller shall promptly provide to Purchaser such other documents relating to Property as are reasonably requested by Purchaser from time to time, to the extent that such documents are in the possession or control of Seller.

To the extent that any Documents furnished by Seller were prepared by a third party, those Documents shall not be deemed as a representation or warranty of Seller as to the truth, accuracy or usefulness to Purchaser of such Documents.

2.2 Due Diligence.

(a) Purchaser shall have through 5:00 p.m. Eastern Time on the last day of the Due Diligence Period in which to examine, inspect and investigate the Property at its sole cost and expense, and, in Purchaser's sole and absolute judgment and discretion, to determine whether the Property is acceptable to Purchaser. Notwithstanding anything to the contrary in this Agreement, Purchaser may terminate this Agreement by giving written notice of termination to Seller by 5:00 p.m. Eastern Time on the last day of the Due Diligence Period. If Purchaser terminates this Agreement pursuant to this Section 2.2(a), the Deposit shall be refunded to Purchaser by Escrow Agent promptly upon request, and all further rights and obligations of the parties under this Agreement shall terminate, except those provisions which expressly survive termination.

(b) Purchaser and Purchaser's agents, employees, representatives, contractors, architects, engineers, consultants, appraisers, lenders, investors and designers (collectively, "Purchaser's Representatives") shall have reasonable access to the Property during normal business hours, with two (2) business days' prior written notice to Seller (such notice may be by email), for the purpose of conducting appraisals, surveys, architectural, engineering, geotechnical and environmental inspections and tests, all in accordance with applicable laws and only in such a manner as not to unreasonably interfere with the use or operation of the Property or unreasonably disturb Seller's tenants; provided, however, that Purchaser shall not conduct any invasive testing without the Seller's prior written consent, which Seller may withhold in its sole discretion. Purchaser will indemnify, defend and hold Seller harmless from all liens, claims, losses, actual damages and liabilities actually suffered by Seller (including without limitation any damage to property or injury to persons) as a result of any entry by Purchaser or Purchaser's Representatives under this Section 2.2(b). Purchaser shall furnish to Seller evidence of liability insurance maintained by Purchaser or Purchaser's Representative, in form and substance satisfactory to Seller, naming Seller and Seller's property management company as additional insureds and providing coverage for physical damages and personal injury and in an amount not less than \$1,000,000.00. If any inspection or test disturbs or damages the Property, Purchaser shall promptly repair and restore the Property to substantially the same condition as existed prior to any such inspection or test. No such due diligence investigations of Purchaser shall constitute a waiver or relinquishment on the part of Purchaser of its rights under any covenant, condition, representation, or warranty of Seller under this Agreement.

(c) Purchaser and Purchaser's Representatives shall have a continuing right of reasonable access to the Property during the pendency of this Agreement in a manner as not to unreasonably disturb the tenants under the Leases, and the right to examine and make copies of all books of account and records and other materials relating to the Property in Seller's or its property manager's possession (but Purchaser will not make copies of books, records or other materials that Seller designates as confidential) and the right to conduct a "walk-through" of the Property prior to Closing in such a manner as not to unreasonably disturb the tenants under the Leases; provided that Purchaser and Purchaser's Representatives will only be permitted such access when accompanied by Seller or a representative of Seller, who will be available during normal business hours to accompany Purchaser or Purchaser's Representative. Purchaser may make inquiries to third parties, including, without limitation, lenders, investors, contractors, property managers, parties to Service Contracts and municipal, local, and other government officials and representatives with the prior written consent of Seller. Any and all reports, test results and materials ordered by or paid for and/or any analysis performed (collectively, the "Due Diligence Materials") by Purchaser or its affiliates or any of the Purchaser's Representatives shall belong to Purchaser and shall not run to the benefit of Seller or any of its affiliates. This provision shall survive the termination of this Agreement or Closing. However, if the Purchaser terminates the purchase (for any reason other than a Seller default), then (at no cost or recourse to Purchaser) all Due Diligence Materials shall be given to the Seller without cost or recourse to Seller other than (a) any appraisals prepared by or for Purchaser; (b) Purchaser's internally prepared financial models and projections for the Property; and (c) internal communications among Purchaser's principal owners, employees, officers and agents regarding the Property.

2.3 Service Contracts. On or before the expiration of the Due Diligence Period, Purchaser will determine, and will give Seller written notice of, which Service Contracts Purchaser will assume and which Service Contracts are to be terminated by Seller at Closing. If Purchaser fails to give written notice as to any Service Contract on or before the expiration of the Due Diligence Period, Purchaser shall be deemed to have elected to assume such Service Contract. Purchaser will assume only those obligations arising and accruing from and after the Closing Date under those Service Contracts which Purchaser elects to assume as provided above. At Closing, Seller shall terminate all Service Contracts that are not so assumed. Seller shall terminate at Closing, at its sole cost, and Purchaser shall not assume, any property management agreement affecting the Property. Notwithstanding the foregoing, that any Telecom Service Contract related to the Property shall not terminate.

2.4 As-Is Purchase; Condition of the Property.

(a) THE PARTIES RECOGNIZE AND AGREE THAT PURCHASER IS ACQUIRING THE PROPERTY IN "AS-IS, WHERE-IS" CONDITION, WITH ALL FAULTS. PURCHASER HEREBY ACKNOWLEDGES THAT IT SHALL BE ACQUIRING THE PROPERTY IN RELIANCE SOLELY UPON ITS OWN INVESTIGATIONS, STUDIES AND DUE DILIGENCE AND, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, SHALL NOT RELY ON ANY STATEMENT, REPRESENTATION, OR WARRANTY WHATSOEVER BY SELLER, BROKER OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, MEMBERS, AGENTS, CONTRACTORS OR REPRESENTATIVES (COLLECTIVELY REFERRED TO IN THIS AGREEMENT AS THE "SELLER/BROKER PARTIES"). PURCHASER UNDERSTANDS AND ACKNOWLEDGES

THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE SELLER/BROKER PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, RELATING TO THE PROPERTY INCLUDING, WITHOUT LIMITATION, DESIGN, CONDITION OR REPAIR, VALUE, EXPENSE OF OPERATION, INCOME POTENTIAL, COMPLIANCE WITH DRAWINGS OR SPECIFICATIONS, ABSENCE OF DEFECTS, ABSENCE OF FAULTS, FLOODING, OR COMPLIANCE WITH LAWS, RULES AND REGULATIONS, TAXES, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER FACT OR CONDITION WHICH HAS OR MIGHT AFFECT THE PROPERTY OR THE OWNERSHIP, USE, OCCUPANCY, OPERATION, CONDITION, REPAIR, VALUE, OR INCOME POTENTIAL THEREOF.

(b) Purchaser represents to Seller that Purchaser has conducted, or will conduct, such investigations of the Property, including but not limited to, the physical and environmental conditions thereof, as Purchaser deems necessary to satisfy itself as to the condition of the Property and the existence or nonexistence or curative action to be taken with respect to any hazardous or toxic substances on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents with respect thereto. Upon Closing, Purchaser shall assume the risk that adverse matters, including, but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Purchaser's investigations, and Purchaser, upon Closing, shall be deemed to have waived, relinquished and released Seller and its affiliates and their respective officers, directors, shareholders, members, partners, employees and agents, but not any owner of the Property prior to Seller, from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including attorneys' fees and court costs) of any and every kind or character, known or unknown, which Purchaser might have asserted or alleged against Seller (and Seller's and its affiliates' respective officers, directors, shareholders, members, partners, employees and agents) at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws (including, without limitation, liabilities under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq., and any other environmental laws and regulations) and any and all other acts, omissions, events, circumstances or matters regarding the Property.

2.5 Milestones.

(a) Purchaser must submit its Loan Application to Virginia Housing on or before July 1, 2024, subject to automatic extension only if Virginia Housing extends the due date for the Application with respect to the Fourth 4% Cycle of 2024 ("Application Due Date Extension"), in which case Purchaser must submit its Application to Virginia Housing on or before the Application Due Date Extension.

(b) Purchaser must cause the receipt of the Bond Inclusion Date for tax-exempt bond financing pursuant on or before November 28th, 2024, subject to automatic extension only if Virginia Housing extends the due date for the Bond Inclusion Date with respect to the Fourth Pricing 2024 ("Bond Inclusion Due Date Extension"), in which case Purchaser must cause the receipt of the Bond Inclusion Date to be received on or before the next due date for Bond Inclusion Date. Notwithstanding the foregoing, if Purchaser can demonstrate that it has used good faith

efforts to receive the Bond Inclusion Date by the Bond Inclusion Due Date Extension and it fails to do so, it may submit a written request to Seller to extend the date by which Purchaser is required to receive the Bond Inclusion Date to on or before the due date of the Fourth Pricing 2024, which consent on the part of Seller may not be unreasonably withheld.

(c) If Purchaser does not timely satisfy the milestones set forth in 2.5(a) and (b) above, Purchaser shall be in breach of this Agreement and Seller's sole remedy with respect thereto shall be to terminate this Agreement and to receive from the Escrow Agent promptly upon request, the entire Deposit as liquidated damages. In addition to the foregoing, (i) Purchaser will only be deemed to have timely satisfied the milestone set forth in 2.5(a) above if Purchaser has first submitted its Application to Virginia Housing with respect to the property known as Jersey Park Apartments ("Jersey Park"), and (ii) Purchaser will only be deemed to have timely satisfied the milestone set forth in 2.5(b) above if Purchaser has first caused the receipt of the Bond Inclusion Date for tax exempt bond financing with respect to Jersey Park.

3. TITLE AND SURVEY REVIEW

3.1 Title Commitment and Survey. Purchaser shall, at its sole cost and expense, cause to be prepared and issued: (i) a commitment for title insurance (the "Title Commitment") issued by Title Company with respect to the Real Property, in the amount of the Purchase Price with Purchaser as the proposed insured; and (ii) a current survey of the Real Property (the "Survey") satisfying Purchaser's survey requirements, addressed to Purchaser, Title Company and such other parties as Purchaser may specify.

3.2 Title Review and Cure.

3.3 If any of the exceptions set forth in Schedule B of the Title Commitment or any matter disclosed by the Survey is unsatisfactory to Purchaser, Purchaser may object to such title exception or survey matter (any such title exception or survey matter to which Purchaser objects being called a "Noted Exception") by written notice given to Seller no later than ten (10) business days prior to the end of the Due Diligence Period. Seller may, within five (5) business days after Purchaser gives such notice of objection to a Noted Exception (such five (5) business day period being called the "Response Period"), give Purchaser written notice that Seller will cure such Noted Exception at or prior to Closing, in which event Seller will cure such Noted Exception at or prior to Closing. If Seller does not, within the Response Period, give Purchaser written notice that Seller will cure a Noted Exception to which Purchaser has objected as provided above, Purchaser may, by written notice given to Seller within five (5) business days after expiration of the Response Period (and in any event on or before the end of the Due Diligence Period), terminate this Agreement by giving written notice to Seller, in which case the Deposit (less the Independent Consideration) shall be promptly returned by Escrow Agent to Purchaser, and all further rights and obligations of the parties under this Agreement shall terminate, except those provisions which expressly survive termination. If Purchaser does not so terminate this Agreement within five (5) business days after expiration of the Response Period (and in any event on or before the end of the Due Diligence Period), Purchaser will be deemed to have waived the objection to the Noted Exception and the transaction shall proceed without reduction in the Purchase Price. All (a) title exceptions and survey matters existing as of the Effective Date to which Purchaser does not object

by the date provided above; (b) any Noted Exceptions to which Purchaser objects but subsequently waives the objection; (c) any liens or other title exceptions that are caused by Purchaser or to which Purchaser consents; (d) laws, regulations or ordinances (including, but not limited to, zoning, building and environmental matters) as to the use, occupancy, subdivision or improvement of the Property adopted or imposed by any governmental agency; (e) taxes and assessments that are secured by a lien, but which are not yet billed, or are billed, but are not yet due and payable (the latter of which shall be prorated at Closing in accordance with this Agreement); (f) rights of tenants, as tenants only, under the Leases; and (g) any regulatory agreements or other similar recorded instruments that the applicable governmental authority is not obligated to cause to be removed from title to the Real Property are collectively called the “Permitted Exceptions”; provided that in no event shall any mortgage or similar lien voluntarily caused by Seller which may be satisfied by the payment of money be a Permitted Exception, and Seller shall be obligated to cause all such liens to be satisfied and released at or prior to Closing at Seller’s sole cost and expense, and (b) in any event each Lease shall be a Permitted Exception.

3.4 Title Policy. At the Closing, as a condition of Purchaser’s obligation to close, Title Company shall deliver to Purchaser, upon payment of the usual and customary premium, a standard owner’s policy of title insurance (the “Title Policy”) issued by Title Company in accordance with the Title Commitment. Seller shall execute at Closing such affidavits in customary form as may be required by Title Company to delete the exceptions as to parties in possession, unrecorded liens, broker’s liens and similar matters. The Title Policy may be delivered after the Closing if, at the Closing, Title Company issues a currently effective, duly executed “marked-up” Title Commitment or pro forma title policy and irrevocably commits in writing to issue the Title Policy consistent with the “marked-up” Title Commitment promptly after the Closing Date.

3.5 Title and Survey Costs. The cost of the Survey, the premium for the Title Policy, including the premium for any endorsements to the Title Policy, and all other charges of Title Company shall be paid by Purchaser.

4. OPERATIONS AND RISK OF LOSS; OTHER COVENANTS

4.1 Performance under Service Contracts, etc. During the pendency of this Agreement, Seller will perform in all material respects all of its obligations under the Leases, the Service Contracts and all other agreements that may affect the Property.

4.2 New Contracts. During the pendency of this Agreement, without the prior written consent of Purchaser, Seller will not enter into any agreement (including any easement or similar agreement) that creates an obligation affecting the Property or the owner thereof subsequent to the Closing; provided that new Leases and amendments of existing Leases shall be governed by Section 4.3. Purchaser will not unreasonably withhold or delay consent to any such agreement.

4.3 Leases. During the pendency of this Agreement, without the prior written consent of Purchaser, Seller shall not (a) enter into any new lease or renew any existing lease other than individual leases of residential units for a term not longer than 12 months on Seller’s standard lease form or (b) amend, terminate or waive or modify its rights under any of the Leases; provided,

however, that Seller may terminate, modify or waive its rights under Leases of individual residential units in the ordinary course of business consistent with Seller's past practices.

4.4 Removal and Replacement of Tangible Personal Property. During the pendency of this Agreement, Seller will not remove any Tangible Personal Property from the Real Property except as may be required for necessary repair or replacement, with any replacement of equal quality and quantity as existed as of the time of its removal.

4.5 Operations. During the pendency of this Agreement, Seller shall (a) keep the Property in as good condition and repair as exists on the date of this Agreement, subject to reasonable wear and tear and casualty loss, and (b) maintain property insurance on the Property in accordance with Seller's past practices.

4.6 Damage. Risk of loss up to and including the Closing Date shall be borne by Seller. Seller shall immediately notify Purchaser of any material damage to the Property or any portion thereof. In the event of any Material Damage to or destruction of the Property or any portion thereof, Purchaser may, at its option, by notice to Seller given within ten (10) business days after Purchaser receives notice of such damage or destruction (and if necessary the Closing Date shall be extended to give Purchaser the full thirty business day period to make such election): (a) terminate this Agreement, in which event the Deposit (other than the Independent Consideration) shall be immediately returned to Purchaser or (b) proceed under this Agreement, receive any insurance proceeds (including, without limitation, any rent loss and/or business interruption insurance applicable to any period on and after the Closing Date) due Seller as a result of such damage or destruction, less any amounts reasonably expended by Seller for payment to unaffiliated third parties for claim adjustment, clean-up or restoration, and assume responsibility for such repair. If Purchaser elects (b) above, Seller will assign all applicable insurance proceeds to Purchaser at Closing and will cooperate with Purchaser after Closing to assist Purchaser in obtaining the insurance proceeds from Seller's insurers. In the event of any Material Damage, if Purchaser does not elect to terminate this Agreement, Seller shall not settle any casualty loss without Purchaser's consent, which consent will not be unreasonably withheld or delayed. In the event of any damage that is not Material Damage, Purchaser shall not have the right to terminate this Agreement, but Seller shall at its cost fully repair the damage before Closing or, if repairs cannot reasonably be completed before Closing, credit to Purchaser at Closing the insurance proceeds for such damage. "Material Damage" means damage which will cost more than \$500,000.00 to repair, as determined by Seller's insurance claim adjuster.

4.7 Condemnation. Seller shall immediately notify Purchaser in the event that Seller is notified or otherwise becomes aware that proceedings in eminent domain are contemplated or threatened or have been instituted with respect to the Property or any portion thereof or interest therein by anybody having the power of eminent domain. If such taking is for all or a material portion of the Property, within ten (10) business days after receiving any such notice of such taking from Seller (and if necessary, the Closing Date shall be extended to give Purchaser the full ten (10) business day period to make the election), Purchaser shall, by written notice to Seller, either (a) terminate this Agreement, in which event the Deposit (other than the Independent Consideration) shall be immediately returned to Purchaser, or (b) proceed under this Agreement, in which event Seller shall, at the Closing, (i) give Purchaser a credit against the Purchase Price equal to any amounts received by Seller on account of any such proceeding, and (ii) assign to Purchaser Seller's

entire right, title and interest in and to any condemnation award. If Purchaser fails to exercise its option pursuant to the immediately preceding sentence, Purchaser shall be deemed to have elected (b) above. If a taking is of less than a material portion of the Property (in which event Purchaser shall not have the option to terminate this Agreement), Seller shall, at the Closing, (x) give Purchaser a credit against the Purchase Price equal to any amounts received by Seller on account of any such proceeding, and (y) assign to Purchaser Seller's entire right, title and interest in and to any condemnation award. "Material portion" means a portion of the Property which, if taken, would reasonably be determined to reduce the value of the Property by more than \$500,000.00.

4.8 HUD Approvals. Within thirty (30) days of submitting its Application to Virginia Housing, Purchaser, at its cost and expense, shall submit all such applications and other documents to HUD and/or the HAP Contract Administrator as may be required to obtain the approvals of HUD for the following (collectively, the "HUD Approvals"): (i) the purchase of the Property by Purchaser from Seller (i.e., a "2530 approval"); and (ii) the transfer of the HAP Contract to Purchaser from Seller. Purchaser shall timely and diligently pursue the HUD Approvals, provided, however, that Purchaser may not pursue the HUD Approvals prior to the expiration of the Due Diligence Period without the consent of Seller, such consent not to be unreasonably withheld, conditioned or delayed. Seller agrees to cooperate with Purchaser in the submission of any applications and other documents required for receipt of the HUD Approvals and Seller agrees to execute any applications or other documents and make such other appearances as reasonably requested by Purchaser in order to obtain the HUD Approvals. Purchaser shall provide to Seller a copy of each HAP Approval and of all material correspondence sent to, or received from, HUD and/or the HAP Contract Administrator regarding the HAP Approvals (including any rejections thereof) within three (3) business day after Purchaser's giving or receipt thereof; provided, however, that Purchaser may redact confidential or proprietary information so long as, in the event of a rejection, the materials, as so provided, clearly establish to the reasonable satisfaction of Seller that (1) HUD has, in fact, issued such rejection and the reasons therefor and (2) Purchaser has fully complied with its obligations under this Section 4.8.

5. CLOSING

5.1 Closing. The consummation of the transactions contemplated hereby ("Closing") shall occur on the Closing Date in escrow through Title Company.

5.2 Conditions to the Parties' Obligations to Close. In addition to all other conditions set forth elsewhere in this Agreement, the obligation of Seller, on the one hand, and Purchaser, on the other hand, to consummate the transactions contemplated under this Agreement shall be conditioned upon the following:

(a) The other party's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date; and

(b) As of the Closing Date, the other party shall have performed its obligations hereunder in all material respects and all deliveries to be made at Closing by the other party shall have been tendered.

So long as a party is not in default hereunder, if any condition to such party's obligation to proceed with the Closing has not been satisfied as of the Closing Date, such party may, in its sole discretion, terminate this Agreement by delivering written notice to the other party on or before the Closing Date, or elect to close, notwithstanding the non-satisfaction of such condition, in which event such party shall be deemed to have waived such condition.

5.3 Seller's Deliveries in Escrow. At the Closing, Seller shall deliver in escrow to Title Company the following:

(a) Deed and Transfer Statement. A special warranty deed substantially in the form of Exhibit B hereto (the "Deed"), executed by Seller, conveying to Purchaser or Purchaser's designee(s) fee simple title to the Real Property, subject only to the Permitted Exceptions.

(b) Assignment and Assumption of Leases, Service Contracts and Personal Property. An Assignment and Assumption of Leases, Service Contracts and Personal Property in the form of Exhibit C hereto, executed by Seller, with respect to the Leases, the Service Contracts, the Tangible Personal Property and the Intangible Personal Property.

(c) Assignment and Assumption of HAP Contract. An Assignment and Assumption of the HAP Contract in such form as may be required by HUD, executed by Seller, with respect to the HAP Contract.

(d) Certificate of Representations and Warranties. A certificate in the form of Exhibit D hereto, executed by Seller and reaffirming and updating to the Closing Date the representations and warranties made by Seller under Section 7.1.

(e) Title Clearance Instruments. Such other instruments as shall be reasonably required by Title Company for the purpose of issuing the Title Policy in accordance with Section 3.3, insuring fee simple title to the Real Property, including such affidavits and indemnity agreements as may be reasonably necessary for (i) deleting exceptions for mechanics' and materialmen's liens, unrecorded easements, and lien rights of brokers, (ii) limiting persons in possession to the tenants under the Leases, and (iii) providing so-called "gap" insurance coverage.

(f) Non-foreign Certificate. A Certificate of Non-foreign Status executed by Seller in customary form certifying that Seller is not a foreign person within the meaning of the Internal Revenue Code and its regulations.

(g) Notice to Tenants. A notice to tenants of the sale of the Property in the form of Exhibit F hereto ("Tenant Notice").

(h) Authority. Evidence of existence, good standing, organization and authority of Seller and the authority of the persons executing documents on behalf of Seller reasonably satisfactory to Purchaser and Title Company.

(i) Final Rent Roll. Deliver to Purchaser a rent roll for the Property (certified by Seller as being true and correct as of the Closing Date) listing each tenant, the monthly base rent payable, lease expiration date, and unapplied security deposits (and any other deposits) as of the Closing Date (the "Final Rent Roll").

(j) Additional Documents. Any additional documents that Purchaser, Title Company or HUD may reasonably require for the proper consummation of the transactions contemplated by this Agreement.

5.4 Purchaser's Deliveries in Escrow. At the Closing, Purchaser shall deliver in escrow to Title Company the following:

(a) Purchase Price. The Purchase Price, plus or minus applicable prorations, credits and adjustments, in immediate, same-day federal funds wired for credit into Escrow Agent's escrow account.

(b) Assignment and Assumption of Leases, Service Contracts and Personal Property. The Assignment and Assumption of Leases, Service Contracts and Personal Property in the form of Exhibit C hereto, executed by Purchaser, with respect to the Leases, the Service Contracts, the Tangible Personal Property and the Intangible Personal Property.

(c) Assignment and Assumption of HAP Contract. An Assignment and Assumption of the HAP Contract in such form as may be required by HUD, executed by Purchaser, with respect to the HAP Contract.

(d) Certificate of Representations and Warranties. A certificate in the form of Exhibit E hereto, executed by Purchaser and reaffirming and updating to the Closing Date the representations and warranties made by Purchaser under Section 7.3.

(e) Authority. Evidence of existence, good standing, organization, and authority of Purchaser and the authority of the persons executing documents on behalf of Purchaser reasonably satisfactory to Seller and Title Company.

(f) Additional Documents. Any additional documents that Seller, Title Company or HUD may reasonably require for the proper consummation of the transactions contemplated by this Agreement.

(g) Closing Statements/Escrow Fees. At the Closing, Seller and Purchaser shall execute closing statements consistent with this Agreement in form required by Title Company. Title Company's escrow fee, if any, shall be shared equally by Seller and Purchaser.

5.5 Possession. Seller shall deliver possession of the Property to Purchaser at the Closing subject to the Permitted Exceptions and any assumed Service Contracts.

5.6 Title Policy. Title Company shall deliver to Purchaser the Title Policy pursuant to Section 3.3.

5.7 Delivery of Tenant Files, Books and Records. At the Closing, Seller shall deliver to Purchaser copies or originals of all tenant files, books and records of account, contracts, copies of correspondence with suppliers, receipts for deposits, unpaid bills and other papers or documents which pertain to the Property together with all advertising materials, booklets, keys and other items, if any, used in the operation of the Property, and the original "as-built" plans and specifications and all other available plans and specifications to the extent the same are in the

possession of Seller or Seller's agents or affiliates, including without limitation the Plans and Specs. Any costs incurred by Seller's management agent in connection with the foregoing shall be at Seller's sole expense.

5.8 Plans and Specs. At the Closing, Seller shall assign all of its rights, title and interest in the Plans and Specs without any representations or warranties to Purchaser at no additional cost or expense to Purchaser.

5.9 Close of Escrow. Upon satisfaction or completion of the foregoing conditions and deliveries set forth in Sections 5.2 through 5.8 and the agreement of the Title Company to deliver the Title Policy to Purchaser in accordance with Section 3.3, the parties shall direct Escrow Agent and Title Company to (a) immediately record the Deed and deliver the documents described above to the appropriate parties, and (b) make disbursements according to the closing statements executed by Seller and Purchaser.

6. PRORATIONS AND ADJUSTMENTS

6.1 Prorations. The following items shall be prorated between Seller and Purchaser as of the close of the day immediately preceding the Closing Date:

(a) Taxes and Assessments. Real estate taxes and assessments imposed by governmental authority ("Taxes") and any assessments by private covenant constituting a lien or charge on the Property for the then-current calendar year or other current tax period not yet due and payable. If the Closing occurs prior to the receipt by Seller of the tax bill for the calendar year or other applicable tax period in which the Closing occurs, Purchaser and Seller shall prorate Taxes for such calendar year or other applicable tax period based upon the most recent ascertainable assessed values and tax rates. Seller shall pay all delinquent Taxes and assessments and all Taxes and assessments due for all prior calendar years. Water and sewer charges, including any such charges which may be the subject of a municipal lien, whether or not due, shall be prorated.

(b) Rent. All collected rent and other income, including without limitation, any payments received in connection with the HAP Contract, (and any applicable state or local tax on rent) under the Leases. Seller shall be charged with any rent collected by Seller before Closing, but applicable to any period of time after Closing. Uncollected rent and other income shall not be prorated. If, after Closing, Purchaser collects delinquencies or any other rent related to the period prior to Closing which was uncollected at Closing, Purchaser shall apply such rent to the obligations owing Purchaser for its period of ownership (but not more than one month in advance of accrual) and to reasonable costs of collection, remitting the balance, if any, to Seller. Purchaser shall bill and attempt to collect such delinquent and uncollected rent in the ordinary course of business but shall not be obligated to engage a collection agency or take legal action to collect any delinquencies. Seller may seek collection after Closing of any rents delinquent for any period prior to the Closing. Any and all rent payments, including any payments under the HAP Contract, that Seller receives after the Closing that relate to the period after the Closing Date shall be immediately remitted to Purchaser. The obligations of the Seller to remit rent received after the Closing under this Section 6.1(b) shall survive the Closing.

(c) Re-proration. If prorations at Closing of any of the above items are based on estimates, then when the actual amounts of such items are determined after Closing, such amounts will be re-prorated and a reconciling payment made by Purchaser to Seller, or by Seller to Purchaser, as appropriate. The obligations of the parties under this Section 6.1(c) shall survive the Closing.

6.2 Tenant Security Deposits; Other Escrows and Reserves. Any tenant security deposits under the Leases shall be transferred or credited to Purchaser at Closing. At Closing, Purchaser shall assume Seller's obligations related to the transferred tenant security deposits. Any tenant deposits actually received or credited to Purchaser at Closing shall equal the liability owed to the tenants of the Property and any excess shall be credited to Seller at Closing.

6.3 Transfer Taxes; Recording. All real estate taxes for the Property shall be prorated as of the Closing Date. Seller shall pay for any roll back taxes, the recording tax imposed upon grantors as to the Deed, the cost of preparation of the Deed, Seller's attorney's fees, and one-half of any costs and fees charged by the Title Company for its escrow services, and expenses of its own attorneys. Purchaser shall pay all other expenses and Closing costs, including, without limitation, the cost imposed upon grantees as to the Deed, the cost of preparation and recording of any deed of trust, the cost of preparation and recording of any survey, the cost of preparation and recording of any temporary or permanent easements, the cost of the title commitment and owner's and lender's title insurance policies and associated premiums, the expense of its own attorneys, and one-half of the Title Company's escrow fees.

6.3 Utility Deposits. Seller shall receive a credit for the amount of deposits, if any, with utility companies that are transferable and that are assigned to Purchaser at the Closing.

6.4 Sale Commissions. Each of Seller and Purchaser represents and warrants to the other that it has not dealt with any real estate broker, salesperson or finder in connection with the transaction, other than the Broker. Seller shall be responsible for payment of all commissions and fees owed to the Broker as specified in a separate listing agreement. Each party agrees to defend and indemnify the other against any claim, liability, damage or expense asserted against or suffered by the indemnified party arising out of the breach or inaccuracy of the representation and warranty

of the indemnifying party under this Section 6.4. The obligations of the parties under this Section 6.4 shall survive the Closing.

6.5 Vacant Units. Notwithstanding the foregoing to the contrary, Seller agrees to deliver at Closing six vacant units of at least twelve percent (12%) of the Property's total residential units ("Rent Ready Vacant Units").

6.6 Other. Any closing costs not specifically allocated herein shall be shared in accordance with local custom.

7. REPRESENTATIONS AND WARRANTIES

7.1 Seller's Representations and Warranties. As a material inducement to Purchaser to execute this Agreement and consummate this transaction, Seller represents and warrants to Purchaser that:

(a) Organization and Authority of Seller. Seller is a limited liability company duly organized and validly existing under the laws of Virginia. Seller has the full right and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. This Agreement has been, and all of the documents to be delivered by Seller at the Closing shall be, duly authorized and properly executed and constitute the valid and binding obligations of Seller, enforceable in accordance with their terms.

(b) Conflicts and Pending Actions or Proceedings. There is no agreement to which Seller is a party or binding on Seller which is in conflict with this Agreement. There is no action or proceeding pending or, to Seller's knowledge, threatened against the Property, including, without limitation, any condemnation or re-zoning proceedings, any tax abatement or other action or proceeding with respect to the assessed valuation, real estate taxes and/or assessments affecting the Property, any claims or proceedings pertaining to any environmental condition, alleged building code violations, health or safety code violations, or any action or proceeding which challenges or impairs Seller's ability to execute or perform its obligations under this Agreement.

(c) Leases. As of the date set forth thereon, the Leases are as summarized in the rent roll which is attached as Exhibit G (the "Rent Roll"), and, to Seller's knowledge, there are no other leases or occupancy agreements in effect with respect to the Property as of the date set forth on the Rent Roll. Seller makes no representation or warranty with respect to the accuracy or completeness of the Rent Roll, except that Seller represents and warrants that the Rent Roll has been prepared and assembled in the ordinary course of business by or on behalf of Seller and has been relied upon by Seller.

(d) Service Contracts. The Service Contracts furnished pursuant to Section 2.1 are true, correct, and complete and, to Seller's knowledge, are in full force and effect. Seller is not in default under any Service Contract and, to Seller's actual knowledge, no other party to any Service Contract is in default thereunder.

(e) Notice of Violations. Except as disclosed in the Documents, Seller has received no written notice that the Property or the use thereof violates any governmental law or regulation or any covenants or restrictions encumbering the Property.

(f) ERISA. Seller does not contribute to any employee pension benefit plan that is subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended, nor has it terminated or withdrawn from any such plan.

(g) Judgments and Proceedings. There is no litigation or proceeding pending for which process has been served or, to Seller's knowledge, threatened in writing against or relating to the Property, the Seller, or the contemplated transaction; (ii) Seller is not in default with respect to any administrative rule, decision, writ, injunction or demand, which default would have a material adverse impact on the Property or the transaction contemplated by this Agreement; (iii) neither the execution and delivery of this Agreement, nor the consummation of the transaction contemplated hereby (subject to receipt of the HUD Approvals), will violate any agreement to which Seller is a party, or by which Seller is bound; and (iv) there are no judgments of any court, tribunal, agency, or instrumentality having jurisdiction over the Seller, that in any way constitute a lien or at some future time may be perfected into a lien upon the Property.

