
2026 Federal Low Income Housing Tax Credit Program for Virginia

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications and Fees Must Be Received

No Later Than **12:00 PM** Richmond, VA Time On **March 12, 2026**

Tax Exempt Bonds

Applications and Fees Must Be Received

No Later Than **12:00 PM** Richmond, VA Time for one of the available
4% credit rounds- **January 15, 2026, July 1, 2026** or **October 1, 2026**.

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



INSTRUCTIONS FOR THE VIRGINIA 2026 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 all credits:

Applicants should submit the application package via Procorem prior to the application deadline, which is **12:00 PM** Richmond Virginia time for each round. 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**

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
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
Lauren Dillard	lauren.dillard@virginiahousing.com	(804) 584-4729
Hadia Ali	hadia.ali@virginiahousing.com	(804) 343-5873

TABLE OF CONTENTS

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

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

2026 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)
☐	PDF Copy of the <u>Signed</u> Tax Credit Application with Attachments (Tabs A-AB) (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 Signed Previous Participation Agreement
☐	
☒	Tab A: 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: <i>Any supporting documentation related to List of LIHTC Developments or Previous Participation Agreement</i>
☒	Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY)
☒	Tab F: Third Party RESNET Rater Certification and Sample HERS certificates (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
☒	K.2 Surveyor's Certification of Proximity To Public Transportation using Virginia Housing template
☒	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
☒	Tab T: Funding Documentation
☒	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 Veteran Owned Small Business certification
☐	Tab AA: Priority Letter from Rural Development
☐	Tab AB: Ownership's Veteran Owned Small Business Certification

VHDA TRACKING NUMBER

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 7/1/2026

1. Development Name: Bluestone Town Center Family I
 2. Address (line 1): 1645 Erickson Avenue
Address (line 2):
City: Harrisonburg State: VA Zip: 22801
 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: -78.90682 Latitude: 38.43877
(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 Harrisonburg City
 5. The site overlaps one or more jurisdictional boundaries. FALSE
If true, what other City/County is the site located in besides response to #4?
 6. Development is located in the census tract of: 51660000301.00
 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**. TRUE
 11. Development is located in an **Opportunity Zone** (with a binding commitment for funding). FALSE
(If 9, 10 or 11 are True, **Action**: Provide required form in **TAB K1**)
 12. Development is located in a census tract with a household poverty rate of:

3%	10%	12%
<u>FALSE</u>	<u>TRUE</u>	<u>FALSE</u>
 13. Development is located in a medium or high-level economic development jurisdiction based on table. TRUE
 14. Development is located on land owned by federally or Virginia recognized Tribal Nations. FALSE
- Enter only Numeric Values below:**
15. Congressional District: 6
Planning District: 6
State Senate District: 26
State House District: 26
 16. Development Description: In the space provided below, give a brief description of the proposed development

Bluestone Town Center Family I will be a 83 unit multifamily development with community space.

VHDA TRACKING NUMBER		
A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT		Application Date: 7/1/2026

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:	Ande Banks		
Chief Executive Officer's Title:	City Manager	Phone:	540-432-7701
Street Address:	409 S Main Street		
City:	Harrisonburg	State:	VA
		Zip:	22801

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Ande Banks, City Manager

- 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 the round.

ROUND 2

For Tax Exempt Bonds, where are bonds being issued?

TBD

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

2. Type(s) of Allocation/Allocation Year (skip for TE Credits)

Definitions of types:

a.

Regular Allocation means all of the buildings in the development are expected to be placed in service this calendar year, 2026.

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, 2026, 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 2026 credits pursuant to Section 42(h)(1)(E).

3. Select Building Allocation type:

New Construction

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

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

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 relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application.

TRUE

If true, provide name of companion development:

Bluestone Town Center Senior I

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

TRUE

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

Total Units within 9% allocation request?

62

Total Units within 4% Tax Exempt allocation Request?

83

Total Units:

145

% of units in 4% Tax Exempt Allocation Request:

57.24%

6. Extended Use Restriction

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

Must Select One:

30

Definition of selection:

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

7. Virginia Housing would like to encourage the efficiency of electronic payments. Indicate if developer commits to submitting any payments 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 right of our website. An invoice for your application fee along with access information was provided in your development's assigned Procorem work center.

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: BTC Family I LLC

Developer Name: Harrisonburg Redevelopment Housing Authority

Contact: M/M ▶ Mr. First: Michael MI: Last: Wong

Address: 286 Kelley Street

City: Harrisonburg St. ▶ VA Zip: 22802

Phone: Ext. Fax:

Email address: wongway@harrisonburgrha.com

Federal I.D. No. (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.

- ACTION:**
- a. Provide Certification from Virginia State Corporation Commission (**Mandatory TAB B**)
 - b. Complete the Principals' Previous Participation Certification tabs within this spreadsheet. Include signed in Application PDF, along with ROFR, if applicable.

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

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

c. FALSE Indicate True if the owner meets the following statement:
An applicant with a principal that, within three years prior to the current application, beginning with deals awarded in 2025, received an IRS Form 8609 for placing a separate 9% 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:

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

12/31/2027

.
- 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:EP Harrisonburg Owner LLC

Address:1888 Main Street STE C163

City:MadisonSt.:MSZip:39110

Contact Person:Tim McCartyPhone:(601) 506-5026

Note: No developer's fee basis in cases where there purchaser and seller unless Housing prior to applicatio Fee Calculation in the LIHT

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

TRUE

If above statement is TRUE, complete the following:

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

Names	Phone	Type Ownership	% Ownership
Harrisonburg Redevelopment & Housi	(540) 434-7386	Fee Simple	51.00%
EPM Harrisonburg Holdings LLC	(601) 506-6026	Fee Simple	49.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

- Indicate Veteran Owned Small Business designation (as defined in the manual) to each team member (if applicable). You can mark True for 3 members to receive the full 10 points.

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

1. Tax Attorney:	Kelly Bissinger	This is a Related Entity.	FALSE
Firm Name:	Arnold Golden Gregory LLP		
Address:	2100 Pennsylvania Ave NW, Suite 350S	Veteran Owned Small Bus?	FALSE
City, State, Zip	Washington, DC 20037		
Email:	kelly.bissinger@agg.com	Phone:	(202) 553-4353
2. Tax Accountant:	TJ Hennen	This is a Related Entity.	FALSE
Firm Name:	Novogradac & Company LLP		
Address:	555 North Point Center E, Suite 600	Veteran Owned Small Bus?	FALSE
City, State, Zip	Alpharette, GA 30022		
Email:	tj.hennen@novoco.com	Phone:	(678) 339-3686
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
4. Management Entity:	Avram Fechter	This is a Related Entity.	TRUE
Firm Name:	Beacon Property Services LLC		
Address:	4711 Forest Drive, STE3 #3 292	Veteran Owned Small Bus?	FALSE
City, State, Zip	Columbia, SC 29206		
Email:	afechter@equiplusllc.com	Phone:	202 236 4402
5. Contractor:	TBD	This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip			
Email:	TBD	Phone:	
6. Architect:	Colin Arnold	This is a Related Entity.	FALSE
Firm Name:	Arnold Design Studio		
Address:	930 Cambria St NE	Veteran Owned Small Bus?	FALSE
City, State, Zip	Christiansburg, VA 24703		
Email:	carnold@arnolddesignstudio.com	Phone:	540 239 2008

E. DEVELOPMENT TEAM INFORMATION

7. Real Estate Attorney:	Kelly Bissinger	This is a Related Entity.	FALSE
Firm Name:	Arnold Golden Gregory LLP		
Address:	2100 Pennsylvania Ave NW, Suite 350S	Veteran Owned Small Bus?	FALSE
City, State, Zip	Washington, DC 20037		
Email:	kelly.bissinger@agg.com	Phone:	(202) 553-4353
8. Mortgage Banker:	Victor E. Augusta Jr.	This is a Related Entity.	FALSE
Firm Name:	BWE		
Address:	6106 MacArthur Blvd	Veteran Owned Small Bus?	FALSE
City, State, Zip	Bethesda, MD 20816		
Email:	vic.augusta@bwe.com	Phone:	312 282 7142
9. Other 1:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
10. Other 2:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
11. Other 3:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
12. Other 4:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	FALSE
City, State, Zip		Role:	
Email:		Phone:	
13. Other 5:		This is a Related Entity.	FALSE
Firm Name:			
Address:		Veteran Owned Small Bus?	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. **FALSE**

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

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

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

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement. **FALSE**

- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i), **FALSE**

- i. Subsection (I) **FALSE**
 ii. Subsection (II) **FALSE**
 iii. Subsection (III) **FALSE**
 iv. Subsection (IV) **FALSE**
 v. Subsection (V) **FALSE**

- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6). **FALSE**

- d. There are different circumstances for different buildings. **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

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

G. NONPROFIT INVOLVEMENT

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 general partnership or managing member interest.

FALSE

e. Not be affiliated with or controlled by a for-profit organization.

FALSE

f. Not have been formed for the principal purpose of competition in the Non Profit Pool.

FALSE

g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

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

A. Nonprofit Involvement (All Applicants)

FALSE

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

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

B. Type of involvement:

FALSE

Nonprofit meets eligibility requirement for points only, not pool.

or

FALSE

Nonprofit meets eligibility requirements for nonprofit pool and points.

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):

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

51.0%

G. NONPROFIT INVOLVEMENT

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

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

TRUE

Name of Local Housing Authority

Harrisonburg Redevelopment and 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.

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

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

H. STRUCTURE AND UNITS INFORMATION**1. General Information**

a. Total number of all units in development	83	bedrooms	207
Total number of rental units in development	83	bedrooms	207
Number of low-income rental units	83	bedrooms	207
Percentage of rental units designated low-income	100.00%		
b. Number of new units:	83	bedrooms	207
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:	0	bedrooms	0
c. If any, indicate number of planned exempt units (included in total of all units in development)			0
d. Total Floor Area For The Entire Development			112,738.77 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)			16,011.87 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding)			0.00
g. Total Usable Residential Heated Area			96,726.90 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			100.00%
i. Exact area of site in acres	3.016		
j. Locality has approved a final site plan or plan of development. If True , Provide required documentation (TAB O).	TRUE		
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits	FALSE		

Definition:

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

H. STRUCTURE AND UNITS INFORMATION**2. UNIT MIX**a. Specify the **average size and number per unit type**:*LIHTC Units can not be greater than Total Rental Units*

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
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	1073.76	SF	42	42
3BR Garden	1259.24	SF	41	41
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			83	83

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

3. Structures

- a. Number of Buildings (containing rental units) **4**
- b. Age of Structure: **0** years
- c. Maximum Number of stories: **3**

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 <u>any</u> structural elements made of wood) | TRUE |
| ii. Mid Rise Building(s) - (5-7 stories with <u>no</u> structural elements made of wood) | FALSE |
| iii. High Rise Building(s) - (8 or more stories with <u>no</u> structural elements made of wood) | FALSE |

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

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

h. Development contains an elevator(s).

If true, # of Elevators.

Elevator Type (if known)

FALSE
0

H. STRUCTURE AND UNITS INFORMATION

- | | | |
|----------------------------|---|-------------|
| i. Roof Type | ▶ | Hip Roof |
| j. Construction Type | ▶ | Frame |
| k. Primary Exterior Finish | ▶ | Combination |

4. Site Amenities (indicate all proposed)

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

- | | |
|-----------------------------------|---------------------------------|
| l. Describe Community Facilities: | Community room includes kitchen |
|-----------------------------------|---------------------------------|

- | | |
|---------------------------------------|-------|
| m. Number of Proposed Parking Spaces | 84 |
| 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. | TRUE |
|---|------|

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

5. Plans and Specifications

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
- A location map with development clearly defined.
 - 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.
 - Sketch plans of all building(s) reflecting overall dimensions of:
 - Typical floor plan(s) showing apartment types and placement
 - Ground floor plan(s) showing common areas
 - Sketch floor plan(s) of typical dwelling unit(s)
 - Typical wall section(s) showing footing, foundation, wall and floor structure
Notes must indicate basic materials in structure, floor and exterior finish.
- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.
- Phase I environmental assessment.
 - Physical needs assessment for any rehab only development.
- c. **All Tax Exempt 4% Applications must submit plans and specifications complete at least through Design Development (DD) phase for all design disciplines.** Reference the separate Minimum Design and Construction Requirements document for a full list of submission requirements for New Construction and Rehabilitation projects.

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 below.

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. |
| 50.00% | b1. Percentage of brick covering the exterior walls. |
| 50.00% | 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 |
| FALSE | 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. |
| FALSE | h. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service where it does not already exist. |
| 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. |
| TRUE | m. All interior doors within units are solid core. |
| TRUE | n. Installation of a renewable energy electric system in accordance with manufacturer's specifications and all applicable provisions of the National Electrical Code - Provide documentation at Tab F . |
| TRUE | 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:

- TRUE

Earthcraft Gold or higher certification
- FALSE

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.)

- TRUE

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)

- TRUE

a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- 27

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

33% of Total Rental Units

No Market Units listed on Structure 1a.

4.

FALSE

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

If not, please explain:



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

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	15	18	0
Air Conditioning	0	0	15	17	0
Cooking	0	0	11	12	0
Lighting	0	0	11	11	0
Hot Water	0	0	12	15	0
Water	0	0	38	47	0
Sewer	0	0	38	47	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$140	\$167	\$0

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

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

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

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

TRUE

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.

2. **Special Housing Needs/Leasing Preference:**

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

FALSE

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

FALSE

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

FALSE

Supportive Housing (as described in the Tax Credit Manual)

FALSE

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.

FALSE

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

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

K. SPECIAL HOUSING NEEDS**3. Leasing Preferences**

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

Organization which holds waiting list:

Harrisonburg Redevelopment and Housing Authority

Contact person: Michael Wong

Title: Executive Director

Phone Number: (540) 434-7386

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

- b. Leasing preference will be given to individuals and families with children.
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

TRUE

- c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 41
% of total Low Income Units 49%

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

[Download Current CMA List from VirginiaHousing.com](https://www.virginiahousing.com/DownloadCurrentCMAList)

Action: Provide documentation of tenant disclosure regarding Virginia Housing Rental Education
(Mandatory - Tab U)

4. 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.