(h) Leases. The Leases are the only leases or other agreements for use, occupancy or possession presently in force with respect to the dwelling units at the Property and any commercial or retail space located in the Property, and the Leases are in writing on Seller's form. The Leases are all presently in full force and effect and are the entire agreement between Seller and the lessees or tenants thereunder. No understanding or agreement with any party exists as to payment of any leasing commissions or fees regarding future leases or as to the procuring of tenants which will survive Closing or be binding upon Purchaser or the Property from and after Closing.

(i) No Insolvency. Seller is not a debtor in any state or federal insolvency, bankruptcy, or receivership proceeding. There is no pending case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or recomposition of Seller or any of its debts under any state or federal law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking appointment of a receiver, trustee, custodian or other similar official for either of them for all or any substantial part of their property.

(j) Environmental Matters. Except as otherwise disclosed by Seller to Purchaser, Seller has not received written notice from any governmental authority or agency (and is otherwise not aware except as set forth in the Environmental Reports) of any material violation at the Property of laws relating to Hazardous Materials. For purposes of this Agreement, the term Hazardous Materials shall mean (i) any toxic substance or hazardous waste, hazardous substance or related hazardous material; (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of presently existing federal, state or local safety guidelines, whichever are more stringent; and (iii) any substance, material or chemical which is defined as or included in the definition of "hazardous substances", "toxic substances", "hazardous materials", "hazardous wastes" or words of similar import under any federal, state or

local statute, law, code, or ordinance or under the regulations adopted or guidelines promulgated pursuant thereto.

(k) OFAC. Neither Seller nor any of Seller's affiliates, or any of their respective partners, members, shareholders or other equity owners, or any of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

As used in this Section 7.1, the phrase "to Seller's actual knowledge," "Seller has no actual knowledge" or phrases of similar import shall mean the actual, not constructive or imputed, knowledge of Robert B. Margolis (the "Seller Knowledge Persons"), without any obligation on his part to make any independent investigation of the matters being represented and warranted, or to make any inquiry of any other persons, or to search or examine any files, records, books, correspondence and the like. The Seller Knowledge Persons shall not be personally liable for any of the obligations of either Seller under this Agreement. To the extent Purchaser discovers prior to the Closing any inaccuracy in a representation and warranty of either Seller in this Agreement that would give Purchaser a right to terminate this Agreement and the Closing occurs, such representation and warranty shall be deemed modified to reflect the inaccuracy known by Purchaser. Purchaser is deemed to have knowledge of any information that is (i) contained in the Documents and/or any other documents or other materials provided to, or made available to, Purchaser from any source and such information is evident from review of such document, (ii) produced as a result of Purchaser's due diligence investigations and/or (iii) disclosed pursuant to written disclosure by Seller or Seller's agents or employees.

7.2 Limitation on Seller's Liability. Seller shall have no liability to Purchaser for a breach of any representation, warranty, indemnity or covenant under this Agreement and/or the agreements contemplated hereby, unless the valid claims for all such breaches by Seller collectively aggregate to more than \$10,000.00, in which event the full amount of such valid claims shall be actionable by Purchaser, up to a maximum collective aggregate of \$10,000.00.

7.3 Purchaser's Representations and Warranties. As a material inducement to Seller to execute this Agreement and consummate this transaction, Purchaser represents and warrants to Seller that:

(a) Organization and Authority. Purchaser is a limited liability company duly organized and validly existing under the laws of the State of its organization. Purchaser has the full right and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. This Agreement and all of the documents to be delivered by Purchaser at the Closing have been and will be authorized and properly executed and will constitute the valid and binding obligations of Purchaser, enforceable in accordance with their terms.

(b) Conflicts and Pending Actions. There is no agreement to which Purchaser is a party or binding on Purchaser which is in conflict with this Agreement. There is no action or

proceeding pending or to Purchaser's knowledge, threatened, against Purchaser or which challenges or impairs Purchaser's ability to execute or perform its obligations under this Agreement.

(c) HUD-Related. As of the date hereof, neither Purchaser nor any of its affiliates (i) is the subject of any flag or other written matter that could be reasonably expected to delay or prevent obtaining the HUD Approvals prior to Closing, (ii) has ever had, subsequent to January 1, 2021, a request to HUD for approval of the assignment of a Section 8 housing assistance payments contract to Purchaser or its affiliate denied by HUD or withdrawn such a request to avoid a denial thereof, and/or (iii) has ever had, subsequent to January 1, 2021, a request to HUD for a "2530 approval" denied by HUD or withdrawn such a request to avoid a denial thereof.

(d) OFAC. Neither Purchaser nor any of Purchaser's affiliates, or any of their respective partners, members, shareholders or other equity owners, or any of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of OFAC of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

7.4 Survival of Representations and Warranties. The representations and warranties set forth in this Article 7 are made as of the date of this Agreement and will be remade as of the Closing Date, and shall survive the Closing for a period of three (3) months.

8. MISCELLANEOUS

8.1 Parties Bound. Seller may assign this Agreement without the consent of Purchaser, including, without limitation, to a qualified intermediary in connection with an Exchange (as defined in Section 8.15). Purchaser may assign this Agreement to a qualified intermediary in connection with an Exchange, or to its nominee which shall be a corporation, partnership, limited liability company, trust or other entity controlled by or under common control with Purchaser. No assignment of this Agreement by Purchaser shall operate to release Purchaser from its obligations under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Purchaser.

8.2 Headings. The article and section headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

8.3 Invalidity and Waiver. If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision

of this Agreement shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision.

8.4 Governing Law. This Agreement shall, in all respects, be governed, construed, applied, and enforced in accordance with the law of the Commonwealth of Virginia.

8.5 Survival. Only (a) those provisions of this Agreement that contemplate performance after the Closing or termination of this Agreement and (b) those provisions of this Agreement which are expressly stated to survive Closing or termination of this Agreement shall survive the Closing or termination of this Agreement.

8.6 No Third Party Beneficiary. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary or otherwise.

8.7 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings relating to the Property, including but not limited to any letter of intent, term sheet or similar document preliminary to this Agreement. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

8.8 No Marketing. From and after the Date of this Agreement, Seller will cease all efforts to market the Property either directly or through its agents and will not entertain or accept any offers to purchase the Property or any interest therein.

8.9 Time. Time is of the essence in the performance of this Agreement.

8.10 Attorneys' Fees. Should either party employ attorneys to enforce any of the provisions hereof, the party losing in any final judgment shall pay the prevailing party all reasonable costs, charges and expenses, including reasonable attorneys' fees, actually expended or incurred in connection therewith.

8.11 HUD Savings Clause. Notwithstanding anything in this Agreement to the contrary, no transfer of any interest in the Property hereunder shall be effective prior to receipt of the HUD Approvals. Purchaser will neither take possession of the Property nor assume benefits of Property ownership prior to receipt of the HUD Approvals. The Purchaser, its successors or assigns, shall have no right upon any breach by Seller hereunder to seek damages, directly or indirectly, from the Property, including from any assets, rents, issues or profits thereof, and Purchaser shall have no right to effect a lien upon the Property or the assets, rents, issues, or profits thereof. If HUD Approvals are not received, Seller shall retain the Deposit.

8.12 Notices. All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following addresses:

If to Seller:

Sussex Village Apartments TM LLC
c/o TM Associates Development, Inc.
1375 Piccard Drive
Rockville, Maryland 20850
Attn: Robert Margolis
Telephone: 240.428.7799
Email: bobm@tmadevelopment.com

With a copy to:

Arnall Golden Gregory LLP
Attn: Kelly B. Bissinger Esq.
2100 Pennsylvania Avenue, NW, Suite 350
Washington, D.C. 20037
Telephone: 202.677.4977
Email: kelly.bissinger@agg.com

If to Purchaser:

Green Street Housing, LLC
212 E. Main St., Ste 200
Salisbury, MD 21801
Attn: Tom Ayd
Email: tom@greenstreethousing.com

With a copy to:

Williams Mullen
200 South 10th Street
16th Floor
Richmond, VA 23219
Attn: Allison Domson
Email: adomson@williamsmullen.com

8.13 Any such notices shall be (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered and effective upon receipt or refusal, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered and effective upon receipt or refusal, (c) sent by personal delivery, in which case notice shall be deemed delivered and effective upon delivery or refusal to accept delivery, or (d) sent by email, in which case notice shall be deemed delivered and effective upon sending provided that a copy is sent by overnight delivery not later than the next Business Day (or as soon thereafter as may be reasonable in the event of disruptions in the operations of overnight delivery services). A copy of any notice given pursuant to (a), (b) or (c) above shall be given simultaneously by email. The above addresses may be changed by written notice to the other party; provided that no notice of a change of address shall be effective until actual receipt of such notice. Notices by Purchaser and Seller may be given by their respective counsel.

8.14 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any

ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement and/or any exhibits or amendments hereto.

8.15 Calculation of Time Periods. As used herein, “business day” shall mean any day in which banks are open in the Commonwealth of Virginia and which is not a Saturday, a Sunday or a legal holiday in the Commonwealth of Virginia. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run until the end of the next day which is a business day.

8.16 Section 1031 Exchange. Seller and Purchaser shall cooperate fully with the other in order to facilitate Purchaser’s or Seller’s desire to structure the purchase of the Property as part of a so-called like kind exchange (the “Exchange”) pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), if Purchaser or Seller elects to effect an Exchange; provided that: (a) the Closing shall not be delayed or affected by reason of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Purchaser’s obligations under this Agreement; (b) the Exchange shall not affect or diminish Purchaser’s or Seller’s rights under this Agreement; (c) neither Seller nor Purchaser shall be required to acquire or hold title to any real property for purposes of consummating the Exchange (Purchaser or Seller may use a qualified intermediary to acquire or hold title); and (d) with respect to any Exchange, the non-exchanging party shall not incur any out-of-pocket expense in facilitating the Exchange for the exchanging party (other than for review of documents related to the Exchange). Neither Seller nor Purchaser represent or warrant to the other that the transaction contemplated under this provision will result in any particular tax treatment or will qualify as an exchange under Section 1031 of the Internal Revenue Code.

8.17 Limitation of Liability. No present or future officer, director, shareholder, employee, trustee, member, manager, partner, agent, beneficiary or representative of Seller or Purchaser, nor the respective heirs, successors and assigns of any of the foregoing, shall be personally liable for any obligations of Seller or Purchaser, respectively, under this Agreement.

8.18 Counterparts; Signatures. This Agreement may be executed by facsimile signature and/or in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

8.19 Jurisdiction and Venue. Any action, suit or proceeding in respect of or arising out of this Agreement will be initiated and prosecuted as to all parties in the Commonwealth of Virginia. Seller and Purchaser each consents to and submits to the exercise of jurisdiction over their person by the court situated in Isle of Wight County, Virginia having jurisdiction over the subject matter. Each of Seller and Purchaser irrevocably waives any objection that it may have to the laying of venue of any suit, action or proceeding arising out of this Agreement or the transactions brought in any federal or state court sitting in Isle of Wight County, Virginia and

further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

8.20 WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS AND/OR INSTRUMENTS EXECUTED IN CONNECTION HEREWITH, THE PROPERTY OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR TO ANY OF THE FOREGOING. THIS SECTION SHALL SURVIVE THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT.

8.21 Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by Seller to Purchaser at Closing, Seller agrees to perform, execute and deliver, on or after the Closing any further deliveries and assurances as may be reasonably requested by Purchaser to consummate the transactions contemplated hereby or to further perfect the conveyance, transfer and assignment of the Property to Purchaser.

8.22 Confidentiality. Neither Seller nor Purchaser, or any officer, director, shareholder, employee, agent or affiliate of Seller or Purchaser, shall make any announcements or disclosures of any information related to this Agreement (including, but not limited to, the Purchase Price) to outside brokers or third parties, before or after the Closing, without the prior written specific consent of Purchaser, except as required by law. Both Purchaser and Seller may disclose this Agreement to their respective lenders, investors, partners, creditors, officers, employees and agents who have a need to know such information in connection with the transaction contemplated by this Agreement. Purchaser, its officers, directors, shareholders, employees, agents and affiliates shall keep the Documents confidential. Notwithstanding the foregoing, and for avoidance of doubt, Purchaser or an officer, director, shareholder, employee, agent and/or affiliate of Purchaser may disclose information related to this Agreement (including, but not limited to, the Purchase Price) and/or any of the Documents to any governmental agency, potential lender, potential investor or other third party in connection with Purchaser's intended redevelopment of the Property.

8.23 Counterparts; Electronic Signatures. This Agreement may be executed in two (2) or more counterparts, each of which shall be an original but such counterparts together shall constitute one and the same instrument notwithstanding that both Purchaser and Seller are not signatory to the same counterpart. Signatures to this Agreement transmitted by electronic mail in PDF format shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own telecopied signature and shall accept the telecopied signature of the other party to this Agreement. Without limiting the foregoing, the words "execution," "execute," "signed," "signature," and words of like import in or related to this Agreement or any document to be signed in connection with this Agreement and the transactions contemplated hereby (including any amendments, waivers and/or consents) shall be deemed to include electronic signatures (e.g., through DocuSign© or other similar electronic e-signature application), each of which shall be of the same legal effect, validity or enforceability as a manually

executed signature, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act or any similar state laws based on the Uniform Electronic Transactions Act.

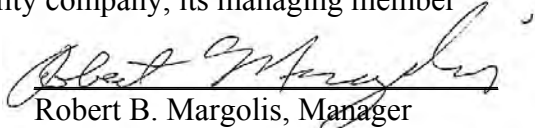
[Signature Pages Follow]

The parties have executed this Agreement as of the date first above written.

SELLER:

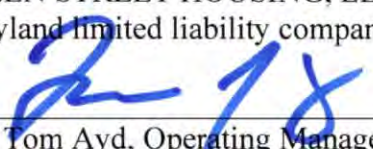
SUSSEX VILLAGE APARTMENTS TM LLC,
a Virginia limited liability company

By: MARG Rural LLC, a West Virginia limited
liability company, its managing member

By: 
Robert B. Margolis, Manager

PURCHASER:

GREEN STREET HOUSING, LLC, a
Maryland limited liability company

By: 

Tom Ayd, Operating Manager

TITLE COMPANY (for the sole purpose of agreeing to be bound by Section 1.3(b) and the other provisions of this Agreement relating to the Deposit):

Safe Harbor Title Company, LLC

By: *Candace Winston*

Name: Candace Winston

Title: Commercial Settlement Officer

EXHIBIT A

Legal Description of the Property

Parcel 1

All that certain tract or parcel of land lying situate and being in the corporate limits of the Town of Waverly, Sussex County, Virginia, and shown to contain 0.313 acre on that certain map or plat entitled "PLAT SHOWING PROPERTY SURVEY FOR BUSH CONSTRUCTION CORP.", made December 3, 1981, by S. V. Camp, III and Associates, C.L.S., said property being more particularly described in accordance with said plat as follows: BEGINNING at a concrete monument 248.1 feet south of Lot "D" now or formerly owned by Gray Lumber Co. and also lying on the east side of Va. Route 40; thence S 51 ° 00' E 545.0 feet to a concrete monument, a corner for the within described property and other property now or formerly owned by Gray Lumber Co.; thence S 39 ° 00' W 25.0 feet to a point, a corner for the within described property and other property now or formerly owned by Gray Lumber Co.; thence within the corporate limits for the Town of Waverly, Virginia, N 51 ° 00' W 545.0 feet to a concrete monument located on the right of way of Va. Route 40; thence N 39 ° 00' E 25.0 feet with the right of way line of Va. Route 40 to the point of beginning. Said parcel of land is bounded by Va. Route 40 on the west, and land now or formerly owned by Gray Lumber Co. on the north, east and south.

Parcel 2

All that certain tract or parcel of land lying situate and being in Waverly Magisterial District, Sussex County, Virginia, and shown to contain 4.683 acres on that certain map or plat entitled "PLAT SHOWING PROPERTY SURVEY FOR BUSH CONSTRUCTION CORP.", made December 3, 1981, by S. V. Camp, III and Associates, C.L.S., said property being more particularly described in accordance with said plat as follows: BEGINNING at a concrete monument 273.1 feet south of Lot "D" now or formerly owned by Gray Lumber Co. and also being further described as being located at the intersection of the southern corporate limits of the Town of Waverly with Va. Route 40; thence S 51° 00' E 545.0 feet to a point, a corner for property now or formerly owned by Gray Lumber Co. and the within described property; thence S 39° 00' W 375.0 feet to a concrete monument, a corner for property now or formerly owned by Gray Lumber Co. and the within described property; thence N 51° 00' W 541.4 feet to a concrete monument located on the eastern edge of Va. Route 40; thence with the right of way of Va. Route 40 N 37° 32' E 100' to a concrete monument; thence N 38° 44' E 275.0 feet with the right of way of Va. Route 40 to the point of beginning. Said parcel of land is bounded by Va. Route 40 on the west and by land now or formerly belonging to Gray Lumber Co. on the north, east and south.

LESS AND EXCEPT that certain piece or parcel of land conveyed to the Commonwealth of Virginia by Deed dated July 26, 1982, recorded September 27, 1982, in the Clerk's Office, Circuit Court, Sussex County, Virginia, in Deed Book 100, Page 451.

BEING a portion of the same real estate conveyed to Sussex Trace Associates, a Virginia limited partnership, by Deed from Southeast 4-H Educational Center, Inc., a Virginia non-profit corporation, dated December 23, 1981, recorded January 29, 1982 in the Clerk's Office of the circuit Court of Sussex County, Virginia, in Deed Book 99, Page 162.

EXHIBIT B

FORM OF SPECIAL WARRANTY DEED

[See Attached]

Deed Prepared Outside the
Commonwealth of Virginia by
and to be Returned to:

OR

Prepared by and
After Recordation
to be Returned to:

Attn: _____, Esquire
Virginia Bar Number: _____

Tax Map Parcel No. 21-03-A001:
Title Insurer:

Consideration:
Assessed Value:

SPECIAL WARRANTY DEED

THIS DEED, made as of the _____ day of _____ 2024, by SUSSEX VILLAGE APARTMENTS TM LLC, a Virginia limited liability company, Grantor, party of the first part, to _____, a _____, Grantee, party of the second part, having an address of c/o Green Street Housing, LLC, 212 E Main St, Salisbury, Maryland 21801.

WITNESSETH, that in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, receipt whereof is hereby acknowledged, said Grantor does hereby grant, bargain, sell, convey, transfer and confirm, with special warranty of title, unto said Grantee, its successors and assigns, fee simple absolute title to that certain parcel of real property situate, lying and being in the County of Isle of Wight, Commonwealth of Virginia, more particularly described in Exhibit A attached hereto and incorporated herein.

TOGETHER with all improvements thereupon and all and singular the tenements, hereditaments, rights-of-way, easements, privileges, and appurtenances to the same belonging or in anywise appertaining, and the reversion or reversions, remainder or remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever of the Grantor, of, in and to the same and of, in and to every part and parcel thereof.

TOGETHER with all right, title and interest of Grantor in and to the land lying in the bed of any street, alley, road or avenue, opened or proposed, in front of, abutting or adjoining the above-described real property.

THIS CONVEYANCE is made and accepted subject to all matters, encumbrances, easements, conditions and restrictions of record, including, without limitation, those title matters or exceptions listed in Exhibit B attached hereto and incorporated herein.

TO HAVE AND TO HOLD the said granted and described land and premises unto and to the use of Grantee, its successors and assigns forever, with Grantor's covenant that it will execute such further assurances of the said land as may be requisite.

[signature appears on following page]

IN TESTIMONY WHEREOF, Grantor has executed this Deed to acknowledge and deliver this instrument according to law on the day and year first hereinabove written.

GRANTOR:

SUSSEX VILLAGE APARTMENTS TM LLC,
a Virginia limited liability company

By: MARG Rural LLC, a West Virginia limited liability company, its managing member

By: Robert B. Margolis, Manager

ACKNOWLEDGMENT

STATE OF MARYLAND) :
) : SS
COUNTY OF MONTGOMERY) :

On this ____ day of [____], 2024, before me, a Notary Public, the undersigned officer, personally appeared Robert B. Margolis, who acknowledged himself to be the Manager of Sussex Village Apartments TM LLC, and that he, as such officer, being authorized to do so, executed the foregoing deed for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

My Commission Expires:

[NOTARY SEAL]

EXHIBIT A

Legal Description of the Property

EXHIBIT B

Title Matters and Exceptions

EXHIBIT C

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES, SERVICE CONTRACTS AND PERSONAL PROPERTY

THIS ASSIGNMENT (this "Assignment") is executed and delivered pursuant that certain Purchase and Sale Agreement dated _____, 2023 (the "Agreement") between Sussex Village Apartments TM LLC, a Virginia limited liability company ("Assignor") and _____, a _____, covering the real property described in Exhibit A attached thereto (the "Real Property").

1. Assignment. For good and valuable consideration Assignor hereby assigns, transfers, sets over and conveys to [_____] ("Assignee"), as-is, where is in accordance with the Agreement:

(a) Leases. All of Assignor's right, title and interest as landlord in and to the tenant leases (the "Leases") demising space within the Real Property and identified on the rent roll attached hereto as Exhibit B (the "Rent Roll"), and Assignee hereby assumes all of Assignor's obligations under the Leases accruing and arising from and after the Closing Date (as defined in the Agreement). The amount of all tenant security deposits which Assignor is obligated to return to the tenants in accordance with the terms of the Leases have been assigned or credited to Assignee at the Closing (as defined in the Agreement). Assignor certifies that the Rent Roll is true and correct in all material respects as of the date hereof.

(b) Tangible Personalty. All of the right, title and interest of Assignor in and to any and all of the fixtures, equipment, machinery, furniture, furnishings, apparatus, supplies and other tangible personal property of every nature and description owned by Assignor and all replacements thereof now located in or on, and used in connection with, the operation, ownership or management of the Real Property (the "Tangible Personalty");

(c) Intangible Personalty. All the right, title and interest of Assignor in and to any and all of the intangible personal property (which rights may be non-exclusive) related to the Real Property to the extent transferable without consent and without violating the terms thereof, including, without limitation, all trade names and trademarks associated with the Real Property, the plans and specifications and other architectural and engineering drawings for the Real Property and improvements located on the Real Property; warranties; and contract rights related to the construction, operation, ownership or management of the Real Property; governmental permits, approvals and licenses; leasing, marketing and promotional brochures and other advertising materials relating to the Property, and internet addresses and on-site phone numbers relating to the Property (the "Intangible Personalty"); and

(d) Service Contracts. All the right, title and interest of Assignor in and to the management, service, supply and other contracts related to the operation of the property as set forth in Exhibit C hereto (the “Service Contracts”).

2. Indemnities and Assumption.

(a) Assignor does hereby agree to indemnify, defend and hold harmless Assignee from and against any and all liabilities and claims arising from the Leases, the Service Contracts or the Intangible Personalty and relating to the period of time prior to the date of this Assignment.

(b) By the acceptance of this instrument, Assignee does hereby assume and agree to perform the obligations of Assignor under the Leases, the Service Contracts and the Intangible Personalty arising on and after the date of this Assignment; and Assignee does hereby agree to indemnify, defend and hold harmless Assignor from and against any and all liabilities and claims arising from the Leases, the Service Contracts or the Intangible Personalty to the extent relating to the period of time on and after the date of this Assignment.

3. Successors. This Assignment of Leases, Service Contracts and Personal Property shall be binding on and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

[remainder of page intentionally left blank; signature pages follow]

Assignor and Assignee have executed this instrument as of the date first above written.

ASSIGNOR:

SUSSEX VILLAGE APARTMENTS TM LLC,
a Virginia limited liability company

By: MARG Rural LLC, a West Virginia limited
liability company, its managing member

By: _____
Robert B. Margolis, Manager

ASSIGNEE:

[
a [] []

By: _____
Name: _____
Title: _____

EXHIBIT A TO ASSIGNMENT AND ASSUMPTION OF LEASES, SERVICE CONTRACTS
AND PERSONAL PROPERTY

Legal Description of the Property

Parcel 1

All that certain tract or parcel of land lying situate and being in the corporate limits of the Town of Waverly, Sussex County, Virginia, and shown to contain 0.313 acre on that certain map or plat entitled "PLAT SHOWING PROPERTY SURVEY FOR BUSH CONSTRUCTION CORP.", made December 3, 1981, by S. V. Camp, III and Associates, C.L.S., said property being more particularly described in accordance with said plat as follows: BEGINNING at a concrete monument 248.1 feet south of Lot "D" now or formerly owned by Gray Lumber Co. and also lying on the east side of Va. Route 40; thence S 51 ° 00' E 545.0 feet to a concrete monument, a corner for the within described property and other property now or formerly owned by Gray Lumber Co.; thence S 39 ° 00' W 25.0 feet to a point, a corner for the within described property and other property now or formerly owned by Gray Lumber Co.; thence within the corporate limits for the Town of Waverly, Virginia, N 51 ° 00' W 545.0 feet to a concrete monument located on the right of way of Va. Route 40; thence N 39 ° 00' E 25.0 feet with the right of way line of Va. Route 40 to the point of beginning. Said parcel of land is bounded by Va. Route 40 on the west, and land now or formerly owned by Gray Lumber Co. on the north, east and south.

Parcel 2

All that certain tract or parcel of land lying situate and being in Waverly Magisterial District, Sussex County, Virginia, and shown to contain 4.683 acres on that certain map or plat entitled "PLAT SHOWING PROPERTY SURVEY FOR BUSH CONSTRUCTION CORP.", made December 3, 1981, by S. V. Camp, III and Associates, C.L.S., said property being more particularly described in accordance with said plat as follows: BEGINNING at a concrete monument 273.1 feet south of Lot "D" now or formerly owned by Gray Lumber Co. and also being further described as being located at the intersection of the southern corporate limits of the Town of Waverly with Va. Route 40; thence S 51° 00' E 545.0 feet to a point, a corner for property now or formerly owned by Gray Lumber Co. and the within described property; thence S 39° 00' W 375.0 feet to a concrete monument, a corner for property now or formerly owned by Gray Lumber Co. and the within described property; thence N 51° 00' W 541.4 feet to a concrete monument located on the eastern edge of Va. Route 40; thence with the right of way of Va. Route 40 N 37° 32' E 100' to a concrete monument; thence N 38° 44' E 275.0 feet with the right of way of Va. Route 40 to the point of beginning. Said parcel of land is bounded by Va. Route 40 on the west and by land now or formerly belonging to Gray Lumber Co. on the north, east and south.

LESS AND EXCEPT that certain piece or parcel of land conveyed to the Commonwealth of Virginia by Deed dated July 26, 1982, recorded September 27, 1982, in the Clerk's Office, Circuit Court, Sussex County, Virginia, in Deed Book 100, Page 451.

BEING a portion of the same real estate conveyed to Sussex Trace Associates, a Virginia limited partnership, by Deed from Southeast 4-H Educational Center, Inc., a Virginia non-profit corporation, dated December 23, 1981, recorded January 29, 1982 in the Clerk's Office of the circuit Court of Sussex County, Virginia, in Deed Book 99, Page 162.

EXHIBIT D

FORM OF CERTIFICATE UPDATING REPRESENTATIONS AND WARRANTIES

Sussex Village Apartments TM LLC, a Virginia limited liability company (“Seller”) hereby certifies to _____, a _____ limited liability company (“Purchaser”), that the representations and warranties set forth in Section 7.1 of that certain Purchase and Sale Agreement dated December 1, 2023 (the “Agreement”) between Seller and Green Street Housing, LLC, a Maryland limited liability company, with respect to the sale of certain real property in Waverly, Virginia, more particularly described in the Agreement, are and remain true and correct in all material respects and are reaffirmed as of this date.

Executed this ____ day of _____, 2024.

SUSSEX VILLAGE APARTMENTS TM LLC,
a Virginia limited liability company

By: MARG Rural LLC, a West Virginia limited
liability company, its managing member

By: _____
Robert B. Margolis, Manager

}

EXHIBIT E

FORM OF CERTIFICATE UPDATING REPRESENTATIONS AND WARRANTIES

[] (“Purchaser”) hereby certifies to Sussex Village Apartments TM LLC, a Virginia limited liability company (“Seller”) that the representations and warranties set forth in Section 7.3 of that certain Purchase and Sale Agreement dated _____, 2023 (the “Agreement”) between Seller and Green Street Housing, LLC, a Maryland limited liability company, with respect to the sale of certain real property in Waverly, Virginia, more particularly described in the Agreement, are and remain true and correct and are reaffirmed as of this date.

Executed this ____ day of _____, 2024.

[_____],
a [_____] [_____]

By: _____
Name: _____
Title: _____

EXHIBIT F
FORM OF NOTICE TO TENANTS

_____, 2024

TO ALL TENANTS OF SUSSEX TRACE APARTMENTS

As of this date, Sussex Village Apartments TM LLC has sold Sussex Trace Apartments in Waverly, Virginia, to [_____]. In connection with that sale, your security deposit, if any, has been transferred to [_____]. All rent payments for your premises due after your receipt of this Notice should be paid to [_____] at the following address:

In addition, all future correspondence regarding your premises should be directed to _____ at the following address:

TM ASSOCIATES MANAGEMENT, INC.
a Maryland corporation

By: _____
Robert B. Margolis, Chief Executive Officer,

EXHIBIT G

RENT ROLL

[See Attached]

SUSSEX COUNTY
DESTE JARRATT COX, TREASURER
P O BOX 1399
SUSSEX, VA 23884

IMPORTANT INFORMATION ON BACK

10.00% PENALTY ON 12/6/2024

8.00% INTEREST BEGINNING 07/01/2025

PAYMENT OPTIONS

In Person: At the Treasurer's Office, Monday-Friday 8:30 am to 5:00 pm.
Drop Box at Treasurer's Office
At the following Banks through the regular tax deadline
(you must have your tax bill with you):
BSV - Jarratt, Stony Creek, or Wakefield, VA
Truist - Wakefield, VA
Primis - Waverly, VA

By Mail: Use the enclosed envelope and return to the address listed.
Envelopes must be postmarked on or before midnight of due date.

By Credit Card: Visit www.officialpayments.com. Jurisdiction Code 6247.
Visa, Mastercard, Discover or American Express accepted.

** SUSSEX COUNTY CHARGES A FEE FOR ALL DEBIT/CREDIT CARD TRANSACTIONS **

No paid receipts returned unless requested with a
self-addressed stamped envelope. Prepayment of taxes is
accepted by the Treasurer's Office. Please contact this office
at (434) 246-1087.

FORWARDING SERVICE REQUESTED

* 000287/2--S 2--B 1

SUSSEX VILLAGE APARTMENTS TM LLC
1375 PICCARD DR STE 150
ROCKVILLE MD 20850-4351

2024 SUSSEX COUNTY REAL ESTATE TAX BILL

DUE DATE	MAP / PARCEL NUMBER	TICKET NUMBER	RATE PER \$100	MORTGAGE COMPANY
12/05/2024	28A10A 17A	7554	\$.530	

Description	Acres	Land Value	Buildings and Improvements	Tax Relief	Total Value	Total Tax Due
DREWRY TR 1-GL-169 SECT A LT 1 INCLUDES LOT 21	4.6800	165,600	2,227,000	0	2,392,600	12680.78
TOTAL TAX DUE						12680.78

RETAIN TOP PORTION FOR YOUR RECORDS

Page 1 of 2

DETACH and RETURN THIS PORTION with YOUR CHECK OR MONEY ORDER. DO NOT STAPLE OR USE TAPE.