First Name: Michael

Last Name: Wong

Phone Number: (540) 434-7386

Email: wongway@harrisonburgrha.com

K. SPECIAL HOUSING NEEDS

5. Rental Assistance

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

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

FALSE	Rental Assistance Demonstration (RAD) or other PHA conversion to project based rental assistance.
FALSE	Section 8 New Construction Substantial Rehabilitation
FALSE	Section 8 Moderate Rehabilitation
FALSE	Section 811 Certificates
TRUE	Section 8 Project Based Assistance
FALSE	RD 515 Rental Assistance
FALSE	Section 8 Vouchers
	*Administering Organization:
FALSE	State Assistance
	*Administering Organization:
FALSE	Other:

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

TRUE

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

d. Number of units receiving assistance:	35
How many years in rental assistance contract?	20.00
Expiration date of contract:	12/30/2058
There is an Option to Renew.	TRUE

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

6. Public Housing Revitalization

Is this development replacing or revitalizing Public Housing Units?	FALSE
If so, how many existing Public Housing units?	0

K. SPECIAL HOUSING NEEDS

3. Leasing Preferences

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

Organization which holds waiting list: Harrisonburg Redevelopment and Housing Authority

Contact person: Michael Wong

Title: Executive Director

Phone Number: (540) 434-7386

Action: Provide required notification documentation (TAB L)

b. Leasing preference will be given to individuals and families with children. TRUE
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: 41
% of total Low Income Units 49%

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

Download Current CMA List from VirginiaHousing.com

Action: Provide documentation of tenant disclosure regarding Virginia Housing Rental Education (Mandatory - Tab U)

4. 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.

First Name: Michael

Last Name: Wong

Phone Number: (540) 434-7386 Email: wongway@harrisonburgrha.com

K. SPECIAL HOUSING NEEDS

5. Rental Assistance

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

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

FALSE	Rental Assistance Demonstration (RAD) or other PHA conversion to project based rental assistance.
FALSE	Section 8 New Construction Substantial Rehabilitation
FALSE	Section 8 Moderate Rehabilitation
FALSE	Section 811 Certificates
TRUE	Section 8 Project Based Assistance
FALSE	RD 515 Rental Assistance
FALSE	Section 8 Vouchers
	*Administering Organization:
FALSE	State Assistance
	*Administering Organization:
FALSE	Other:

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

TRUE

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

d. Number of units receiving assistance:	35
How many years in rental assistance contract?	20.00
Expiration date of contract:	12/30/2058
There is an Option to Renew.	TRUE

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

6. 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 CATEGORY**

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
35	42.17%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
48	57.83%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
83	100.00%	Total

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
35	42.17%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
48	57.83%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
83	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 40% Levels 50% levels

- c. The development plans to utilize average income testing.....

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 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	2 BR - 2 Bath	60% AMI	6	2	993.17	\$1,201.00	\$7,206
Mix 2	2 BR - 2 Bath	60% AMI	36	3	995.88	\$1,201.00	\$43,236
Mix 3	3 BR - 2 Bath	60% AMI	6		1172.13	\$1,389.00	\$8,334
Mix 4	3 BR - 2 Bath	30% AMI	35	4	1172.13	\$1,609.00	\$56,315
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0

L. UNIT DETAILS

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
Mix 66								\$0
Mix 67								\$0

L. UNIT DETAILS

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			83	9			\$115,091

Total Units	83	Net Rentable SF:	TC Units	89,868.03
			MKT Units	0.00
			Total NR SF:	89,868.03

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

M. OPERATING EXPENSES**Administrative:**

Use Whole Numbers Only!

1. Advertising/Marketing			\$0
2. Office Salaries			\$120,000
3. Office Supplies			\$6,000
4. Office/Model Apartment	(type)		\$0
5. Management Fee			\$77,000
5.99% of EGI	\$927.71	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type)		\$0
8. Legal			\$5,000
9. Auditing			\$5,000
10. Bookkeeping/Accounting Fees			\$2,500
11. Telephone & Answering Service			\$1,500
12. Tax Credit Monitoring Fee			\$2,790
13. Miscellaneous Administrative			\$0
Total Administrative			\$219,790

Utilities

14. Fuel Oil		\$0
15. Electricity		\$79,680
16. Water		\$19,920
17. Gas		\$0
18. Sewer		\$19,920
Total Utility		\$119,520

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$0
21. Janitor/Cleaning Contract		\$0
22. Exterminating		\$0
23. Trash Removal		\$5,000
24. Security Payroll/Contract		\$25,000
25. Grounds Payroll		\$0
26. Grounds Supplies		\$1,000
27. Grounds Contract		\$2,500
28. Maintenance/Repairs Payroll		\$25,000
29. Repairs/Material		\$0
30. Repairs Contract		\$0
31. Elevator Maintenance/Contract		\$5,000
32. Heating/Cooling Repairs & Maintenance		\$5,000
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$2,500
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$0
37. Miscellaneous		\$2,500
Totals Operating & Maintenance		\$73,500

M. OPERATING EXPENSES**Taxes & Insurance**

38. Real Estate Taxes		\$41,500
39. Payroll Taxes		\$0
40. Miscellaneous Taxes/Licenses/Permits		\$0
41. Property & Liability Insurance	\$500 per unit	\$41,500
42. Fidelity Bond		\$0
43. Workman's Compensation		\$0
44. Health Insurance & Employee Benefits		\$0
45. Other Insurance		\$0
Total Taxes & Insurance		\$83,000

Total Operating Expense**\$495,810**

**Total Operating
Expenses Per Unit**

\$5,974

**C. Total Operating
Expenses as % of EGI**

38.60%

Replacement Reserves (Total # Units X \$300 or \$250 New Const./Elderly Minimum)

\$24,900**Total Expenses****\$520,710**

N. 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 the left.

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

Must Use Whole Numbers Only! Item		(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
			"30% Present Value Credit"		(D)
			(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost					
a.	Unit Structures (New)	13,100,000	0	13,100,000	0
b.	Unit Structures (Rehab)	0	0	0	0
c.	Non Residential Structures	0	0	0	0
d.	Commercial Space Costs	0	0	0	0
e.	Structured Parking Garage	0	0	0	0
	Total Structure	13,100,000	0	13,100,000	0
f.	Earthwork	0	0	0	0
g.	Site Utilities	0	0	0	0
h.	Renewable Energy	0	0	0	0
i.	Roads & Walks	1,600,000	0	1,600,000	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	1,049,082	0	1,049,082	0
	Total Land Improvements	2,649,082	0	2,649,082	0
	Total Structure and Land	15,749,082	0	15,749,082	0
r.	General Requirements	800,000	0	1,050,000	0
s.	Builder's Overhead	200,000	0	366,000	0
(1.3% Contract)					
t.	Builder's Profit	800,000	0	1,050,000	0
(5.1% Contract)					
u.	Bonds	200,000	0	200,000	0
v.	Building Permits	0	0	0	0
w.	Special Construction	0	0	0	0
x.	Special Equipment	0	0	0	0
y.	Other 1:	0	0	0	0
z.	Other 2:	0	0	0	0
aa.	Other 3:	0	0	0	0
Contractor Costs		\$17,749,082	\$0	\$18,415,082	\$0

Construction cost per unit:**\$213,844.36****MAXIMUM COMBINED GR, OVERHEAD & PROFIT =****\$2,204,871****ACTUAL COMBINED GR, OVERHEAD & PROFIT =****\$1,800,000**

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	397,779	0	397,779	0
b. Architecture/Engineering Design Fee \$2,833 /Unit)	235,172	0	235,172	0
c. Architecture Supervision Fee \$1,545 /Unit)	128,276	0	128,276	0
d. Tap Fees	0	0	0	0
e. Environmental	42,759	0	42,759	0
f. Soil Borings	42,759	0	42,759	0
g. Green Building (Earthcraft, LEED, etc.)	25,000	0	25,000	0
h. Appraisal	15,000	0	15,000	0
i. Market Study	15,000	0	15,000	0
j. Site Engineering / Survey	107,000	0	107,000	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	100,000	0	100,000	0
n. Construction Interest (8.0% for 18 months)	600,000	0	600,000	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	0	0	0	0
q. Permanent Loan Fee (0.0%)	0			
r. Other Permanent Loan Fees	40,000			
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	15,000	0	15,000	0
u. Accounting	15,000	0	0	0
v. Title and Recording	100,000	0	100,000	0
w. Legal Fees for Closing	150,000	0	0	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	70,406			
z. Tenant Relocation	0			
aa. Fixtures, Furnitures and Equipment	100,000	0	0	0
ab. Organization Costs	100,000			
ac. Operating Reserve	600,000			
ad. Soft Costs Contingency	400,000			
ae. Security	0	0	0	0
af. Utilities	0	0	0	0
ag. Supportive Service Reserves	0			

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify:		0	0	0	0
(2) Other* specify:		0	0	0	0
(3) Other* specify:		0	0	0	0
(4) Other* specify:		0	0	0	0
(5) Other * specify:		0	0	0	0
(6) Other* specify:		0	0	0	0
(7) Other* specify:		0	0	0	0
(8) Other* specify:		0	0	0	0
(9) Other* specify:		0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))		\$3,299,151	\$0	\$1,823,745	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)		\$21,048,233	\$0	\$20,238,827	\$0
3. Developer's Fees		2,100,000	0	2,100,000	0
4. Owner's Acquisition Costs					
Land		0			
Existing Improvements		0	0		
Subtotal 4:		\$0	\$0		
5. Total Development Costs					
Subtotal 1+2+3+4:		\$23,148,233	\$0	\$22,338,827	\$0

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

(Provide documentation at **Tab E**)

\$0	Land
\$0	Building

Maximum Developer Fee:

\$2,113,859

Proposed Development's Cost per Sq Foot	\$205	Meets Limits
Applicable Cost Limit by Square Foot:	\$556	
Proposed Development's Cost per Unit	\$278,894	Meets Limits
Applicable Cost Limit per Unit:	\$589,015	

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	23,148,233	0	22,338,827	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		0	22,338,827	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			0	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			22,338,827	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		0	22,338,827	0
7. Applicable Percentage		4.00%	4.00%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$0	\$893,553	\$0
			\$893,553 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. Enterprise Bellweather Perm			\$10,250,000	Vic Augusta
2. Enterprise Bellweather Construction			\$7,000,000	Vic Augusta
3.				
Total Construction Funding:			\$17,250,000	

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

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. Enterprise Bellweather Perm			\$10,250,000	\$659,694	5.80%	40	40
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
Total Permanent Funding:			\$10,250,000	\$659,694			

Q. SOURCES OF FUNDS**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.	HOME/HIEE/HTF			\$5,000,000	
2.					
3.					
4.					
5.					
6.					
Total Permanent Grants:				\$5,000,000	

4. Subsidized Funding

	Source of Funds	Date of Commitment	Amount of Funds
1.	VA Home		\$2,000,000
2.	VA HIEE		\$1,000,000
3.	VA HTF		\$2,000,000
4.			
5.			
Total Subsidized Funding			\$5,000,000

5. Recap of Federal, State, and Local Funds

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

FALSE

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$10,250,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$0
g.	HOME Funds	\$0
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$0
j.	Virginia Housing Trust Fund	\$0
k.	Other:	\$5,000,000
l.	Other:	\$0

Market-Rate Loans

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

Q. SOURCES OF FUNDSGrants*

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.

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

For purposes of the Bond Cliff 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:

45.88%**7. Some of the development's financing has credit enhancements.****FALSE**

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

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

- a. **FALSE** Real Estate Tax Abatement on the increase in the value of the development.
- b. **TRUE** **New** project based subsidy from HUD or Rural Development or any other binding federal project based subsidy
 35 Number of New PBV Vouchers
- c. **FALSE** Other

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

R. EQUITY**1. Equity****a. Portion of Syndication Proceeds Attributable to Historic Tax Credit**

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

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

i. Requested Annual HOTC Credits	\$0
ii. 10 Year HOTC Credit Amount	\$0
iii. Equity Dollars Per Credit	\$0.000
iv. Percent of ownership entity (repeated from 3b)	99.90000%
v. HOTC Credit Net	\$0

c. Equity that Sponsor will Fund:

i. Cash Investment	\$0
ii. Contributed Land/Building	\$0
iii. Deferred Developer Fee	\$0 (Note: Deferred Developer Fee cannot be negative.)
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 \$0

2. Equity Gap Calculation

a. Total Development Cost		\$23,148,233
b. Total of Permanent Funding, Grants and Equity	-	\$15,250,000
c. Equity Gap		\$7,898,233
d. Developer Equity	-	\$756,961
e. Equity gap to be funded with low-income tax credit proceeds		\$7,141,272

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

Contact Person:		Phone:	
Street Address:			
City:	State:	Zip:	

b. Syndication Equity

i. Anticipated Annual Credits	\$893,553.00
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%)	99.90000%
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0
v. Net credit amount anticipated by user of credits	\$892,659
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$7,141,272

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

4. Net Syndication Amount

Which will be used to pay for Total Development Costs

\$7,141,272

5. Net Equity Factor

79.9999599399%

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			\$23,148,233
2. Less Total of Permanent Funding, Grants and Equity	-		\$15,250,000
3. Equals Equity Gap			\$7,898,233
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)			79.9999599399%
5. Equals Ten-Year Credit Amount Needed to Fund Gap			\$9,872,796
Divided by ten years			10
6. Equals Annual Tax Credit Required to Fund the Equity Gap			\$987,280
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)			\$893,553
8. Requested Credit Amount		For 30% PV Credit:	\$0
		For 70% PV Credit:	\$0
Credit per LI Units	\$0.0000	Combined 30% & 70% PV Credit Requested	
Credit per LI Bedroom	\$0.0000		
			\$0

- Anticipated Amount on Equity Tab must equal requested amount
9. **Action:** Provide Attorney’s Opinion using Virginia Housing template **(Mandatory Tab H)**

T. CASH FLOW**1. Revenue**Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

Total Monthly Rental Income for LIHTC Units	\$115,091
Plus Other Income Source (list):	\$0
Equals Total Monthly Income:	\$115,091
Twelve Months	x12
Equals Annual Gross Potential Income	\$1,381,092
Less Vacancy Allowance	7.0%
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$1,284,416

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

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list):	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance	7.0%
Equals Annual Effective Gross Income (EGI) - Market Rate Units	\$0

Action: Provide documentation in support of Operating Budget (**TAB R**)**3. Cash Flow (First Year)**

a. Annual EGI Low-Income Units	\$1,284,416
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$1,284,416
d. Total Expenses	\$520,710
e. Net Operating Income	\$763,706
f. Total Annual Debt Service	\$659,694
g. Cash Flow Available for Distribution	\$104,012

T. CASH FLOW**4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow**

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	1,284,416	1,310,104	1,336,306	1,363,032	1,390,293
Less Oper. Expenses	520,710	536,331	552,421	568,994	586,064
Net Income	763,706	773,773	783,885	794,038	804,229
Less Debt Service	659,694	659,694	659,694	659,694	659,694
Cash Flow	104,012	114,079	124,191	134,344	144,535
Debt Coverage Ratio	1.16	1.17	1.19	1.20	1.22