2024 REAL ESTATE TAX BILL

DUE DATE	MAP / PARCEL NUMBER	TICKET NUMBER	RATE PER \$100	TOTAL TAX DUE
12/05/2024	28A10A 17A	7554	\$.530	12680.78

☐ CHECK TO CHANGE MAILING ADDRESS. PLEASE COMPLETE THE BACK OF THIS FORM

MAKE CHECK PAYABLE & REMIT TO:



SUSSEX COUNTY TREASURER
PO BOX 1399
SUSSEX, VA 23884

SUSSEX VILLAGE APARTMENTS TM LLC
1375 PICCARD DR STE 150
ROCKVILLE MD 20850-4351



RE20240007554

Commissioner Photograph

Sussex County, Virginia

[Sussex County Home](#)

----- Improve Description -----										:	+-----23-----+				
Exterior		Interior				Site		:							
EXTR-BRK & FRM		NO. ROOMS - 3				SCOD-QUALIF'D 2022		:							
FNDT-SLAB		FLOR-CARPET				TOPO-LEVEL		:							
RFMT-COMP SHGLS		FLOR-VINYL				UTIL-ALL PUB		:	13						
ROOF-GABLE		FUEL-ELECTRIC						:							
		WALL-DRY WALL						:							
								:							
								:							
----- Commercial Valuation -----										:	+-----14-----+				
Cls Grad Yeff		Description		Str/#		Size Rate Pct Value		:							
064L C+ 5 1980 OFFICE				1.0		1224 81.34 .40 62723		:							
Total Market Value						62723		:							
								:	38						
----- Other Improvements Valuation -----										:					
Desc		Length		Width		Size Grade Rate FV/Pct Value		:							
DRAWING #2								256700		:					
DRAWING #3								256700		:					
DRAWING #4								256700		:	25				
DRAWING #5								305200		:					
DRAWING #6								305200		:					
DRAWING #7								251800		:					
DRAWING #8								239800		:					
DRAWING #9								251800		:	:OFF				
MISC IMP		52.0		88.0				5000		:	+-----37-----+				
MISC IMP		1.0		3.0				3000		:	Sec Type Str/Ht Description Area				
ASPHALT		1.0		1.0				25000		:	OFF OFFICE 1.0 N38E23S13E14S25 1224				
LIGHTING		1.0		8.0				6400		:	W37				
FENWD/VYL		1.0		1.0				1000		:	Total Square Feet				
Total Imp Value								2164300		:	-----				
----- Land Valuation -----										:					
M Cls Desc G		Size Dpth		Rate FV/Pct Value				:	Land Cur. Value Prev. Value %Inc.						
A 40 COMM/INDUS F		4.6800				31600.00 .12 165634		:	Improvements 165600 1659000						
Total Land Value		4.680				165600		:	Total 2392600 1824600						
								:	Average Price Per Acre 31600						
-----										:					
Total Property Value						2392600		:	Sale Date/Amount 3/01/2021 2400000						

Tab F:

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 Location Plan (QAP).

If the plans and specifications do not include requirements to meet the AP baseline energy performance, those requirements still must be met even though the application is accepted for credits.

***Please note that this may make the application ineligible for credits. The requirements apply to any new adaptive reuse, or reutilized development (including those serving elderly and/or physically disabled occupants).

In addition, provide HERS rating documentation as specified in the manual.

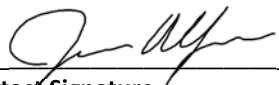
- ☐ **New Construction** – EnergyStar Certification
The development's design meets the criteria for the EnergyStar Certification. Rater understands that before issuance of RS Form 8609, the applicant will obtain and provide EnergyStar Certification to Virginia Housing.
- ☒ **Rehabilitation** – 30% performance increase over existing based on RS index.
Or, it must provide evidence of a RS index of 10 or lower. The rater understands that before RS Form 8609 is issued, the rater must provide Virginia Housing with energy performance certification.
- ☐ **Adaptive Reuse** – Must provide evidence of a RS index of 5 or lower. The rater understands that before RS Form 8609 is issued the rater must provide Virginia Housing with energy performance certification.

Additional Optional Certification

I certify that the development's plans and specifications incorporate all items for the certification as indicated below and I am an accredited verifier of said certification. If the plans and specifications do not include requirements to obtain the certification those requirements must still be met even though the application is accepted for credits. Rater understands that before issuance of RS Form 8609, the applicant will obtain and provide Certification to Virginia Housing.

- ☐ **Earthcraft Certification** - The development's design meets the criteria to obtain Earthcraft multifamily program or other certification or higher.
- ☐ **LEED Certification** - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.
- ☒ **National Green Building Standard (NGBS)** - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification.
- ☐ **Enterprise Green Communities**—The development's design meets the requirements stated in the Enterprise Green Communities Criteria for this development's construction type to obtain certification.

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

	/	Kevin Robicheau	6/4/2025
RESNET Rater Signature		Printed Name	Date
Green Building Consulting		Jason Alfandre	
RESNET Provider Agency		Provider Contact Name	
	jalfandre@greenbldgconsulting.com	(517) 427-8997	
Contact Signature	Email	Phone	



Home Energy Rating (HERS) Report:

Sussex Trace Apartments

Waverly, VA



Submitted and Prepared for:

Green Street Housing

Charlie Moore

212 East Main Street, Suite 200

Salisbury, MD 21804

charlie@greenstreethousing.com

Submitted and Prepared by:

Dominion Due Diligence Group (D3G)

Kevin Robicheau, NGBS Green Verifier, BPI-MFBA, HERS Rater

Phone: 804.442.7775 (direct)

Email: k.robicheau@d3g.com

Timothy Bryant, NGBS Green Verifier, BPI-MFBA, HERS Rater

Phone: 804.615.2145 (direct)

Email: t.bryant@d3g.com



March 29, 2024

Charlie Moore
212 East Main Street, Suite 200
Salisbury, MD 21804

RE: Home Energy Rating (HERs) Report
D3G Project #2024-000473
Sussex Trace Apartments
7144 Leneave Lane
Waverly, VA 23890

Dear Charlie Moore,

Dominion Due Diligence Group (D3G) respectfully submits this Home Energy Rating System (HERS) report to show the preliminary HERS Index for Sussex Trace Apartments.

Scope of Work:

D3G has provided the following services for this reporting:

1. Comprehensive review of all provided design documentation (i.e. construction drawings and specifications) required to perform accurate whole building energy simulation modeling.
2. Conducted Site inspection and Initial Diagnostic Testing Services on Sampled Units (e.g. Blower Door Infiltration and Duct Leakage testing).
3. Generated energy simulation models to capture subject properties total annual energy consumption to include all fuel sources and provide HERS index.
4. Organize results into a usable summarized final report for Virginia HIEE application submission.

Preliminary HERS Index:

The simulated annual energy consumption returned the following HERS Index:

	2BD/1BA Townhouse	3BD/2BA Townhouse
HERS Index (Existing Condition):	83	80
HIEE Max-70 HERS Target across all units:	70	70
Proposed Post-Rehab HERS Index:	57	56
HERS improvement (%)	31%	30%



Building Systems and Assumptions:

Performance of the energy modeling requires evaluation of existing building systems. Available construction documents and the on-site inspection determined the following existing building characteristics. The following tables detail building systems including: the as-built specification and the energy model assumptions. The tables also identify “proposed renovation scope” to improve the HERS score to meet the Virginia HIEE Requirement of a 40% HERS score improvement or a HERS Index of 70.

Property Description	
Construction Year	1980
Primary function of property	Multifamily Housing
Other property usage types (i.e. retail, restaurants, etc.)	Community Center
Number of buildings	8 Two-story Townhome Apt. Bldgs.

Unit Mix		
Unit Type	Count	Avg. Gross Floor Area Per Unit*
2bd1ba TH	30	958
3bd2ba TH	20	1139

**Note – The Gross Floor Area per unit excludes non-conditioned spaces such as mechanical rooms and garages*

Property Location & Weather Information	
<i>Weather Data below represents metrics used by Ekotrope (base 65°F)</i>	
Weather Station - ID	FRANKLIN MUNI JB ROS – 723083
Cooling Degree Days (CDD) °F	1629
Heating Degree Days (HDD) °F	3377
<i>Setpoint temperatures below are used in energy simulation models</i>	
Heating Setpoint Temperature	70° F
Cooling Setpoint Temperature	75° F
IECC Climate Zone	4A



Diagnostic Testing Results			
Unit Tested		Infiltration (ACH50)	Duct Leakage (CFM Total / To Outside)
2 BD 1 BA Unit 7173		9.16 ACH50 1,187 CFM50	138 / 84 Total: 15.12 CFM/100 ft²
Energy Modeling Input			
Building Envelope			
Building Component	Current Conditions (modeled)	Proposed Renovation Scope	Scope Item
Foundation	Concrete slab – Uninsulated	None (not feasible)	No
Floors	N/A	None	No
Exterior Wall	Brick and vinyl exterior over wood studs Assumed 16” o.c. – R-11 batts, grade 3	<i>R-15 batts, Grade I or, R-10 continuous insulation, or insulated siding</i>	No
Windows	Vinyl framed assemblies. U-Factor: 0.40; SHGC: 0.40	ENERGY STAR 7.0 certified vinyl or pvc assemblies – U-Factor: 0.30; SHGC 0.40	No
Exterior Doors	Metal hollow core assemblies	ENERGY STAR Certified insulated metal assemblies	Yes
Ceilings / Roof	Assumed R-30 blown cellulose, grade 1	Increase to R-49 blown attics, grade I	Yes
Infiltration	Approximately 9.2 ACH@50 Pascals (only preliminary testing performed on a few units)	None	No
Building Envelope Narrative			
Comments: Due to the age of construction and the existing conditions, the exterior wall assemblies and top floor ceiling assemblies are believed to be underperforming due to low levels of insulation and poor installation. While upgrading the wall assemblies is not feasible, the addition of more insulation in the attics will improve the overall energy efficiency of the thermal envelope. Ensuring proper air-sealing will significantly improve the performance of the building envelope.			

Mechanical Systems (HVAC)			
Building Component	Current Conditions (modeled)	Proposed Renovation Scope	Scope Item
Heating and Cooling – Dwelling Unit	RHEEM RPRL-JEC25 – Air source heat pump; 16 SEER, 9.0 HSPF (approximately 10-15 years old)	Replace with RHEEM RD17AZ36AJ3NA ENERGY STAR certified heat pumps; 19.0 SEER2, 8.5 HSPF2	Yes
Heating and Cooling – Common Area	RHEEM RPRL-JEC25 – Air source heat pump; 16 SEER, 9.0 HSPF (approximately 10-15 years old)	Replace with RHEEM RD17AZ36AJ3NA ENERGY STAR certified heat pumps; 19.0 SEER2, 8.5 HSPF2	Yes
Ventilation – Dwelling Unit	Natural Ventilation	None	No
Ventilation – Common Area	Natural Ventilation	None	No
Dehumidification – Dwelling Unit	None	Install dehumidification equipment capable of maintaining 40-60% RH ¹	Yes
Thermostats	Non-programmable	Programmable	Yes
Ductwork Leakage	Approximately 15-20% CFA (only preliminary testing performed on a few units)	≤10% CFA – HIEE requirement for existing duct work ¹	Yes
Comments: Upgrading dwelling unit heat pumps at the property to a minimum efficiency of 19.0 SEER2 and 8.5 HSPF2 is necessary for the 35% energy reduction for HUD GRRP and NGBS Gold certification. If keeping existing duct work; if new ductwork is installed the requirement will be ≤4% CFA. Virginia HIEE requirement.			
Plumbing Systems			
Building Component	Current Conditions (modeled)	Proposed Renovation Scope	Scope Item
DHW – Dwelling Unit	Electric storage; 0.85 EF	Heat Pump Water Heater 50-gallon 3.5 UEF	Yes
DHW – Common Area	Electric storage; 0.85 EF	Heat Pump Water Heater 50-gallon 3.5 UEF	Yes

Plumbing Systems Continued			
Kitchen Sink – Dwelling Unit	2.0 GPM	1.5 GPM	Yes
Lavatory Sink – Dwelling Unit	2.2 GPM	WaterSense ≤1.0 GPM	Yes
Shower – Dwelling Unit	2.5 GPM	WaterSense 1.5 GPM	Yes
Toilet – Dwelling Unit	1.6 GPF	WaterSense .8 GPF	Yes
Comments: Upgrading all older electric water heaters to a minimum efficiency of 3.5 UEF heat pump water heaters is recommended. NGBS Remodel Gold scoring is likely to necessitate WaterSense plumbing fixtures which are recommended.			
Lighting and Appliances			
Building Component	Current Conditions (modeled)	Proposed Renovation Scope	Scope Item
Lighting – Dwelling Unit	CFL/Incandescent/LED	Upgrade all older units to 100% LED lighting	Yes
Lighting – Common Area*	Assumed LED	100% LED, photovoltaic sensors, motion sensors, timers, etc.	No
Lighting – Site*	Assumed LED	100% LED, photovoltaic sensors, motion sensors, timers, etc.	No
Refrigerator – Dwelling Unit	500 kwh/yr	Replace all older refrigerators with ENERGY STAR certified models	Yes
Dishwasher – Dwelling Unit	None	If adding dishwashers, specify ENERGY STAR rated models	No
Range – Dwelling Unit	Electric	None	No



Lighting and Appliances Continued			
Washing Machine – Dwelling Unit	Standard Efficiency	Bosch WAW285H1UC ENERGY STAR certified washing machine	Yes
Clothes Dryer – Dwelling Unit	High Efficiency – Alliance Laundry Systems supplies	Bosch WTW87NH ENERGY STAR certified clothes dryer	Yes
Comments: GRRP program specifies LED lighting and ENERGY STAR appliances. Provide Bosch ENERGY STAR laundry equipment to meet energy and water savings requirements. Note: Site lighting isn't captured in the NGBS percentage improvement.			

**Note – The components listed in this table are only a summary of the largest energy consuming components at the property. In many cases there are additional components used in the energy simulation models that are not listed in this table.*

¹ Virginia Housing HIEE Minimum Design and Construction Requirements.

Purpose:

The HERS Index that was generated for this report is a preliminary study of the subject properties energy design to simulate annual energy consumption. The HERS Index is a measurement system for homes based on their energy performance. A lower score means a more energy efficient home, and that means higher energy savings and lower energy bills. A score of 100 indicates that the property performs at the same level as a home built to the 2004/2006 International Energy Conservation Code (IECC).

Limitations:

The energy modeling and HERS scoring process is contingent upon the building design parameters, diagnostic testing results and energy modeling assumptions. Please be advised that any changes to the scope of the design may impact projected energy consumption and score. Energy models make assumptions regarding tenant behavior, private plug-load usage, heating and cooling setpoint temperatures and other non-design variables which will affect actual energy consumption and score. The HERS Index is contingent upon a controlled construction process supervised by an energy professional and verified/ commissioned by a qualified professional. D3G assumes no liability should we not be involved in the construction, monitoring, and verification process of the proposed energy efficient construction project.



Sincerely,

Kevin Robicheau, NGBS Green Verifier, BPI-MFBA, HERS Rater

Signature

Timothy Bryant, NGBS Green Verifier, BPI-MFBA, HERS Rater

Signature



Attachments:

- A. Pre-Rehab HERS Index and Proposed Rehab HERS Index
- B. Overview of HERS Index
- C. Tectite Infiltration / Blower Door Testing Results
- D. TECBlast Duct Leakage Test Results
- E. Virginia Housing Tab F Rater Certification of Development Form (Pre-Rehab)



Appendix A

Pre-Rehab HERS Index and Proposed Rehab HERS Index

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date:

Registry ID:

Ekotrope ID: LZg4IPrd

HERS® Index Score:

83

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

\$621

*Relative to an average U.S. home

Home:

7144 Leneave Lane

Waverly, VA 23890

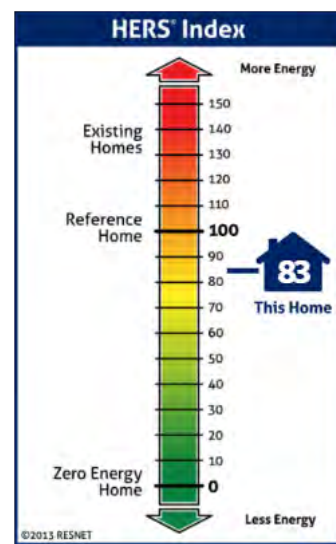
Builder:

Green Street Housing

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	5.9	\$208
Cooling	2.7	\$93
Hot Water	9.2	\$324
Lights/Appliances	12.4	\$435
Service Charges		\$120
Generation (e.g. Solar)	0.0	\$0
Total:	30.2	\$1,181

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	2 bedroom
Community:	Sussex Trace Apartments
Conditioned Floor Area:	958 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 9 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 16 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.85 Energy Factor
House Tightness:	1236 CFM50 (8.15 ACH50) (Adjusted Infiltration: 8.15 ACH50)
Ventilation:	None
Duct Leakage to Outside:	84 CFM @ 25Pa (8.53 / 100 ft ²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.4, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Kevin Robicheau

RESNET ID: 8611030

Rating Company: Dominion Due Diligence Group

201 Wylderose Drive

804-237-1892

Rating Provider: Green Building Consulting

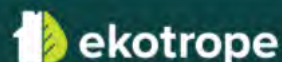
1435 Vine St 2nd flr, Cincinnati, OH 45202

513.381.1470



Kevin Robicheau, Certified Energy Rater

Date: 3/28/24 at 7:42 PM



Energy savings calculated without modifications to the energy model. (As Modeled)

Ekotrope RATER - Version:4.1.1.3367
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.
This report does not constitute any warranty or guarantee.

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date:

Registry ID:

Ekotrope ID: da84A4oL

HERS® Index Score:

80

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

\$802

*Relative to an average U.S. home

Home:

7144 Leneave Lane

Waverly, VA 23890

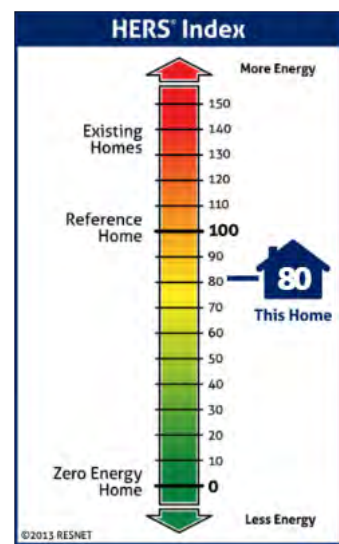
Builder:

Green Street Housing

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	8.3	\$291
Cooling	3.5	\$124
Hot Water	10.9	\$384
Lights/Appliances	14.0	\$493
Service Charges		\$120
Generation (e.g. Solar)	0.0	\$0
Total:	36.7	\$1,412

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	3 bedroom
Community:	Sussex Trace Apartments
Conditioned Floor Area:	1,139 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 9 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 16 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.85 Energy Factor
House Tightness:	1236 CFM50 (7.61 ACH50) (Adjusted Infiltration: 7.61 ACH50)
Ventilation:	None
Duct Leakage to Outside:	84 CFM @ 25Pa (7.37 / 100 ft ²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-30
Window Type:	U-Value: 0.4, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Kevin Robicheau

RESNET ID: 8611030

Rating Company: Dominion Due Diligence Group

201 Wylderose Drive

804-237-1892

Rating Provider: Green Building Consulting

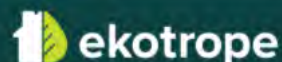
1435 Vine St 2nd flr, Cincinnati, OH 45202

513.381.1470



Kevin Robicheau, Certified Energy Rater

Date: 3/28/24 at 7:42 PM



Energy savings calculated without modifications to the energy model. (As Modeled)

Ekotrope RATER - Version:4.1.1.3367
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.
This report does not constitute any warranty or guarantee.

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date:

Registry ID:

Ekotrope ID: LZg4IPrd

HERS® Index Score:

57

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

\$995

*Relative to an average U.S. home

Home:

7144 Leneave Lane

Waverly, VA 23890

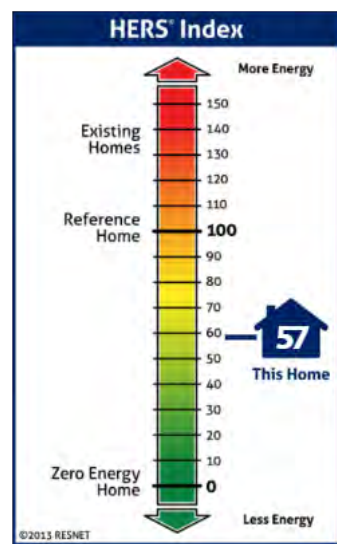
Builder:

Green Street Housing

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	5.0	\$175
Cooling	2.1	\$74
Hot Water	2.0	\$72
Lights/Appliances	10.4	\$366
Service Charges		\$120
Generation (e.g. Solar)	0.0	\$0
Total:	19.5	\$807

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	2 bedroom
Community:	Sussex Trace Apartments
Conditioned Floor Area:	958 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 19 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 3.5 UEF
House Tightness:	1236 CFM50 (8.15 ACH50) (Adjusted Infiltration: 8.15 ACH50)
Ventilation:	None
Duct Leakage to Outside:	40 CFM @ 25Pa (4.06 / 100 ft ²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-50
Window Type:	U-Value: 0.4, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Kevin Robicheau

RESNET ID: 8611030

Rating Company: Dominion Due Diligence Group

201 Wylderose Drive

804-237-1892

Rating Provider: Green Building Consulting

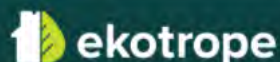
1435 Vine St 2nd flr, Cincinnati, OH 45202

513.381.1470



Kevin Robicheau, Certified Energy Rater

Date: 3/28/24 at 7:40 PM



Energy savings calculated without modifications to the energy model. (As Modeled)

Ekotrope RATER - Version:4.1.1.3367
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.
This report does not constitute any warranty or guarantee.

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date:

Registry ID:

Ekotrope ID: da84A4oL

HERS® Index Score:

56

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

\$1,254

*Relative to an average U.S. home

Home:

7144 Leneave Lane

Waverly, VA 23890

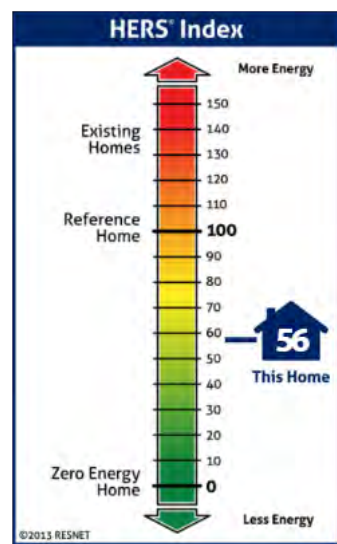
Builder:

Green Street Housing

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	6.9	\$244
Cooling	2.8	\$99
Hot Water	2.4	\$86
Lights/Appliances	11.7	\$411
Service Charges		\$120
Generation (e.g. Solar)	0.0	\$0
Total:	23.9	\$960

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	3 bedroom
Community:	Sussex Trace Apartments
Conditioned Floor Area:	1,139 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 19 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 3.5 UEF
House Tightness:	1236 CFM50 (7.61 ACH50) (Adjusted Infiltration: 7.61 ACH50)
Ventilation:	None
Duct Leakage to Outside:	40 CFM @ 25Pa (3.51 / 100 ft ²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-50
Window Type:	U-Value: 0.4, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Kevin Robicheau

RESNET ID: 8611030

Rating Company: Dominion Due Diligence Group

201 Wylderose Drive

804-237-1892

Rating Provider: Green Building Consulting

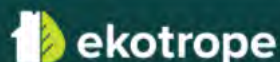
1435 Vine St 2nd flr, Cincinnati, OH 45202

513.381.1470



Kevin Robicheau, Certified Energy Rater

Date: 3/28/24 at 7:40 PM



Energy savings calculated without modifications to the energy model. (As Modeled)

Ekotrope RATER - Version:4.1.1.3367
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.
This report does not constitute any warranty or guarantee.



Appendix B

Overview of HERS Index

One Number That Says It All!

Like a miles-per-gallon (MPG) label for houses, the HERS Index Score is the one number that tells you how energy efficient a home is compared to other homes.

- ▶ Compare homes based on energy performance
- ▶ Know what the projected energy costs are for the home you want to buy
- ▶ Enjoy peace of mind by knowing the home was rated by a certified RESNET HERS Rater



What Is RESNET?

The Residential Energy Services Network (RESNET) is the independent, national non-profit organization that homeowners trust to improve home energy efficiency and realize substantial savings on their utility bills. It is the organization responsible for creating the national training and certification standards for Home Energy Rating System (HERS) Raters.

To qualify as a certified RESNET Rater, home energy professionals must first complete the rigorous training and testing required, and agree to abide by the RESNET Code of Ethics and Standards of Practice.

RESNET's industry-leading standards are recognized by the U.S. Department of Energy, U.S. Environmental Protection Agency, and the U.S. mortgage industry.

For more information about RESNET visit

www.resnet.us

Insert company information here and more about their HERS rated energy efficient homes.



THE HERS INDEX SCORE

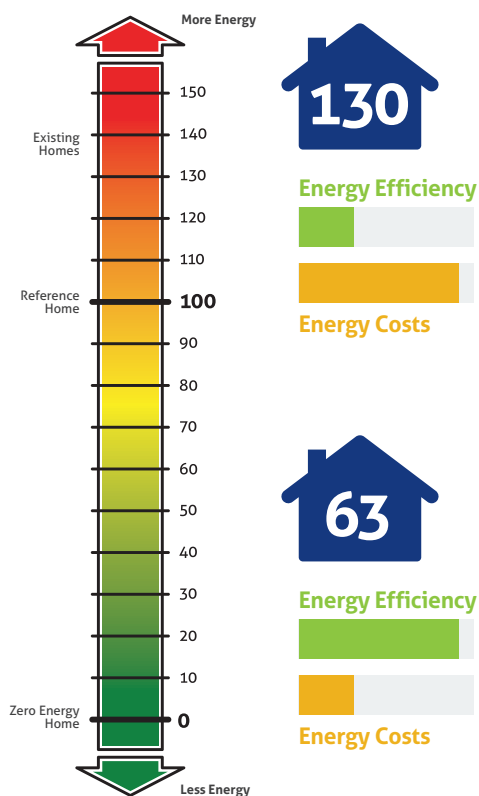
It's what smart homebuyers ask for.



HERS Index

The energy score that tells you more.

The HERS Index Score is a measurement system for homes based on their energy performance. A lower score means a more energy efficient home, and that means higher energy savings and lower energy bills for you!



Learn more about the HERS Index at
www.hersindex.com

What Is the HERS Index?

Developed by the Residential Energy Services Network (RESNET), the Home Energy Rating System (HERS) Index is an easy-to-understand energy efficiency measuring tool that assigns a numerical value to homes based on energy performance. The lower the score, the more energy efficient the home. It's like a miles-per-gallon label for houses.

Why Ask for the HERS Index Score?

- ▶ Compare homes based on their energy scores
- ▶ Get an idea of a home's projected energy costs before you buy
- ▶ Easily identify energy efficient homes

Energy efficient homes generate lower energy costs, are more comfortable to live in and enjoy higher resale values. Ask for the HERS Index Score before you buy! Visit hersindex.com to learn more about RESNET's HERS Index.

Insert short company advertising blurb about how they're building/selling HERS rated homes.

A Lower Score Saves You More

Outside of a mortgage loan, the highest cost of homeownership is energy. That's why smart homebuyers ask for a home's HERS Index Score to learn about its energy efficiency before buying. The HERS Index Score is like a MPG (miles-per-gallon) label for homes. With one number, you can compare between homes, and identify ways to improve an existing home's energy performance.

How it works is an independent and certified RESNET HERS Rater inspects and tests a home's energy features. The information is entered into sophisticated HERS rating software, which issues a HERS Index Score. The lower the HERS Index Score, the lower the energy costs will be. And lower energy costs means you can put more money into other things, like your mortgage loan.



Before you decide to buy that new home, be a smart homebuyer and ask for the HERS Index Score!





Appendix C

Tectite Infiltration / Blower Door Testing Results

Envelope Leakage Test

Testing Company:

Name: Dominion Due Diligence Group (D3G)
Address: 201 Wylderose Drive
Midlothian, VA 23313
Phone: 804-358-2020
www.d3g.com

Technician:

Name: David F. Joyner
Credentials: HERS Rater #4577848
Email: d.joyner@d3g.com

Building Information:

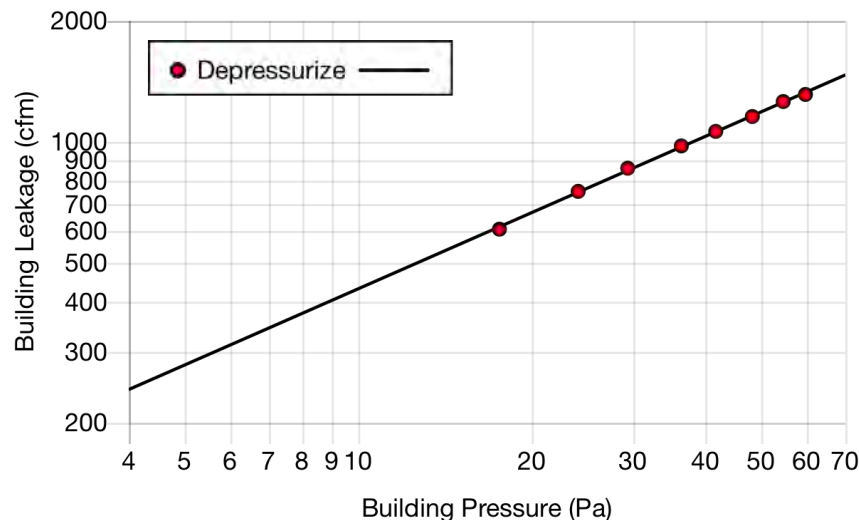
Project ID: Sussex Trace Apts
Address: 7173 Leneave Ln
2 Story TH, 2 BR
Waverly, VA 23890
Year Built: 1972
Geo-Tag Data: Latitude:
Longitude:
Timestamp:

Customer Information:

Name: Green Street Development
Address: 212 East Main St.
Suite 200
Salisbury, MD 21801

Measured Leakage: 9.16 ACH50
Leakage Target: 5.00 ACH50
Compliance with Leakage Target: Fail

Test ID:	Unit 7173 - TH, 2BR_1BA, BD		
Purpose of Test:	IECC 12/15 Env. Leakage		
Measured CFM50:	1,186.9 (+/- 1.1%)	Effective Leakage Area:	68.6 in ²
Building Volume:	7,777.0 ft ³	Enclosure Surface Area:	0.0 ft ²
Coefficient (C):	101.0 (+/- 7.8%)	Exponent (n):	0.630 (+/- 0.022)
Correlation Coefficient:	0.99941		
Test Standard:	ASTM E779 (single mode)	Test Mode:	Depressurize
Test Characteristics:	Pre Indoor Temp: 68 °F	Post Indoor Temp:	68 °F
	Pre Outdoor Temp: 68 °F	Post Outdoor Temp:	68 °F
	Altitude: 30.0 ft	Time Average Period:	10 seconds
Test Date and Time:	2024-03-07 14:07:51		



Envelope Leakage Test

Test Readings:

<u>Target (Pa)</u>	<u>Bldg (Pa)</u>	<u>Adj Bldg (Pa)</u>	<u>Fan (Pa)</u>	<u>Flow (cfm)</u>	<u>Config</u>
Baseline	-0.6				
-60.0	-60.3	-59.7	-52.5	1,311.5	Ring A
-54.0	-55.2	-54.6	-48.3	1,259.2	Ring A
-48.0	-48.9	-48.3	-40.5	1,155.7	Ring A
-42.0	-42.3	-41.7	-34.0	1,061.3	Ring A
-36.0	-37.0	-36.4	-28.7	976.6	Ring A
-30.0	-30.0	-29.3	-210.6	859.5	Ring B
-24.0	-24.7	-24.1	-161.1	752.7	Ring B
-18.0	-18.2	-17.6	-104.0	606.0	Ring B
Baseline	-0.6				

Test Equipment:

Flow Device: Model 3 110V Fan
Pressure Gauge: DG1000
Serial #: 6762
Calibration Date: 2020-11-03

Deviations from Standard:

- None
-

Comments:

Unoccupied, pre-renovated test



Appendix D

TECBLAST - Duct Leakage Testing Results

Duct Leakage Test

Testing Company:

Name: Dominion Due Diligence Group (D3G)
Address: 201 Wylderoose Drive
Midlothian, VA 23313
Phone: 804-358-2020
www.d3g.com

Technician:

Name: David F. Joyner
Credentials: HERS Rater #4577848
Email: d.joyner@d3g.com

Building Information:

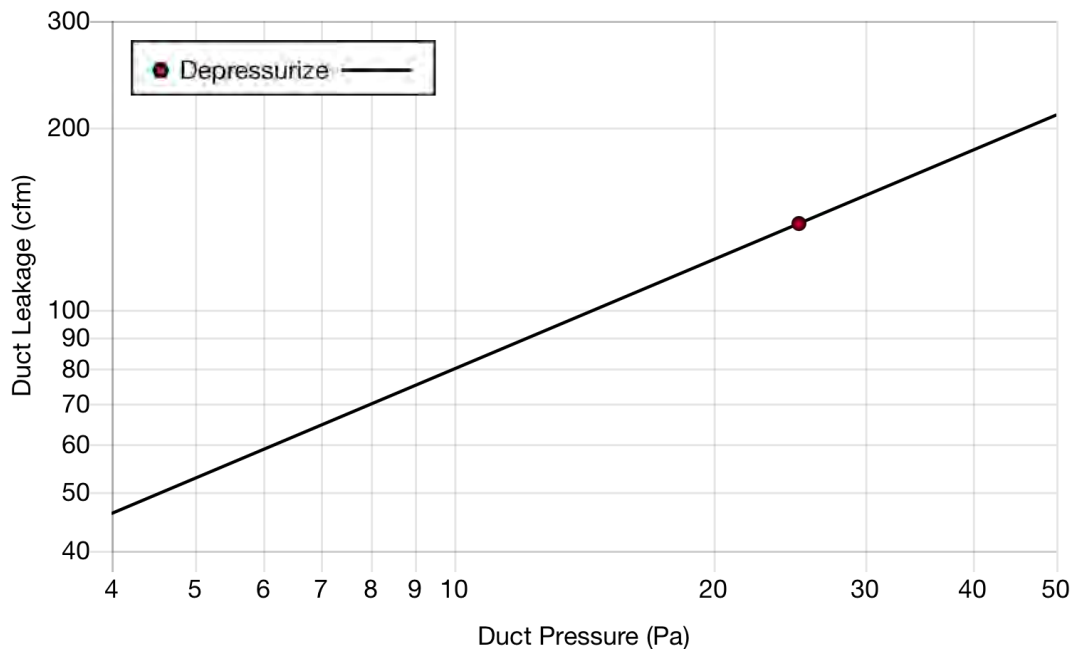
Project ID: Sussex Trace Apts
Address: 7173 Leneave Ln
2 Story TH, 2 BR
Waverly, VA 23890
Year Built: 1972
Geo-Tag Data: Latitude:
Longitude:
Timestamp:

Customer Information:

Name: Green Street Development
Address: 212 East Main St.
Suite 200
Salisbury, MD 21801

Measured Leakage: 15.12 CFM25/100 ft²
Leakage Target: 4.00 CFM25/100 ft²
Compliance with Leakage Target: Fail

Test ID: Unit 7173 - TH, 2BR_1BA, db
Purpose of Test: IECC 12/15 Duct Leakage
Measured CFM25: 138.4
Conditioned Floor Area: 915.0 ft²
Coefficient (C): 20.1
Test Standard: RESNET 380 Total Duct Leakage
Test Characteristics: Time Average Period: 10 seconds
Test Date and Time: 2024-03-07 15:06:19
AH Flow: 800.0 cfm
Exponent (n): 0.600 (assumed)
Test Mode: Depressurize



Duct Leakage Test

Test Readings:

<u>Target (Pa)</u>	<u>Duct (Pa)</u>	<u>Fan (Pa)</u>	<u>Flow (cfm)</u>	<u>Config</u>
-25.0	-25.1	-78.2	138.8	Ring 2

Test Equipment:

Flow Device: Duct Blaster B Fan
Pressure Gauge: DG1000
Serial #: 6763
Calibration Date: 2020-11-03

Deviations from Standard:

- None
-

Comments:

Unoccupied, pre-renovated test



Appendix E

Virginia Housing Tab F Rater Certification of Development Form (Pre-Rehab)

RESNET Rater Certification of Development Plans

Deal Name _____

Deal Address _____

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP). In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***** Please note that this may cause the Application to be ineligible for credits.
The Requirements apply to any new, adaptive reuse or rehabilitated development
(including those serving elderly and/or physically disabled households).**

In addition provide HERS rating documentation as specified in the manual

_____ **New Construction** – EnergyStar Certification

The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to Virginia Housing.