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	1,418,099	1,446,461	1,475,390	1,504,898	1,534,995
Less Oper. Expenses	603,646	621,755	640,408	659,620	679,408
Net Income	814,453	824,706	834,982	845,278	855,587
Less Debt Service	659,694	659,694	659,694	659,694	659,694
Cash Flow	154,759	165,012	175,288	185,584	195,893
Debt Coverage Ratio	1.23	1.25	1.27	1.28	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,565,695	1,597,009	1,628,949	1,661,528	1,694,759
Less Oper. Expenses	699,791	720,784	742,408	764,680	787,621
Net Income	865,905	876,225	886,542	896,848	907,138
Less Debt Service	659,694	659,694	659,694	659,694	659,694
Cash Flow	206,211	216,531	226,848	237,154	247,444
Debt Coverage Ratio	1.31	1.33	1.34	1.36	1.38

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: 4

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.		24		1201 Sage Lane		Harrisonburg	VA	22801				\$0				\$0				\$0						
2.		11		1206 Sage Lane		Harrisonburg	VA	22801				\$0				\$0				\$0						
3.		24		1210 Sage Lane		Harrisonburg	VA	22801				\$0				\$0				\$0						
4.		24		1213 Sage Land		Harrisonburg	VA	22801				\$0				\$0				\$0						
5.												\$0				\$0				\$0						
6.												\$0				\$0				\$0						
7.												\$0				\$0				\$0						
8.												\$0				\$0				\$0						
9.												\$0				\$0				\$0						
10.												\$0				\$0				\$0						
11.												\$0				\$0				\$0						
12.												\$0				\$0				\$0						
13.												\$0				\$0				\$0						
14.												\$0				\$0				\$0						
15.												\$0				\$0				\$0						
16.												\$0				\$0				\$0						
17.												\$0				\$0				\$0						
18.												\$0				\$0				\$0						
19.												\$0				\$0				\$0						
20.												\$0				\$0				\$0						
21.												\$0				\$0				\$0						
22.												\$0				\$0				\$0						
23.												\$0				\$0				\$0						
24.												\$0				\$0				\$0						
25.												\$0				\$0				\$0						
26.												\$0				\$0				\$0						
27.												\$0				\$0				\$0						
28.												\$0				\$0				\$0						
29.												\$0				\$0				\$0						
30.												\$0				\$0				\$0						
31.												\$0				\$0				\$0						
32.												\$0				\$0				\$0						
33.												\$0				\$0				\$0						
34.												\$0				\$0				\$0						
35.												\$0				\$0				\$0						
		83	0 If development has more than 35 buildings, contact Virginia Housing.																							
Totals from all buildings									\$0				\$0				\$0									
												\$0				\$0				\$0						

Number of BINS: 4

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

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

By:

Its:

Michael Wong

Managing Member

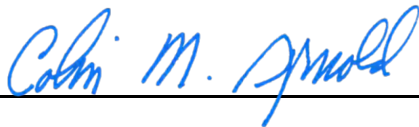
(Title)

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:	Colin M. Arnold
Virginia License#:	11337
Architecture Firm or Company:	Arnold Design Studio, LLC

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: Bluestone Town Center Family I**Name of Applicant (entity):** BTC Family I 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 **the organizational chart attached hereto**.

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 within the organizational charts 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 within the past ten (10) years 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. For purposes of this statement, "declared a default" refers only to final notices of default issued after the exhaustion of all applicable notice and cure rights.

3. During any time within the last ten (10) years that any of the Participants were a Principal in an owner of multifamily rental property, no such owner 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. For the purposes of this statement, "determined to have breached" refers only to determinations made by an independent third-party arbiter or court of law following the expiration of all applicable notice and cure periods and excludes default judgments that have been fully satisfied.

4. No Participant listed in this Certification has been required to turn control of a property over to an investor or been otherwise involuntarily removed as a general partner from the ownership of a multifamily rental property within the past ten (10) years.

5. There are no unresolved material findings of noncompliance resulting from any audits, management reviews, or other governmental investigations performed by (or on behalf of) any state or federal entity, concerning any multifamily rental property in which any of the Participants were Principals at the time of such finding. For the purposes of this statement, a finding is considered resolved if either (a) the state or federal entity issuing the finding has determined that no further action is required to remedy the finding; or (b) the Participant (or entity in which it is a Principal) has entered into a binding agreement with the applicable state or federal entity to address such finding(s) and the Applicant has included with this Certification a copy of such agreement accompanied by a written statement from the state or federal entity verifying that such agreement is not in default and is reasonably expected to be satisfied within (90) days. Any such statement must be addressed to Virginia Housing and dated no more than thirty (30) days prior to submission of the Application.
6. During the past ten (10) years, no Participants were Principals in any multifamily rental property for which payments under any state or federal assistance contract were suspended or terminated. For the purposes of this statement, suspensions and terminations do not include those caused solely by actions or inactions of the state or federal agency, like funding shortages, technical issues, or administrative delays, where the Principals were not at fault.
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.
8. No Participant has been suspended, debarred, or otherwise restricted by any federal or state entity from participating in housing programs administered by such entity due to programmatic noncompliance on the part of either the Participant or an entity in which the Participant was a Principal.
9. During the past ten (10) years, (a) no Participant has been the subject of a claim under an employee fidelity bond; and (b) while any Participant was a Principal in an owner of multifamily rental property, no Participant or such related owner defaulted on any obligation secured by a letter of credit or surety or performance bond. For the purposes of this statement, "defaulted" refers only to events where funds were paid by the issuer of a letter of credit or surety or performance bond.
10. No Participant is a Virginia Housing employee or a member of the immediate household of any Virginia Housing employee.
11. No Participant currently holds an ownership interest in a multifamily rental property where construction has stopped for more than 20 consecutive days, unless the stoppage:
 - (a) resulted from events beyond the reasonable control of the property owner that also caused similar delays in comparable projects in the surrounding area (e.g. natural disasters, labor strikes, pandemics, or government-imposed work stoppages); or
 - (b) solely involves work neither contractually required as a condition of tax credit allocation nor required prior to placing in service all residential buildings within such project.

Additionally, no Participant currently holds an ownership interest in a multifamily rental property assisted by a federal or state governmental entity and that has been substantially complete for more than 90 days without the required closing documents (such as the final cost certification) being filed, unless the delay is solely attributable to the governmental entity and not to the property owner or its agents.

12. No court of competent jurisdiction or other federal or state governmental entity has found any Participant to be in violation of any applicable civil rights, fair housing, or equal employment opportunity laws or regulations.

13. During the past ten (10) years, no Participant was a Principal in any multifamily rental property found by a court of competent jurisdiction or other federal or state governmental entity to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended (this statement does not refer to 8823s deemed corrected by the issuing agency).

14. No Participants are currently named as a defendant in a civil lawsuit relating to their ownership or other participation in a multi-family housing development where the amount of damages sought by the plaintiffs against the Participants relates to such ownership or participation and is for an amount greater than 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.

Michael Wong

Signature

Michael Wong

Printed Name
6/9/2026

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

V. Previous Participation Certification

Development Name: Bluestone Town Center Family I

Name of Applicant (entity): BTC Family I 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 **the organizational chart attached hereto**.

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 within the organizational charts 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 within the past ten (10) years 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. For purposes of this statement, "declared a default" refers only to final notices of default issued after the exhaustion of all applicable notice and cure rights.

3. During any time within the last ten (10) years that any of the Participants were a Principal in an owner of multifamily rental property, no such owner 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. For the purposes of this statement, "determined to have breached" refers only to determinations made by an independent third-party arbiter or court of law following the expiration of all applicable notice and cure periods and excludes default judgments that have been fully satisfied.

4. No Participant listed in this Certification has been required to turn control of a property over to an investor or been otherwise involuntarily removed as a general partner from the ownership of a multifamily rental property within the past ten (10) years.

5. There are no unresolved material findings of noncompliance resulting from any audits, management reviews, or other governmental investigations performed by (or on behalf of) any state or federal entity, concerning any multifamily rental property in which any of the Participants were Principals at the time of such finding. For the purposes of this statement, a finding is considered resolved if either (a) the state or federal entity issuing the finding has determined that no further action is required to remedy the finding; or (b) the Participant (or entity in which it is a Principal) has entered into a binding agreement with the applicable state or federal entity to address such finding(s) and the Applicant has included with this Certification a copy of such agreement accompanied by a written statement from the state or federal entity verifying that such agreement is not in default and is reasonably expected to be satisfied within (90) days. Any such statement must be addressed to Virginia Housing and dated no more than thirty (30) days prior to submission of the Application.
6. During the past ten (10) years, no Participants were Principals in any multifamily rental property for which payments under any state or federal assistance contract were suspended or terminated. For the purposes of this statement, suspensions and terminations do not include those caused solely by actions or inactions of the state or federal agency, like funding shortages, technical issues, or administrative delays, where the Principals were not at fault.
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.
8. No Participant has been suspended, debarred, or otherwise restricted by any federal or state entity from participating in housing programs administered by such entity due to programmatic noncompliance on the part of either the Participant or an entity in which the Participant was a Principal.
9. During the past ten (10) years, (a) no Participant has been the subject of a claim under an employee fidelity bond; and (b) while any Participant was a Principal in an owner of multifamily rental property, no Participant or such related owner defaulted on any obligation secured by a letter of credit or surety or performance bond. For the purposes of this statement, "defaulted" refers only to events where funds were paid by the issuer of a letter of credit or surety or performance bond.
10. No Participant is a Virginia Housing employee or a member of the immediate household of any Virginia Housing employee.
11. No Participant currently holds an ownership interest in a multifamily rental property where construction has stopped for more than 20 consecutive days, unless the stoppage:
 - (a) resulted from events beyond the reasonable control of the property owner that also caused similar delays in comparable projects in the surrounding area (e.g. natural disasters, labor strikes, pandemics, or government-imposed work stoppages); or
 - (b) solely involves work neither contractually required as a condition of tax credit allocation nor required prior to placing in service all residential buildings within such project.

Additionally, no Participant currently holds an ownership interest in a multifamily rental property assisted by a federal or state governmental entity and that has been substantially complete for more than 90 days without the required closing documents (such as the final cost certification) being filed, unless the delay is solely attributable to the governmental entity and not to the property owner or its agents.

12. No court of competent jurisdiction or other federal or state governmental entity has found any Participant to be in violation of any applicable civil rights, fair housing, or equal employment opportunity laws or regulations.

13. During the past ten (10) years, no Participant was a Principal in any multifamily rental property found by a court of competent jurisdiction or other federal or state governmental entity to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended (this statement does not refer to 8823s deemed corrected by the issuing agency).

14. No Participants are currently named as a defendant in a civil lawsuit relating to their ownership or other participation in a multi-family housing development where the amount of damages sought by the plaintiffs against the Participants relates to such ownership or participation and is for an amount greater than 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

Timothy McCarty, EquityPlus Manager LLC, Class B Member

Printed Name

6/9/2026

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

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:

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

Included**Score**

Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0
Y	Y, N, N/A	0
Y	Y or N	0
Y	Y or N	0
Y	Y or N	0

Total:

0.00

1. READINESS:

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

Y	0 or -50	0.00
N	0 or -25	0.00
Y	0 to 10	10.00
N	0 or 10	0.00
Y	0 or 15	15.00
N	0 or 15	0.00
Y	0 or 5	5.00
N	0 or 15	0.00

Total:

30.00

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy) in Northern Virginia or New Construction pool
- f. Census tract with <12% poverty rate
- g. Development provided priority letter from Rural Development
- h. Dev. located in area with increasing rent burdened population

Y	0 or up to 5	2.89
N	0 or 20	0.00
21.60%	Up to 60	43.20
N	0 or 5	0.00
N	up to 40	0.00
10%	0, 20, 25 or 30	25.00
N	0 or 15	0.00
Y	Up to 20	20.00

Total:

91.09

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			71.00
b. <removed for 2026>			0.00
c. HUD 504 accessibility for 10% of units	Y	0 or 20	20.00
d. Proximity to public transportation	Y10	0, 10 or 20	10.00
e. Development will be Green Certified	Y	0 or 10	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	33%	Up to 15	4.88
g. Developments with less than 100 low income units	Y	up to 20	6.80
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:			122.68

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$104,200	\$78,100

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	49.40%	Up to 15	15.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units 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% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			30.00

5. SPONSOR CHARACTERISTICS:

a. <QAP change - removed for 2026 cycle>	N		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	15 Years	40 or 70	0.00
or b. Nonprofit or LHA purchase option/ ROFR	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	Y	10 or 15	10.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
f. Team member with Veteran Owned Small Business Certification	N	up to 10	0.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
h. Zero Ready or Passive House certification from prior allocation	N	0, 10 or 20	0.00
Total:			75.00

300 Point Threshold - all 9% Tax Credits

200 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: 393.27

Enhancements:

All units have:

	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	40	40.00
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	0.00
f. Baths equipped with humidistat	3	0.00
g. Watersense labeled faucets, toilets and showerheads (without Green Certification)	3	0.00
h. Rehab only: new infrastructure for high speed internet/broadband	5	0.00
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	3.00
n. Installation of Renewable Energy Electric system	10	10.00
o. New Construction: Balcony or patio	4	4.00

 71.00

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: 71.00

X. Development Summary

Summary Information

2026 Low-Income Housing Tax Credit Application For Reservation

Deal Name:	Bluestone Town Center Family I
-------------------	---------------------------------------

Cycle Type: 4% Tax Exempt Bonds Credits
Allocation Type: New Construction
Total Units: 83
Total LI Units: 83
Project Gross Sq Ft: 112,738.77
Green Certified? TRUE

Requested Credit Amount: \$893,553
Jurisdiction: Harrisonburg City
Population Target: General
Owner Contact: Michael Wong

Total Score
393.27

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$10,250,000	\$123,494	\$91	\$659,694
Grants	\$5,000,000	\$60,241		
Subsidized Funding	\$5,000,000	\$60,241		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$15,749,082	\$189,748	\$140	68.04%
General Req/Overhead/Profit	\$1,800,000	\$21,687	\$16	7.78%
Other Contract Costs	\$200,000	\$2,410	\$2	0.86%
Owner Costs	\$3,299,151	\$39,749	\$29	14.25%
Acquisition	\$0	\$0	\$0	0.00%
Developer Fee	\$2,100,000	\$25,301	\$19	9.07%
Total Uses	\$23,148,233	\$278,894		

Income		
Gross Potential Income - LI Units	\$1,381,092	
Gross Potential Income - Mkt Units	\$0	
Subtotal	\$1,381,092	
Less Vacancy %	7.00%	\$96,676
Effective Gross Income		\$1,284,416

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$219,790	\$2,648
Utilities	\$119,520	\$1,440
Operating & Maintenance	\$73,500	\$886
Taxes & Insurance	\$83,000	\$1,000
Total Operating Expenses	\$495,810	\$5,974
Replacement Reserves	\$24,900	\$300
Total Expenses	\$520,710	\$6,274

Cash Flow	
EGI	\$1,284,416
Total Expenses	\$520,710
Net Income	\$763,706
Debt Service	\$659,694
Debt Coverage Ratio (YR1):	1.16

Total Development Costs	
Total Improvements	\$21,048,233
Land Acquisition	\$0
Developer Fee	\$2,100,000
Total Development Costs	\$23,148,233

Proposed Cost Limit/Sq Ft: \$205
Applicable Cost Limit/Sq Ft: \$556
Proposed Cost Limit/Unit: \$278,894
Applicable Cost Limit/Unit: \$589,015

Unit Breakdown	
# of Eff	0
# of 1BR	0
# of 2BR	42
# of 3BR	41
# of 4+ BR	0
Total Units	83

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	35	35
40% AMI	0	0
50% AMI	0	0
60% AMI	48	48
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

Y. Efficient Use of Resources

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.

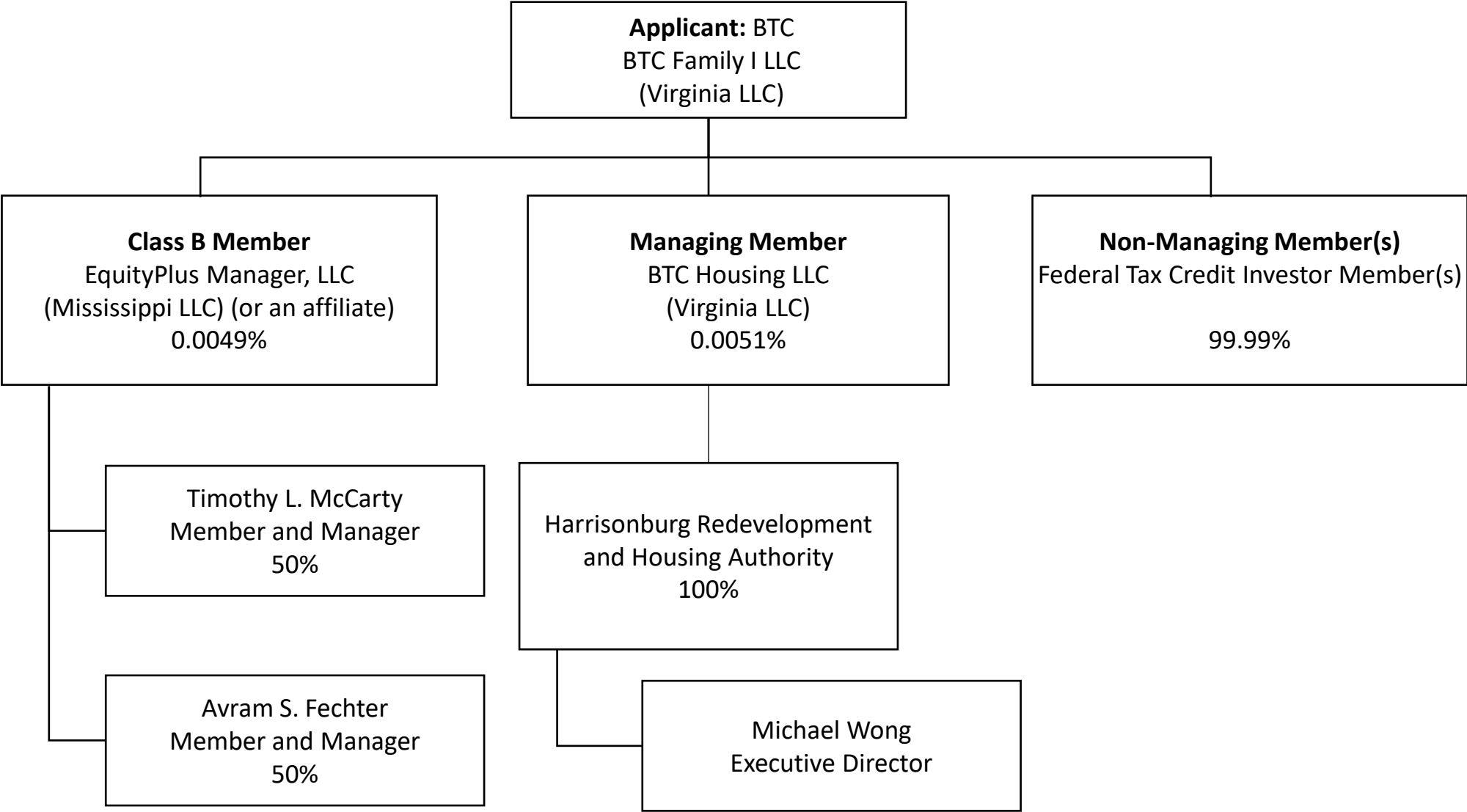
Tax Exempt Deals are granted a starting point value greater than zero to allow for the nature of these deals.

Combined Max	\$893,553
Credit Requested	\$893,553
% of Savings	0.00%
Sliding Scale Points	44.5

Tab A:

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

Owner Organizational Structure Chart at LIHTC Closing:



OPERATING AGREEMENT

OF

BTC FAMILY I LLC

THIS OPERATING AGREEMENT (this “Agreement”), dated as of July 8, 2024 is made by and between **BTC HOUSING LLC**, a Virginia limited liability company (the “Managing Member”) and **EQUITYPLUS MANAGER, LLC**, a Mississippi limited liability company (“EquityPlus”), with respect to **BTC FAMILY I LLC**, a Virginia limited liability company (the “Company”).

Recitals

A. The Company was formed pursuant to the Articles of Organization (the “Articles of Organization”) filed with the Virginia State Corporation Commission (the “SCC”) on July 8, 2024.

B. The Company has been formed to acquire certain parcels and improvements located in the City of Harrisonburg, Virginia (the “Property”), pursuant to that certain Purchase and Sale Agreement dated as of even date herewith, between the Company and EP Harrisonburg Owner LLC, a Virginia limited liability company (as the same may be amended and assigned from time to time, the “Purchase Agreement”), and to develop, construct, own, maintain, and operate an affordable rental housing project (the “Project”) for low-income families to be located on the Property.

C. The parties hereto desire to enter into this Agreement to govern the affairs and the conduct of the Company, and to set forth more fully the rights, obligations and duties of the Company’s members.

Statement of Agreement

NOW THEREFORE, it is agreed and stated as follows:

Section 1. Definitions.

Act means the Virginia Limited Liability Company Act (Va. Code Ann. § 13.1-1000 *et seq.*), as the same may be amended from time to time.

Affiliate means (i) any Person directly or indirectly controlling, controlled by or under common control with another Person; (ii) any Person owning or controlling 10% or more of the outstanding voting securities of such other Person; (iii) any officer, director, manager, member, or partner of such Person; and (iv) if such other Person is an officer, director, manager, member, or partner of any Entity, any Entity for which such Person acts in any such capacity; provided, however, that the Company shall not be deemed to be an Affiliate of any Holder.

AGG has the meaning set forth in Section 18(b).

Agreement means this Operating Agreement, as the same may be amended and/or restated from time to time.

Articles of Organization has the meaning set forth in the Recitals.

Audit has the meaning set forth in Section 8(c)(i).

Capital Account has the meaning set forth in Section 6(a)(i).

Capital Call has the meaning set forth in Section 5(b).

Capital Contribution means, with respect to a Holder, the amount of money, and the fair market value (as determined by EquityPlus and the Managing Member) of other property contributed by such Holder to the capital of the Company in respect of such Holder's Interest, reduced by the amount of any liabilities of such Holder that (i) the Company assumes (under the standards provided in the last sentence of Section 1.704-1(b)(2)(iv)(c) of the Treasury Regulations) in connection with the transaction or (ii) are secured by the property when it is contributed to the Company (and, therefore, the Company takes the property subject to such liabilities), excluding the extent to which such secured liabilities are included in clause (i) of this definition of Capital Contribution or exceed the fair market value of the contributed property. The assumption of a liability of the Company by a Holder, other than in connection with the contribution of property to the capital of the Company, will be included in such Holder's Capital Account in accordance with Section 6(a)(i) but, unless EquityPlus and the Managing Member determine otherwise, will not be included in such Holder's Capital Contributions until (and only to the extent that) such Holder makes payments on such liability.

Code means the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent federal income tax law.

Company means BTC Family I LLC, a Virginia limited liability company.

Company Representative has the meaning set forth in Section 8(c)(i).

Consent means the written consent of the applicable Member(s). A Member shall be deemed to have given its consent if (i) such consent is given in a vote (either in person or by proxy) at a duly called meeting of the applicable Members or (ii) such consent is delivered in writing to the other applicable Members.

Control means the possession, directly or indirectly, through one or more intermediaries, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities, by contract or otherwise.

Entity means any general partnership, limited partnership, limited liability company, corporation, joint venture, business trust, real estate investment trust, real estate mortgage investment conduit, regulated investment company, trust, estate, cooperative, association, or any agency or instrumentality of any government.

EquityPlus has the meaning set forth in the Preamble.

Expenses has the meaning set forth in Section 10(b).

Holder means any Member or other holder of an Interest. No Holder shall have any right to participate in the management of the business and affairs of the Company under the terms of this Agreement unless such Holder is also a Member.

Interest means an interest in the Company issued pursuant to this Agreement, including a Holder's respective shares of, and rights to receive, distributions and allocations, subject to and as provided in this Agreement and the Act. In respect of Interests held by Holders who are not Members, the term "Interest" shall refer only to the proportionate right to receive distributions of cash and other property and the allocation of Profits, Losses, income, gains, deductions, credits, or similar items and the other rights and obligations of Holders explicitly set forth in this Agreement, but not the right to become, or any other rights of being, a Member.

Losses has the meaning set forth in the definition of Profits and Losses in Schedule B.

Major Decision has the meaning given in Section 8(b).

Managing Member has the meaning set forth in the recitals.

Members means the Managing Member, EquityPlus and any other Persons admitted as members of the Company pursuant to this Agreement.

Notice Members has the meaning set forth in Section 8(c)(i).

Partnership Audit Procedures means Subchapter C of Chapter 63 of Subtitle F of the Code, as modified by Section 1101 of the Bipartisan Budget Act of 2015, Pub. L. No. 114-74, any successor statutes thereto, and any Treasury Regulations promulgated or official guidance issued thereunder.

Percentage Interest means the percentage interest of a Holder in the Company as set forth on Schedule A.

Project has the meaning set forth in the Recitals.

Profits has the meaning set forth in the definition of Profits and Losses in Schedule B.

Property has the meaning set forth in the Recitals.

SCC has the meaning set forth in the Recitals.

Transfer means a sale, assignment, transfer, conveyance, pledge, encumbrance, exchange, grant, gift, or other disposition, whether direct or indirect, voluntary, involuntary, or by operation of law, or with or without consideration.

Treasury Regulations means those regulations promulgated under the Code, including, without limitation, the regulations promulgated under Section 704(b) of the Code (regarding

partners' distributive shares of partnership tax items), as currently in effect, and as modified and clarified by amendment or successor regulation.

Section 2. Formation; Members. The Company is hereby formed as a limited liability company under the Act. The Members shall be the sole "members" of the Company, as defined in the Act.

Section 3. Purpose. The purpose of the Company is to directly and/or indirectly acquire, invest in, develop, redevelop, construct, rehabilitate, maintain, operate, lease, finance, improve, repair, replace, hold, mortgage, encumber, own, sell, convert, exchange, manage, and/or otherwise deal with the Property, and any interests therein, to manage and/or be a member (or partner) of entities that directly and/or indirectly acquire, invest in, develop, redevelop, construct, rehabilitate, maintain, operate, lease, finance, improve, repair, replace, hold, mortgage, encumber, own, sell, convert, exchange, manage and/or otherwise deal with real and/or personal property of all types, and to engage in any and all other activities related or incidental thereto.

Section 4. Term. The term of the Company commenced with the filing of the Articles with the SCC and shall continue in perpetuity, unless and until the Members unanimously agree to dissolve the Company. Upon dissolution, the Company shall be wound up and terminated as provided in the Act, and the Members, acting together, shall have the authority to wind up the Company.

Section 5. Capital Contributions.

(a) Capital Contributions. The Members shall make initial contributions to the Company as specified in Schedule A. Any other contributions to the capital of the Company made by a Member or a Holder, in respect of the Interest of such Member or Holder, shall be reflected in the books and records of the Company. Except as otherwise provided for herein, no further contribution of capital shall be required of any Holder.

(b) No Interest on Capital Contributions; No Withdrawal of Capital. No interest shall be paid by the Company to any Holder with respect to any Capital Contribution. Except as otherwise specifically set forth in this Agreement, no Holder shall have the right to (i) demand or receive property other than cash in return for its Capital Contribution or as distributions of income; (ii) withdraw any part of its Capital Contribution (regardless of whether or not such Holder has withdrawn as a Member of the Company); (iii) receive any funds or property of the Company; or (iv) withdraw as a Member of the Company. No Member shall be liable for the repayment of the Capital Contribution of any Holder.

Section 6. Capital Accounts; Allocation of Profits and Losses.

(a) Capital Accounts.

(i) A single capital account (a "Capital Account") shall be established, determined and maintained for each Holder on the books and records of the Company in accordance with the provisions of the Treasury Regulations governing the determination and

maintenance of partnership capital accounts, including, without limitation, the following rules of determination and maintenance:

- (1) Such account shall be credited with (A) the amounts of such Holder's paid-in cash Capital Contributions and the amount of any other money contributed by such Holder to the Company in accordance with the terms of this Agreement (including the amount of any Company liabilities assumed by such Holder, other than liabilities described in the parenthetical language of clause (2)(B) of this Section 6(a)(i); (B) the fair market value of any property contributed by such Holder to the Company in accordance with the terms of this Agreement (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Section 752 of the Code); (C) such Holder's distributive share of Profits (or items thereof); and (D) except as otherwise provided in this Agreement, any item of income or gain allocated to such Holder pursuant to Sections 3(a)-(i) of Schedule B; and
 - (2) Such account shall be debited with (A) the amount of money distributed to such Holder (including the amount of such Holder's liabilities assumed by the Company, other than liabilities described in the parenthetical language of clause (1)(B) of this Section 6(a)(i)), (B) the fair market value of any property distributed to such Holder (net of liabilities secured by such distributed property that such Holder is considered to assume or take subject to under Section 752 of the Code), (C) such Holder's distributive share of Losses (or items thereof), and (D) except as otherwise provided in this Agreement, any item of loss or deduction allocated to such Holder pursuant to Sections 3(a)-(i) of Schedule B.
- (ii) Each such Capital Account shall reflect all Interests owned by such Holder. Upon a Transfer (other than a Transfer that is a pledge or other grant of a security interest) of all or a part of an Interest, the transferee shall succeed to the Capital Account of the transferor to the extent that such Capital Account relates to the transferred Interest (or portion thereof). Any reference in this Agreement to a Capital Contribution of, or distribution or allocation to, a Holder that has succeeded any other Holder shall include any Capital Contributions, distributions, or allocations previously made by or to the former Holder on account of the Interest of such former Holder transferred to such successor Holder.
- (iii) The property of the Company shall be revalued on the books of the Company in any case in which such revaluation is required by the Treasury Regulations and may be revalued in any case where such revaluation is permitted by the Treasury Regulations and such revaluation is determined to be appropriate by EquityPlus and the Managing Member. In the event that any Company property is revalued on the books of the Company in accordance with the Treasury Regulations, the aggregate adjustment will be taken into account in determining Profits and Losses of the Company in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. In the event that the property of the

Company is revalued on the books of the Company, all Company property shall be valued for such purpose at its fair market value, as determined by EquityPlus and the Managing Member.