_____ **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 Virginia Housing 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 Virginia Housing 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 Virginia Housing.

_____ **Earthcraft Certification** – The development's design meets the criteria to obtain Viridian's EarthCraft Multifamily program Gold certification or higher.

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

Appendices continued

Additional Optional Certifications continued

- X **National Green Building Standard (NGBS)** – The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification.
- Enterprise Green Communities** – The development's design meets the criteria for meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

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

Printed Name Kevin Robicheau RTIN: 8611030 3/29/2024
RESNET Rater Date

Signature 

Resnet Provider Agency Green Building Consulting

Signature 

Provider Contact & Phone/Email Jason Alfandre 970-749-7468

Tab G:

Zoning Certification Letter (MANDATORY)



Zoning Certification

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

General Instructions:

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

If you have any questions, please contact the Tax Credit Allocation Department at:

taxcreditapps@virginiahousing.com

Zoning Certification

DATE: 5/5/2025

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

RE: ZONING CERTIFICATION

Name of Development: Sussex Trace Apartments
Name of Owner/Applicant: Sussex Trace Preservation, LLC
Name of Seller/Current Owner: Sussex Village Apartments TM, LLC

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

DEVELOPMENT DESCRIPTION:

Development Address:
7144 Leneave Lane, Waverly, VA 23890

Leal Description:

Please see attached exhibit A.

Proposed Improvements:

Construction

New Construction:	# Units		# Buildings		Total	Floor	Area
Adaptive Reuse	# Units		# Buildings		Total	Floor	Area
Rehabilitation:	# Units	50	# Buildings	9	Total Floor Area	60,244	

Zoning Certification, cont'd

Current Zoning: R-1, General Residential allowing a density of 10 units per acre, and the following other applicable conditions: _____

Other Descriptive Information:

Sussex Trace Apartments is a 50-Unit community located in Sussex County, VA, comprised of 30 apartments and twenty (20) 3-bedroom apartments.

LOCAL CERTIFICATION:

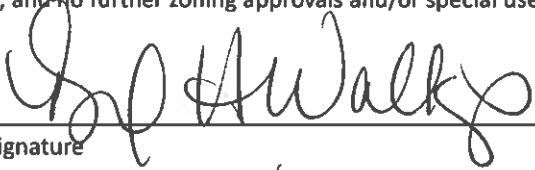
Check one of the following as appropriate:



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 approved for non-conforming use. To the best of my knowledge, there are no zoning violations outstanding on this property, and no further zoning approvals and/or special use permits are required.


Signature

Beverly Walkup
Printed Name

Zoning Administrator

Title of Local Official or Civil Engineer

434-246-1042

Phone

5/8/2025

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 contact the Tax Credit Allocation Department at

taxcreditapps@virginiahousing.com

EXHIBIT A

Legal Description of the Property

Parcel 1

All that certain tract or parcel of land lying situate and being in the corporate limits of the Town of Waverly, Sussex County, Virginia, and shown to contain 0.313 acre on that certain map or plat entitled "PLAT SHOWING PROPERTY SURVEY FOR BUSH CONSTRUCTION CORP.", made December 3, 1981, by S. V. Camp, III and Associates, C.L.S., said property being more particularly described in accordance with said plat as follows: BEGINNING at a concrete monument 248.1 feet south of Lot "D" now or formerly owned by Gray Lumber Co. and also lying on the east side of Va. Route 40; thence S 51 ° 00' E 545.0 feet to a concrete monument, a corner for the within described property and other property now or formerly owned by Gray Lumber Co.; thence S 39 ° 00' W 25.0 feet to a point, a corner for the within described property and other property now or formerly owned by Gray Lumber Co.; thence within the corporate limits for the Town of Waverly, Virginia, N 51 ° 00' W 545.0 feet to a concrete monument located on the right of way of Va. Route 40; thence N 39 ° 00' E 25.0 feet with the right of way line of Va. Route 40 to the point of beginning. Said parcel of land is bounded by Va. Route 40 on the west, and land now or formerly owned by Gray Lumber Co. on the north, east and south.

Parcel 2

All that certain tract or parcel of land lying situate and being in Waverly Magisterial District, Sussex County, Virginia, and shown to contain 4.683 acres on that certain map or plat entitled "PLAT SHOWING PROPERTY SURVEY FOR BUSH CONSTRUCTION CORP.", made December 3, 1981, by S. V. Camp, III and Associates, C.L.S., said property being more particularly described in accordance with said plat as follows: BEGINNING at a concrete monument 273.1 feet south of Lot "D" now or formerly owned by Gray Lumber Co. and also being further described as being located at the intersection of the southern corporate limits of the Town of Waverly with Va. Route 40; thence S 51° 00' E 545.0 feet to a point, a corner for property now or formerly owned by Gray Lumber Co. and the within described property; thence S 39° 00' W 375.0 feet to a concrete monument, a corner for property now or formerly owned by Gray Lumber Co. and the within described property; thence N 51° 00' W 541.4 feet to a concrete monument located on the eastern edge of Va. Route 40; thence with the right of way of Va. Route 40 N 37° 32' E 100' to a concrete monument; thence N 38° 44' E 275.0 feet with the right of way of Va. Route 40 to the point of beginning. Said parcel of land is bounded by Va. Route 40 on the west and by land now or formerly belonging to Gray Lumber Co. on the north, east and south.

LESS AND EXCEPT that certain piece or parcel of land conveyed to the Commonwealth of Virginia by Deed dated July 26, 1982, recorded September 27, 1982, in the Clerk's Office, Circuit Court, Sussex County, Virginia, in Deed Book 100, Page 451.

BEING a portion of the same real estate conveyed to Sussex Trace Associates, a Virginia limited partnership, by Deed from Southeast 4-H Educational Center, Inc., a Virginia non-profit corporation, dated December 23, 1981, recorded January 29, 1982 in the Clerk's Office of the circuit Court of Sussex County, Virginia, in Deed Book 99, Page 162.

Tab H:

Attorney's Opinion (MANDATORY)

WILLIAMS MULLEN

Direct Dial: 804.420.6915
adomson@williamsmullen.com

June 25, 2025

TO: Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

RE: 2025 Tax Credit Reservation Request (30% present value credits to be paired with Tax-exempt bonds)

Name of Development: Sussex Trace Apartments

Name of Owner: Sussex Trace Preservation, LLC

Dear Virginia Housing:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated June 25, 2025 (of which this opinion is a part) (the “**Application**”) submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low-income housing tax credits (“**Credits**”) available under Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the “**Regulations**”).

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents exceeds the Code rent restrictions; however, the Development will satisfy all applicable requirements of the Code and Regulations due to subsidies such that no tenant will pay rents in excess of what is dictated by the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.

June 25, 2025

Page 2

5. It is more likely than not that the representations made in the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.

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

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

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

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

Williams Mullen



By:

Its:

Shareholder

WILLIAMS MULLEN

Direct Dial: 804.420.6915
adamson@williamsmullen.com

~~{Insert Date}~~
June 25, 2025

TO: Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

RE: 2025 Tax Credit Reservation Request (30% present value credits to be paired with
Tax-exempt bonds)

Name of Development: Sussex Trace Apartments
Name of Owner: Sussex Trace Preservation, LLC

Dear Virginia Housing:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated June 25, 2025 (of which this opinion is a part) (the “**Application**”) submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low-income housing tax credits (“**Credits**”) available under Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the “**Regulations**”).

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

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in the Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.

~~2.~~ ~~[Select One]~~

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.

OR

~~Assuming that you designate the buildings in the Development as being in a difficult development area pursuant to Code Section 42(d)(5)(B)(v), 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. ~~[Select One]~~

3. The information set forth in the Unit Details section of the Application form as to proposed rents ~~satisfies all applicable requirements of the Code and Regulations.~~

~~OR~~

~~The information set forth in the Unit Details section of the Application form as to proposed rents exceeds the Code rent restrictions; however, the Development will satisfy all applicable requirements of the Code and Regulations due to subsidies such that no tenant will pay rents in excess of what is dictated by the Code and Regulations.~~

4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.

~~5. [Delete if inapplicable] 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.~~

~~6. [Delete if inapplicable] The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.~~

75. ~~[Delete if inapplicable]~~ It is more likely than not that the representations made in the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.

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

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

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

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

Williams Mullen

June 25, 2025
Page 3

(Add)


By: _____
Its: Shareholder

[Sussex Trace - 2025 VHDA 4% Opinion\(108568976.2\)](#)

Tab I:

Nonprofit Questionnaire (MANDATORY for points or pool)

NOTE: 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)

This deal does not require
information behind this tab.

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

Relocation Policy and Plan Sussex Trace Apartments Waverly, VA

A. PURPOSE

This document represents Sussex Trace Preservation LLC's ("Owner") and Gateway Management Services, LLC's ("Gateway") Relocation Plan for Sussex Trace Apartments ("Sussex Trace"). This document was prepared to inform Residents who will be temporarily or permanently relocated by the renovation of Sussex Trace Apartments and to guide staff working with the Residents who will be temporarily relocated on relocation policies and procedures.

Owner: Sussex Trace Preservation, LLC
212 E. Main Street, Suite 200
Salisbury, MD 21801
Attn: Tom Ayd
443-614-4976

Management Company: Gateway Management Services, LLC
350C Fortune Terrace, Suite 202
Potomac, MD 20854
Attn: Mike Severe
301-421-6460

B. PROJECT OVERVIEW AND SCOPE

Owner intends to use Low Income Housing Tax Credits (LIHTC) and a Virginia Housing mortgage loan to acquire Sussex Trace.

The management of the relocation effort will require coordination by the Owner, general contractor, sub-contractors, and Gateway staff overseeing the renovation. Renovations are planned to commence upon closing on the acquisition and the financing around December, 2025. Renovation of all units is expected to be completed by the end of December, 2026. These estimated start and completion dates may change depending on when the acquisition and financing closings occur. Owner plans to renovate 50 units and renovate the community center, leasing office, and laundry center. Four Apartments (3 two-bedrooms and 1 three-bedroom units) will be reconfigured to comply with the Section 504 of the Rehabilitation Act/Americans with Disabilities regulations (Accessible Units). The construction is contemplated to be completed in four phases consisting of two buildings per phase, each phase lasting approximately 90 days. The property will have existing vacancy that will allow for the General Contractor to begin with two empty buildings. Once those buildings are completed, residents will be moved into the completed buildings from the next two buildings in the sequence, with this pattern continuing until completion. All relocation is contemplated to be permanent moves onsite. Some residents will require a temporary relocation for the purposes of emptying the first two buildings in the construction sequence.

Following the completion of construction, units will be LIHTC units and will be occupied by households with incomes equal to or less than 60% of area median gross income (AMGI), as adjusted for family size, in accordance with the LIHTC, Virginia Housing, and HUD programs.

As a result of the renovation to be conducted at the property, all residents of Sussex Trace will be temporarily or permanently relocated to a comparable unit at the Property. The residents located in the Four UFAS units will be moved to another unit onsite, or, will sign a lease addendum acknowledging that they agree to be relocated onsite should a UFAS eligible resident seek their unit. All other units are expected to be renovated without the need to relocate Residents. Residents that will be temporarily or permanently relocated are entitled to assistance under this Relocation Plan, with the exception of those households that moved (or move) pursuant to a Notice to Quit and/or were (are) legally evicted or under an eviction process.

This Relocation Plan outlines the supportive services, counseling, and relocation assistance offered to temporarily and permanently relocated Residents and the estimated timetables for relocation. All lease-compliant Residents that will be temporarily or permanently relocated will be counseled and provided relocation assistance in accordance with this Relocation Plan. Households which move prematurely (i.e. before the scheduled dates for relocation) may not have an opportunity to receive comprehensive relocation counseling offered under this Relocation Plan. This Relocation Plan is intended to meet the federal and state requirements relating to relocation (including, the VHDA Relocation Assistance Guidelines (copy attached)).

Residents must meet all applicable certification requirements. All relocation housing will be decent, safe, and sanitary and will comply with all applicable requirements.

Currently, the units set forth below are planned to be converted to accessible units and may require temporary or permanent relocation to another unit within Sussex Trace. Final determination of which four units will be converted to accessible units will be made when construction plans are finalized and may change during construction.

ACCESSIBLE UNIT MIX (HC)	
UFAS/ANSI TYPE A UNITS: 3 UNITS (5% OF TOTAL UNITS)	
2 BR UNIT (2H):	BUILDING 5- UNIT 7180 BUILDING 8- UNIT 29251
3 BR UNIT (3H):	BUILDING 1- UNIT 7145
HEARING & VISUAL IMPAIRMENT UNITS: 1 UNIT (2% OF TOTAL UNITS)	
2 BR UNIT (2B):	BUILDING 2- UNIT 7157

C. PLANNED MEASURES TO MINIMIZE CONSTRUCTION IMPACT

The renovation is not contemplated to be performed with tenants in place. However, in the event that units or the property renovation are switched to a tenant in place rehab, the following measures will be taken to minimize impact on the tenants: Tenants will be given advance notice of the day and type of work to be performed in their unit on a particular day. Work in units will begin no earlier than 8:00 am and end no later than 5:00 pm (unless there are extenuating circumstances). All work in a particular unit will be completed such that the tenant will have use of the unit by the end of each day. For example, when windows are replaced, each window that

is removed will be re-installed or replaced on the same day that it is removed. Residents will also be notified of all construction activities and when new buildings will be under construction.

D. RELOCATION SCHEDULE

No Resident will be required to relocate until after they have received the proper notices as outlined in this Relocation Plan. However, Residents will have the opportunity to relocate earlier than the dates provided in the notices outlined in this Relocation Plan on a voluntary basis. The Owner has contemplated a construction and relocation scheduled that expects all of the relocations will be permanent relocations to a newly renovated comparable unit at Sussex Trace. The Owner expects the temporary or permanent relocation to take place according to the following timeline (these dates may very well change based on closing on the tax credit financing, timing of voluntary relocations, if any, and the progress of the renovations):

Nov - Dec, 2025	Gateway staff to send written notice regarding relocation to tenants that will need to be temporarily or permanently relocated
Jan – Mar, 2025	Move Residents from the first two buildings in the construction sequence as needed to empty the buildings
Mar – April, 2025	Move Residents from the next two buildings in the sequence to the completed first buildings

This schedule will repeat on 3 month increments until the completion of the renovation.

E. REGULATORY AUTHORITY

Virginia Housing Development Agency Relocation Assistance Guidelines

The policies and procedures regarding relocation in this Relocation Plan will be performed in compliance with Section 55-222 of the Code of Virginia and the VHDA “Relocation Assistance Guidelines” for Low Income Housing Tax Credits (please see the attached copy of these guidelines). This Relocation Plan follows these guidelines specifically regarding (1) relocation payments, (2) relocation assistance, (3) the 120-day notice to vacate period and (4) the full communication of renovation and temporary relocation plans to all existing tenants that will be temporarily relocated by the renovation. Pursuant to VHDA guidelines, a Relocation Plan has been submitted to the Virginia Housing Development Authority, Multi-Family Development Division, to the attention of the Tax Credit Program Administrator.

F. MOVING COST REIMBURSEMENT

MRP’s moving cost reimbursement to the Resident is limited to \$100.00 if either of the following applies:

- a. A Resident has minimal possessions and occupies a dormitory style room, or

b. A Resident move is performed by an agency at no cost to the tenant.

If neither 'a' nor 'b' above applies, and the tenant opts to move his/her belongings, the reimbursement to the Resident may be based on one or a combination of the following:

1. Based on the Federal Highway Administration's Fixed Residential Moving Cost Schedule (see Virginia)
2. Based on Resident's actual reasonable moving and related expenses

The Fixed Residential Moving Cost Schedule includes moving costs and utility connection expenses and is based on the number of rooms of furniture, not the number of bedrooms per unit.

Resident's actual reasonable moving and related expenses are defined as

- i. The lower of two bids or estimates prepared by a commercial mover; or
- ii. Receipted bills for labor and equipment

Hourly labor rates should not exceed the rates paid by a commercial mover to employees performing the same activity and, equipment rental fees should be based on the actual rental cost of the equipment not to exceed the cost paid by a commercial mover.

Owner plans to move each Resident that needs to be temporarily or permanently relocated in which case the moving cost reimbursement amount to each such Resident will be based on Resident's actual reasonable moving and related expenses.

G. ADVISORY SERVICES (PERMANENT RELOCATION)

If a Resident cannot return to Resident's original unit, then the Resident is considered to be "displaced" and the relocation is considered a "permanent relocation." It is anticipated that all Residents that need to be permanently relocated will be relocated to another unit within Sussex Trace. If a Resident is displaced, then Owner will provide the Resident with Advisory Services in addition to Moving Cost Reimbursement. Advisory Services include:

- Providing information about units available within the development
- Providing tenants with written information
- Providing appropriate translation and counseling for tenants who are unable to read and understand notices
- Communicating the name and telephone number of a contact person who can answer questions or provide other needed help
- Providing transportation for tenants needing to look at other housing, especially those who are elderly
- Giving special consideration for the needs of families with school age children
- Extending regular business hours, including evenings and weekends, so that tenants won't have to miss work
- Relocation counseling and assistance completing the necessary claim forms.

H. TEMPORARY RELOCATION

A Resident who is temporarily relocated is not "displaced" if the Resident can return to the original unit (e.g. the unit occupied by the Resident). A Resident that is temporarily relocated is

not eligible for Advisory Services as noted above; however, Owner:

1. Guarantees that the Resident can return to Resident's same unit
2. Pays the Resident's moving costs to and from the temporary location (two moves) in accordance with the Moving Cost Reimbursement provision above

A temporarily relocated Resident may agree in writing to permanently relocate to (a) the unit which has been designated their temporary unit, if the Resident agrees to permanently relocate to the temporary unit, in which case the Resident will only be entitled to Moving Cost Reimbursement for the one move; or (b) another newly renovated unit, in which case the Resident will be entitled to Moving Cost Reimbursement for the two moves. Such written agreement will be kept by Gateway in the Resident file.

Owner or Gateway will contact any Resident who has been temporarily relocated for longer than one year and provide Advisory Services to that Resident in addition to the Moving Cost Reimbursement.

I. RELOCATION PROCEDURE

Duties and Responsibilities of Sussex Trace Residents

The Resident shall:

- Read the General Information Notice.
- Read, sign and return to Owner or Gateway a copy of the signed Notice of Eligibility.
- Move upon notice during the specific time period, irrespective of any pending grievance related to relocation or continuing occupancy. However, Resident rights to a grievance will not be waived by such a move provided the grievance is filed prior to the move.
- Pack all belongings and prepare furniture and appliances for moving (**everything but furniture must be packed in boxes, taped and the top of the boxes must be flat**).
- Arrange with utility companies to have services transferred to the new dwelling, and to cover all associated arrearage as may be required.
- Prepare, disconnect and/or dismount all applicable appliances for moving. If a Resident household qualifies as elderly or disabled, and requests assistance in writing from Owner within 14 days of receiving its 30-day notice, Owner will provide the necessary moving assistance.
- Notify the US Postal Service, schools, other appropriate government agencies (Social Security, etc.), individuals, and companies of the change in address.
- Be ready to move all belongings on the specified date, and to be home and ready when the movers arrive.

Gateway Staff

The Regional Manager and Property Manager as necessary shall:

- Plan moves and consider resident needs
- Secure safe, sanitary and descent apartments for all residents.
- Schedule moves/move-ins
- Schedule residents with mover according to schedule established. Obtain insurance on all stored belongings.
- Monitor, coordinate, document and maintain records of all relocation activity for Sussex Trace according to applicable regulations.
- Ensure that copies of Notices are signed by leaseholders, returned to Gateway and properly filed.
- Review and approve all requests for reimbursement of relocation expenses or allowable relocation payments, according to the Relocation Plan.
- Ensure that all households considered for relocation receive a General Information Notice and a copy of the Relocation Plan at the beginning of the planning process for the renovation project.
- Ensure that all households receive a written Notice of Eligibility for Relocation Assistance at least 120 days in advance of the deadline for being relocated, which outlines the assistance to which they are entitled.
- Ensure that a member of the Gateway staff with relocation, and community and supportive services responsibilities meets with each household at least 30 days prior to the relocation deadline to discuss the relocation details and the household's needs.

The Property Manager and Maintenance Staff shall:

- Assure that all vacated units are cleaned out and secured immediately.
- Provide moving assistance for the elderly and disabled when requested as reasonable accommodation.
- Ensure other units are turned over quickly to facilitate the relocation.
- Receive a scope of work and become familiar with the scope to better answer residents' questions. The Property Manager will assist with on-going inspections of construction underway.

- Upon construction completion, Property Manager, architect, construction manager, Energy Rater, VHDA staff, HUD, and other necessary personnel will perform an inspection and create a joint punch list.

The Regional Manager shall:

- Certify families that qualify for relocation assistance.
- Continue follow-up counseling through individual needs assessment.
- Initiate eviction proceedings for households that do not comply with the requirements of the Relocation Plan and related notices and instructions received in implementation of the plan.
- Determine eligibility using Verification Forms for the Low-Income Housing Tax Credit programs. Document total income of each household unless verification is on file that is less than three months old. Income from employment, military pay, social services, social security, pension, workers compensation, unemployment, child support, alimony/spousal support, self-employment and cash contribution.
- Work with all eligible Residents to get their receipts for utility hook-ups. All requests for reimbursement should be submitted within 45 days of the move. Residents should expect their check within 30 days.
- Receive a scope of work and become familiar with the scope to better answer residents' questions.

J. APPEALS AND GRIEVANCES

If a leaseholder or individual disagrees with the determination of Owner concerning the relocation payment(s) or other relocation assistance for which the Resident is eligible, the Resident may file a written appeal with Owner according to Owner's Grievance Procedure. A household or individual may file an appeal with Owner in which the leaseholder believes that Owner has failed to:

- properly determine that the household or individual qualifies or will qualify (upon moving) as a temporarily relocated person who is eligible for relocation assistance
- properly determine the amounts of relocation payment(s) as required by this plan.

K. SPECIAL EVICTION POLICY

In addition to the causes for eviction outlined in the current lease and/or rules with Owner, a Resident's refusal to accept the reasonable offer of relocation housing made in accordance with this Relocation Plan will be determined to have caused a lease violation and may be the subject to an eviction action.

This eviction policy is necessary in order to ensure that Residents will comply with this Relocation Plan and thereby enable the renovation of Sussex Trace to proceed. This eviction policy will only be enforced for violations pertaining to the relocation effort; all other lease and occupancy violations will be handled under Gateway's normal procedures. This policy should only be used as a last resort and every reasonable effort will be made to avoid eviction.

L. PROJECTED RENTS AND RENTAL POLICIES AFTER RENOVATION

After the renovation, 50 units will be for households with income levels at or below 60% of AMI. Rent levels after the renovations will be as follows: 45 units at 60% AMI rents, 5 units at 50% AMI rents. The property is served by a Section 8 HAP contract for all 50 units, and will continue to be after the renovation. All tenants will need to be timely re-certified and meet the income and rent restrictions applicable.

M. RECORDKEEPING

Good record keeping is necessary to carry out a sound, thorough and comprehensive relocation program. Gateway shall keep records that comply with VHDA requirements and those necessary to insure that Residents that are temporarily or permanently relocated receive the services that are needed and required. This Relocation Plan will be located in plain sight in the office for Residents to review. All documentation related to relocation, including formal notices, bill receipts and canceled checks will be included in the applicable Resident's files.

APPENDIX

1. Rents and Rental Policies Following Rehabilitation
2. Relocation Budget
3. Units That May Not Be Renovated With Tenants in Place
4. Notice to Residential Resident That They Will Not Be Displaced
5. Notice of Intent to Acquire, General Information Notice and 120-Day Notice
6. VHDA Guidelines
7. Willingness to Move Early Form
8. Relocation 30-Day Notice (Temporary Relocation)
9. Relocation 30-Day Notice (Permanent Relocation)
10. Monthly Relocation Report
11. Building Delivery Schedule
12. Project Scope of Work and Expected Construction Duration

Sussex Trace Apartments

Rents and Rental Policies Following Rehabilitation

Sussex Trace Apartments will be renovated using 4% LIHTC financing as well as Tax-Exempt Bond financing from Virginia Housing. The community will be restricted to households earning up to 60% of the Area Median Income and will maintain the LIHTC covenant through the Extended Use Period from the prior re-syndication.

The rent and income restrictions are no different than those currently existing at the property. Sussex Trace is fully subsidized by a Section 8 HAP contract on all 50 units. Given the Community already has an income restriction, it is expected all residents will income qualify. Gateway Management Services, LLC, the Property Manager, will annually certify the incomes of the residents and will verify existing resident incomes.

Residents will continue to be responsible for their own electrical costs, which includes heating, cooling, hot water, cooking, and lighting. Residents will continue to be responsible for any optional services they desire, like telephone, cable TV, or internet service. Water, Sewer, and Trash will continue to be paid for by the Owner. The Utility Allowances will be dictated by HUD.

Projected Rents After Rehab:

Bedroom	Current Rents (2024)	Proposed Rents
Two Bedroom	\$816	\$1,475
Two Bedroom H	\$816	\$1,500
Three Bedroom	\$908	\$1,775
Three Bedroom H	\$938	\$1,810

Sussex Trace Apartments
Estimated Relocation Budget

Total: \$250,000

Professional Moving Fees	\$3,000 p/u	50 Units	\$150,000
Moving Kits	\$100 p/u	50 Units	\$5,000
Moving Incentive	\$250 p/u	50 Units	\$12,500
Self-Storage / PODs	\$100 p/u	50 Units	\$5,000
Utility Transfer/Reimbursement Fees	\$100 p/u	50 Units	\$5,000
Relocation Staff & Fees	\$1,000 p/u	50 Units	\$50,000
MISC & Mailings	\$64 p/u	50 Units	\$3,200
Contingency	\$386 p/u	50 Units	\$19,300

Sussex Trace Apartments
Units That May Not Be Renovated With Tenants in Place
Subject to Change once Construction Plans are Finalized

All units are contemplated to be renovated without tenants in place. All buildings will be emptied to facilitate the renovations.

Sussex Trace Preservation, LLC
212 E. Main Street, Suite 200
Salisbury, MD 21801

NOTICE TO RESIDENTIAL RESIDENT THAT THEY WILL NOT BE DISPLACED

Dec. ____, 2025

Dear Residents of Sussex Trace Apartments,

Sussex Trace Preservation, LLC submitted an application to Virginia Housing to rehabilitate the building that you occupy. If the application is approved, you will benefit from the substantial renovations that will take place. You may be relocated during these renovations. We urge you not to move anywhere at this time. This is not a notice to vacate the premises.

This is a Notice of Non-Displacement. You will not be required to move permanently as a result of the rehabilitation. This Notice guarantees you the following:

You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/Development upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.

If you must move temporarily so that the repairs/rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe, and sanitary, and all other conditions of the temporary move will be reasonable.

This rehabilitation will include new flooring in all living areas, including carpet in the bedrooms; painting of all walls; new unit entry doors; replacement of all windows; replacement of siding and roofing; new appliances and bathroom fixtures in every unit; replacement of all kitchen and bathroom cabinets and countertops; single-basin sinks; and the addition of dishwashers in all units.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal and/or State assistance is involved, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, protects you.

If you have any questions, please contact _____ at _____, or in the rental office. Remember do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

[Property Manager]

TENANT SIGNATURE:

I confirm that I have read and received this notice dated _____ and that I will not be displaced because of the planned renovations to Sussex Trace Apartments.

[TENANT NAME]

[UNIT NUMBER]

Sussex Trace Preservation, LLC
212 E. Main Street, Suite 200
Salisbury, MD 21801

_____, 2025

Re: Notice of Intent to Acquire, General Information Notice, and 120-Day Notice

Dear Resident of Sussex Trace Apartments,

This letter is a follow-up to the news letters in which you were notified that we are planning upcoming renovations to your home. Sussex Trace Preservation, LLC intends to acquire and renovate the property you currently occupy, Sussex Trace Apartments. Sussex Trace Preservation, LLC has applied for Low Income Housing Tax Credits and a construction loan and a mortgage loan from Virginia Housing to complete the acquisition and renovation. The renovation will include new kitchen cabinets and countertops, energy efficient appliances, windows, patio doors, new HVAC units, new siding, and new roofs. We will also be installing water conserving commodes and faucets. We will be improving the outside appearance with improved landscaping, re-paving the parking lots, a new playground, and a new sign.

We plan to complete the renovations without moving you from your home. Some residents will need to be moved initially to begin construction on the first two buildings. We will give everyone ample notice of all work to be done in each unit every day. Work will start each day at or after 8:00 am and will stop no later than 5:00 pm. The renovation process is expected to take about twelve months from the start date. We will make sure that no one will be without the necessary accommodations during the renovation period.