- (iv) The provisions of this Section 6 are intended to comply with the Treasury Regulations and shall be interpreted in a manner consistent with such regulations. If any of the provisions of this Agreement relating directly or indirectly to Capital Account determination and maintenance at any time conflict with the Treasury Regulations, such Treasury Regulations shall govern Capital Account determination and maintenance.
- (v) Nothing contained in this Agreement shall be construed to require any Holder to restore any deficit in such Holder's Capital Account.

(b) Allocations of Profits and Losses. All Profits, Losses and items of taxable income, gain, deduction and loss shall be allocated to the Holders in accordance with the provisions set forth in Schedule B.

Section 7. Distributions. The Company shall distribute all cash on hand, after setting aside such reserves as may be determined by EquityPlus and the Managing Member, annually by April 1st of each year, or more frequently if determined by EquityPlus and the Managing Member. Subject to Sections 5(e) and 14, all such distributions shall be made fifty-one percent (51%) to the Managing Member and forty-nine percent (49%) to EquityPlus. Each Holder authorizes the Company to withhold from amounts due to such Holder from the Company any withholding tax due to any federal, state, local, or foreign taxing authority in respect of any income allocable to or any distribution to be made to any Holder to the extent required by state or federal law.

Section 8. Management of the Company/Company Representative.

(a) Power and Authority of the Managing Member. Subject to the provisions of Sections 8(b) through 8(d) and the other provisions of this Agreement, the Managing Member shall have the right, power and authority to conduct the business and manage the affairs of the Company in accordance with the terms and conditions of this Agreement and applicable laws and regulations. The Managing Member shall at all times (i) act in the best interest of the Company and the Members and (ii) devote such time to the Company as is reasonably necessary to conduct the business and affairs of the Company and to carry out its responsibilities set forth herein. The Managing Member shall not be entitled to any compensation from the Company or otherwise for performance of its duties.

(b) Major Decisions. Notwithstanding Section 8(a) or any other provision of this Agreement, EquityPlus, in conjunction with the Managing Member, shall have the right to approve any and all material decisions with respect to the Company and/or the Project (each, a "Major Decision"). In the event that EquityPlus and the Managing Member cannot agree on a Major Decision, they will undertake the following course of action to reach a decision on the matter at issue. First, within ten (10) business days of the disagreement, the disapproving party will set forth in writing a proposal that is consistent with the Project and this Agreement to resolve the disagreement. Second, EquityPlus and the Managing Member will meet within five (5) business

days of the receiving the proposal of the disapproving party and negotiate in good faith an acceptable resolution to the disagreement. Third, if, after good faith attempts, a resolution cannot be reached internally at such meeting(s), then they will jointly select a mediator to help them reach agreement, or if they cannot agree on a mediator each Managing Member shall select a mediator and the two (2) mediators will select a third independent mediator, who shall resolve the disagreement.

(c) Federal Tax Proceedings. EquityPlus shall act as the "partnership representative" pursuant to Section 6223 of the Partnership Audit Procedures (the "Company Representative"). For each year that EquityPlus is designated as the Company Representative, EquityPlus shall appoint an individual as the individual through whom EquityPlus will act as the Company Representative. The Company Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by any federal, state or local tax authorities (each, an "Audit") and any resulting administrative and judicial proceedings (each, a "Tax Proceeding"), and to expend Company funds for professional services and costs associated therewith.

- (i) The Company Representative shall keep the Managing Member apprised of all information and documentation regarding this duty and provide all notices and perform all acts required in such Person's role as the Company Representative. In the event that the Internal Revenue Service commences a review of a taxable year of the Company (an "Audit"), the Company Representative shall exercise reasonable diligence to locate and promptly notify each Person who was a Member during the reviewed taxable year of the commencement of the Audit (the "Notice Members"), and shall keep such Person reasonably informed of material developments in such Audit. Each Notice Member may, at such Member's own expense, participate in any proceeding relating to such tax return and otherwise pursue whatever rights such Member may have, to the extent permitted by applicable law.
- (ii) The Company Representative with the Consent of the Managing Member may cause the Company to make any election available to it under the Partnership Audit Procedures, including without limitation an election under Section 6226 of the Partnership Audit Procedures to have Members of the reviewed taxable year take tax adjustments on their own tax returns. In the event that the Company is required to pay any imputed underpayment, penalty, addition to tax, or additional adjustment amount pursuant to the Code, then each Person that was a Holder in the applicable reviewed year, within the meaning of Section 6225(d)(1) of the Partnership Audit Procedures, shall make a payment to the Company in an amount equal to the portion of such adjustment amount allocable to such Holder, taking into account any modifications of the adjustment amount under Section 6225(c) of the Partnership Audit Procedures; provided, however, that if such Person is also a Holder at the time the Company pays such adjustment amount, the Company may instead withhold from amounts due to such Holder from the Company all or a portion of such Holder's allocable share of the adjustment amount and any such amount withheld shall be treated as having been distributed by the Company to such Holder and then paid by such Holder to the Company; and provided further that no payment

by or withholding from the Managing Member shall be required if Consent is not obtained from the Managing Member or from any Person if such Person complied with the provisions of Section 6225(c)(2) of the Partnership Audit Procedures. For the avoidance of doubt, no payment made to the Company pursuant to this Section 8(d)(ii) shall be treated as a Capital Contribution. In the event that the Company receives a tax refund or tax benefit pursuant to the Partnership Audit Procedures, then each Person that was a Holder in the applicable reviewed year shall receive a payment from the Company in an amount equal to the portion of the tax refund or tax benefit allocable to such Holder, taking into account any modifications of the tax refund or tax benefit under Section 6225(c) of the Partnership Audit Procedures. Any dispute regarding the portion of any tax liability, tax refund, or tax benefit allocable to a Holder shall be determined by such independent accounting firm agreed to by the applicable Persons. Each Holder shall provide such information to the Company as the Company Representative may reasonably request to reduce the amount of any adjustment and shall take such actions as the Company Representative may reasonably request (including the filing of an amended tax return) in order to assist the Company in complying with the Partnership Audit Procedures. Notwithstanding anything in this Agreement to the contrary, all rights and obligations of a Holder under this Section 8(c) shall survive both the Holder's ceasing to be a partner of the Company for federal income tax purposes and the dissolution of the Company.

- (iii) The Company Representative shall not be liable to the Company or any Holder for any action that the Company Representative takes or fails to take in connection with any judicial or administrative proceeding, including, without limitation, the failure to agree to a settlement or the extension of or failure to extend the relevant statutes of limitations, unless such action or failure constitutes willful misconduct, fraud, or gross negligence.

(d) Purchase Agreement. Notwithstanding anything to the contrary herein, the Purchase Agreement shall not be amended, modified, or terminated on behalf of the Company without the written consent of EquityPlus and the Managing Member.

Section 9. Liability; Indemnification.

(a) Except as otherwise required in the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations and liabilities of the Company, and neither the Managing Member, EquityPlus, nor any officer or manager of the Company, the Managing Member, or EquityPlus shall be personally liable for any such debt, obligation or liability of the Company solely by reason of being or acting as a member, manager and/or officer of the Company, the Managing Member, or EquityPlus.

(b) To the fullest extent permitted by law, neither the Managing Member, EquityPlus, nor any officer or manager of the Company, the Managing Member, or EquityPlus (together with each affiliate of any of the foregoing, collectively, the "Covered Persons"), shall have any liability to the Company for any loss suffered by the Company which arises out of any action or inaction of such Covered Person if such Covered Person, in good faith, determined that such course of

conduct was in the best interests of the Company and such course of conduct did not constitute gross negligence, breach of this Agreement, or willful misconduct of the Covered Person. The Company shall indemnify each Covered Person against, and hold each such Covered Person harmless from, any and all losses, judgments, liabilities, costs, expenses (including reasonable attorneys' fees and other litigation and appeal costs), and amounts paid in settlement of any claims incurred by any of them as a result of any claims and/or demands whatsoever against each such Covered Person relating to any act performed or omitted to be performed by such Covered Person in connection with the Company's business or affairs or otherwise in any way relating to the Company (collectively, the "Expenses"), provided that the same were not the result of gross negligence, breach of this Agreement, or willful misconduct on the part of such Covered Person. Indemnification hereunder shall include, without limitation, payment by the Company, promptly upon demand, of all Expenses incurred in defending a civil or criminal action or proceeding as such Expenses are incurred in advance of the final disposition of such action or proceeding, but only upon receipt of an undertaking by the Person indemnified to repay such payment if it shall be adjudicated not to be entitled to indemnification hereunder. Any such undertaking shall be accepted without reference to the financial capability of the Person indemnified to make repayment.

(c) Notwithstanding anything to the contrary in Sections 10(a) and 10(b) above, a Covered Person shall not be indemnified for liabilities arising under federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving securities law violations as to the particular indemnitee; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee; or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and such agreement calls for indemnification. In any claim for indemnification for federal or state securities law violations, the party seeking indemnification shall place before the court the positions of the Securities and Exchange Commission and any relevant state securities agency with respect to the issue of indemnification for securities law violations.

Section 10. Other Activities of the Members. The Members, or any officer, director, shareholder, partner, member, manager, employee, or agent of any Member of any of its Affiliates, may lend money to and transact other business with the Company. The Members may engage independently or with others in other business ventures of every nature and description, including, without limitation, those competitive with the business of the Company, as well as the acquisition of other real properties, or interests therein, or the provision of services or advice of any kind to others in connection therewith. The Members shall not be prohibited from engaging in business with Persons transacting business with the Company or from providing services relating to the purchase, sale, financing, management, leasing, development, or operation of real property, and receiving compensation therefor. None of the Company or the Holders shall have any right by virtue of this Agreement, and/or the relationships created hereby, to such other ventures or activities or to the income or proceeds derived therefrom.

Section 11. Transfers.

(a) General Restrictions on Transfer. Except as otherwise provided in and in accordance with this Agreement, no Holder may Transfer all or any portion such Holder's direct or indirect Interest in the Company without the prior written Consent of all of the Members;

provided, however, that a Transfer for estate planning purposes by a Member shall not require the remaining Members' written Consent, if such Transfer has received all consents required by the any other party with consent or approval rights over such Transfer and that the Managing Member has been provided notice at least three (3) days prior to such Transfer. To the extent any Holder is permitted to Transfer its Interest in the Company pursuant to this Section 12, any such Transfer shall be of all, and not less than all, of such Holder's Interest in the Company. Any Transfer of an Interest made in violation of this Section 12 shall be null and void ab initio

(b) Effect on Transferee. Any Person who becomes the Holder of any Interest in the Company and does not become a substitute Member as provided in Section 13(g) shall (i) have no right to vote on Company matters requiring Consent or approval of any or all of the Members; (ii) if such transferee acquired its Interest in accordance with this Agreement, be entitled to receive any distributions of cash and other property and the allocations of Profits, Losses and similar items to which the transferor would have been entitled to the extent of the Interest assigned; and (iii) be subject to all the provisions of this Section 13 to the same extent and in the same manner as any Member desiring to make an assignment of its Interest.

(c) Requirements for Substitution. Notwithstanding anything to the contrary in this Section 13, in the event of the Transfer of any Interest in the Company, no transferee shall have the right to become a substitute Member in place of its transferor unless (i) such substitution is approved by EquityPlus and the Managing Member; (ii) the transferee has adopted and agreed in writing to be bound by all of the provisions of the Agreement, as the same may have been amended and/or restated; and (iii) all documents reasonably required by Members to effect the substitution of the transferee as a Member shall have been executed.

(d) No Transfers in Violation of Project-Related Requirements. Notwithstanding anything to the contrary in this Agreement, no Holder may Transfer all or any portion of its direct or indirect Interest in the Company if such Transfer would result in the violation of the terms of any document to which the Company is a party or under which the Company is otherwise bound, without obtaining all required applicable consents or approvals.

(e) Distributions and Allocations in Respect of Transferred Interests. If any Interest (or portion thereof) is transferred during any accounting period in compliance with the provisions of this Section 12, Profits, Losses, each item thereof, and all other items attributable to such Interest (or portion thereof) for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the period in accordance with Section 706(d) of the Code, using any conventions permitted by law and selected by Managing Member.

Section 12. Loans

(a) In the event that the Company needs additional funds to cover any costs or obligations that (i) the Company is required to fund (including, but not limited to, guaranties); and/or (ii) EquityPlus and the Managing Member have determined to be necessary and/or appropriate for the Company, EquityPlus or the Managing Member may, but shall not be required to, advance such funds (or cause such funds to be advanced) as a loan to the Company from EquityPlus or its designee(s) pursuant to this Section 12.

(b) Any loans made under this Section 12 shall bear interest, compounded monthly, at an annual rate equal to two percent (2%) plus the Prime Rate. Such loans may be evidenced by promissory notes executed by the Company and shall be secured by liens or other charges on property of the Company as determined by EquityPlus and the Managing Member. Without limiting the generality of the foregoing, EquityPlus or the Managing Member may elect by written notice to the Company to treat any payment made by it pursuant to the terms of a guaranty as a loan made pursuant to this Section 12(b). No Holder shall be entitled to receive any distributions from the Company, nor shall any Holder or its Affiliate be entitled to receive any distributions from any entity related to the Project and owned jointly by the parties hereto, nor any other amounts it would otherwise be entitled to receive in connection with the Project, until all principal and accrued interest due and payable in connection with a loan made under this Section 12 has been fully repaid.

Section 13. Liquidation.

(a) In the event of the dissolution of the Company, the Members shall wind up the Company's affairs.

(b) Upon dissolution of the Company and until the filing of articles of the cancellation as provided in the Act, the Members or a liquidating trustee approved by all of the Members, as the case may be, may, in the name of, and for and on behalf of, the Company, prosecute and defend suits, whether civil, criminal, or administrative, gradually settle and close the Company's business, dispose of and convey the Company assets, discharge, or make reasonable provision for the Company's liabilities, and distribute to the Holders in accordance with Section 6(b), any remaining Company assets, all without affecting the liability of Members and without imposing liability on any liquidating trustee.

(c) Upon the completion of winding up of the Company, the Members or liquidating trustee, as the case may be, shall cause the filing of the articles of cancellation with the SCC as provided in the Act. The existence of the Company as a separate legal entity shall continue until cancellation of the Articles as provided in the Act.