However, you may need to temporarily or permanently moved to another unit at Sussex Trace. The earliest anyone will be required to move is December, 2025. Property Management staff will contact you to coordinate the planned moving date. Therefore, we urge you not to move at this time. However if you have already submitted a notice to move or have received a lease termination notice, you will **not** be eligible for relocation assistance. If you have received a 21-30 Day Notice of Lease Violation and Potential Lease Termination you may not be eligible for relocation assistance. If you do elect to move for reasons of your choice, you will **not** be eligible nor be provided relocation assistance. With the above exceptions, stay where you are. To maintain your eligibility, you must continue to pay your usual rent and otherwise comply with the standard lease terms and conditions.

If we determine that you need to temporarily or permanently move, (i) you will be reimbursed for all reasonable moving expenses and reasonable related costs such as transfer fees for utility hook-ups and other related expenses in accordance with the Relocation Plan a copy of which is located in the Sussex Trace office; (ii) if you need to permanently move, you will receive relocation advisory services in accordance with the Relocation Plan, and (iii) you will receive written notice at least 30 days before the date when you must move stating (1) the specific date by which you are required to move, (2) the unit to which you will be relocated, (3) if applicable, the date on which the move-in inspection will be completed, and (4) if applicable, the date that you will receive keys to your unit. **You will not have to move earlier than 30 days after a comparable replacement dwelling is made available to you.**

Once renovations are complete, you will be moved to a newly renovated suitable, decent, safe and sanitary unit at Sussex Trace. If your income makes you ineligible to remain in the completed project, under the new federal funding restrictions, we will move you to a comparable unit that meets your household needs and that complies with decent, safe and sanitary standards.

Your rent will remain the same until your lease renewal at which time you will need to be re-certified and your rent will be determined in accordance with VHDA and HUD requirements. Because the property is supported by the Section 8 Housing Assistance Payment program, your rent will at no point exceed more than 30% of your income.

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. Should any resident's lease be terminated while living in their apartment at Sussex Trace during the renovations, he/she would **not** be eligible for relocation assistance. Should any resident's lease be terminated during the time residents are temporarily relocated in other apartments at Sussex Trace, or other sites owned by another company, those residents would **not** be eligible to return to Sussex Trace once renovations have been completed.

As we continue with this project, you can rest assured that we will make every effort to accommodate your needs. You will be protected by the United States Department of Housing and Urban Development's (HUD) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as applicable. This assistance is more fully explained in the attached brochure, "Relocation Assistance to Tenants Displaced From Their Homes". Please review the attached Virginia Housing and Development Authority's (VHDA) "Relocation Assistance Guidelines." Please notice that some of the information related to purchasing a home and permanent relocation does not apply to this specific relocation situation. The information in the notices covers all types of relocation.

We cannot require you to move unless we make at least one comparable replacement dwelling available to you. You have the right to appeal if you believe that we did not properly evaluate your application for assistance.

NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child. All persons seeking URA relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

Caution:

Please remember, you must contact us before making any moving plans. We want to help you obtain all relocation benefits you qualify for. Additionally, we will make reasonable accommodations for persons with disabilities and provide language assistance for persons with limited English proficiency. Please let us know if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

This notice does not establish your eligibility for relocation payments or assistance at this time. If we determine that the project will displace you and require you to vacate the premises,

we will inform you in writing. If the proposed project does not proceed, or if we determine that the project will not displace you, we will notify you of that in writing.

Again, please do not move out before you receive definite guidance from us about your eligibility or ineligibility for relocation benefits. We will do everything we can to respect your rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as applicable.

Please retain this letter for your records. We will contact you soon about relocation eligibility. If you have any questions about this notice or the proposed project, please contact our representative:

Sincerely,

Property Manager

I _____, have received this Notice of Relocation.
(print name)

Resident Signature

Date

Staff Witness

Date

Relocation Assistance Guidelines

Effective immediately, these guidelines are amended to recognize changes to the Code of Virginia effective July 1, 2015 (§§ 55-222, 55-226.2, 55-248.4, 55-248.7:1, 55-248.7:2, 55-248.9:1, 55-248.15:1, 55-248.18 and 55-248.24).

In general, owners of projects which funding includes federal monies should adhere to regulations set forth under the [Uniform Relocation Assistance Act of 1970 \(URA\)](#), including RAD projects.

Virginia Housing guidelines focus on residents/tenants who are permanently or temporarily relocated as a direct result of the rehabilitation, demolition and/or construction of Low Income Housing Tax Credit (LIHTC) projects.

Virginia Housing guidelines must be followed to qualify for Low Income Housing Tax Credits and will be incorporated by reference in and enforced by the Contract to Enforce Representations. Furthermore, violation of these guidelines will result in a penalty against future reservation applications.

Owner's Responsibility to Tenants

Open communication with tenants is helpful for both the owner and tenants as it helps to minimize rumors, misunderstandings and alleviate the stress of moving.

Permanent Relocation: A tenant is permanently relocated if his/her tenancy is terminated due to the rehabilitation of the unit or due to change in use. If a tenant is permanently relocated, a 120-day Notice must be delivered to the tenant, unless the lease is month-to-month and the tenant has agreed in writing to a lesser time period, in which case a 30 day notice must be issued.

120-day Notice

- Issued no less than 120 days prior to the day that the tenant must move;
- Addressed to the tenant at his/her current address;
- Informs the tenant that due to renovation they are required to move from the development, why they are required to move and states the move date;
- States the contact person for advisory services, types of services that are offered and hours as well as giving the option to make a scheduled appointment outside of normal hours if needed;
- Generally describes the relocation payment(s) for which the tenant may be eligible, the basic conditions of eligibility and the procedures for obtaining the payment (see Moving Cost Reimbursement below). Eligibility for relocation assistance shall begin on the date that acquisition negotiations are initiated or actual acquisition, whichever occurs first;
- States the contact information of management company if tenant has any questions or would like to discuss the assistance determination.

Tenant Advisory Services: Advisory Services may be provided by the property management company or outside vendor. The following services must be included but is not limited to only these items.

- Provides referrals for tenants to replacement properties, and contacts said properties to request priority for persons being displaced;
- Provides tenants with written information and/or translation services in their native languages if necessary;
- Provides appropriate counseling for tenants who are unable to read and understand notices;
- Provides contact information for questions and access to phone or computer if needed to make contact;
- Provides transportation for tenants needing to look at other housing, especially those who are elderly or disabled;
- Understand and anticipate the needs of families and the elderly and able to meet the special advisory services they may need;
- Allow and make tenants aware that appointments can be scheduled outside of normal business hours if needed.

Temporary Relocation (not to exceed 30 Days): The tenant will return to the original unit or be permanently relocated to a comparable unit at the same property in 30 days or less of the initial move date.

1. The owner must pay the tenant's moving and associated costs (including utility connection costs).
2. The owner provides amenities (to include day room, refreshments, meals, T.V., etc.) to any tenant that is displaced for a partial day, during daytime hours, up to five days.
3. The owner must provide advisory services

Under this section while the tenant should receive a 30-day Notice, the tenant can agree in writing to move in less than 30 days.

30-day Notice

- Issued no less than 30 days prior to the day that the tenant has to move, unless there is a health/safety concern;
- Addressed to the tenant at his/her current address;
- States the specific date by which the tenant is required to move and the time moving services will arrive at unit;
- States the responsibilities of the tenant pertaining to the move and contact information in order to request assistance with said responsibilities;
- States the address to which the tenant will be relocated;
- State, if applicable, the date on which the move-in inspection will be completed.

Temporary Relocation Due to Health & Safety Concerns (not to exceed 30 Days): Where a mold condition in the dwelling unit materially affects the health or safety of any tenant or authorized occupant, the owner may require the tenant to temporarily vacate the dwelling unit in order to perform remediation, in accordance with professional standards as defined in § 55-248.4 for a period not to exceed 30 days. The landlord shall provide the tenant with either (i) a comparable dwelling unit, as selected by the landlord, at no expense or cost to the tenant, or (ii) a hotel room, at no expense or cost to the tenant. See Code Section 55-248.12:2. Notice to the tenant can be immediate.

Temporary relocation longer than 30 Days: The owner must contact any tenant who has been or will be temporarily relocated for longer than 30 days. Owner will provide to the tenant Advisory Services and Moving Cost Reimbursement. This assistance will be in addition to assistance the tenant has already received for temporary relocation and may not be reduced by the amount of temporary relocation assistance already received.

Moving Cost Reimbursement

Owner's moving cost reimbursement to the tenant is limited to \$100.00 if either of the following applies:

- a. A tenant has minimal possessions and occupies a dormitory style room, or
- b. A tenant's move is performed by an agency at no cost to the tenant.

If neither 'a' nor 'b' above applies, and the tenant opts to move his/her belongings, the reimbursement to the tenant may be based on one or a combination of the following:

- 1. Based on the Federal Highway Administration's [Fixed Residential Moving Cost Schedule](#) (see Virginia) and on the number of rooms of furniture, **not** the number of bedrooms per unit.
- 2. Based on the Tenant's Actual Reasonable Moving and Related Expenses (including utility connection fees), which are defined as:
 - a. The lower of two bids or estimates prepared by a commercial mover; or
 - b. Receipted bills for labor and equipment.

Hourly labor rates should not exceed the rates paid by a commercial mover to employees performing the same activity and equipment rental fees should be based on the actual rental cost of the equipment not to exceed the cost paid by a commercial mover.

Processing Tenant Moving Cost Reimbursement Claims

To support claims for relocation, the tenant must be informed they are required to provide documentation, including bills, certified prices, appraisals and other evidence of expenses. Owners must:

- 1. Provide reasonable assistance necessary to complete and file tenants' claims for payment;
- 2. Reimburse moving costs upon receipt of billing documentation from the tenant;
- 3. Provide expedited return of security deposits or allow tenants to apply security deposits to the last month's rent;
- 4. Make advanced payments, if a tenant demonstrates the need, in order to avoid or reduce a hardship (often tenants will need these payments for security deposits);

5. Promptly notify the tenant in writing of its determination, the basis for its determination and the procedures for appealing that determination, if it disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds;
6. Not propose or request that a displaced tenant waive his or her rights or entitlements to relocation assistance and benefits.

Owners must document compliance by including in each tenant's file all documentation related to relocation, including all notices and agreements referenced herein, as well as bill receipts and canceled checks. Be prepared to present this information to Virginia Housing upon request.

Sussex Trace Apartments
Willingness to Move Early Relocation Form

I received the Notice of Intent to Acquire, General Information Notice, and 120-Day Notice letter concerning the renovation of Sussex Trace and the permanent relocation a the property of my household. I have reviewed the Relocation Plan and received a copy of the Virginia Housing Development Authority publication “*Relocation Assistance Guidelines.*” I attended a meeting on _____, 2025 with the property manager.

I understand due to the upcoming renovations of Sussex Trace Apartments, I will be required to temporarily or permanently move. By signing below, I agree to pack and be ready to move by the _____, 2025.

Tenant Name: _____

My current address is: _____

My temporary or permanent address will be: _____
(this is the anticipated address as of ____/20____ and should it change property management staff will contact you prior to moving)

Tenant Signature

Date

Staff Signature

Date

Sussex Trace Preservation, LLC
212 E. Main Street, Suite 200
Salisbury, MD 21801

_____, 2025

Resident of Sussex Trace Apartments

Re: 30-Day Notice to Move; By required move date
Temporary Relocation

Dear name of tenant,

On _____, 20____ we sent you a letter regarding Notice of Intent to Acquire, General Information Notice and 120-Day Notice for the acquisition and renovation of Sussex Trace Apartments. Virginia Housing and Development Authority (VHDA) has approved the project and the funding for it.

We have determined that you will need to temporarily relocate to another unit at Sussex Trace Apartments.

You must move from your current unit by _____.

We have identified the following comparable unit for you at Sussex Trace Apartments: _____. You will be able to move back into your original unit after the renovation is completed. Your rent will remain the same as it was for your original unit until the time of lease renewal.

Your move-in inspection is schedule to occur: _____

Please come by the office to get the key to your temporary unit on or after _____.

If you disagree with the estimated amount of relocation assistance or the comparability of the representative replacement dwelling you may file an administrative appeal to VHDA. We will provide contact information for the appeal to VHDA. For low-income persons and those unable to prepare a written appeal, or who require assistance in preparing an appeal, we shall provide such assistance and/or refer you to an appropriate third party who will provide such assistance at no cost to you.

In order to help you protect your rights and benefits in the relocation process, we will reasonably accommodate persons with disabilities and provide language assistance for persons with limited English proficiency. Please tell our representative if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact Property Management, [name], [title], at [phone], [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance under the Uniform Relocation Action, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact relocation counselor, [name], [title], at [phone], [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

Sincerely,

(Name and title)

Tenant Affidavit: I acknowledge and understand the contents of this letter.

Signature of Tenant

Unit Number

Date Signed

Sussex Trace Preservation, LLC
212 E. Main Street, Suite 200
Salisbury, MD 21801

_____, 20____

Resident of Sussex Trace Apartments

Re: 30-Day Notice to Move; By required move date
Permanent Relocation

Dear name of tenant,

On _____, 20____ we sent you a letter regarding Notice of Intent to Acquire, General Information Notice and 120-Day Notice for the acquisition and renovation of Sussex Trace Apartments. Virginia Housing and Development Authority (VHDA) has approved the project and the funding for it.

We have determined that you will need to permanently relocate to another unit at Sussex Trace Apartments

You must move from your current unit by _____.

We have identified the following comparable unit for you at Sussex Trace Apartments: _____. Your rent will remain the same as it was for your original unit until the time of lease renewal. Please contact us immediately if you believe this unit does not compare reasonably to your current home. We can explain our basis for selectin this dwelling as most representative of your current home and discuss your concerns.

Your move-in inspection is schedule to occur: _____

Please come by the office to get the key to your new unit on or after _____.

If you disagree with your designation as a displaced person, the estimated amount of relocation assistance, or the comparability of the representative replacement dwelling you may file an administrative appeal to VHDA. We will provide contact information for the appeal to VHDA. For low-income persons and those unable to prepare a written appeal, or who require assistance in preparing an appeal, we shall provide such assistance and/or refer you to an appropriate third party who will provide such assistance at no cost to you.

In order to help you protect your rights and benefits in the relocation process, we will reasonably accommodate persons with disabilities and provide language assistance for persons with limited English proficiency. Please tell our representative if you need auxiliary aides, written translation, oral interpretation, or other assistance in order to fully participate in the relocation process.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact Property Management, [name], [title], at [phone], [address] before you make any

moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance under the Uniform Relocation Action, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

If you have any questions about this letter or your eligibility for relocation assistance and payments, please contact relocation counselor, [name] , [title], at [phone] , [address] before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which the law may entitle you.

Sincerely,

(Name and title)

Tenant Affidavit: I acknowledge and understand the contents of this letter.

Signature of Tenant

Unit Number

Date Signed

Monthly Relocation Report

Monthly Report Form – Complete at end of each month, due at same time as usual monthly reports. Fax a copy to Regional Manager. Form must be completed every month until relocations have been completed.

Property Name: Sussex Trace Apartments

Month: _____

1. On-Property Moves (Summary to Date):

- _____ Number On-Property at start of relocation
- _____ Number moving On-Property into un-rehabbed units during relocation
- _____ Number attending residents meeting held
- _____ Number completed paperwork

A. _____ Number scheduled to move next

<u>Current Unit</u>	<u>Date Move Scheduled</u>	<u>To Unit</u>	<u>Temp or Perm.</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

B. _____ Number Moved to Permanent Unit
 _____ Previously (Detail until check has been shown distributed)
 _____ This month (Detail)

New Unit	Date of Actual Move	Date Check Requested	Date Check Distributed
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

C. _____ Number Moved to Temporary Unit
 _____ Previously (Detail until check has been shown distributed)
 _____ This month (Detail)

New Unit	Date of Actual Move	Date Check Requested	Date Check Distributed	Move to Perm. Scheduled for Date
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Property Manager's Signature

Date

LIHTC Rehab Delivery Schedule - Sussex Trace

[illegible]

June 3, 2025

Sussex Trace Apartments Unit by Unit Scope of Work

The following is a report of all interior unit work that will take place during the renovation at Sussex Trace. All units were surveyed during the 100% drywall survey that Studio 343 completed on April 7 & 8, 2025. The report is attached.

The following is a list of interior work that will occur during renovation:

- General
 - Install new wood base
 - Install new LVT throughout first floor
 - Install new carpet throughout second floor and at stairs
 - Install new doors throughout the unit
 - Install new unit entry door
 - New sliding patio door
 - Install new windows and wood sills over drywall sills
 - Paint interior walls
 - Install new LED light fixtures throughout
 - Install new blinds
 - Install new split- system, condensers, and line sets. Duct work will be added to tie into existing duct work to accommodate HVAC unit moving to ground floor.
 - Install new water heater
 - Install new switches, outlets, and plates
 - Install new door hardware
 - Install new wall stops
 - Install new closet shelving
 - Install new smoke detectors
 - Install new stair handrail
 - Install new insulated attic hatch and trim
 - Install new water supply lines
 - Supplement attic insulation to meet R-49 and provide baffles at eaves
 - Rouch for future dehumidification
 - Washer and dryers will be provided in the units.
- Kitchen
 - Install new wall and base cabinets
 - Install new countertops
 - Install new sink faucet
 - Install new appliances (refrigerator, range and microwave, and dishwasher)
- Bathroom
 - Install new sheet vinyl
 - Install new vanity with countertop

- Install new toilet
- Install new surface mounted mirrored medicine cabinet
- Install new shelving at linen closets
- Install new vanity light fixture
- Install new tub and surround, and shower curtain rod
- Install new diverter, and shut off valves, and shower head
- Install new bath accessories- towel ring, robe hook and towel bar
- Accessible Units (same as scope above with the following additions/substitutions)
 - Install new countertop microwave
 - Install new worksurface
 - Install new wall hung lavatory in bathrooms
 - Install new plumbing insulation wrap
 - Install new shower seat
 - Install new handheld shower head
 - Install new medicine cabinet and mirror
 - Install grab bars at bathtub and toilet
 - Install new electric panels
 - Install new French door at rear.
 - Provide fire rated separation between stacked units.
- Conversion Units over Accessible Units (same as scope above with the following additions/substitutions)
 - New electrical panels
 - Infill stair opening

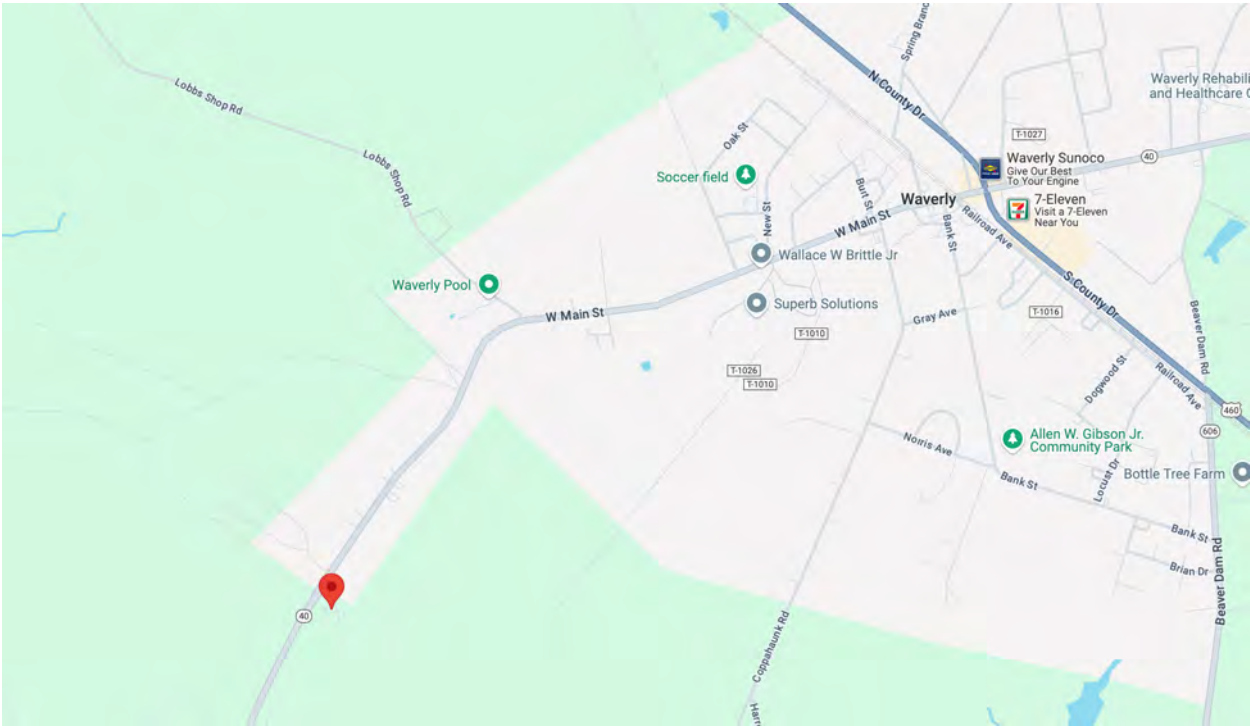
The following is a list of interior work that will remain during renovation:

- Sanitary lines
- Plumbing vent stacks
- Mechanical distribution duct work
- Drywall shall remain except where removed for repair, plumbing supply line replacement, and for new walls at the conversion units.
- Interior walls shall remain except at conversion units
- Stairs shall remain
- Electric panels, electrical feeds and branch electrical wiring at all typical units
- All meters will remain.

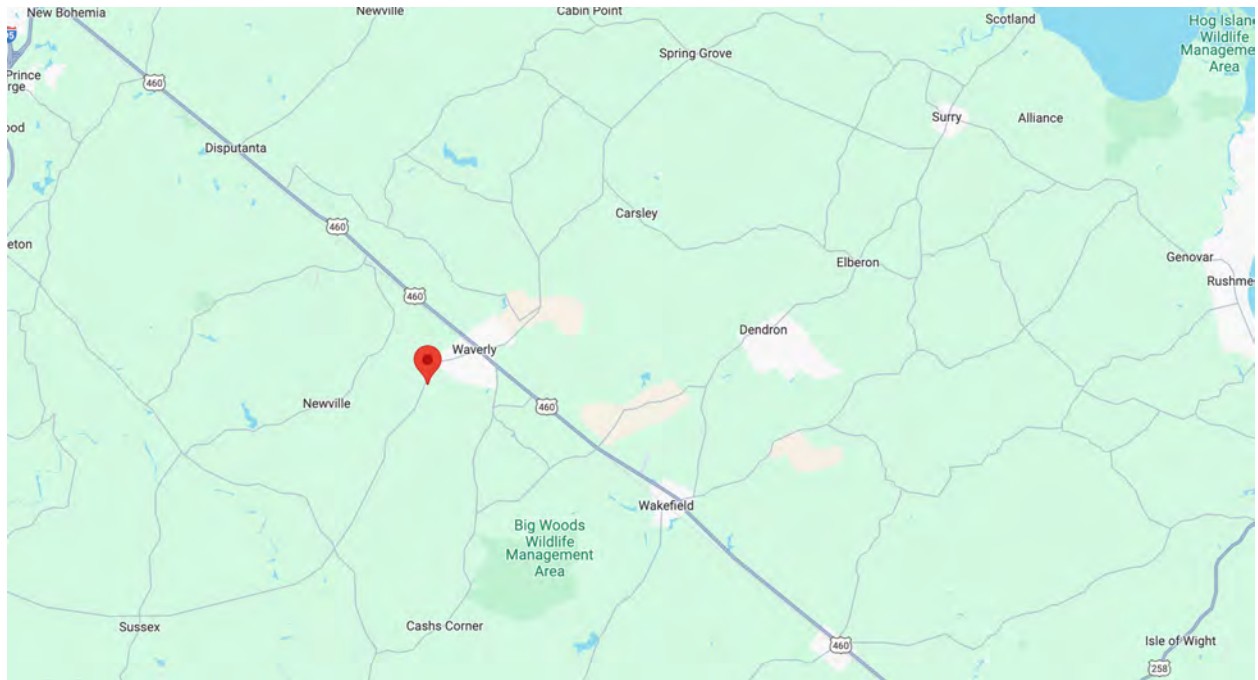
Tab K:

Documentation of Development Location:

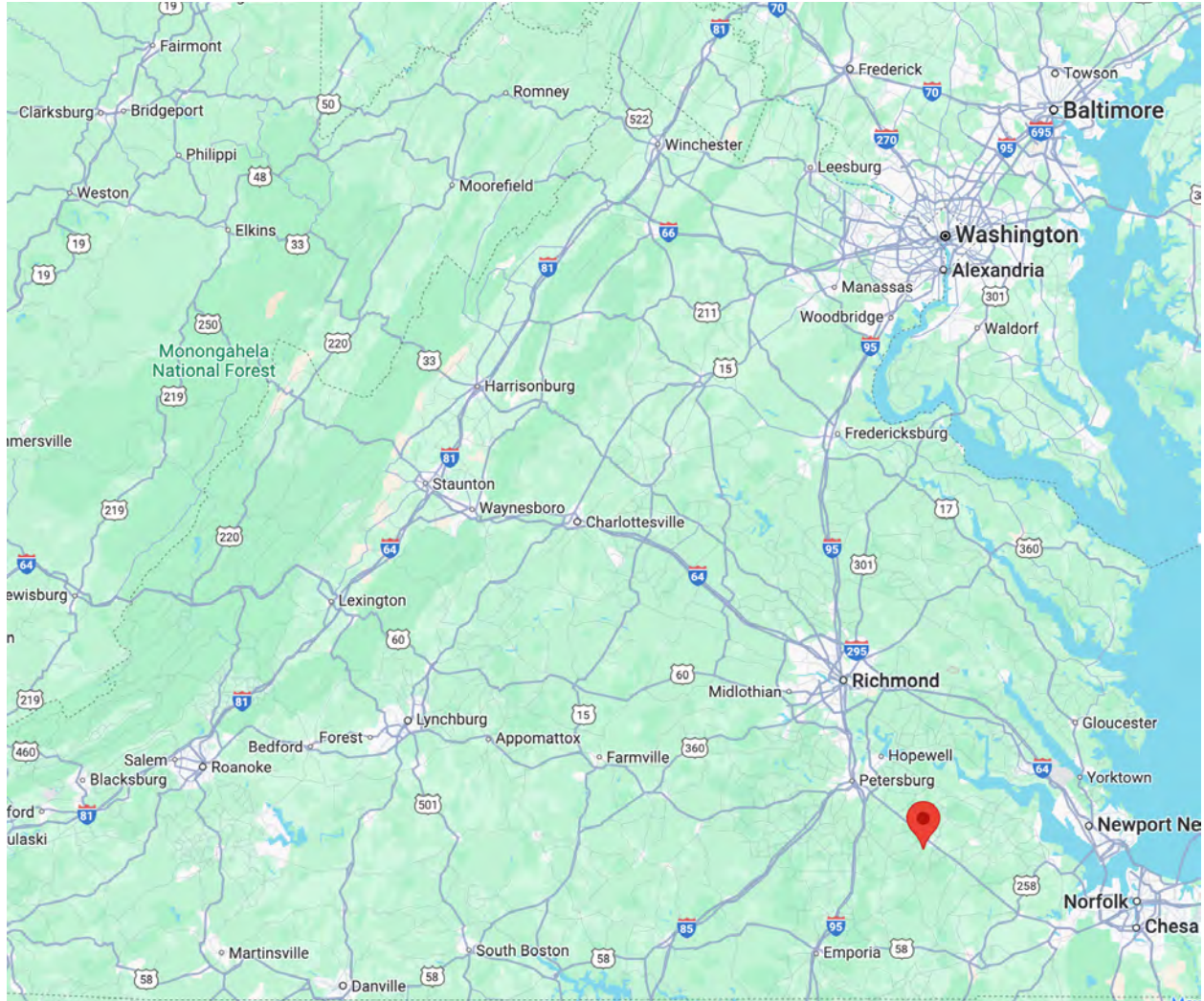
Sussex Trace Local Location:



Sussex Trace County Location:



Sussex Trace State Location:



Tab K.1

Revitalization Area Certification

This deal does not require
information behind this tab.

Tab K.2

Surveyor's Certification of Proximity to
Public Transportation using Virginia
Housing template

This deal does not require
information behind this tab.

Tab L:

PHA / Section 8 Notification Letter

This deal does not require
information behind this tab.

Tab M:

Intentionally Blank

This deal does not require
information behind this tab.

Tab N:

Homeownership Plan

This deal does not require
information behind this tab.

Tab O:

Plan of Development Certification Letter

This deal does not require
information behind this tab.

Tab P:

Zero Energy or Passive House documentation for
prior allocation by this developer

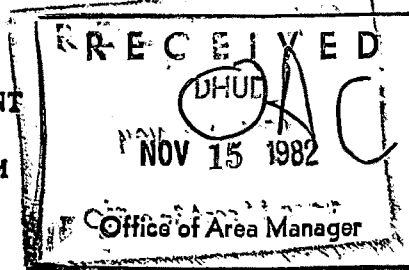
This deal does not require
information behind this tab.

Tab Q:

Documentation of Rental Assistance, Tax Abatement
and/or existing RD or HUD Property

255
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
STATE HOUSING AGENCIES



PART I OF THE
HOUSING ASSISTANCE PAYMENTS CONTRACT

Type of Project: Constructed under 24 CFR Part 883, Subpart D with or without set-aside X or Processed under 24 CFR Part 880 or Part 881, Subparts C & D using set-aside _____

Small Project _____ or Partially-Assisted Project _____ or Other X
New Construction X or Substantial Rehabilitation _____

Type of Financing: State Agency Tax Exempt Loan

[For example: subject to Part 811, HUD-insured; State agency tax exempt loan, not HUD-insured.]

ACC/HAP CONTRACT LIST NUMBER AND DATE: P-82-101 - 1/29/82

MASTER SECTION 8 ACC NUMBER: P-5512

DATE OF ACC PART I FOR THIS PROJECT: February 18, 1982

SECTION 8 PROJECT NUMBER: VA 36-H027-226

FHA PROJECT NUMBER (if applicable): N/A

HFA PROJECT NUMBER: 2.2.3.263

This Housing Assistance Payments Contract (Contract) is entered into by and between the Virginia Housing Development Authority (HFA) which is a State Housing Finance and/or Development Agency and a public housing agency as defined in the United States Housing Act of 1937, 42 U.S.C. 1437, et seq. (Act) and Sussex Trace Associates

(Owner), and approved by the United States of America acting through the Department of Housing and Urban Development (HUD), pursuant to the Act and the Department of Housing and Urban Development Act, 42 U.S.C. 3531, et seq. The purpose of this Contract is to provide housing assistance payments on behalf of Eligible Families leasing decent, safe and sanitary units from the Owner.

1.1 SIGNIFICANT DATES AND OTHER ITEMS; CONTENTS AND SCOPE OF CONTRACT.

(a) Effective Date of Contract: October 26, 1982.

(b) Fiscal Year. The ending date of each Fiscal Year shall be June 30. [Insert March 31, June 30, September 30 or December 31, as approved by HUD.] The Fiscal Year for the project shall be the 12-month period ending on this date. However, the first Fiscal Year for the project is the period beginning with the effective date of the Contract and ending on the last day of the Fiscal Year which is not less than 12 months after the effective date. If the first Fiscal Year exceeds 12 months, the maximum total annual housing assistance payment in section 1.1(c) will be adjusted by the addition of the pro rata amount applicable to the period of operation in excess of 12 months.

- (c) Maximum Annual Contract Commitment. The maximum amount of the commitment for housing assistance payments under this Contract (see section 2.3) is \$290,496.00 per year. [Insert amount authorized under the ACC for housing assistance payments.] This amount may be increased or decreased by appropriate amendment in accordance with this Contract.
- (d) Statement of Services, Maintenance and Utilities Provided by the Owner. [This information may be made an additional Exhibit under paragraph (e).]

(1) Services and Maintenance:

The information required by this subparagraph 1.1(d) is contained in the approved Proposal attached to the Agreement to Enter Into Housing Assistance Payments Contract incorporated herein by reference as Exhibit 4.

(2) Equipment:

(3) Utilities:

(4) Other:

- (e) Contents of Contract. This Contract consists of Part I, Part II (except as indicated in section 1.4), and the following exhibits:

Exhibit 1: The schedule showing the number of units by size ("Contract Units") and their applicable rents ("Contract Rents").

Exhibit 2: Daily Debt Service. [This exhibit shall be added when necessary for purposes of section 2.4(d) of this Contract or section 2.3(f) of the Agreement.]