Section 14. Reserved

Section 15. Reserved

Section 16. General Provisions

(a) Confidentiality and Non-Disparagement. Each Holder shall keep confidential any material non-public information in its possession or control regarding any other Holder or the Project; provided, however, that each party may make such disclosures of such non-public information (i) to its attorneys, accountants, financial advisors, lenders, and others with a legitimate need to know; provided, that such Holder informs each recipient of the confidentiality of such information and such recipient agrees to be bound by the confidentiality provision of this Section; (ii) as may be reasonably necessary or appropriate in connection with the development of a Project; and (iii) as may be required by law. Each Holder agrees that it shall not in any way or manner whatsoever, whether orally or in writing, whether express or implied, and whether such

writing is by way of electronic or hard copy form, make, insinuate, or suggest to any third-party any negative comments relative to any other Holder.

(b) Legal Representation; Consents and Waivers. Each Holder and the Company consent to the current and future legal representation by the law firm of Arnall Golden Gregory LLP (“AGG”) of (i) EquityPlus with respect to the preparation of this Agreement; and (ii) EquityPlus and its Affiliates with respect to other activities (including matters related to the Company); and (iii) the Company. Each Holder and the Company represents and warrants that such Holder and the Company understand and acknowledge the differing interests involved in AGG’s representation of the Company, and EquityPlus and its Affiliates. Each Holder, other than EquityPlus, acknowledges and agrees that AGG does not represent such Holder or the interests of such Holder, and that AGG does not represent the Company in connection with the formation of the Company and the preparation of this Agreement.

(c) No Third Party-Beneficiaries. Except as may be otherwise specifically set forth herein, (i) none of the provisions of this Agreement shall be construed as existing for the benefit of any creditor of the Company or as being enforceable by any party not a signatory hereto; and (ii) there shall be no third-party beneficiaries of this Agreement.

(d) Entire Agreement. This Agreement constitutes the entire “operating agreement” of the Company within the meaning of the Act and contains the entire understanding, agreement and statement of the Holders with respect to the subject matters of this Agreement and may only be amended, changed, or waived by Consent of the Members. The Holders acknowledge that the provisions of the Act shall govern the affairs of the Company and the conduct of its business, except as provided in this Agreement.

(e) Recitals. The Recitals of this Agreement are incorporated herein by this reference and are made a substantive part of the agreement between the parties.

(f) Provisions Binding. This Agreement shall inure to the benefit of the Holders and their respective successors and permitted assigns and shall be binding upon the Holders and their respective successors and assigns.

(g) Applicable Law. This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Virginia.

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

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

If to EquityPlus:	EquityPlus Manager, LLC
	1888 Main St, Suite C163
	Madison, MS 39110
	Attn: Timothy McCarty
	Telephone: 202-236-4402

Email: afechter@equityplusllc.com;
tmccarty@equityplusllc.com

With a copy to: Arnall Golden Gregory LLP
2100 Pennsylvania Avenue NW, Suite 350
Washington, DC 20037
Attn: Kelly B. Bissinger, Esq.
Telephone: 202-677-4977
Email: Kelly.bissinger@agg.com

If to the Managing Member: BTC Housing LLC
286 Kelley Street
Harrisonburg, Virginia 22801
Attn: Michael G. Wong
Email: wongway@harrisonburgrha.com

With a copy to: Litten & Sipe LLP
410 Neff Avenue
Harrisonburg, Virginia 22801
Attn: Melisa Michelsen, Esq.
Telephone: 540-437-3052
Email: melisa.michelsen@littensipe.com

Except as otherwise provided in this Agreement, 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 email, in which case notice shall be deemed delivered and effective upon delivery; or (d) sent by personal delivery, in which case notice shall be deemed delivered and effective upon delivery or refusal to accept delivery. 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 the Members may be given by their respective counsel.

(j) Counterparts; Electronic Signatures. This Agreement may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together shall constitute one instrument. This Agreement may be signed and delivered by facsimile transmission or other electronic delivery of an image file reflecting the execution hereof, and if so signed and delivered, (a) may be relied on as if the document were a manually signed original and (b) will be binding on the Members and the Company for all purposes. 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 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

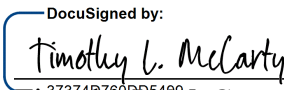
Electronic Signatures in Global and National Commerce Act or any similar state laws based on the Uniform Electronic Transactions Act.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement effective as of the date and year first above written.

MEMBER:

EQUITYPLUS MANAGER, LLC,
a Mississippi limited liability company

By: 
Timothy L. McCarty, Manager

By: _____
Avram S. Fechter, Manager

[Signatures continue on next page.]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement effective as of the date and year first above written.

MEMBER:

EQUITYPLUS MANAGER, LLC,
a Mississippi limited liability company

By: _____
Timothy L. McCarty, Manager
DocuSigned by:

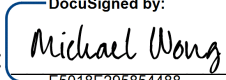
By: _____
Avram S. Fechter
B62AC393526B48F...
Avram S. Fechter, Manager

[Signatures continue on next page.]

MEMBER:

BTC HOUSING LLC,
a Virginia limited liability

By: Harrisonburg Redevelopment and Housing
Authority, a political subdivision of the
Commonwealth of Virginia, sole member

By:  (SEAL)
Name: Michael G. Wong
Title: Executive Director

SCHEDULE A

<u>Name and address of Members:</u>	<u>Initial Contribution:</u>	<u>Percentage Interest:</u>
EquityPlus Manager, LLC 1888 Main St, Suite C163 Madison, MS 39110	\$49.00 Cash	49%
BTC Housing, LLC 286 Kelley Street Harrisonburg, Virginia 22801	\$51.00 Cash	51%
Total	\$100	100%

SCHEDULE B

Section 1. Definitions.

(a) Adjusted Capital Account Deficit means the deficit balance, if any, in a Holder's Capital Account at the time in question, after (i) reducing the amount of such deficit by the amount, if any, of such Holder's Restoration Obligation and (ii) increasing the amount of such deficit by the amount, if any, of the items described in paragraphs (4), (5) and (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations. The determination of a Holder's Adjusted Capital Account Deficit is made for purposes of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be made consistently therewith.

(b) Book Value means, with respect to any Company property, the Company's adjusted basis for federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Sections 1.704-1(b)(2)(iv)(d)-(g) of the Treasury Regulations (provided that, in the case of permitted adjustments, the Company chooses to make such adjustments); provided that the Book Value of any asset contributed to the Company, as of the date of such contribution, shall be equal to the fair market value of the contributed asset on such date.

(c) Company Minimum Gain means "partnership minimum gain" as set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Treasury Regulations.

(d) Depreciation means, for each fiscal year of the Company, an amount equal to the depreciation, amortization or cost recovery deduction allowable for federal income tax purposes for such fiscal year, unless the book value for an asset differs from the adjusted basis of such asset for federal income tax purposes, in which case Depreciation shall mean (i) an amount that bears the same ratio to the book value at the beginning of the fiscal year as the federal income tax depreciation, amortization or cost recovery deduction bears to the adjusted tax basis at the beginning of the fiscal year (provided, however, that if the adjusted basis of an asset is zero at the beginning of a fiscal year, Depreciation shall be determined by the Members, using any reasonable method), or (ii) an amount determined pursuant to Section 1.704-3(d)(2) of the Treasury Regulations in the event that the remedial method of allocation under Section 704(c) of the Code is applied.

(e) Member Nonrecourse Debt means "partner nonrecourse debt" as set forth in Section 1.704-2(b)(4) of the Treasury Regulations.

(f) Member Nonrecourse Debt Minimum Gain means "partner nonrecourse debt minimum gain" as set forth in Section 1.704-2(i)(2) of the Treasury Regulations.

(g) Member Nonrecourse Deductions means "partner nonrecourse deductions" as set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Treasury Regulations.

(h) Nonrecourse Deductions has the meaning set forth in Sections 1.704-2(b)(1) and 1.704-2(c) of the Treasury Regulations.

(i) Profits and Losses means, for each fiscal year of the Company, an amount equal to the Company's taxable income or loss, respectively, for such fiscal year determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction

required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

- (i) any income of the Company that is exempt from federal income tax shall be added;
 - (ii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or required by the Treasury Regulations to be treated as so described shall be subtracted;
 - (iii) if the property of the Company is revalued on the books of the Company pursuant to Section 6(a)(iii), the amount of such adjustment shall be taken into account, immediately prior to the event giving rise to such adjustment, as gain or loss from the disposition of such property for purposes of computing Profits and Losses;
 - (iv) gain or loss resulting from the disposition of an asset shall be computed by reference to the book value of such asset;
 - (v) a deduction for Depreciation shall be taken in lieu of a deduction for depreciation, amortization or cost recovery;
 - (vi) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Holder's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits and Losses; and
 - (vii) any items that are specially allocated pursuant to Sections 3(a)-(i) of Schedule B shall not be taken into account in computing Profits and Losses, but the amounts of those items are to be determined by applying rules comparable to those provided in subparagraphs (i) through (vi) above.
- (j) Restoration Obligation means, with respect to any Holder, the amount of any deficit balance in such Holder's Capital Account which such Holder is treated as obligated to restore pursuant to (i) Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations and (ii) the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations. Computation of the amount of a Holder's Restoration Obligation, and any determinations related thereto, shall be made in accordance with the Treasury Regulations.

Section 2. Allocation of Profits and Losses. For purposes of applying this Section 2 of this Schedule B, a Holder's Capital Account balance shall be deemed to be increased by such Holder's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain determined as of the end of the applicable fiscal year of the Company. Profits and Losses for each fiscal year of the Company (and, to the extent necessary, gross items of income, gain, loss, deduction and credit), after giving effect to the special allocations set forth in Section 3 of this Schedule B and to all Capital Account adjustments attributable to the Capital Contributions and

distributions made with respect to such fiscal year, shall be allocated among the Holders in such a manner that, as of the end of such fiscal year and to the extent possible, and taking into account all prior allocations of Profits and Losses and all distributions made to the Holders through such date, the Capital Account of each Holder shall be equal to the respective net amount that would be distributed to such Holder under this Agreement, determined as if the Company were to (a) liquidate the assets of the Company for an amount equal to their Book Values as of the end of such fiscal year and satisfy all Company liabilities (limited with respect to each nonrecourse liability to the Book Values of the assets securing such liability) and (b) distribute the proceeds in liquidation in accordance with Section 7; provided, however, that the Losses allocated to a Holder shall not exceed the maximum amount of Losses that can be so allocated without causing any Holder to have an Adjusted Capital Account Deficit (or increasing such Adjusted Capital Account Deficit) at the end of such fiscal year.

Section 3. Special Allocations and Other Provisions Relating to Allocations.

(a) Company Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, notwithstanding any other provision of Section 6 of this Agreement or this Section 3 of this Schedule B, if there is a net decrease in Company Minimum Gain during any fiscal year of the Company, each Holder shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Holder's share of the net decrease in Company Minimum Gain, determined pursuant to Section 1.704-2(g) of the Treasury Regulations. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Treasury Regulations. This Section 3(a) of this Schedule B is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.

(b) Member Nonrecourse Debt Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Treasury Regulations, notwithstanding any other provision of Section 6 of this Agreement or this Section 3 of this Schedule B, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any fiscal year of the Company, each Holder who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Holder's share of the net decrease in Member Nonrecourse Debt Minimum Gain, determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. This Section 3(b) of this Schedule B is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event that any Holder's unexpected receipt of any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6) of the Treasury Regulations causes such Holder to have (or increases) an Adjusted Capital Account Deficit, items of Company income and gain shall be specially allocated to each such Holder in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Holder as quickly as possible, provided that an allocation pursuant to this Section 3(c) of this Schedule B shall be made only if and to the extent that such Holder would have an Adjusted Capital Account Deficit after all other allocations provided for in Section 6 of this Agreement and this Section 3 of

this Schedule B have been tentatively made as if this Section 3(c) of this Schedule B were not in this Agreement. This Section 3(c) of this Schedule B is intended to comply with the qualified income offset requirement in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith.

(d) Gross Income Allocation. In the event that any Holder has a deficit Capital Account at the end of any fiscal year of the Company which is in excess of such Holder's Restoration Obligation, each such Holder shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3(d) of this Schedule B shall be made only if and to the extent that such Holder would have a deficit Capital Account in excess of such amount after all other allocations provided for in Section 6 of this Agreement and this Section 3 of this Schedule B have been made as if Section 3(c) of this Schedule B and this Section 3(d) of this Schedule B were not in this Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year of the Company or other period shall be specially allocated to the Holders in proportion to their respective Percentage Interests.

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

(g) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations, to be taken into account in determining Capital Accounts as the result of a distribution to a Holder in complete liquidation of such Holder's Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Holders in accordance with their Interests in the event Section 1.704-1(b)(2)(iv)(m)(2) of the Treasury Regulations applies, or to the Holder to whom such distribution was made in the event Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations applies.

(h) No Impermissible Deficits. Notwithstanding any other provision of this Agreement, Losses shall not be allocated pursuant to Section 6 of this Agreement if such an allocation would create or increase an Adjusted Capital Account Deficit with respect to a Holder. All Losses that, if allocated to a Holder, would create or increase an Adjusted Capital Account Deficit shall be allocated to the other Holder, to the extent such allocations do not create or increase an Adjusted Capital Account Deficit.

(i) Excess Nonrecourse Liabilities. Solely for purposes of determining a Holder's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Holders' interests in Company profits are in proportion to their respective Percentage Interests.

(j) Section 704(c) Override.

(i) Section 704(c) Allocations. In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Holders so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its value at the time of contribution to the Company.

(ii) Reverse Section 704(c) Allocations. In the event that the book value of any Company property is adjusted in accordance with the Treasury Regulations, subsequent allocations of income, gain, loss and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its book value in the same manner as under Section 704(c) of the Code and the Treasury Regulations thereunder, to the extent required by the Treasury Regulations.

(iii) Elections. Any elections or other decisions relating to allocations described in Sections 3(j)(i) and (ii) of this Schedule B shall be made by the Members in a manner consistent with the Treasury Regulations and in a manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 3(j) of this Schedule B, Section 704(c) of the Code and the Treasury Regulations thereunder are solely for tax purposes and shall not be taken into account for purposes of determining Profits or Losses or adjustments to Capital Accounts.

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

DEVELOPMENT AGREEMENT

THIS AGREEMENT is made and entered into as of _____, 2026 between BTC Family I LLC, a Virginia limited liability company (the “Company”) and BTC Family I Developer LLC, a Virginia limited liability company (the “Developer”).

WHEREAS, the Company has been formed to develop, construct, own, maintain, and operate a project intended for rental to persons of low and moderate income, to be known as Bluestone Town Center Family I, and to be located in Harrisonburg, Virginia (the “Project”); and

WHEREAS, it is anticipated that EquityPlus Manager, LLC, a Mississippi limited liability company or its affiliate (the “Class B Member”), BTC Housing LLC (the “Managing Member”), and an investor member (the “Investor Member”) will execute an operating agreement (the “Operating Agreement”) to effect a tax credit syndication; and

WHEREAS, the Company desires to appoint the Developer to provide certain services for the Company with respect to overseeing the development of the Project until all development work is completed.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Appointment. The Company hereby appoints the Developer to render services for the Company and confirms and ratifies the appointment of the Developer with respect to services rendered for the Company to date, in supervising and overseeing the development of the Project as herein contemplated.

2. Authority. In conformity with the provisions of this Agreement, the Developer shall have, and has had, the authority and the obligation to:

(i) act on behalf of the Company in its relations with any governmental agency or authority and any construction and/or mortgage loan lender with respect to all matters relating to the construction and development of the Project, but the Developer shall not take any action and shall not be responsible for obtaining the Permanent Loan for the Company;

(ii) select the architect (“Architect”), coordinate the preparation of the plans and specifications (the “Plans and Specs”) and recommend alternative solutions whenever design details affect construction feasibility or schedules;

(iii) use commercially reasonable efforts to ensure that the Plans and Specs are in compliance with all applicable codes, laws, ordinances, rules and regulations;

(iv) negotiate all necessary contracts and subcontracts (other than the Construction Contract) for the construction of the Project;

(v) choose the products and materials necessary to equip the Project in a manner which satisfies all requirements of the Mortgage Loan and the Plans and Specs;

(vi) use commercially reasonable efforts to monitor disbursement and payment of amounts owed Architects and the subcontractors;

(vii) ensure that the Project is constructed free and clear of all mechanic's and materialmen's liens;

(viii) obtain an Architect's certificate that the work on the Project is substantially complete and inspect the Architect's work;

(ix) cause the Project to be completed in a prompt and expeditious manner, consistent with good workmanship, and in compliance with the following:

(1) the Plans and Specs, as they may be amended by the agreement of the parties hereto and with the consent of the mortgagee under the Mortgage Loan;

(2) any and all obligations of the Company under the Mortgage Loan;

(3) any and all zoning regulations, county ordinances, including health, fire and safety regulations, and any other requirements of federal, state and local laws, rules, regulations, and ordinances applicable to construction of the Project;

(x) cause to be performed in a diligent and efficient manner the following:

(1) construction of the Project pursuant to the Plans and Specs, including any required off-site work; and

(2) general administration and supervision of construction of the Project, including but not limited to activities of subcontractors and their employees and agents, and others employed as to the Project in a manner which complies in all respects with the Mortgage Loan and the Plans and Specs;

(xi) keep, or cause to be kept, accounts and cost records as to the construction of the Development;

(xii) maintain, or cause to be maintained, at its expense, all office and accounting facilities and equipment necessary to adequately perform the foregoing functions;

(xiii) make available to the Company, during normal business hours and upon the Company's written request, copies of all material contracts and subcontracts;

(xiv) deliver to the Company a dimensioned as-built survey of the real property (locating only buildings) and as-built drawings of the Project construction;

(xv) INTENTIONALLY OMITTED;

(xvi) investigate and recommend a schedule for purchase by the Company of all materials and equipment requiring long lead time procurement, coordinate the schedule with Architect and expedite and coordinate delivery of such purchases;

(xvii) prepare pre-qualification criteria for bidders interested in the Project, establish bidding schedules and conduct pre-bid conferences to familiarize bidders with the bidding documents and management techniques with any special systems, materials, or methods in accordance with all applicable federal and state laws;

(xviii) receive bids, prepare bid analyses and make recommendations to the Company for award of contracts or rejection of bids;

(xix) coordinate the work of Architect to complete the Project in accordance with the objectives as to cost, time and quality, and provide sufficient personnel at the Project with authority to achieve such objectives;

(xx) provide a detailed schedule of realistic activity sequences and durations, allocation of labor and materials and processing of shop drawings and samples;

(xxi) recommend courses of action to the Company when requirements of subcontracts are not being fulfilled;

(xxii) revise and refine the approved estimate of construction cost, incorporate changes as they occur, and develop cash flow reports and forecasts as needed;

(xxiii) provide regular monitoring of the approved estimate of construction cost, show actual costs for activities in process and estimates for uncompleted tasks, identify variances between actual and budgeted or estimated costs and advise the Company whenever projected costs exceed budgets or estimates;

(xxiv) INTENTIONALLY OMITTED

(xxv) develop and implement a procedure for the review and processing of applications by subcontractors for progress and final payments;

(xxvi) in collaboration with Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples; and

(xxvii) record the progress of the Project and submitting written progress reports to the Company and Architect, including the percentage of completion and the number and amounts of change orders.

The Developer shall not be responsible for and shall take no actions which pertain to the acquisition of the Land, the admission of the Investor Member to the Company and the obtaining of the Mortgage Loan.

3. Development Fee.

(a) For services performed and to be performed under Sections 1 and 2 of this Agreement the Company agrees to pay the Developer a Development Fee in the aggregate amount of _____ Million _____ Hundred Thousand _____ Hundred _____ Dollars (\$ _____). In accordance with the Operating Agreement, it is anticipated that payment of the Development Fee will be made from (i) a portion of the Investor Member's Capital Contributions to the extent available and (ii) from cash flow. The unpaid portion of the Development Fee shall bear interest as agreed upon by the Investor Member. All payments made hereunder shall be applied first to interest due hereunder and then to the outstanding balance of the Development Fee until the Development Fee is paid in full. Any outstanding balance of the Development Fee shall be payable upon dissolution of the Company. If the Company has not dissolved on the date which is the close of the compliance period, the outstanding balance of the Development Fee, including accrued interest, shall be payable.

4. Acknowledgment of Default. In the event that the Developer shall be in default of this Agreement after Notice and a 30-day opportunity to cure such default, the Company may terminate this Agreement and withhold any payments due hereunder.

5. Intentionally Omitted.

6. Construction Warranty. Developer hereby warrants to the Company and to the Investor Member that the materials and equipment furnished in accordance with this Agreement will be of good quality, that the work will be free from defects, and that the work will conform in all material respects with the requirements of the Plans and Specs. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective.

7. Successors and Assigns, Termination. This Agreement shall be binding on the parties hereto, their heirs, successors, and assigns.

8. Intentionally Omitted.

9. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

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

11. No Continuing Waiver. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

12. Applicable Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia. Any and all disputes arising out of or relating to this Agreement shall be brought in the Circuit Court of Rockingham County, Virginia.

[Remainder of Page Intentionally Left Blank]

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

COMPANY

BTC FAMILY I LLC,
a Virginia limited liability company

By: BTC Housing LLC,
a Virginia limited liability company,
its managing member

By: Harrisonburg Redevelopment and Housing Authority,
a political subdivision of the Commonwealth of Virginia,
its sole member

By: _____
Michael Wong,
Executive Director

DEVELOPER

BTC FAMILY I DEVELOPER LLC,
a Virginia limited liability company

By: BTC Housing LLC,
a Virginia limited liability company,
its managing member

By: Harrisonburg Redevelopment and Housing Authority,
a political subdivision of the Commonwealth of Virginia,
its sole member

By: _____
Michael Wong,
Executive Director

DEFERRED DEVELOPMENT FEE NOTE

\$ _____, 202__

FOR THE VALUE RECEIVED, and subject to the terms and conditions of this Promissory Note (this "Note"), **BTC FAMILY I LLC**, a Virginia limited liability company (the "Company") promises to pay to the order of **BTC FAMILY I DEVELOPER LLC**, a Virginia limited liability company (the "Developer") the sum of _____ and No/100 Dollars (\$ _____ .00) on or before the earlier to occur of the fifteenth (15th) anniversary of the final placed in service date for the Property (as such date shall be determined in accordance with Section 42 of the Internal Revenue Code of 1986, as amended, (the "Code") (the "Completion Date") or the date of liquidation of the Company (the "Maturity Date"), in accordance with that certain Development Agreement by and between the Company and the Developer dated as of ___, 202__.

This Note evidences the obligation of the Company to pay the Developer a Deferred Development Fee pursuant to the Development Agreement. The Deferred Development Fee is payable from distributions of Net Cash Flow in accordance with the provisions of the operating agreement of the Company (the "Operating Agreement"), the provisions of which are specifically incorporated herein by this reference. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Operating Agreement.

The outstanding principal balance of this Note shall unconditionally be due and payable on the Maturity Date. If payment of the balance of the Deferred Development Fee is not paid on the Maturity Date, and such default continues for a period of ten (10) days after written notice from the Developer to the Company, then interest on the unpaid principal amount of this Note shall be computed at a rate per annum equal to two percent (2%) over the prevailing prime rate from time to time in effect as published in the Wall Street Journal in its Money Rates section and changing simultaneously with each published change in such published prime rate, which rate shall commence upon the expiration of such ten (10) day period and shall continue in effect until all past due principal and interest has been paid.

The Company may, at its election, from time to time prior to maturity, prepay without penalty all or any portion of the principal indebtedness of this Note.

Demand for payment shall be presumed to have been issued and the entire unpaid principal sum of this Note, together with accrued interest thereon, if any, shall become immediately due in the event of the occurrence of any one or more of the following: (i) default in the payment of any installment due hereunder continuing for a period in excess of ten (10) days after written notice from the Developer to the Company; (ii) the filing by the Company of a voluntary petition in bankruptcy; (iii) the failure by the Company within ninety (90) days thereof to lift any filing against the Company of any involuntary petition, execution, or attachment; (iv) the adjudication of the Company as bankrupt; (v) any assignment by the Company of all or substantially all of its assets for the benefit of its creditors; or (vi) the invalidity or illegality of any portion of this Note by reason of any act or omission by the Company.

Except as may be specifically required under the provisions of Section 5 of the Development Agreement, this Note shall not be assigned, hypothecated, pledged, sold, or otherwise transferred without the prior written consent of the Company, and any such other transfer without the Company's consent shall be null and void.

The payment of this Note shall be a recourse obligation of the Company and the Managing Member.

This Note shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia, without regard to principles of conflicts of law.

[Signature page follows]

IN WITNESS WHEREOF, this Note has been duly executed by Company as of the day and year first above written.

COMPANY

BTC FAMILY I LLC,
a Virginia limited liability company

By: BTC Housing, LLC,
a Virginia limited liability company,
its managing member

By: Harrisonburg Redevelopment and Housing Authority,
a political subdivision of the Commonwealth of Virginia,
its sole member

By: _____
Michael Wong,
Executive Director

Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth of Virginia



State Corporation Commission

CERTIFICATE OF FACT

I Certify the Following from the Records of the Commission:

That BTC Family 1 LLC is duly organized as a Limited Liability Company under the law of the Commonwealth of Virginia;

That the Limited Liability Company was formed on July 8, 2024; and

That the Limited Liability Company is in existence in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.



Signed and Sealed at Richmond on this Date:

June 6, 2026

A handwritten signature in black ink, appearing to read "Bernard J. Logan".

Bernard J. Logan, Clerk of the Commission

Tab C:

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



June 21, 2026

Mr. Michael Wong
BTC Family I, LLC
c/o Harrisonburg Redevelopment and
Housing Authority
286 Kelley Street, Harrisonburg, VA 22802

RE: Bluestone Town Center Family I
Investor Letter of Intent

Dear Mr. Wong,

Subject to the usual and customary due diligence, fund formation and investor committee approval, VCDC Equity Fund 30, LLC, or assigns, for which a VCDC subsidiary serves as Managing Member, is interested in purchasing the Investor Member interests in BTC Family I, LLC.

Based on our analysis of the information provided to date, the Investor Member is hereby intending to make a total equity investment of \$7,141,272 to BTC Family I, LLC. This investment is based on the Investor Member's 99.99% share of the projected annual Low Income Housing Tax Credit of \$893,553 at \$.80 per credit dollar.

Please feel free to contact me if you have any questions. We look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'S Bleile', with a stylized flourish at the end.

Steve Bleile
VP of Community Investments



April 1, 2025

Mr. Michael Wong
Executive Director
Harrisonburg Redevelopment & Housing Authority
286 Kelley Street
Harrisonburg/Virginia/22802

Dear Mr. Wong:

Thank you for considering our proposal! This letter outlines the terms and conditions under which Enterprise Housing Credit Investments ("Enterprise") as representative for one or more equity funds will make an equity investment in Bluestone Town Center 4% (the "Project") located in Harrisonburg, VA.

A. The Project

- Involves the new construction and/or acquisition and rehabilitation of 83 rental units in four building(s), 100% of which will be leased to LIHTC-eligible households
- Is projected to qualify for:
 - \$796,171 of annual Federal Low-Income Housing Tax Credits (the "Federal Housing Credit"), based on the following tax credit percentage, which will be locked as of closing: 4.00% for construction
 - \$207,500 of Federal Section 45L Energy Tax Credits (the "Energy TC")
 - \$250,000 of Federal Section 48 Solar Tax Credits (the "Energy TC")

B. Project Ownership, Fees, Cash Flow and Capital Proceeds Allocations

- Sponsored by Harrisonburg Redevelopment Housing Authority and EquityPlus Manager, LLC (the "Sponsor")
- A single-purpose non-profit entity associated with the Harrisonburg Redevelopment Housing Authority will be the General Partner with a 0.0051% interest in the partnership, and a single-purpose for-profit entity associated with EquityPlus Manager, LLC will be the Class B Member with a 0.0049% interest in the partnership. While the LOI refers to an LP structure for the partnership, the Sponsor may subsequently propose to use an LLP or LLC structure.
- The Enterprise equity fund will be the limited partner (the "Limited Partner") with a 99.99% interest in the partnership
- Development Fee – the development fee in the amount of \$2,700,000, will be payable as follows:

ENTERPRISE HOUSING CREDIT INVESTMENTS, LLC.

11000 Broken Land Parkway ■ Suite 700 ■ Columbia, MD 21044 ■ 410.964.0552 ■ www.EnterpriseCommunity.org

*If there is a discrepancy between any figures shown in this letter, compared to the projections shared by Enterprise, please defer to the projections.