Exhibit 3: The Affirmative Fair Housing Marketing Plan, if applicable. See approved Proposal incorporated herein by reference as Exhibit 4.

Exhibit 4: The Agreement to Enter Into Housing Assistance Payments Contract (Agreement) and the approved Proposal attached thereto.

Exhibit 5: Project Description. See approved Proposal incorporated herein by reference as Exhibit 4.

Additional exhibits: [Specify additional exhibits, if any, such as Agreement for Completion, Statement of Services, Maintenance and Utilities provided by Owner. If none, insert "None."]

None

- (f) Percent of Units to be Leased to Very Low-Income Families. In the initial renting of the Contract Units, the minimum percentage of those units required to be leased to Very Low-Income Families (see section 2.8(c)(3)) shall be 30 percent.

- (g) Scope of Contract. This Contract, including the exhibits, whether attached or incorporated by reference, comprises the entire agreement between the Owner and the HFA with respect to the matters contained in it. Neither party is bound by any representations or agreements of any kind except as contained in this Contract, any applicable regulations, and agreements entered into in writing by the parties which are not inconsistent with this Contract.
- (h) Rights of Other Parties. Except as specifically provided in this Contract, the parties hereto do not intend to give, vest or confer upon any parties not executing this Contract any rights, entitlements, benefits or causes of action hereunder, nor shall this Contract be construed to give rise in any fashion to such rights, entitlements, benefits or causes of action.

1.2 TERM OF CONTRACT; OBLIGATION TO OPERATE PROJECT FOR FULL TERM.

- (a) Initial Term. The initial term of this Contract for any unit shall be 20 years, unless sooner terminated with the approval of HUD. The term shall commence with the effective date of this Contract for such unit.
- (b) Renewal Terms. The Contract may be renewed for additional terms of not more than five years each, as follows.

Renewal Term #1 5 years.

Renewal Term #2 5 years.

Renewal Term #3 N/A years.

Renewal Term #4 N/A years.

[Attach exhibit showing additional renewal terms, if necessary.]
Renewals shall be automatic unless either party notifies the other in writing, no later than 60 days prior to the expiration of the current term, of its desire not to renew, and the other party agrees in writing that there shall be no renewal.

- (c) Maximum Total Term. The total Contract term for any unit, including all renewals, shall not exceed the shorter of (1) 30 years or (2) a period terminating on the date of the originally scheduled maturity date on the permanent financing. [Insert in (1) a number of years equal to the maximum anticipated number of years during which assistance payments will be made, consistent with HUD regulations and requirements.]
- (d) Staged Completion. If the project is completed in stages, the term shall be separately related to the units in each stage unless the HFA and the Owner agree that only the units in the first stage will be assisted for the maximum term of the Contract. However, the total Contract term for the units in all stages, beginning with the effective date of the Contract for the first stage, shall not exceed the total Contract term stated in paragraph (c), plus two years.
- (e) Obligation to Operate Project in Accordance with Contract. The Owner agrees to continue operation of the project in accordance with this Contract during the initial and any renewal terms. This does not preclude the parties from agreeing not to renew.

1.3 ANNUAL CONTRIBUTIONS CONTRACT.

- (a) Identification of Annual Contributions Contract (ACC). The HFA has entered into an ACC identified above with HUD for this project. Under the ACC, HUD agrees to provide financial assistance to the HFA pursuant to section 8 of the U.S. Housing Act of 1937 for the purpose of making housing assistance payments. A copy of the ACC shall be provided upon request.

(d) 2.14. Flood Insurance. Applicability: All projects in special flood hazard areas. _____ X

(e) 2.15. Clean Air and Federal Water Pollution Control Acts. Applicability: All projects for which the total initial Contract Rents over the term of the Contract including all renewals exceed \$100,000. _____ X

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

The Owner covenants and agrees that at least 20% of the units in the project will be maintained for individuals of low or moderate income (within the meaning of Section 167(k)(3)(B) of the Internal Revenue Code of 1954, as amended) for a period of at least 20 years.

Approved:

United States of America
Secretary of Housing and
Urban Development

By
*

Authorized Agent

(Official Title)

Date January 6, 19 83

OWNER Sussex Trace Associates

By
*

J. J. Bridges
General Partner

(Official Title)

Date October 26, 19 82

HFA Virginia Housing Development Authority

By
*

James F. Kelly
James F. Kelly

Director, Housing Management
(Official Title)

Date October 26, 19 82

[If the project is to be completed and accepted in stages, execution of the Contract with respect to the several stages appears on the following pages of this Contract.]

*Type name of signatory under signature line.

EXHIBIT 1

SCHEDULE OF CONTRACT UNITS AND CONTRACT RENTS¹

Number of Bedrooms	Number of Units ²	Household Type (elderly, non- elderly family, large nonelderly family)	Contract Rent
2	30	Non-elderly family	398
3	17	Non-elderly family	436
3	3	Handicapped	464

1/

This Exhibit must be completed and attached to the Contract at the time the Agreement is executed. It may, however, be amended in accordance with program rules before the Contract is executed. When Contract Rents are amended (e.g., at the time of an annual adjustment) this format should be used.

2/

If less than 100 percent of units in the project are covered by this Contract, identify the specific units to be leased at initial rent-up to eligible families. See section 2.8(c)(6).

- EXHIBIT 2
DAILY DEBT SERVICE

<u>Bedroom Size</u>	<u>Number of Units</u>	<u>Daily Debt Service</u>
0	_____	\$ _____
1	_____	\$ _____
2	_____ 30	\$ _____ 9.67
3	_____ 17	\$ _____ 10.57
3 (H)	_____ 3	\$ _____ 11.24
5	_____	\$ _____

This information is used for computing assistance payments for vacant units under section 2.4(d).

EXHIBIT 4

The parties agree to incorporate by reference herein the Agreement to Enter Into Housing Assistance Payments Contract executed by them on February 18, 1982, and the approved Proposal attached thereto.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM
STATE HOUSING AGENCIES

PART II OF THE

HOUSING ASSISTANCE PAYMENTS CONTRACT

By and Between Virginia Housing Development Authority (HFA)
and Sussex Trace Associates (Owner).

Check Type of Project: Constructed under Part 883,
Subpart D, With or Without X or Processed under Part 880 or
Set-Aside X 881, Subparts C & D,
Using Set-Aside _____
New Construction X or Substantial Rehabilitation _____

SECTION 8 PROJECT NUMBER: VA36-H027-226

FHA PROJECT NUMBER (if applicable): N/A

HFA PROJECT NUMBER: 2.2.3.263

2.1 OWNER'S WARRANTIES; AMENDMENTS.

- (a) Legal Capacity. The Owner warrants that it has the legal right to execute this Contract and to lease dwelling units covered by this Contract.
- (b) Completion of Work. The Owner warrants that the project as described in section 1.1 is in good tenantable condition and that the project has been completed in accordance with the terms and conditions of the Agreement to Enter into Housing Assistance Payments Contract (Agreement) or will be completed in accordance with the Agreement for Completion (see attached exhibit, where applicable). The Owner further warrants that it will remedy any defects or omissions covered by this warranty if called to its attention within 12 months of the effective date of this Contract. The Owner and the HFA agree that the continuation of this Contract shall be subject to the Owner meeting the requirements of the Agreement for Completion.

2.2 FAMILIES TO BE HOUSED; HFA ASSISTANCE.

- (a) Families To Be Housed. The Contract Units are to be leased by the Owner to eligible Lower-Income Families (Families) for occupancy by such Families solely as private dwellings and as their principal place of residence. (See also section 2.10.)
- (b) HFA Assistance.
- (1) The HFA hereby agrees to make housing assistance payments on behalf of Families for the Contract Units, to enable the Families to lease Decent, Safe, and Sanitary housing pursuant to section 8 of the Act.
- (2) If there is a Utility Allowance and if the Allowance exceeds the total Family contribution, the Owner shall pay the Family the amount of the excess. The HFA will pay funds to the Owner in trust solely for the purpose of making this payment. Any pledge by the Owner of payments properly payable under this Contract shall not be construed

to include payments covered by this paragraph (b)(2). (See 24 CFR 883.602(e).)

2.3 MAXIMUM HOUSING ASSISTANCE COMMITMENT; PROJECT ACCOUNT.

(a) Maximum Annual Contract Commitment. Notwithstanding any other provisions of this Contract (other than paragraph (b) of this section) or any provisions of any other contract between the HFA and the Owner, the HFA shall not be obligated to make and shall not make any housing assistance payments under this Contract in excess of the amount identified in section 1.1(c). However, this amount may be reduced commensurately with any reduction in the number of Contract Units or in the Contract Rents or pursuant to any other provisions of this Contract (except reductions in Contract Rents pursuant to section 2.7(g)(2) to reflect lower than anticipated debt service).

(b) Project Account.

- (1) A project account will be established and maintained by HUD, consistent with its responsibilities under section 8(c)(6) of the Act, as a specifically identified and segregated account for the project. The account will be established and maintained in an amount determined by HUD, out of the amounts by which the Maximum ACC Commitment (exclusive of any Financing Cost Contingency) exceeds the amount actually paid out under the ACC each year. Payments will be made from this account for housing assistance payments (and fees for HFA administration, if appropriate) when needed to cover increases in Contract Rents or decreases in tenant rents and for other costs specifically approved by the Secretary.
- (2) If funds are available in the project account, the maximum annual contribution otherwise payable for any fiscal year may be increased by the amount, if any, as may be required for increases reflected in the estimate of required annual contribution applicable to that fiscal year as approved by HUD in accordance with section 2.11 of the ACC.
- (3) Whenever a HUD-approved estimate of the required Annual Contribution for a fiscal year exceeds the maximum ACC Commitment then in effect (exclusive of any Financing Cost Contingency) and would cause the amount in the project account to be less than 40 percent of the Maximum ACC Commitment, HUD will, within a reasonable period of time, take such additional steps authorized by section 8(c)(6) of the U.S. Housing Act of 1937 as may be necessary to assure that payments under the ACC and the Contract will be adequate to cover increases in Contract Rents and decreases in rents payable by tenants, including (as provided in that section of the Act) "the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts."
- (4) Any amount remaining in the account after payment of the last annual contribution with respect to the project shall be applied by HUD in accordance with law.

2.4 HOUSING ASSISTANCE PAYMENTS TO OWNERS.

(a) Housing Assistance Payments on Behalf of Families.

- (1) Housing assistance payments shall be paid to the Owner for units under lease for occupancy by Families in accordance with

the Contract. The housing assistance payment will cover the difference between the Contract Rent and that portion of the rent payable by the Family as determined in accordance with the HUD-established schedules and criteria.

- (2) The amount of housing assistance payment payable on behalf of a Family and the amount of rent payable by the Family shall be subject to change by reason of changes in Family Income, family composition, extent of exceptional medical or other unusual expenses or program rules in accordance with the HUD-established schedules and criteria; or by reason of a change in any applicable Utility Allowance approved or required by the HFA. Any such change shall be effective as of the date stated in a notification of the change to the Family, which need not be at the end of the Lease term.
- (b) Vacancies During Rent-up. If a Contract Unit is not leased as of the effective date of the Contract, the Owner is entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the unit for a vacancy period not exceeding 60 days from the effective date of the Contract, provided that the Owner (1) commenced marketing and otherwise complied with section 2.2(d) of the Agreement, (2) has taken and continues to take all feasible actions to fill the vacancy, including, but not limited to, contacting applicants on its waiting list, if any, requesting the HFA and other appropriate sources to refer eligible applicants, and advertising the availability of the unit in a manner specifically designed to reach eligible families, and (3) has not rejected any eligible applicant, except for good cause acceptable to the HFA.
- (c) Vacancies after Rent-up. If an eligible family vacates a unit, the Owner is entitled to housing assistance payments in the amount of 80 percent of the Contract Rent for the first 60 days of vacancy if the Owner:
- (1) Certifies that it did not cause the vacancy by violating the lease, the Contract or any applicable law or by moving a Family to another unit;
 - (2) Notified the HFA of the vacancy or prospective vacancy and the reasons for it immediately upon learning of the vacancy or prospective vacancy;
 - (3) Has fulfilled and continues to fulfill the requirements specified in the last sentence of section 2.2(d)(1) of the Agreement and paragraphs (b)(2) and (3) of this section; and
 - (4) Certifies that any eviction resulting in a vacancy was carried out in compliance with section 2.9.
- (d) Vacancies for Longer than 60 Days. If an assisted unit continues to be vacant after the period specified in paragraph (b) or (c) of this section, the Owner may apply to receive additional payments for the vacancy period in an amount equal to the principal and interest payments required to amortize that portion of the debt service attributable to the vacant unit (see Exhibit 2) for up to 12 additional months for the unit if:
- (1) The unit was in decent, safe and sanitary condition during the vacancy period for which payments are claimed;
 - (2) The Owner has fulfilled and continues to fulfill the requirements specified in paragraph (b) or (c) of this section, as appropriate; and

- (3) The Owner and the HFA have demonstrated to the satisfaction of HUD that:
- (i) For the period of vacancy, the project is not providing the Owner with revenues at least equal to project expenses (exclusive of depreciation), and the amount of payments requested is not more than the portion of the deficiency attributable to the vacant unit, and
 - (ii) The project can achieve financial soundness within a reasonable time.
- (e) Prohibition of Double Compensation for Vacancies. The Owner is not entitled to payments for vacant units to the extent it can collect for vacancy from other sources (such as security deposits, other amounts collected from the Family, payments from the HFA under section 2.8(b), and governmental payments under other programs). If the Owner collects any of the Family's share of the rent for a vacancy period in an amount which, when added to the vacancy payment, results in more than the Contract Rent, the excess must be reimbursed as the HFA directs.
- (f) HFA Not Obligated for Family Rent. The HFA has not assumed any obligation for the amount of rent payable by any Family or the satisfaction of any claim by the Owner against any Family other than in accordance with section 2.8(b) of this Contract. The financial obligation of the HFA is limited to making housing assistance payments on behalf of Families in accordance with this Contract.
- (g) Owner's Monthly Requests for Payments.
- (1) The Owner shall submit monthly requests to the HFA or as directed by the HFA for housing assistance payments. Each request shall set forth: (i) the name of each Family and the address and/or number of the unit leased by the Family; (ii) the address and/or number of each unit, if any, not leased to Families for which the Owner is claiming payments; (iii) the Contract Rent as set forth in Exhibit 1 for each unit for which the Owner is claiming payments; (iv) the amount of rent payable by the Family leasing the unit (or, where applicable, the amount to be paid the Family in accordance with section 2.2(b)(2)); and (v) the total amount of housing assistance payments requested by the Owner.
 - (2) Each of the Owner's monthly requests shall contain a certification by it that to the best of its knowledge and belief (i) the dwelling units are in decent, safe, and sanitary condition, (ii) all the other facts and data on which the request for funds is based are true and correct, (iii) the amount requested has been calculated in accordance with the provisions of this Contract and is payable under the Contract, (iv) none of the amount claimed has been previously claimed or paid under this Contract, and (v) the Owner has not received and will not receive any payments or other considerations from the Family, the HFA, HUD, or any other public or private source for the unit beyond that authorized in this Contract and the lease.
 - (3) If the Owner has received an excessive payment, the HFA in addition to any other rights to recovery, may deduct the amount from any subsequent payment or payments.

- (4) The Owner's monthly requests for housing assistance payments are subject to penalty under 18 U.S.C. 1001, which provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

(h) Recoupment of Savings in Financing Cost.

- (1) If interim financing is continued after the first year of the term of the Contract and the debt service of the interim financing for any period of three months after the first year is less than the anticipated debt service under the permanent financing on which the Contract Rents were based, an appropriate amount reflecting the savings will be credited by HUD to the Project Account and withheld by the HFA from housing assistance payments payable to the Owner. If during the course of the same year there is any period of three months in which the debt service of the interim financing is greater than anticipated under the permanent financing, an adjustment will be made so that only the net amount of savings in debt service for the year is credited by HUD to the project account and withheld by the HFA from the Owner. No increased payments will be made to the Owner for any net excess for the year of the actual interim debt service over the anticipated debt service under the permanent financing. Nothing in this paragraph will be construed as requiring a permanent reduction in the Contract Rents or precluding adjustments of Contract Rents in accordance with section 2.7.
- (2) The computation and recoupment under this paragraph may be made on an annual, quarterly or other periodic basis, but no later than as of the end of each fiscal year. However, if recoupment is to be made less often than quarterly, the amounts of recoupment shall be computed on at least a quarterly basis and funds shall be deposited in a special account from which withdrawals may be made only with the authorization of the HFA. The manner of computing the amount of recoupment shall be as follows:
- (i) Determine the amount by which the debt service for the interim financing for the period is less than the anticipated debt service under the permanent financing on which the Contract Rents were based;
 - (ii) Determine what percentage the amount found under paragraph (h)(2)(i) is of the aggregate Contract Rents for all Contract Units for the period;
 - (iii) Apply the percentage found in paragraph (h)(2)(ii) to the aggregate Contract Rents for those Contract Units included in the Owner's claims for payments for the period; and
 - (iv) The amount found in paragraph (h)(2)(iii) shall be credited to the project account and withheld from the next housing assistance payment(s) to the Owner.

- (1) Payments to Trustee by HFA. (See section 1.4 for applicability of this paragraph.) The amount of the housing assistance payment determined in accordance with the provisions of this Contract, up to the amount of the mortgage repayments due the HFA from the Owner pursuant to the mortgage loan made by the HFA for the project, shall be credited to the Owner and transferred monthly by the HFA from the account maintained under the General Depositary Agreement pursuant to the ACC to the trustee under the note or bond resolution of the HFA under which the notes or bonds to provide the mortgage loan were issued. Any amount of the housing assistance payment in excess of such credit shall be paid by the HFA directly to the Owner.

2.5 MAINTENANCE, OPERATION AND INSPECTION.

- (a) Maintenance and Operation. The Owner agrees to maintain and operate the Contract Units, unassisted units, if any, and related facilities to provide Decent, Safe, and Sanitary housing including the provisions of all the services, maintenance and utilities set forth in section 1.1(d) or (e). The Owner also agrees to comply with the lead-based paint regulations at 24 CFR Part 35. If the HFA determines that the Owner is not meeting one or more of these obligations, the HFA shall have the right to take action under section 2.21(b).
- (b) Inspection.
- (1) Prior to occupancy of any Contract Unit by a Family, the Owner and the Family shall inspect the unit and both shall certify, on forms prescribed or approved by the HFA, that they have inspected the unit and have determined it to be Decent, Safe, and Sanitary in accordance with the criteria provided in the forms. The Owner shall keep copies of these reports on file for at least three years.
- (2) The HFA shall inspect or cause to be inspected the Contract Units and related facilities at least annually and at such other times (including prior to initial occupancy and reentering of any unit) as may be necessary to assure that the Owner is meeting its obligation to maintain the units in Decent, Safe, and Sanitary condition including the provision of the agreed-upon utilities and other services. The HFA shall take into account complaints by occupants and any other information coming to its attention in scheduling inspections and shall notify the Owner and the Family of its determination.
- (c) Units Not Decent, Safe, and Sanitary. If the HFA notifies the Owner that it has failed to maintain a dwelling unit in Decent, Safe, and Sanitary condition and the Owner fails to take corrective action within the time prescribed in the notice, the HFA may exercise any of its rights or remedies under the Contract, including reduction or suspension of housing assistance payments, even if the Family continues to occupy the unit. If, however, the Family wishes to be rehoused in another dwelling unit with Section 8 assistance and the HFA does not have other section 8 funds for such purposes, the HFA may use the abated housing assistance payments for the purpose of rehousing the Family in another dwelling unit. If the Family continues to occupy the unit, it will do so in accordance with the terms of its lease, including the termination date and amount of rent payable by the Family.
- (d) Notification of Abatement. Any reduction or suspension of housing assistance payments shall be effective as provided in written notification to the Owner. The Owner shall promptly notify the Family of any such abatement.

- (e) Overcrowded and Underoccupied Units. Where the HFA determines a unit is larger or smaller than appropriate for an eligible family, the Owner agrees to correct the situation in accordance with HUD regulations and requirements in effect at the time of the determination.

2.6 FINANCIAL REQUIREMENTS.

(a) Submission of Financial and Operating Statements.

The Owner must submit to the HFA:

- (1) Within 60 days after the end of each fiscal year of the project, financial statements for the project audited by an Independent Public Accountant in a form approved by HUD, and
- (2) Other statements as to project operation, financial conditions and occupancy as the HFA may require pertinent to administration of the Contract and monitoring of project operations.

- (b) HFA Financial Records. The HFA agrees to keep copies of annual financial statements for 3 years and make them available to HUD upon request.

(c) Use of Project Funds. (Not applicable to Partially Assisted Projects.)

- (1) Project funds must be used for the benefit of the project, to make mortgage payments, to pay operating expenses, to make required deposits to the replacement reserve in accordance with paragraph (d) of this section and to provide distributions to the Owner as provided in paragraph (e). To the extent the HFA determines that project funds are more than needed for these purposes, the surplus project funds must be deposited with the HFA, mortgagee or other HFA-approved depository in an interest-bearing account. Withdrawals from this account will be made only with the approval of the HFA and for project purposes, including the reduction of housing assistance payments. Upon termination of the Contract, any excess funds must be remitted to HUD.
- (2) In the case of HUD-insured projects, the provisions of this paragraph (c) will apply instead of the otherwise applicable mortgage insurance requirements, except in the case of partially assisted, insured projects which are subject to the applicable mortgage insurance requirements.

- (d) Replacement Reserve. (The HFA may exempt Partially-Assisted Projects constructed under Part 883, Subpart D from this paragraph. All other Partially-Assisted Projects are exempt from this paragraph.)

- (1) The Owner shall establish and maintain, at the direction of the HFA, a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items. The account shall be established and maintained in a manner consistent with Section 883.703.
 - (i) The obligation of the Owner to deposit into the replacement reserve shall commence upon the effective date of the Contract. For staged projects, the obligation shall commence on a pro rata basis for units in each stage upon the effective date of the Contract for that stage. For projects constructed under Part 883, Subpart D, the amount of this deposit may be adjusted each year by up to the amount of the automatic annual adjustment factor, as required by the HFA. For all other projects, this amount must be adjusted each year by the amount of the automatic annual adjustment factor.

- (ii) The reserve must be built up to and maintained at a level determined by the HFA to be sufficient to meet projected requirements. Should the reserve achieve that level, the rate of deposit to the reserve may be reduced with the approval of the HFA.
- (iii) Funds will be held by the HFA, mortgagee or trustee for the bondholders, as determined by the HFA, and may be drawn from the reserve and used only in accordance with HFA guidelines and with the approval of, or as directed by, the HFA.
- (2) In the case of HUD-insured projects, the provisions of this paragraph (d) will apply instead of the otherwise applicable mortgage insurance requirements, except in the case of partially-assisted, insured projects which are subject to the applicable mortgage insurance requirements.
- (e) Limitation on Distributions. (Paragraphs (e)(2)-(4) are not applicable to Small or Partially Assisted Projects.)
 - (1) Nonprofit owners are not entitled to distributions of project funds.
 - (2) For the life of the Contract, project funds may only be distributed to profit-motivated owners at the end of each fiscal year of project operation following the effective date of the Contract after all project expenses have been paid, or funds have been set aside for payment, and all reserve requirements have been met. The first year's distribution may not be made until cost certification, where applicable, has been submitted to HUD. The HFA may permit distributions which do not exceed the following maximum returns:
 - (i) For projects for elderly families, the first year's distribution will be limited to 6 percent on equity. HUD may provide for increases in subsequent years' distributions in accordance with applicable HUD regulations.
 - (ii) For projects for nonelderly families, the first year's distribution will be limited to 10 percent on equity. HUD may provide for increases in subsequent years' distributions in accordance with applicable HUD regulations.
 - (3) For the purpose of determining the allowable distribution, an Owner's equity investment shall be computed in accordance with applicable HUD regulations.
 - (4) Any short-fall in return may be made up from surplus project funds (see paragraph (c)(1)) if permitted by the HFA in future years in accordance with HFA requirements.
 - (5) In the case of HUD-insured projects, the provisions of this section will apply instead of the otherwise applicable mortgage insurance program regulations, except in the case of small and partially-assisted, insured projects which are subject to the applicable mortgage insurance regulations.

2.7 RENT ADJUSTMENTS

- (a) Funding of Adjustments. Housing assistance payments will be made in amounts commensurate with Contract Rent adjustments under this section up to the maximum amount authorized under section 2.3(a) of this Contract.
- (b) Annual Adjustments.
- (1) Upon request from the Owner to the HFA Contract Rents will be adjusted on the anniversary date of the Contract in accordance with 24 CFR Part 888 and this Contract. See, however, paragraph (d).
 - (2) Contract Rents may be adjusted upward or downward, as may be appropriate; however, in no case shall the annual adjustment result in Contract Rents less than the Contract Rents on the effective date of the Contract.
- (c) Special Additional Adjustments. Special additional adjustments shall be granted, to the extent determined necessary by the HFA and HUD, to reflect increases in the actual and necessary expenses of owning and maintaining the Contract Units which have resulted from substantial general increases in real property taxes, utility rates, assessments, and utilities not covered by regulated rates. The Owner must demonstrate that such general increases have caused increases in the Owner's operating costs which are not adequately compensated for by annual adjustments. The Owner shall submit to the HFA supporting data, financial statements and certifications which clearly support the increase. See, however, paragraph (d).
- (d) Overall Limitation. Notwithstanding any other provision of this Contract, adjustments after Contract execution or cost certification, where applicable, shall not result in material differences between the rents charged for assisted and comparable unassisted units, as determined by the HFA (and approved by HUD, in the case of adjustments under paragraph (c)); except to the extent that the differences existed with respect to the Contract Rents set at Contract execution or cost certification, where applicable.
- (e) Incorporation of Rent Adjustment. Any adjustment in Contract Rents shall be incorporated into Exhibit 1 by a dated addendum to the exhibit establishing the effective date of the adjustment.
- (f) Adjustment of Contract Rents based on Cost Certification.
(See section 1.4 for applicability of this paragraph.)
- (1) Submission by Owner. Within 90 days following the execution of the Contract (or execution of the Contract for the last stage of the project), the Owner must submit to the HFA a certification of cost. HFA may grant to the Owner two successive 90 day extensions for good cause for the submission of the cost certification. After each extension, HFA shall notify HUD of such extension and the bases for it. The Owner's cost certification must be consistent with HUD requirements and be supported by the unqualified opinion of an Independent Public Accountant.
 - (2) HFA Certification. Within 15 days of acceptance by the HFA of the Owner's cost certification, the HFA must certify to HUD that it has reviewed and approved the certified cost submitted by the Owner and must submit, with its certification, a summary of the Owner's cost certification. The HFA may impose its own cost certification requirements in addition to any required by HUD.

- (3) Reduction of Contract Rents. If the approved cost shown on the HFA certification is less than the cost estimates accepted by HUD in the Proposal, the Contract Rents will be reduced accordingly.
 - (4) Reduction of Maximum ACC Commitment. If the Contract Rents are reduced pursuant to paragraph (f)(3) of this section, the Maximum ACC Commitment and the maximum annual Contract commitment will be reduced. If Contract Rents are reduced based on certification after Contract execution, any overpayment since the effective date of the Contract will be recovered from the Owner by the HFA and returned to HUD.
- (g) Adjustment of Contract Rents to Reflect Actual Cost of Tax Exempt Obligations for Permanent Financing Issued by an HFA. (See section 1.4 for applicability of this paragraph.)
- (1) HFA Certification. After the project is permanently financed, the HFA shall submit a certification to HUD specifying the actual financing terms.
 - (2) Reduction of Contract Rents. If the actual debt service to the Owner under the permanent financing is lower than the anticipated debt service on which the Contract Rents are based, due to lower interest rates or to a longer term on the permanent financing, the initial Contract Rents, or the Contract Rents then in effect, must be reduced commensurately and the amount of the savings credited to the project account.
 - (3) Increase of Contract Rents. If the actual debt service to the Owner under the permanent financing is higher than the anticipated debt service on which the Contract Rents are based, due to higher interest rates or to a shorter term on the permanent financing, the initial Contract Rents or the Contract Rents then in effect shall, if sufficient contract and budget authority is available, be increased commensurately. The amount of increase may not exceed the amount of the Financing Cost Contingency (FCC) specified under section 1.4(b) of the ACC but not reserved for the project at the time the proposal was approved. The adjustment must not exceed the amount necessary to reflect an increase in debt service (based on the difference between the projected and actual terms of the financing) resulting from an increase over the projected interest rate of not more than:
 - (i) One and one-half percent if the projected override was three-fourths of one percent or less, or
 - (ii) One percent if such projected override was more than three-fourths of one percent but not more than one percent, or
 - (iii) One-half of one percent if such projected override was more than one percent.
 - (4) Increase in Maximum Annual Commitment. If the Contract Rents have been increased in accordance with paragraph (g)(3) of this section, the Maximum ACC Commitment and the maximum annual Contract commitment shall be increased commensurately.
- (h) Adjustment of Contract Rents Due to Property Tax Exemption or Similar Savings. The Contract Rents may be reduced to reflect real property tax exemption or similar savings where the initial Contract Rents were approved on the assumption that the project would not receive the benefit of tax abatement or similar savings. The Owner agrees to notify the HFA in the event such a project begins to receive such an exemption or similar savings so that the initial Contract Rents or the Contract Rents then in effect may be reduced.

2.8 MARKETING AND LEASING OF UNITS.

- (a) Compliance with Equal Opportunity Requirements. Marketing of units and selection of Families by the Owner shall be in accordance with the Owner's HUD-approved Affirmative Fair Housing Marketing Plan (if required), shown as Exhibit 3, and with all regulations relating to fair housing advertising. Projects shall be managed and operated without regard to race, color, religion, creed, sex, handicap, or national origin.
- (b) Security Deposits. The Owner agrees to comply with the Part 883 regulations and requirements, as revised from time to time, regarding security deposits and to comply with all State and local law.
- (c) Eligibility, Selection and Admission of Families.
 - (1) The Owner shall be responsible for determination of eligibility of applicants, selection of families from among those determined to be eligible, computation of the amount of housing assistance payments on behalf of each selected Family and of total Family contributions and recordkeeping in accordance with applicable HUD regulations and requirements.
 - (2) The Owner shall not charge any applicant or assisted Family any amount in excess of the total Family contribution except as authorized by HUD.
 - (3) In the initial renting of the Contract Units, the Owner must lease at least that percentage of those units stated in section 1.1(h) to Very Low-Income Families (determined in accordance with HUD-established schedules and criteria). Thereafter the Owner shall exercise best efforts to maintain (or achieve and maintain) at least that percentage of occupancy of the Contract Units by Very Low-Income Families. In addition, at all times, the HFA will use its best efforts to achieve leasing by Owners to Families with a range of incomes so that the average of incomes of all Families in occupancy is at or above 40 percent of the median income in the area.
 - (4) The Lease entered into between the Owner and each selected Family shall be on the form of Lease approved by the HFA and be consistent with HUD regulations and requirements.
 - (5) (i) The Owner shall make a reexamination of Family income, composition, and the extent of medical or other unusual expenses incurred by the Family at least as often as required by HUD regulations or other requirements, and appropriate redeterminations shall be made by the Owner of the amount of Family contribution and the amount of housing assistance payment, all in accordance with applicable regulations and requirements.
 - (ii) If a Family reports a change in income or other circumstances that would result in a decrease of total Family contribution between regularly scheduled reexaminations, the Owner, upon receipt of verification of the change, must promptly make appropriate adjustments in the total Family contribution. The Owner may require in its lease that Families report increases in income or other changes between scheduled reexaminations.
 - (iii) In connection with any reexamination, the Owner shall determine what percentage of Families in occupancy are Very Low-Income Families and what the average Family income is.

if there are fewer than the agreed percentage of Very Low-Income Families in occupancy, or the average income is below 40 percent of the median, the Owner shall report the fact to the HFA and shall adopt appropriate changes in its admission policies.

- (iv) A Family's eligibility for housing assistance payments continues until its total Family contribution equals the total housing expense for the unit it occupies. The termination of eligibility at this point will not affect the Family's other rights under the lease nor preclude resumption of payments as a result of later changes in income or other circumstances during the term of this Contract.
- (6) Where fewer than 100 percent of the units in the project are covered by this Contract, Families shall be dispersed throughout. At initial rent-up, the Owner shall lease the units identified in Exhibit 1 to eligible families. Thereafter, the Owner may lease other units of appropriate size and type to eligible Families in accordance with Exhibit 1. For projects with units for both elderly and non-elderly Families, the respective family types may be grouped together.
- (7) The Owner shall maintain as confidential all information relating to section 8 applicants and assisted Families, the disclosure of which would constitute an unwarranted invasion of personal privacy.
- (d) Rent Redetermination after Adjustment in Utility Allowance. In the event that the Owner is notified of a HFA determination approving or requiring an adjustment in the Utility Allowance applicable to any of the Contract Units, the Owner shall promptly make a corresponding adjustment in the amount of rent to be paid by the affected Families and the amount of housing assistance payments.
- (e) Processing of Applications and Complaints. The Owner shall process applications for admission, notifications to applicants, and complaints by applicants in accordance with applicable HUD and HFA regulations and requirements and shall maintain records and furnish such copies or other information as may be required by HUD or the HFA.
- (f) Review; Incorrect Payments. In making housing assistance payments to Owners, the HFA or HUD will review the Owner's determinations under this section. If as a result of this review, or other reviews, audits or information received by the HFA or HUD at any time, it is determined that the Owner has received improper or excessive housing assistance payments, the HFA or HUD shall have the right to deduct the amount of such overpayments from any amounts otherwise due the Owner, or otherwise effect recovery.

2.9 TERMINATION OF TENANCY OR SECTION 8 ASSISTANCE BY THE OWNER.

The Owner agrees not to terminate any tenancy of or assistance on behalf of an assisted Family except in accordance with all HUD regulations and other requirements in effect at the time of termination, and any State and local law.

2.10 REDUCTION OF NUMBER OF UNITS FOR FAILURE TO LEASE TO ELIGIBLE FAMILIES.

- (a) Limitation on Leasing to Ineligible Families. The Owner may not at any time during the term of this Contract lease more than 10 percent of the assisted units in the project to families which are ineligible under section 8 requirements at initial occupancy without the prior approval of HUD and the HFA. Failure on the part of the Owner to

comply with this prohibition is a violation of the Contract and grounds for all available legal remedies, including specific performance of the Contract, suspension or debarment from HUD programs and reduction of the number of units under the Contract, as set forth in paragraph (b) of this section. (See also section 2.21.)

(b) Reduction for Failure to Lease to Eligible Families. If, at any time, beginning six months after the effective date of the Contract, the Owner fails for a continuous period of six months to have at least 90 percent of the assisted units leased or available for leasing by families eligible under section 8 requirements at initial occupancy, the HFA and HUD may, upon at least 30 days' notice, reduce the number of units to the number of units actually leased or available for leasing, plus 10 percent (rounded up). This reduction, however, will not be made if the failure to lease units to eligible families is permitted in writing by the HFA and HUD under paragraph (a) of this section.

(c) Restoration. HUD will agree to an amendment of the ACC and the HFA may agree to amendment of the Contract to provide for subsequent restoration of any reduction made pursuant to paragraph (b) of this section if:

- (1) HUD and the HFA determine that the restoration is justified by demand,
- (2) The Owner otherwise has a record of compliance with its obligations under the Contract, and
- (3) Contract authority is available. (HUD will take such steps authorized by section 8(c)(6) of the Act as may be necessary to carry out its agreement.)

2.11 NONDISCRIMINATION.

- (a) General. The Owner shall not in the selection of Families, in the provision of services, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, national origin, or handicap.
- (b) Members of Certain Classes. The Owner shall not automatically exclude anyone from participation in, or deny anyone the benefits of, the Housing Assistance Payments Program because of membership in a class, such as unmarried mothers, recipients of public assistance, handicapped persons.
- (c) Title VIII of the Civil Rights Act of 1968. The Owner shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in the sale, rental, financing and advertising of housing on the basis of race, color, religion, sex, or national origin, and any related rules and regulations.
- (d) Title VI of the Civil Rights Act of 1964 and Executive Order 11063. The Owner shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq.; the HUD regulations issued thereunder, 24 CFR, Subtitle A, Part I; the HUD requirements pursuant to these regulations; and Executive Order 11063 and any regulations and requirements issued thereunder, to the end that, in accordance with that Act, Executive Order 11063, and the regulations and

requirements of HUD, no person in the United States shall, on the grounds of race, color, creed, or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. This provision is included pursuant to the regulations of HUD, 24 CFR, Subtitle A, Part 1 issued under Title VI of the Civil Rights Act of 1964, HUD regulations issued pursuant to Executive Order 11063 and the HUD requirements pursuant to the regulations. The obligation of the Owner to comply therewith insures to the benefit of the United States of America, HUD, and the HFA, any of which shall be entitled to invoke any remedies available by law to redress any breach or to compel compliance by the Owner.

- (e) Section 504 of the Rehabilitation Act of 1973. The Owner shall comply with all the requirements imposed by section 504 of the Rehabilitation Act of 1973, as amended, and any applicable rules and regulations. Section 504 provides that no otherwise qualified handicapped person shall, solely by reason of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance.
- (f) Employees of Owner.
 - (1) In carrying out the obligations under this Contract, the Owner will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, handicap or national origin. The Owner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, creed, religion, sex, handicap or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - (2) The Owner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The Owner will in all solicitations or advertisements for employees placed by or on behalf of the Owner state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, handicap or national origin. The Owner will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its contractors for such work to incorporate such requirements in all subcontracts for project work.
- (g) Age Discrimination Act of 1975. The Owner shall comply with any rules and regulations issued or adopted by HUD under the Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et seq., which prohibits discrimination on the basis of age in programs and activities receiving Federal financial assistance.

2.12 COOPERATION IN EQUAL OPPORTUNITY COMPLIANCE REVIEWS.

The Owner and the HFA agree to cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to or permitted by all applicable civil rights statutes, Executive Orders, and rules and regulations.

2.13 TRAINING, EMPLOYMENT AND CONTRACTING OPPORTUNITIES FOR BUSINESSES AND LOWER INCOME PERSONS. (See section 1.4 for applicability of this section.)

- (a) The project assisted under this Contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- (b) Notwithstanding any other provision of this Contract, the Owner shall carry out the provisions of section 3 and the regulations issued by HUD as set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The requirements of the regulations include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within, or owned in substantial part by persons residing in, the area of the project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by section 3; and incorporation of the "section 3 clause" specified by section 135.20(b) of the regulations and paragraph (d) of this section in all contracts for work in connection with the project. The Owner certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.
- (c) Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders issued by HUD thereunder prior to execution of this Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, its contractors and subcontractors, its successors and assigns. Failure to fulfill these requirements shall subject the Owner, its contractors and subcontractors, its successors, and assigns to the sanctions specified by this Contract, and to such sanctions as are specified by 24 CFR, Section 135.135.
- (d) The Owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$50,000 cost, the following clause:

EMPLOYMENT OF PROJECT AREA RESIDENTS AND CONTRACTORS

- "A The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project area, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- "B The parties to this Contract will comply with the provisions of section 3 and the regulations issued pursuant thereto by HUD as set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

"C The contractor will send each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the labor organization or workers' representative of his commitments under this section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

"D The contractor will include this section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of regulations issued by HUD, 24 CFR, Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR, Part 135, and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

"E Compliance with the provisions of section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Housing Assistance Payments Contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the Owner, its contractors and subcontractors, its successors, and assigns. Failure to fulfill these requirements shall subject the Owner, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the Housing Assistance Payments Contract, and to such sanctions as are specified by 24 CFR, Section 135.135."

(e) The Owner agrees that it will be bound by the above section 3 clause with respect to its own employment practices when it participates in federally assisted work.

2.14 FLOOD INSURANCE. (See section 1.4 for applicability.)

The Owner agrees that the project will be covered, during its anticipated economic or useful life, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less.

2.15 CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT. (See section 1.4 for applicability of this section.)

In compliance with regulations issued by the Environmental Protection Agency ("EPA"), 40 CFR, Part 15, pursuant to the Clean Air Act, as amended ("Air Act"), 42 U.S.C. 7401, et seq., the Federal Water Pollution Control Act, as amended ("Water Act"), 33 U.S.C. 1251, et seq., and Executive Order 11738, the Owner agrees:

- (a) Not to utilize any facility in the performance of this Contract or any nonexempt subcontractor which is listed on the EPA List of Violating Facilities pursuant to section 15.20 of the regulations;
- (b) Promptly to notify the HFA of the receipt of any communication from the EPA indicating that a facility to be utilized for the Contract is under consideration to be listed on the EPA List of Violating Facilities;
- (c) To comply with all the requirements of section 114 of the Air Act and section 308 of the Water Act relating to inspection, monitoring, entry,

reports, and information, as well as all other requirements specified in section 114 of the Air Act and section 308 of the Water Act, and all regulations and guidelines issued thereunder; and

- (d) To include or cause to be included the provisions of this Contract in every nonexempt subcontract and take such action as HUD may direct as a means of enforcing such provisions.

2.16 REPORTS AND ACCESS TO PREMISES AND RECORDS.

- (a) The Owner shall furnish any information and reports pertinent to this Contract as reasonably may be required from time to time by the HFA or HUD.
- (b) The Owner shall permit the HFA or HUD or any of their duly authorized representatives to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner that are pertinent to compliance with this Contract, including the verification of information pertinent to the housing assistance payments.

2.17 DISPUTES.

- (a) Any dispute concerning a question of fact arising under this Contract which cannot be resolved by the HFA and the Owner may be submitted by either party to the HUD Field Office which will promptly make a decision and furnish a written copy to the Owner and the HFA.
- (b) The decision of the Field Office will not be reviewable unless, within 30 calendar days from the date of receipt of the Field Office's determination, either party mails or otherwise furnishes to HUD a written appeal with written justification addressed to the Secretary of Housing and Urban Development. Both parties shall proceed diligently with the performance of the Contract and in accordance with the decision of the Field Office pending resolution of the appeal.

2.18 INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES OF HFA OR PUBLIC HOUSING AGENCY (PHA), MEMBERS OF LOCAL GOVERNING BODY, OR OTHER PUBLIC OFFICIALS.

- (a) No person or entity in the following classes shall have an interest, direct or indirect, in this Contract or in any proceeds or benefits arising from it, during his or her tenure or for one year thereafter.
 - (1) any member or officer of the HFA or PHA (if the PHA is the Owner), except where his or her interest is as tenant;
 - (2) (i) any employee of the HFA or PHA (if the PHA is the Owner), who formulates policy or influences decisions with respect to the section 8 project;
 - (ii) any other employee of the HFA or PHA (if the PHA is the Owner), except where his or her interest is as a tenant;
 - (3) any member of the governing body or the executive officer of the locality (city or county) in which the project is situated;
 - (4) any other State or local public official (including State legislators), who exercises any functions or responsibilities with respect to the section 8 project;

- (5) any other HFA or PHA, where any of its members, officers, or employees has a personal interest in the project, including an interest by reason of membership on the board of the HFA under this Contract (except an employee who does not formulate policy or influence decisions with respect to the section 8 project may have an interest as a tenant).
- (b) If any member of the classes described in paragraph (a) involuntarily acquires an interest in the section 8 program or in a section 8 project, or had acquired prior to the beginning of his or her tenure any such interest, and if such interest is immediately disclosed to the HFA and the disclosure is entered upon the minutes of the HFA, the HFA, with the prior approval of the HUD Field Office, may waive the prohibition contained in this section. Any other requests for waivers of paragraph (a) must be referred to the HUD Headquarters, with appropriate recommendations from the Field Office, for a determination of whether a waiver will be granted.
- (c) No person to whom a waiver is granted by the HFA or HUD shall be permitted (in his or her capacity as member of a class described in paragraph (a)) to exercise responsibilities or functions with respect to an Agreement or a Contract executed, or to be executed, on his or her behalf, or with respect to an Agreement or a Contract to which this person is a party.
- (d) The Owner shall insert in all contracts, subcontracts, and arrangements entered into in connection with the project or any property included or planned to be included in the project, shall require its contractors and subcontractors to insert in each of the subcontracts, the provisions of paragraphs (a) through (d).
- (e) The provisions of paragraphs (a) through (d) of this section shall not apply to (1) a utility service if the rates are fixed or controlled by a governmental agency, (2) the Depositary Agreement, or (3) a temporary management agreement between the HFA and the Owner which meets the requirements of 24 CFR 883.702(c).

2.19 INTEREST OF MEMBER OF OR DELEGATE TO CONGRESS.

No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this Contract or to any benefits which may arise from it.

2.20 ASSIGNMENT, SALE OR FORECLOSURE.

- (a) The Owner agrees that it has not made and will not make any sale, assignment, or conveyance or transfer in any fashion, of this Contract, the Agreement, the ACC, or the project or any part of them or any of its interest in them, without the prior written consent of the HFA and HUD.
- (b) The Owner agrees to notify the HFA and HUD promptly of any proposed action covered by paragraph (a) of this section. The Owner further agrees to request the written consent of the HFA and of HUD.
- (c) (1) For purposes of this section, a sale, assignment, conveyance, or transfer includes but is not limited to one or more of the following:
 - (i) A transfer by the Owner, in whole or in part,
 - (ii) A transfer by a party having a substantial interest in the Owner,

- (iii) Transfers by more than one party of interests aggregating a substantial interest in the Owner,
 - (iv) Any other similarly significant change in the ownership of interests in the Owner, or in the relative distribution of interests by any other method or means, and
 - (v) Any refinancing by the Owner of the project.
- (2) An assignment by the Owner to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer. An assignment by one or more general or limited partners of a limited partnership interest to a limited partner, who will have no more than a 25 percent interest, shall not be considered an assignment, conveyance, or transfer.
 - (3) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.
 - (d) The Owner and the party signing this Contract on behalf of the Owner represent that they have the authority of all of the parties having ownership interests in the Owner to agree to this provision on their behalf and to bind them with respect to it.
 - (e) Except where otherwise approved by HUD, the ACC, the Agreement and this Contract shall continue in effect and housing assistance payments will continue in accordance with the terms of the Contract in the event:
 - (1) Of assignment, sale, or other disposition of the project or the Agreement, Contract or the ACC,
 - (2) Of foreclosure, including foreclosure by HUD or the HFA,
 - (3) Of assignment of the mortgage or deed in lieu of foreclosure,
 - (4) The HFA or HUD takes over possession, operation or ownership, or
 - (5) The Owner prepays the mortgage.

2.21 DEFAULTS BY HFA AND/OR OWNER.

(a) Rights of Owner if HFA Defaults under Contract.

- (1) Events of Default. The occurrence of any of the following events, if the Owner is not in default, is defined as a default under the ACC:
 - (i) If the HFA fails to perform or observe any term or condition of this Contract (except as provided in paragraph (a)(1)(v));
 - (ii) If the Contract is held to be void, voidable, or ultra vires;
 - (iii) If the power or right of the HFA to enter into the Contract is drawn into question in any legal proceeding;
 - (iv) If the HFA asserts or claims that the Contract is not binding upon the HFA for any such reason; or

- (v) If the HFA fails to make payments to the Owner as required by section 2.4 of the Contract, unless HUD has substantially delayed annual contributions provided for under section 1.4 of the ACC.

(2) Owner Request for HUD Determination of Default.

If the Owner believes that an event as specified in paragraph (a)(1) has occurred, and the Owner is not in default, the Owner may, within 30 days of the initial occurrence of the event:

- (i) Notify HUD of the occurrence of the event;
- (ii) Provide supporting evidence of the default and of the fact that the Owner is not in default; and
- (iii) Request HUD to determine whether there has been a default.

(3) HUD Determination of Default and Curing of Default.

HUD, after notice to the HFA giving it a reasonable opportunity to take corrective action, or to demonstrate that it is not in default, shall make a determination whether the HFA is in default and whether the Owner is not in default. If HUD determines that the HFA is in default and that the Owner is not, HUD shall take appropriate action to require the HFA to cure the default. If necessary for the prompt continuation of the project, HUD shall assume the HFA's right and obligations under the Contract, including any funds. HUD shall continue to pay annual contributions with respect to the units covered by this Contract in accordance with the ACC and this Contract until reassigned to the HFA. All rights and obligations of the HFA assumed by HUD will be returned as constituted at the time of the return:

- (i) When HUD is satisfied that all defaults have been cured and that the project will thereafter be administered in accordance with all applicable requirements, or
- (ii) When the Contract is at an end, whichever occurs sooner.

- (4) Enforcement by Owner. The provisions of this paragraph (a) are made for the benefit of the Owner, the lender, and the Owner's assignees, if any, who have been specifically approved by HUD prior to the assignment. These provisions shall be enforceable by these parties against HUD by suit at law or in equity.

(b) Rights of HFA and HUD if Owner Defaults under Contract.

- (1) Events of Default. A default by the Owner under this Contract shall result if:

- (i) The Owner has violated or failed to comply with any provision of, or obligation under, this Contract or of any Lease, including failure to correct any deficiencies identified by the HFA or HUD in connection with any annual or other inspection; or
- (ii) The Owner has asserted or demonstrated an intention not to perform some or all of its obligations under this Contract or under any Lease; or
- (iii) For projects with mortgages insured by HUD, the Owner has violated or failed to comply with the regulations for the applicable insurance program, with the insured mortgage, or with the regulatory agreement; or the Owner has filed any

false statement or misrepresentation with HUD in connection with the mortgage insurance.

- (2) HFA Determination of Default. Upon determination by the HFA that a default has occurred, the HFA shall notify the Owner and the lender (if other than the HFA) with a copy to HUD, of

- (i) The nature of the default,
- (ii) The actions required to be taken and the remedies to be applied on account of the default, and
- (iii) The time within which the Owner and/or the lender shall respond with a showing that all the required actions have been taken.

If the Owner and/or lender fail to respond or take action to the satisfaction of the HFA, the HFA shall have the right to take corrective action to achieve compliance, in accordance with paragraph (b)(3) or to terminate this Contract with HUD approval, in whole or in part, or to take other corrective action to achieve compliance, in its discretion, or as directed by HUD.

- (3) Corrective Action. Pursuant to paragraph (b)(2) of this section the HFA, in its discretion or as directed by HUD, may take the following corrective actions:

- (i) Take possession of the project, bring any action necessary to enforce any rights of the Owner growing out of the project operation, and operate the project in accordance with the terms of this Contract until such time as HUD determines that the Owner is again in a position to operate the project in accordance with this Contract. If the HFA takes possession, housing assistance payments shall continue in accordance with the Contract.
- (ii) Collect all rents and charges in connection with the operation of the project and use these funds to pay the necessary expenses of preserving the property and operating the project and to pay the Owner's obligations under the note and mortgage or other loan documents.
- (iii) Apply to any court, State or Federal, for specific performance of this Contract, for an injunction against any violation of the Contract, for the appointment of a receiver to take over and operate the project in accordance with the Contract, or for such other relief as may be appropriate. These remedies are appropriate since the injury to the HFA and/or HUD arising from a default under any of terms of this Contract could be irreparable and the amount of damage would be difficult to ascertain.
- (iv) Reduce or suspend housing assistance payments.
- (v) Recover any overpayments.

- (4) HUD's Rights.

- (i) Notwithstanding any other provisions of this Contract, in the event HUD determines that the Owner is in default of its obligations under the Contract, HUD shall have the right, after notice to the Owner, the HFA, the lender (if other than the HFA), and the trustee, if any, giving them a

reasonable opportunity to take corrective action, to proceed in accordance with paragraph (b)(3).

- (ii) In the event HUD takes any action under this section, the Owner and the HFA hereby expressly agree to recognize the rights of HUD to the same extent as if the action were taken by the HFA. HUD shall not have the right to terminate the Contract except by proceeding in accordance with paragraphs (b)(1), (2), and (3) of this section and with section 2.16(b) of the ACC.
- (c) Remedies Not Exclusive and Non-Waiver of Remedies. The availability of any remedy under this Contract or the ACC, where applicable, shall not preclude the exercise of any other remedy under this Contract or the ACC or under any provisions of law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

U.S. Department of Housing and Urban Development
Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS
BASIC RENEWAL CONTRACT
MULTI-YEAR TERM

OMB Control #2502-0587

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it has a currently valid OMB control number. No confidentiality is assured."

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

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**U.S. Department of Housing and Urban Development
Office of Housing**

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: VA36H027226

Section 8 Project Number of Expiring Contract: SAME

FHA Project Number (if applicable): N/A

Project Name: SUSSEX TRACE

Project Description:

SUSSEX TRACE CONSISTS OF 8 TOWNHOUSE BUILDINGS W/ 50 SECTION 8 UNITS

30 2BD, 17 3BD, & 3 3BD HANDICAP UNITS. THE PROPERTY IS LOCATED @ 7144

LENEAVE LANE, WAVERLY, VA 23890-3616 IN SUSSEX COUNTY.

TYPE OF RENEWAL

☒ Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).

☐ Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴
NAVIGATE AFFORDABLE HOUSING PARTNERS

Address of Contract Administrator

1827 1ST AVE NORTH STE 100
BIRMINGHAM AL 35203

Name of Owner⁵
SUSSEX TRACE VILLAGE APARTMENTS TM LLC

Address of Owner

1375 PICCARD DRIVE SUITE 150
ROCKVILLE, MARYLAND 20850

2 TERM AND FUNDING OF RENEWAL CONTRACT

- a** The Renewal Contract begins on 09/01/2022⁶ and shall run for a period of 5 years.
- b** Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 134,244⁸, an amount sufficient to

provide housing assistance payments for approximately 4⁹ months of the first annual increment of the Renewal Contract term.

- c** HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

-
- (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) Project account (sometimes called “HAP reserve” or “project reserve”) as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
 - (i) Using an OCAF; or

(ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

(b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

(a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).

(b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*).**

(i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

(ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the

Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall

specify when the adjustment of contract rent is effective.

- (c) Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the

agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

NAVIGATE AFFORDABLE HOUSING PARTNERS

By:

Julie Reynolds

Signature of authorized representative

for

LISA MCCARROLL, PRESIDENT AND CEO

Name and official title

Date

02/16/2023

U.S. Department of Housing and Urban Development

By:

Tanya Winters

Digitally signed by: Tanya Winters
DN: CN = Tanya Winters email = tanya.winters@hud.gov
C = US O = Dept. of Housing and Urban Development
OU = Multifamily Housing
Date: 2023.02.21 12:41:25 -05'00'

Signature of authorized representative

Tanya Winters, Account Executive Branch Chief

Name and official title

Date

February 21, 2023

Owner

Name of Owner

SUSSEX VILLAGE APARTMENTS TM LLC

By:

Signature of authorized representative

Name and title

ROBERT B. MARGOLIS

G.P.

Date

Feb 16, 2023

(HUD-9637)

**Basic Renewal Contract
Multi-Year Term
REV-11-05-2007**

IDENTIFICATION OF UNITS ("CONTRACT UNITS")

BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: VA36H027226
FHA Project Number (if applicable): N/A
Effective Date of the Rent Increase (if applicable): 09/01/2022

[illegible]

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments: _____

EXHIBIT B
DISTRIBUTIONS LIMITATION

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1** The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2** Any increased distribution as approved by HUD in accordance with the Guidebook.

INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

¹ This form of Renewal Contract is to be used for initial and subsequent renewals of an expiring Section 8 project-based HAP contract under the authority of Section 524(a) or 524(b)(1) of MAHRA for a term of two years or more. Attachment 11-1 is to be used for renewals under the authority of Section 524(a) or 524(b)(1) of MAHRA for a renewal term of one year.

This form may not be used for Mark-Up-To-Market Renewals. The HUD prescribed form of Mark-Up-To-Market Renewal Contract must be used for this purpose.

Section 2 of the Renewal Contract specifies the contract term.

² To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

³ Enter a description of housing that will be covered by the Renewal Contract. The description must clearly identify the Project by providing the Project's name, street address, city, county, state, and zip code, block and lot number (if known), and any other information, necessary to clearly designate the covered Project.

⁴ Enter the name of the Contract Administrator that executes the Renewal Contract. If HUD is the Contract Administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the Contract Administrator is a public housing agency ("PHA"), enter the full legal name of the PHA.

⁵ Enter the full legal name of the Owner. For example: "ABC Corporation, Inc., a Maryland corporation."

⁶ The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

⁷ Enter a whole number of two or more years.

⁸ Enter the amount of funding obligated.

⁹ Enter a whole number of months.

Rent Schedule Low Rent Housing

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0012
(exp.11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name SUSSEX TRACE	FHA Project Number N/A	Date Rents Will Be Effective (mm/dd/yyyy) 09/01/2024
------------------------------	---------------------------	---

Part A — Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date (mm/dd/yyyy) 09/01/2024	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
2 Bedrooms	30	816	24,480	103	919	0	0
3 Bedroom H	3	938	2,814	82	1,020	0	0
3 Bedrooms	17	908	15,436	151	1,059	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
Total Units	50	Monthly Contract Rent Potential (Add Col. 4)* \$42,730				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$512,760				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B — Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

- | | | |
|---|-------------------------------------|--------------------------|
| ☒ Range | ☐ Dishwasher | ☐ |
| ☒ Refrigerator | ☐ Carpet | ☐ |
| ☒ Air Conditioner | ☐ Drapes | ☐ |
| ☒ Disposal | ☐ | ☐ |

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)
E=electric; G=gas; F=fuel oil or coal.

- | | | | | | |
|----------------------------------|---|------------------------------------|---|---------------------------------------|---|
| ☐ Heating | E | ☐ Hot Water | E | ☐ Lights, etc. | E |
| ☐ Cooling | E | ☐ Cooking | E | ☐ | |

Services/Facilities (check those included in rent)

- | | | |
|---|--------------------------|---|
| ☒ Parking | ☐ | ☐ Nursing Care |
| ☒ Laundry | ☐ | ☐ Linen/Maid Service |
| ☐ Swimming Pool | ☐ | ☐ |
| ☐ Tennis Courts | ☐ | ☐ |

Part C — Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00

Part D — Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
		0
		0
		0
		0
		0
Total Rent Loss Due to Non-Revenue Units		\$ 0

Part E — Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft (Col. 2 divided by Col. 3)
			0
			0
			0
			0
			0
			0
	\$0	Total Commercial Rent Potential	

Part F — Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation		\$42,730
Worksheet (to be completed by HUD or lender)		

Part G – Information on Mortgagor Entity

Name of Entity

Sussex Village Apartments TM LLC

Type of Entity

- ☐ Individual
- ☐ General Partnership
- ☐ Joint Tenancy/Tenants in Common
- ☒ Other (specify) Limited Liability Company
- ☐ Corporation
- ☐ Limited Partnership
- ☐ Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H — Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Robert B. Margolis, GP

Authorized Official's Signature

Robert Margolis

4/18/2024

Date (mm/dd/yyyy)

Part I — HUD/Lender Approval

Addendum Number

HAP Contract Number
VA36H027226

Exhibit Number

Loan Servicer Signature

Date (mm/dd/yyyy)

Branch Chief/Lender Official Signature

Kitira Mikel

Date (mm/dd/yyyy)

04/19/2024

Director, Housing Management Division Signature

Date (mm/dd/yyyy)

2024 Sussex Trace HUD92458Rpt (4)

Final Audit Report

2024-04-18

Created:	2024-04-18
By:	Lisa Mechling (lmechling@tmamgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAODGrLBq2qiFr7bMvB3TRrPObWcV3bLUF

"2024 Sussex Trace HUD92458Rpt (4)" History

-  Document created by Lisa Mechling (lmechling@tmamgroup.com)
2024-04-18 - 6:25:34 PM GMT
-  Document emailed to robert margolis (bobm@tmadevelopment.com) for signature
2024-04-18 - 6:26:12 PM GMT
-  Email viewed by robert margolis (bobm@tmadevelopment.com)
2024-04-18 - 7:04:57 PM GMT
-  Document e-signed by robert margolis (bobm@tmadevelopment.com)
Signature Date: 2024-04-18 - 7:05:28 PM GMT - Time Source: server
-  Agreement completed.
2024-04-18 - 7:05:28 PM GMT

Tab R:

Documentation of Utility Allowance calculation

Rent Schedule Low Rent Housing

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0012
(exp.11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name SUSSEX TRACE	FHA Project Number N/A	Date Rents Will Be Effective (mm/dd/yyyy) 09/01/2024
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2 Bedrooms	30	816	24,480	103	919	0	0
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3 Bedrooms	17	908	15,436	151	1,059	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
Total Units	50	Monthly Contract Rent Potential (Add Col. 4)* \$42,730				Monthly Market Rent Potential (Add Col. 8)* \$0	
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* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

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- | | | |
|---|-------------------------------------|--------------------------|
| ☒ Range | ☐ Dishwasher | ☐ |
| ☒ Refrigerator | ☐ Carpet | ☐ |
| ☒ Air Conditioner | ☐ Drapes | ☐ |
| ☒ Disposal | ☐ | ☐ |

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)
E=electric; G=gas; F=fuel oil or coal.

- | | | | | | |
|----------------------------------|---|------------------------------------|---|---------------------------------------|---|
| ☐ Heating | E | ☐ Hot Water | E | ☐ Lights, etc. | E |
| ☐ Cooling | E | ☐ Cooking | E | ☐ | |

Services/Facilities (check those included in rent)

- | | | |
|---|--------------------------|---|
| ☒ Parking | ☐ | ☐ Nursing Care |
| ☒ Laundry | ☐ | ☐ Linen/Maid Service |
| ☐ Swimming Pool | ☐ | ☐ |
| ☐ Tennis Courts | ☐ | ☐ |

Part C — Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00
	\$0.00

Part D — Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
		0
		0
		0
		0
		0
Total Rent Loss Due to Non-Revenue Units		\$ 0

Part E — Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft (Col. 2 divided by Col. 3)
			0
			0
			0
			0
			0
			0
	\$0	Total Commercial Rent Potential	

Part F — Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation		\$42,730
Worksheet (to be completed by HUD or lender)		

Part G – Information on Mortgagor Entity

Name of Entity

Sussex Village Apartments TM LLC

Type of Entity

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Name and Title

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Part H — Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Robert B. Margolis, GP

Authorized Official's Signature

Robert Margolis

4/18/2024

Date (mm/dd/yyyy)

Part I — HUD/Lender Approval

Addendum Number

HAP Contract Number

VA36H027226

Exhibit Number

Loan Servicer Signature

Date (mm/dd/yyyy)

Branch Chief/Lender Official Signature

Kitira Mikel

Date (mm/dd/yyyy)

04/19/2024

Director, Housing Management Division Signature

Date (mm/dd/yyyy)

2024 Sussex Trace HUD92458Rpt (4)

Final Audit Report

2024-04-18

Created:	2024-04-18
By:	Lisa Mechling (lmechling@tmamgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAODGrLBq2qiFr7bMvB3TRrPObWcV3bLUF

"2024 Sussex Trace HUD92458Rpt (4)" History

-  Document created by Lisa Mechling (lmechling@tmamgroup.com)
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-  Document e-signed by robert margolis (bobm@tmadevelopment.com)
Signature Date: 2024-04-18 - 7:05:28 PM GMT - Time Source: server
-  Agreement completed.
2024-04-18 - 7:05:28 PM GMT

Tab S:

Supportive House Mandatory
Certification and Documentation

This deal does not require
information behind this tab.

Tab T:

Funding Documentation



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Via Email

Awardee Information:

Charles Moore
Chief Financial Officer
Sussex Trace Preservation, LLC
212 East Main Street Suite 200
Salisbury, MD 21801

Tax Identification Number (TIN): 99-1862772
Unique Entity ID (UEI): SMPFYGTB9N16

Property Information:

Property Name: Sussex Trace
Property Address:
7144 Leneave Lane
Waverly, VA 23890
IREMS No.: 800022065
Number of Units: 50

Subject: Green and Resilient Retrofit Program – Leading Edge Award Commitment Letter

Dear Charles Robert Moore

This Leading Edge Award Commitment Letter (the “Letter”) serves as notice that your application has been selected for funding under the Leading Edge Award Notice of Funding Opportunity (FR-6700-N-91C) (the “NOFO”) under the Department of Housing and Urban Development’s (HUD) Green and Resilient Retrofit Program (GRRP), as governed by HUD Notice H 2023-05 (the “Notice”). The Award Date shall be the date the Office of Recapitalization signs this Letter. All capitalized terms not defined in this Letter shall have the meaning given in the Notice.

Award Information	
Award Type:	Surplus Cash Loan
GRRP Loan Award Number:	GRRPSLLE044
Award Amount Previously Obligated:	\$0
Award Obligated by this letter	\$3,000,000
Total Obligation	\$3,000,000
Period of Performance:	Award Date to 9/30/2028
Budget Period:	Award Date to 9/30/2028

Please note that the Period of Performance and the Budget Period refer to the time at which all funds must be expended or returned to the United States Treasury. The Awardee must also comply with all timeframes for performance as stated in the Notice.

HUD is obligating funding for your application in the amount stated above (the "Award"). The Award amount is based on the amount requested in the application. The Award amount is equal to the lesser of a) \$60,000 per unit at the property, b) \$10,000,000 or c) the Leading Edge Eligible Costs. The Award is based on the review of your application and in reliance on the accuracy of the materials you have submitted. Awardees must comply with all GRRP Requirements including the terms of this Letter.

Disbursements of Leading Edge Award funds shall not exceed the Leading Edge Eligible Costs. If during the underwriting, pre-closing phase or after closing it is determined that the total eligible costs will be less than the amount obligated here, the amounts in excess of total eligible costs will be rescinded.

In order to accept the Award, an authorized representative of the Awardee must execute and return a copy of this Letter to HUD electronically via DocuSign, or as otherwise directed by HUD, within 30 days of receipt of the Award Letter. Failure to return this letter in the time prescribed will result in rescission of the Award.

The following documents are attached and incorporated into this Letter:

- Attachment 1: Leading Edge Transaction Plan Requirements

HUD will proceed to Closing, unless the Awardee fails to satisfy the following items, with such satisfaction to be determined by HUD in its sole and absolute discretion:

1. Production, and submission to HUD for review, of the Leading Edge Transaction Plan as outlined on Attachment 1. The Leading Edge Transaction Plan must be submitted no later than 12 months following the Award Date.
2. Following HUD review and approval of the Leading Edge Transaction Plan after Awardee's satisfaction of all programmatic comments, acceptance of the Leading Edge Commitment ("LEC") issued by HUD.
3. Production and submission to HUD for review of the Closing Documents within 90 days of issuance of the LEC. All Leading Edge Awards must reach Closing within 6 months after issuance of the LEC, unless otherwise approved by HUD.
4. Receipt of full environmental clearance for the Property from HUD. The Award does not constitute approval of the site, which may occur only upon completion of HUD's environmental review. In the event that HUD finds the site acceptable but only with mitigation and the Awardee cannot meet the mitigation requirements, or if HUD determines that even with mitigation the site is unacceptable, the Award will be rescinded. In order for HUD to complete its Environmental Review, the Awardee must input all additional information requested by HUD into HEROS.
5. Satisfaction of all requirements identified in the Leading Edge Commitment (LEC).
6. Satisfaction of all programmatic or legal comments by HUD on the Leading Edge Closing Package Documents.
7. Registration in the Greenlight system and financial systems as may be required by HUD to disburse funds or collect repayment of loans.
8. Execution of such agreements, instruments, certificates, and other documents as HUD may require using forms prescribed by or acceptable to HUD to implement the Award.
9. No material changes in the nature of the transaction as described in the application submission or, in the event of such changes, full disclosure and approval by HUD of such changes as part of the Leading Edge Transaction Plan submission process. HUD shall review the transaction as revised to determine whether it remains compliant with GRRP Requirements. Your execution of the LEC and Closing Documents shall constitute acceptance of the final business terms reflected

therein. The Awardee's closing certifications and assurances, submitted with the Leading Edge Closing Package, shall reaffirm the absence of material changes relative to the information previously provided to HUD.

10. Satisfaction of all GRRP Requirements as stated in the NOFO (including but not limited to Section VI.B), Notice and this Letter.

As defined in the Notice, Closing refers to the date upon which the GRRP Use Agreement and applicable GRRP Grant or Surplus Cash Loan documents are effective. All requirements set forth in this Letter must be completed to HUD's satisfaction before HUD will execute required documents and the Closing can occur. HUD reserves the right to require additional documents or items in addition to those listed on Attachment 1 as part of HUD's final review and determination of program compliance.

Acceptance of this Award, or satisfaction of the GRRP Requirements set forth in the Notice and this Letter, do not alter the requirements or processes necessary to obtain required approvals that may be triggered by the Award and GRRP-funded work. The Awardee is responsible for working with their assigned Multifamily Account Executive and/or Performance-Based Contract Administrator to obtain such approvals that may include, but are not limited to: (i) Assignment of Assistance Contracts; (ii) Bifurcation of Section 8 PBRA Contracts; (iii) Transfers of Physical Assets; (iv) Approval of a new Management Agent (including applicable 2530 Previous Participation Clearance); (v) Approval of new ownership or new principals (including applicable 2530 Previous Participation Clearance); (vi) Assistance Contract renewals; and (vii) Rent adjustments under Assistance Contracts.

If the Awardee fails to meet any of the requirements in this Letter in HUD's sole and absolute discretion, HUD may decline to proceed to Closing and funding of the Award and may rescind the Award.

Regardless of whether the Closing is consummated, HUD shall not be responsible for any expenses or transaction costs incurred by the Awardee or at the Awardee's direction in connection with the Leading Edge Award (including without limitation, fees for consultants, attorneys, environmental contractors, tax advisors and accountants; city, county and/or state taxes and/or fees; recording fees, prepayment penalties and/or premiums; costs for title insurance and title examination; surveys and appraisals), other than Eligible Costs as defined in the Notice.

Please note that if the Leading Edge Transaction Plan submission does not occur within 12 months of the date of this Letter, unless extended by HUD, the Award will be rescinded.

Congratulations for your selection to participate in the Green and Resilient Retrofit Program with a Leading Edge Award. We look forward to working with you for the successful implementation of the activities described in your Leading Edge Award Application. Your assigned Grant and Loan Specialist will be reaching out shortly, however, please don't hesitate to contact us at grrp@hud.gov if you have any questions regarding this Leading Edge Award. Thank you for your commitment to investing and maximizing the energy efficiency and resilience of your property.

cc: Danilo Pelletiere
Director, Multifamily Investments Division
Cindy Onyekwere
Grant and Loan Specialist

GRRP Loan Award No.: GRRPSLLE044

U.S. Department of Housing and Urban Development

DocuSigned by:

3020456FA01148A...

Date Signed:
1/16/2025

Thomas R. Davis, Director
Office of Recapitalization

Please indicate by checking the box the space provided whether or not you accept this Award, including the special conditions or requirements that are specified herein and then sign below:

ACCEPT AND AGREE TO: ☒

DO NOT ACCEPT: ☐

Awardee:

Sussex Trace Preservation, LLC

Signed by:

253E9F1A50FC41A...

Date Signed:
1/20/2025

Name: Charles Robert Moore

Title: Chief Financial Officer

WARNING: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to: 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Attachment 1

Leading Edge Transaction Plan Requirements

Below are all the required components of a complete Leading Edge Transaction Plan and the requirements of each component. HUD may request additional documentation not listed below if HUD determines in its sole discretion that such information is necessary to determine compliance with GRRP Requirements:

A. Evidence that a CNA has been completed unless the project involves new construction.

1. **Capital Needs Assessment (CNA).** Except in the case of new construction, each property selected for an Award will be required to perform a detailed physical inspection to determine both short-term rehabilitation needs to be included in a Scope of Work and long-term capital needs to be addressed through a Reserve for Replacement Account. A CNA must be submitted with the Leading Edge Transaction Plan and must have been completed no earlier than twelve (12) months prior to submission of the Leading Edge Transaction Plan, except with HUD approval.
 - a. **CNA eTool.** The CNA must be conducted consistent with Appendix 5, Section A.5.7 of the MAP Guide and must use HUD's Capital Needs Assessment Electronic Tool (the CNA eTool). The CNA eTool contains two major components which will be used to develop the Scope of Work – the narrative description of each component and its condition, and the financial model setting forth the 20-year schedule of replacements, the associated determination of the Initial Deposit to Replacement Reserve (IDRR), and the Annual Deposit to Replacement Reserve (ADRR).
 - b. **Contractor Qualifications.** The CNA must be completed by a qualified, independent third-party professional as required by the MAP Guide.

B. Scope of Work.

The Owner must provide a certification that the Scope of Work addresses the immediate needs of the property, and that the Replacement Reserve addresses 20-year needs. The Scope of Work must:

1. Identify and address all repairs required in the CNA (including all items identified in the CNA as not functioning at the time of the site visit) or provide a written justification why those items are not included. Briefly discuss any differences between the conclusions / recommendations of the CNA provider, the levels of immediate rehabilitation needs, and the Owner's choices for replacement components.
2. Ensure that rehabilitation or new construction estimates are based on reasonable market estimates of actual costs, confirmed either by cost estimating completed by the architect/engineer (who is typically distinct from the contractor that conducted the CNA), or through actual competitive bids for major rehabilitation or construction items, in compliance with HUD requirements.
3. Include a summary of environmental issues known at that time and a discussion of any planned environmental remediation (including post-closing Operations & Maintenance plans). If the property was constructed before 1978, identify the need for interim controls of lead-based paint hazards based on a risk assessment or re-evaluation and discuss planned lead hazard control activities in accordance with 24 CFR Part 35. O&M plans covering properties that continue to have lead painted surfaces, even if enclosed or encapsulated, must include training and certifying property maintenance personnel who disturb paint in accordance with the EPA's Renovation, Repair and Painting Rule (40 CFR Part 745, Subpart E), training and certifying property maintenance personnel who abate the paint in accordance with the EPA's Lead Abatement Rule (40 CFR Part 745, Subpart L or Q), and training and certifying the employer of the property

maintenance personnel to become a certified lead renovation firm or certified lead abatement firm, as applicable.

4. Include a summary of accessibility features that are required pursuant to the Fair Housing Act and implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and implementing regulations at 28 CFR Parts 35 and 36, respectively.
5. Include a description of how all utility consuming components that are past estimated useful life at the time of the Leading Edge application (or that are not functioning at the time of the CNA inspection) will be replaced with the most effective alternative (taking into account initial cost and utility savings), as documented in the CNA.
6. Include a narrative addressing the measures taken to account for any climate risks faced by the property. At a minimum, this narrative should address any risks identified by the National Risk Index tool as “Relatively High” or “Very High” at the census tract level, or if no risks are “Relatively High” or “Very High”, then the narrative should address the two greatest risks at the property.
7. Include a reasonable timeline for completion of all rehabilitation items acceptable to HUD, depending on the scope of rehabilitation funded.
8. Include a narrative describing the rehabilitation and improvements needed to achieve the chosen Leading Edge Qualifying Certification.
9. Include modeling of post-retrofit utility consumption to determine expected consumption savings from the Scope of Work. The utility consumption model utilized must, at a minimum, consider factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. These utility estimates must be calculated by either (1) a properly licensed engineer or (2) a qualified professional approved by HUD. The form of this submission should be electronic, utilizing recognized industry standard methods, and include easily verified source data, tables, and references as a basis for the model estimates.

C. Itemization of Eligible Costs.

Under Leading Edge, HUD will cover the Leading Edge Eligible Costs. Consequently, when putting together the Scope of Work, the Owner should provide an itemized list of these costs for HUD to confirm that the work has been properly included and can be easily confirmed by a qualified third party during construction and Completion Certification.

D. Replacement Reserve Analysis Showing that the Replacement Reserve Addresses 20-Year Needs.

The annual deposit to the replacement reserve should be equal to that amount which, if deposited annually, will be sufficient to fund all capital needs, as identified in the CNA, arising during the first 20 years and otherwise not addressed upfront in either the rehabilitation or an initial deposit to the replacement reserve account. The Owner should use reasonable estimates in the inflation but in doing so the rate for escalating the increase in repair costs should not exceed the rate of interest on reserve deposits by more than 1%. HUD may consider alternative arrangements with respect to the initial deposit to the replacement reserve if risks to the Property can be adequately mitigated.

E. Sources and Uses of Funds.

The Sources and Uses must:

1. Include a reasonable, balanced, and comprehensive presentation of sources and uses of funds in accordance with all applicable HUD requirements.
2. Demonstrate that existing loans or debt will be paid off at the closing or are supported through the Property's net operating income. Demonstrate that any loans or advances provided by entities under common Control will be converted to unsecured obligations repayable from the Property's Surplus Cash unless otherwise approved by HUD. Such loans may not be paid off from the proceeds of new financing unless approved by HUD.
3. Include narrative that discusses any aspects of the planned rehabilitation that may result in an initial operating deficit during the rehabilitation period and how that deficit will be funded, including any operating deficit escrow or similar fund.
4. Meet the Financial Thresholds in Exhibit B of the Notice.

F. Operating Pro Forma.

The Operating Proforma must:

1. Include an attached discussion of the extent of energy and water savings that are anticipated as a result of the rehabilitation or construction and the basis for those estimates. The discussion must explain to what extent anticipated savings in utility costs have been included in the pro forma operating expenses.
2. Be consistent with local standards for Federally-assisted housing and otherwise comply with at least the following feasibility benchmarks:
 - a. Rents shall not exceed the amounts permitted under the Assistance Contract or pursuant to any other HUD restriction.
 - b. All other sources of income must be supported with a narrative or must not exceed the average for the last 3 years (other income should not include interest income on the replacement reserve account, which must remain in the reserve and is not available for other purposes).
 - c. Vacancy loss shall be no less than the greater of the average over the past three years or 3 percent.
 - d. Allowance for bad debt should be not less than the greater of the average over the past three years or 2 percent.
 - e. Insurance costs must be documented, such as quotes from an insurance agent based on actual recent premiums for similar properties.
 - f. All other operating expenses shall be no less than 85 percent of the average for the last three years, unless justified.
 - g. The annual replacement reserve deposit should be equal to that amount developed in Section D above.
 - h. Meet the Financial Thresholds in Exhibit B of the Notice.

G. Draw Schedule.

The draw schedule must include all sources and uses and show the projected draws of the Leading Edge Award in accordance with the Notice. The Leading Edge Award may be funded in accordance with this Notice without regard to the timing of contribution of other sources, provided that the Leading Edge Award shall only be disbursed after a properly submitted draw request for Leading Edge Eligible Costs. The Leading Edge Award may not be disbursed in excess of the Leading Edge Eligible Costs incurred.

H. Letters of Commitment for Other Financing.

For each proposed loan, equity contribution, or grant, the Owner must include:

1. A recent lender, investor, or grant engagement letter, dated no later than 60 days prior to Leading Edge Transaction Plan submission, with key terms identified (including for each amount, repayment terms, interest rate, amortization, maturity, prepayment restrictions, and pay-in schedule) from all financing provider(s). Permanent debt financing with monthly payment amounts not conditioned on the availability of cash flow on the Property must:
 - a. Be at a fixed rate of interest, for a fixed term, fully amortized over no more than 40 years;
 - b. Not have a balloon payment until after the earlier to occur of a) expiration of the term of the Assistance Contract, or b) 17 years from the date of the permanent debt financing; and
 - c. Not have a debt service coverage less than the higher of 1.11 or lender requirements.
2. All bridge loan or construction financing must be disclosed and approved by HUD. All debt repayable from available Surplus Cash and subordinate (or secondary) financing must be disclosed and then approved by the first-mortgage lender as well as HUD in accordance with Section 8.9 of the Mortgage Credit and Underwriting and Processing Requirements of the MAP Guide and any subsequent revisions or updates to the MAP Guide.
3. Documentation that the first mortgage lender has consented to the GRRP Use Agreement and that the lien of the new first mortgage loan will be subordinate to the GRRP Use Agreement.
4. Estimation of projected closing date for all proposed financing. Discuss any known impediments to closing within the timeframe required under the Notice. Include a discussion of key milestones with estimated milestone completion dates. The terms for all seller take-back financing must also be disclosed.

I. Certification from a Licensed Architect and/or Engineer.

Owners must submit a certification from the Architect indicating that the Property will achieve the selected Leading Edge Qualifying Certification if constructed in accordance with the plans and specifications. The form of such certification will be provided by HUD prior to the Owner's submission of their Leading Edge Transaction Plan.

J. Plans and Specifications if Required by HUD.

If required, the Owner must submit a copy of the project plans and specifications completed by a qualified architect or licensed professional engineer.

K. Evidence of Resident Engagement.

The Owner must submit the dates of the resident meetings and a record of the questions, comments, and Owner responses (written or oral, or in subsequent actions) to resident comments on the proposed plans and Scope of Work that were discussed in connection with such meetings.

L. Description of Planned Relocation Activities, if applicable.

The following provides suggested content for the description of planned relocation activities:

1. A general description of the project and project elements that may create relocation needs;
2. Information on residents of the Property and eligibility for relocation assistance and payments;

3. Information regarding how the project will address the expectation for continued tenancies, the residents' return to the property, and the Property's re-occupancy policies;
4. A detailed discussion of plans for temporary relocation assistance, if any;
5. Detailed discussion of plans for permanent displacement, if any, and relocation assistance to be provided;
6. A detailed discussion of compliance with fair housing and civil rights requirements, including accessibility requirements;
7. The relocation budget; and
8. The appeals process.

The relocation plan as a whole should discuss the specific steps to be taken to minimize displacement and the adverse impact of relocation on residents.

M. Development Team.

The Leading Edge Transaction Plan must provide information about the members of the development team and include the following information:

1. Updated list of all members of the development team, including the Owner, the General Contractor, the management agent, and all "principals" of those entities. The submission must disclose any changes that have been made since the Owner's application, as well as any identity of interest between any of the parties.
2. Evidence of recent successful experience with similar rehabilitation or construction projects. For properties requiring substantial rehabilitation or new construction, the Property Owner is required to engage a General Contractor, unless recent and comparable experience managing rehabilitation can be demonstrated.
3. Certification that members with green certification experience are on the team.

N. Evidence of Application for other required HUD approvals (2530, TPA) (If Applicable).

To the extent the proposed transaction will change ownership or management agent, the Owner must obtain all necessary HUD Approvals for such change including any necessary APPS clearance and TPA Approval from the HUD Multifamily Field Office.

O. GRRP Shared Savings Retainer, if applicable.

When the Owner requests a GRRP Shared Savings Retainer, the Owner must submit utility projections performed by a third-party professional engineer, based on the Property's plans and specifications that, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. The projections must show the differential between the current utility allowances and the projected utility allowances and, for Properties subject to a budget-based rent, the differential between current utility costs and projected utility costs.

P. Selection of Labor Standards Compliance Method in Accordance with Section 10.5 of the Notice, if applicable.



Housing Innovations in Energy Efficiency (HIEE)

FY 2025 Loan Terms & Conditions

The **Virginia Department of Housing and Community Development** herein referred to as “**DHCD**” or “**Lender**”, has approved the funding request of **Green Street Housing**, herein referred to as “**Developer**”, for the development **Sussex Trace Apartments**, herein referred to as the “**Project**”.

Please carefully review the following negotiable and non-negotiable terms of the **Housing Innovations in Energy Efficiency (HIEE)** funding, herein referred to as the “**HIEE Loan**”, for the Project. This terms agreement will be used to draft the HIEE Program Agreement.

Loan Amount and Funding Reservation Expiration

Loan Source: Housing Innovations in Energy Efficiency

Loan Amount: \$525,000.00

Funding Reservation Expiration: November 1, 2025

DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency.

**If the Project requires a Sponsor Loan for these funds, please coordinate with your Program Administrator.*

Affordability Period

The compliance and repayment periods begin upon loan closing. This loan constitutes permanent, must-pay, hard debt, which is not cash flow dependent.

Housing Innovations in Energy Efficiency Loan Terms	
Interest Rate	0%
Loan Repayment Period	30 years (360 months)
Mandatory Compliance Period	30 years (360 months)
Extended Compliance Period	If needed, coordinate with your program administrator for approval.

HIEE - FY 2025 Loan Terms & Conditions,
Continued:
Sussex Trace Apartments

Fund Disbursement and Loan Closing

It is the intention of the Lender to disburse the HIEE Loan 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, and environmental reports, closing of other required funding, customary due diligence, rehabilitation 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 and occupancy requirements for the project in accordance with program requirements.

Loan Forgiveness or Repayment

At the end of a successful 30-year minimum mandatory compliance and/or affordability period, it is the intention of the Lender to forgive the deferred principle. To satisfy prior requests of developer and investor counsel, DHCD standardized the forgiveness language.

The VHTF Program Agreement will include the following uniform forgiveness language:

Section V. Affordability Period - At the end of the Affordability Period, at DHCD's sole discretion, the initial principal and any accrued interest may be either repaid or forgiven, provided the recipient has been in compliance for 30 years.

Additional Conditions

Program agreements must be executed by November 1st, 2025. Permanent conversion must take place by November 1st, 2027. All program agreements will expire on November 1st, 2027.

If an extension is needed, please notify your program administrator. DHCD will approve extensions on a case by case basis.

Failure to execute a program agreement within the timeframe above could result in the de-obligation of funds to your project.

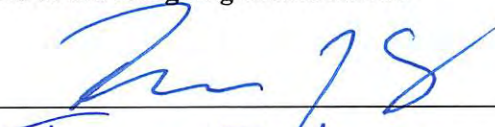
Please execute and return this document to DHCD via email. Once received, DHCD will be in communication with you regarding next steps.

HIEE - FY 2025 Loan Terms & Conditions,

Continued:

Sussex Trace Apartments

The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:


Name: Thomas J. Ayo, Jr. Date: 3/19/2025
Title: Authorized Person
Organization: Green Street Housing LLC

DHCD Approval:

Date:



HOME Investment Partnerships Program (HOME) **FY 2025 Loan Terms & Conditions**

The **Virginia Department of Housing and Community Development** herein referred to as “**DHCD**” or “**Lender**”, has approved the funding request of **Green Street Housing**, herein referred to as “**Developer**”, for the development **Sussex Trace Apartments**, herein referred to as the “**Project**”.

Please carefully review the following negotiable and non-negotiable terms of the **HOME Investment Partnerships Program (HOME)** funding, herein referred to as the “**HOME Loan**”, for the Project. This terms agreement will be used to draft the HOME Program Agreement.

Loan Amount and Funding Reservation Expiration

Loan Source: HOME Investment Partnerships Program (HOME)

Loan Amount: \$700,000.00

Funding Reservation Expiration: November 1, 2025

DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency.

**HOME Loans are not eligible for sponsor structure.*

Affordability Period

The compliance and repayment periods begin upon loan closing. This loan constitutes permanent, must-pay, hard debt, which is not cash flow dependent.

HOME Loan Terms	
Interest Rate	0.5%
Loan Repayment Period	30 years (360 months)
Mandatory Compliance Period	15 years (180 months)
Virginia Extended Compliance Period	15 years (180 months)
Extended Compliance Period	If needed, coordinate with your program administrator for approval.

*Interest rate reduction requests after execution of the Terms Letter will require a formal Rate Change Request

HOME Program - FY 2025 Loan Terms & Conditions, Continued: **Sussex Trace Apartments**

Fund Disbursement and Loan Closing

It is the intention of the Lender to disburse the HOME Loan 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, and environmental reports, closing of other required funding, customary due diligence, rehabilitation 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 and occupancy requirements for the project in accordance with program requirements.

Loan Forgiveness or Repayment

At the end of a successful 30-year minimum mandatory compliance and/or affordability period, it is the intention of the Lender to forgive the deferred principle. To satisfy prior requests of developer and investor counsel, DHCD standardized the forgiveness language.

The HOME Program Agreement will include the following forgiveness language:

Exhibit A - At the end of the VA Extended Compliance Period, the initial principal and any accrued interest may be forgiven or repaid, at DHCD's sole discretion, provided the Project Owner has remained in compliance throughout the Affordability Period and VA Extended Compliance Period.

Environmental Review Requirements

Projects awarded HOME funds require a Part 58 Environmental Review, completed by the developer, and approved by DHCD. No development activity including the acquisition of the property can occur prior to the completion of this review, as the review requires the publication of a notice of findings and the request for release of funds from HUD. The Environmental Review must be completed before DHCD can provide program agreements.

If the Project has received local HOME or CDBG funding, or has an allocation of Project Based Vouchers, DHCD may coordinate the review process with the locality. It is the responsibility of the Developer to initiate contact between the locality and DHCD staff. Please note, DHCD will not act as the Responsible Entity for locality funding unless advised by HUD.

Additional Conditions

Program agreements must be executed by November 1st, 2025. Permanent conversion must take place by November 1st, 2027. All program agreements will expire on November 1st, 2027.

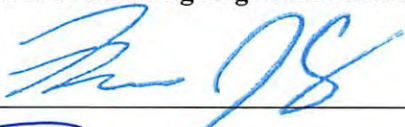
If an extension is needed, please notify your program administrator. DHCD will approve extensions on a case by case basis.

**HOME Program - FY 2025 Loan Terms &
Conditions, Continued:**
Sussex Trace Apartments

Failure to execute a program agreement within the timeframe above could result in the de-obligation of funds to your project.

Please execute and return this document to DHCD via email. Once received, DHCD will be in communication with you regarding next steps.

The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:



Name: Thomas J. Ayco, Jr. Date: 4/1/2025

Title: AUTHORIZED PERSON

Organization: Green Street Housing, LLC

DHCD Approval:	Date:
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Virginia Housing Trust Fund (VHTF) **FY 2025 Loan Terms & Conditions**

The **Virginia Department of Housing and Community Development** herein referred to as “**DHCD**” or “**Lender**”, has approved the funding request of **Green Street Housing**, herein referred to as “**Developer**”, for the development **Sussex Trace Apartments**, herein referred to as the “**Project**”.

Please carefully review the following negotiable and non-negotiable terms of the **Virginia Housing Trust Fund (VHTF)** funding, herein referred to as the “**VHTF Loan**”, for the Project. This terms agreement will be used to draft the VHTF Program Agreement.

Loan Amount and Funding Reservation Expiration

Loan Source: Virginia Housing Trust Fund

Loan Amount: \$1,400,000.00

Funding Reservation Expiration: November 1, 2025

DHCD shall be placed in the 2nd lien position, unless otherwise approved by the agency.

**If the Project requires a Sponsor Loan for these funds, please coordinate with your Program Administrator.*

Affordability Period

The compliance and repayment periods begin upon loan closing. This loan constitutes permanent, must-pay, hard debt, which is not cash flow dependent.

Virginia Housing Trust Fund Loan Terms	
Interest Rate*	0%
Loan Repayment Period	30 years (360 months)
Mandatory Compliance Period	30 years (360 months)
Extended Compliance Period	If needed, coordinate with your program administrator for approval.

*Interest rate reduction requests after execution of the Terms Letter will require a formal Rate Change Request

VHTF - FY 2025 Loan Terms & Conditions,
Continued:
Sussex Trace Apartments

Fund Disbursement and Loan Closing

It is the intention of the Lender to disburse the VHTF Loan 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, and environmental reports, closing of other required funding, customary due diligence, rehabilitation 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 and occupancy requirements for the project in accordance with program requirements.

Loan Forgiveness or Repayment

At the end of a successful 30-year minimum mandatory compliance and/or affordability period, it is the intention of the Lender to forgive the deferred principle. To satisfy prior requests of developer and investor counsel, DHCD standardized the forgiveness language.

The VHTF Program Agreement will include the following uniform forgiveness language:

Section V. Affordability Period - At the end of the Affordability Period, at DHCD's sole discretion, the initial principal and any accrued interest may be either repaid or forgiven, provided the recipient has been in compliance for 30 years.

Additional Conditions

Program agreements must be executed by November 1st, 2025. Permanent conversion must take place by November 1st, 2027. All program agreements will expire on November 1st, 2027.

If an extension is needed, please notify your program administrator. DHCD will approve extensions on a case by case basis.

Failure to execute a program agreement within the timeframe above could result in the de-obligation of funds to your project.

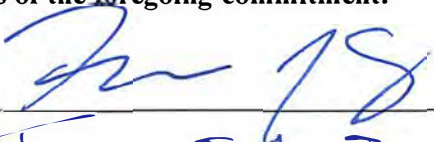
Please execute and return this document to DHCD via email. Once received, DHCD will be in communication with you regarding next steps.

VHTF - FY 2025 Loan Terms & Conditions,

Continued:

Sussex Trace Apartments

The undersigned accepts the obligation of funds, and agrees to the programmatic terms & conditions of the foregoing commitment:


Name: Thomas J. Ayo Jr. Date: 3/19/2025
Title: Authorized Person
Organization: Green Street Housing

DHCD Approval:

Date:

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

Sussex Trace Preservation, LLC
212 E. Main Street, Suite 200
Salisbury, MD 21801

RE: Virginia Housing Free Housing Education Acknowledgement

I _____, have read, understand, and acknowledge, I have been presented information regarding the Virginia Housing free renter education to tenants.

I understand that it is my responsibility to review the website link provided here
www.virginiahousing.com/renters.

By signing below, I acknowledge that I have read, and understand the terms of all items contained this form.

Resident Name: _____

Resident Signature: _____

Date: _____

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

This deal does not require
information behind this tab.

Tab W:

Internet Safety Plan and Resident Information Form

Sussex Trace Internet Guidelines

Acknowledgement

I _____, have read, understand, acknowledge and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in The Sussex Trace Apartments Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at The Sussex Trace common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by Sussex Trace Apartments. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in Sussex Trace's Internet Guideline Manual.

Resident Name: _____

Resident Signature: _____

Date: _____

SUSSEX TRACE
INTERNET SECURITY PLAN

The internet service at Sussex Trace Apartments will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

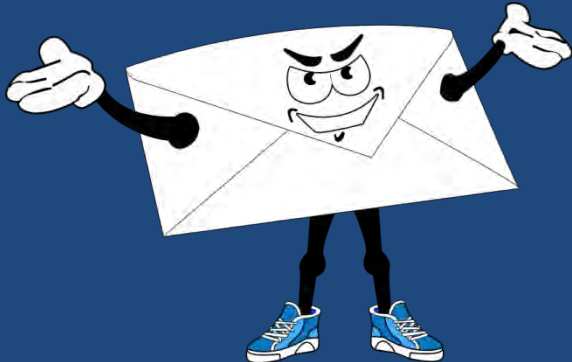
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



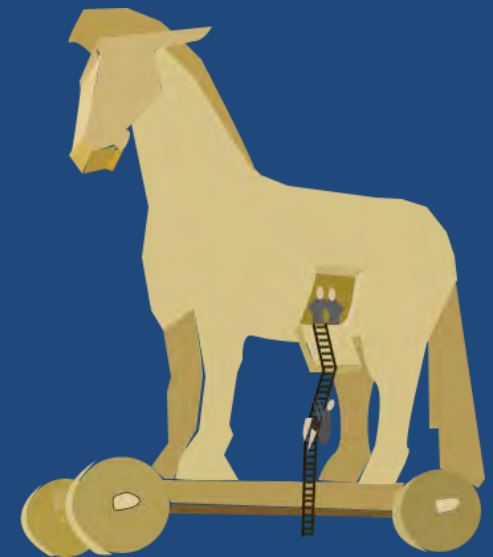
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a “zombie computer”. “Zombie computers” can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-what-is.aspx>

Social Media

Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.



Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger(can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:
Office of the Attorney
General

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www.ag.virginia.gov

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

Sussex Trace Apartments

Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that Sussex Trace Apartments will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and effective management and maintenance of the property.

The Management Agent will be responsible for the management of Sussex Trace Apartments. Gateway Management Services, L.L.C. (Gateway), the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, Gateway will be responsible for the development and management of community and resident services program.

I. Affirmative Marketing

Gateway is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. Gateway, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the housing staff will be referred to the Regional Property Manager of Gateway.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

Gateway will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- Area Center for Independent Living (540-433-6513)
 - Virginia Board for People with Disabilities (804-786-0016)
 - Virginia Department for Aging and Rehabilitative Services (757-451-7101)
- Centers for Independent Living**
- Disability Resource Center (540-433-6513)
 - Horizon Behavior Health (434-477-5000)

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

- Unless prohibited by and applicable federal subsidy program.
- A “first preference” will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.
- Will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.
- Will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status
- Target Population units will be confirmed by VHDA.

2. Internet Search

Apartments will also be listed on the following websites:

www.virginiahousingsearch.com
www.hud.gov
www.accessva.org
www.dbhds.virginia.gov

3. Print Media

Print media sources will also be identified in the Sussex County area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the *Apartment Shoppers Guide*, *Apartments For Rent*, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. ***Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property.*** Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage**—A simple, two-color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of

features and amenities. News media may include the local newspaper and/or the local television station coverage.

- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.

- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

This deal does not require
information behind this tab.

Tab Z:

Documentation of team member's Diversity, Equity
and Inclusion Designation or Veteran Owned Small
Business certification

This deal does not require
information behind this tab.

Tab AA:

Priority Letter from Rural Development

This deal does not require
information behind this tab.

TAB AB:

Social Disadvantage Certification or Veteran
Owned Small Business Certification

This deal does not require
information behind this tab.