- o \$1,350,000 is projected to be paid out of equity as detailed in Section C below
- o The remainder is deferred and paid from cash flow at the interest rate shown in the projections.
- Investor Services Fee - the Limited Partner will receive an investor services fee of \$5,000 inflating 3% per year paid in accordance with Section E. Unpaid investor services fee will accrue without interest and be paid as a priority from subsequent cash flow or proceeds from refinancing or sale
- Partnership Administration Fee - the General Partner will receive a partnership administration fee of up to \$45,000, inflating at 3% per year paid in accordance with Section E. Unpaid partnership administration fee will accrue without interest to be paid from subsequent cash flow or proceeds from refinancing or sale
- Gross Income Allocation (GIA) –Through the energy credit compliance period (assumed to be 5 years) cash flow will be distributed 99.99% to the Limited Partner and 0.01% to the General Partner. Thereafter, a priority cash distribution of 90% will be made to the General Partner (accompanied by a special allocation of an equal amount of income) with the remainder to the Limited Partner
- Credits and operating profits and losses - will be allocated 0.01% to the General Partner with the remainder to the Limited Partner
- Refinance or Sale Proceeds Split – proceeds will be distributed 90% to the General Partner with the remainder to the Limited Partner

C. Pricing of Credits and Schedule of Capital Contribution Payments

The Limited Partner proposes making an investment of \$6,608,000 based upon:

- \$0.7725 per dollar of Federal Housing Credit (“Federal Housing Credit Price”)
- \$1.00 per dollar of Federal Energy TC (“Federal Energy TC Price”)

We assume the Limited Partner will be admitted to the partnership on **July 1, 2025**. If prior to closing there are material changes in the underwriting or timing assumptions or Enterprise’s cost or availability of capital, the Limited Partner may adjust the investment. Capital contributions (“Payments”), as scheduled in the projections, will be due upon the satisfaction of conditions and delivery of the items outlined below, to the extent not provided at closing, with approval by the Limited Partner. All Payments are contingent upon satisfaction of the conditions of prior Payments, and receipt of reporting items (see Section I below) and representations and warranties to insure the Project's viability. Additional conditions may be imposed during underwriting and will be reflected in the final partnership agreement (the “Partnership Agreement”).

First Payment: Admission \$1,652,000 (25.00%)

Up to the amount projected but limited to the amount needed to cover immediate costs.

\$337,500 of Development Fee (25.00% of paid fee) will be paid as part of this Payment.

Second Payment: Construction \$1,652,000 (25.00%)

\$0 of Development Fee (0% of paid fee) will be paid as part of this Payment

- Loan documents for loans closed as of the admission date
- Owner's title insurance policy
- Balanced draw request (AIA forms G702 and G703)
- Support for all soft costs
- General contractor lien waivers
- All installments of this construction Payment are tied to the construction completion milestones outlined below, as certified by the project architect and subject to acceptance by the Limited Partner and its consultant

Enterprise will fund draws up to the amounts scheduled below on the following schedule:

Date	Amount	% Completion
8/1/2026	\$1,652,000	50%

Third Payment: Completion \$2,110,960 (31.95%)

\$337,500 of Development Fee (25.00% of paid fee) will be paid as part of this Payment.

On the latest to occur of March 1, 2027 and:

- Temporary certificates of occupancy for 100% of the units (for renovation projects, all applicable building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- Construction completion which requires that the Limited Partner and its consultant accept the architect certification that construction is complete in accordance with the relevant project documents, excepting punch list items that do not impede occupancy on a full rent paying basis provided that funds are escrowed or retained by construction lender to complete them
- Close-out documentation, certifications, and operations and maintenance plans related to environmental hazards, as required
- Title report evidencing there are no recorded mechanics liens that have not been released or bonded against
- Partial lien release and current AIA forms G702 and G703
- Draft accountant prepared cost certification documenting the Project's eligible basis, balanced sources and uses, calculation of annual credit and evidence of the 50% test.

- Current source and use schedule for the Project confirming sufficient funds will be available to achieve loan conversion (“Loan Conversion”) which consists of:
 - Conversion of all loans to permanent status
 - Closing and funding of all permanent loans in accordance with the terms shown on the Projections
 - Repayment of all construction loans
 - Approval of all loan documents
- Required insurance
- Partnership’s 168(k)(7) election to opt out of bonus depreciation
- Satisfactory evidence of the partnership’s valid and timely election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code
- Evidence that application has been properly filed for special property tax exemption

Fourth Payment: Conversion/Stabilization \$1,058,040 (16.01%)

\$540,000 of Development Fee (40.00% of paid fee) will be paid as part of this Payment.

On the latest to occur of October 1, 2027 and:

- Permanent certificates of occupancy for 100% of the units (for renovation projects, all applicable building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- Final mechanic’s lien release and final AIA forms G702 and G703
- Final as-built ALTA survey
-
- Recorded extended use agreement. When the state process precludes recording the extended use agreement prior to the end of the first credit year, Enterprise may defer this requirement
- Final accountant certified cost certification documenting the Project’s eligible basis, balanced sources and uses, calculation of annual credit and evidence of the 50% test.
- 98% documented tax credit qualified occupancy
- Credit projection
- Approval of property tax exemption
- Stabilization Date, which is the date that is the later of:
 - i. Construction completion
 - ii. The date the Project has satisfied the required debt service coverage ratio (the “Coverage Ratio”) of 1.15 for a period of three (3) consecutive calendar months evidenced as a single time period, with revenues calculated on a cash basis and expenses on an accrual basis. Rental and operating subsidy payments receivable may be included in rental income (up to the projected subsidy income) provided such amounts are not more than sixty (60) days in arrears. Revenue shall not include non-recurring

revenue nor tenant-based voucher income exceeding maximum Federal Housing Credit rents. Throughout this period, the underwritten physical occupancy of the residential units is achieved and revenue equals or exceeds projected effective gross income. Project expenses (including required reserve funding) will be the greater of:

1. actual expenses; OR
2. the lesser of
 - A. the expenses shown on the projections
 - B. the current approved budget

Note that the Coverage Ratio may be adjusted upward during underwriting to maintain appropriate minimum Coverage Ratio during the initial compliance period.

- Loan Conversion, which may be simultaneous with equity funding per this Payment

Fifth Payment: 8609 \$135,000 (2.04%)

\$135,000 of Development Fee (10.00% of paid fee) will be paid as part of this Payment.

On the latest to occur of April 1, 2028 and:

- Receipt of IRS Form(s) 8609
- Tax return for the first Federal Housing Credit year

D. Adjusters

The maximum aggregate upward adjuster is 5% of the projected total capital contribution and payment thereof shall not be subject to any conditions other than as may be set forth below. The calculation of the adjuster will be subject to the Limited Partner's approval and include no negative tax implications to the Limited Partner. If the unpaid Payments are less than any downward adjustment, the General Partner will make a cash contribution in the amount of the deficiency on an after-tax basis to be distributed to the Limited Partner; credit adjuster advances shall be deemed a capital contribution of the General Partner, unless permitted, in the Limited Partner's sole discretion after tax analysis, to be made in the form of a non-interest bearing, cash-flow contingent loan. The specific adjustments follow:

1. Total Credit Adjuster:

If there is a reduction of total credits of any type at any time, as compared to projections, then the next Payment will be reduced. The amount of the downward adjuster will be the respective credit price multiplied by the reduction of the relevant credits.

If there is an increase of total credits of any type, as compared to projections then the aggregate capital contribution will be increased as of the Payment for which 8609s are received. The amount of the upward adjuster will be the respective credit price multiplied by the increase of the relevant credits.

2. Timing Adjuster:

If there is a reduction in equity according to the following paragraphs, it will be implemented as of the Payment dependent upon the Stabilization Date. Any additional equity funded under this section D.2 will be payable as part of the Payment requiring receipt of the relevant tax return showing the faster delivery, by year. If the Project delivers fewer Federal Housing Credits than shown in the following schedule, total capital contribution will be reduced by \$0.5600 per dollar of credit differential, and if the Project delivers more Federal Housing Credits than shown in the following schedule, total capital contributions will be increased by \$0.5600 per dollar of credit differential:

2027	2028
\$631,501	\$796,171

The credit delivery shown is based on the unit leasing schedule shown on the Lease Up page in our attached projections. The timing adjusters may vary between LOI and final closing as the investor's internal rate of return requirement changes. If the increase in first year Federal Housing Credits results in any loss of Federal Housing Credits due to the 2/3 rule, the increase will be reduced by both the permanent loss of Federal Housing Credits and present value of the rescheduled credit delivery.

If the project delivers Energy TC in the year subsequent to the projected placed-in-service year, the total capital contribution will be decreased by \$0.09 per dollar of credit. If the project delivers Energy TC in the year prior to the projected placed-in-service year, the total capital contribution will be increased by \$0.09 per dollar of credit.

3. Recapture Adjuster

If the actual Federal Housing Credits allocated to the Limited Partner on the federal tax return are less than projected (after adjustments per D.1 and D.2 above), or there is recapture of Federal Housing Credits, then the Limited Partner's capital will be reduced by \$1.00 for every dollar reduction in the amount of Federal Housing Credits plus any interest and penalties imposed by the IRS.

If it is determined that a recapture adjuster will be applicable in subsequent years, the full adjuster for the future years will be made at the time of the initial determination. If the unpaid capital contributions are less than this adjustment, the General Partner will make a cash contribution in the amount of the deficiency on an after-tax basis. This contribution will be distributed to the Limited Partner.

4. Depreciation Adjuster

Failure to make various General Partner or Sponsor tax and Project depreciation elections as called for in the projections and the Partnership Agreement will result in a reduction in capital contributions to reflect the reduction in benefits to the Limited Partner. If unpaid capital contributions are less than such adjustment, the General Partner will be required to make a cash contribution up to the amount of such reduction in tax benefits on an after-tax basis. This contribution will be distributed to the Limited Partner.

5. Excluded Credit Adjustment Amount

There will be no adjuster for any reduction or recapture of credits if such reduction or recapture is due solely to (i) an act or omission attributable to gross negligence or intentional misconduct of the Limited Partner in violation of the Partnership Agreement; (ii) the transfer by the Limited Partner of all or a portion of its interest in the Partnership; or (iii) any change in the Code or change in Treasury Regulations (except as related to the Average Income minimum set-aside election) that occurs after the effective date of the Partnership Agreement, with which the General Partner is unable to comply despite the exercise of good faith and reasonable efforts.

E. Application of Cash Flow and Refinance or Sale Proceeds

1. Cash Flow

Cash remaining after funding operating expenses, reserve deposits, and required debt service will be applied according to the following priorities:

- a) to the Limited Partner for:
 - i. unpaid credit deficiency
 - ii. taxes owed on taxable income allocated to the Limited Partner
 - iii. unpaid Investor Services Fees
- b) to replenish the operating reserve to required level
- c) to the property manager for the cash flow portion of property management fee (if related manager)
- d) to the developer to pay off remaining deferred Development Fee
- e) to the General Partner
 - i. to reimburse operating deficit contributions
 - ii. for Partnership Administration Fee (if applicable)
 - iii. to reimburse development advances, at the Limited Partner's sole discretion after tax analysis
- f) Contingent loan payments with limits for each loan scheduled in the projections and in accordance with the loan documents
- g) A percentage to the General Partner accompanied by a special allocation of income of such amount and the remainder to the Limited Partner per Section B above

2. Capital (Refinance or Sale) Proceeds

The proceeds of a refinance or sale of the Partnership's property, net of paying off outstanding debt, will be distributed according to the following priorities:

- a) to the Limited Partner for
 - i. unpaid credit deficiency
 - ii. taxes owed resulting from the sale or refinancing
 - iii. unpaid Investor Services Fees
- b) to the developer for unpaid Development Fee
- c) to the General Partner
 - i. to reimburse operating deficit contributions and credit adjuster advances
 - ii. for Partnership Administration Fee (if applicable)

- iii. to reimburse development advances, at the Limited Partner's sole discretion after tax analysis
- d) Distributions to the General Partner and the remainder to the Limited Partner in accordance with Section B of this agreement.

F. Disposition of the Limited Partner's Interest

The Limited Partner will have an absolute right to withdraw from the Partnership after the credit period. Beginning after the credit period the Limited Partner may require the General Partner or its designee to purchase the Limited Partner's entire interest in the Partnership for one hundred dollars (\$100.00) and to provide adequate protection against the possibility of tax credit recapture through the end of the compliance period.

The General Partner will have the following purchase options which will terminate twelve months after each respective trigger date:

1. Purchase of the Limited Partner's Interest

The General Partner will have the option to purchase the Limited Partner's interest at the end of the initial compliance period for a price ("Buyout Price") equal to the greater of (a) the appraised value of the Limited Partner's interest subject to all applicable use restrictions, or (b) any taxes payable by the Limited Partner attributable to the sale of its interest in excess of projections.

2. Early Purchase of the Limited Partner's Interest

The General Partner shall have the option to purchase the Limited Partner's interest for the Buyout Price after all credits have been delivered if the Limited Partner determines in its sole discretion that:

- a) the deal will deliver the internal rate of return projected at closing (adjusted to account for the actual delivery of credits and losses to the Limited Partner through the exercise of the option), even after the exercise of the buyout option;
- b) there are no negative tax consequences to the Limited Partner (other than a reduction in return, addressed above); and
- c) the General Partner provides adequate protection against the possibility of tax credit recapture through the remainder of the compliance period.

3. Purchase of the Project

After the initial compliance period, the General Partner will have the option to purchase the Project for a price equal to the greater of (a) the as-is appraised value of the Project subject to all applicable use restrictions, or (b) (i) the total amount of debt on the Project, plus (ii) any taxes payable by the Limited Partner due to the sale, in excess of projections.

4. Right of First Refusal

The Harrisonburg Redevelopment and Housing Authority, or another qualified 501(c)(3) corporation approved by Enterprise, will have a right of first refusal to purchase the real estate of the Partnership for a price equal to the sum of: (i) taxes payable by the Limited Partner due to the sale, and (ii) outstanding debt secured by the real estate.

G. General Partner Obligations

All obligations of the General Partner, including but not limited to the following, will be guaranteed by Harrisonburg Redevelopment and Housing Authority and EquityPlus Manager, LLC (the “Guarantor”), jointly and severally. The General Partner and Guarantor must demonstrate to Enterprise, in its sole and absolute discretion, their ability to provide meaningful guarantees. A detailed review of the Guarantor’s financial capacity and REO schedule will be completed prior to closing, and material declines in Guarantor capacity may result in a requirement for additional guarantors.

1. Guarantees

- a) Achieve lien-free construction completion, cover all development advances necessary for the completion of the Project, and convert to permanent financing at the amounts and terms shown in the projections. Advances under this guarantee will not be reimbursed, unless approved by the Limited Partner at their sole discretion, in which case they may be structured as non-interest bearing, cash-flow contingent loans.
- b) Advance funds needed to cover operating deficits until the later of the Stabilization Date or Loan Conversion.
- c) After the later of the Stabilization Date or Loan Conversion, advance funds needed to cover operating deficits up to 6 months of operating expenses, reserve contributions, and debt service currently scheduled to be \$518,000. The duration of this guarantee is at least 5 consecutive audited years (including the calendar year of Stabilization or Loan Conversion) following the later of Loan Conversion or Stabilization Date. This guarantee will continue until such time as:
 - i. the operating reserve is funded as per Projections
 - ii. the Project has achieved the Coverage Ratio for the final 2 consecutive years of the guarantee period. This ratio may be adjusted during underwriting to maintain a minimum Coverage Ratio during the initial compliance period

- d) Contribute capital to fund:
 - i. adjusters as described in Section D above;
 - ii. reserve accounts not funded due to capital contribution adjustments; and
 - iii. unpaid Development Fee at the end of the compliance period.
- e) Repurchase the Limited Partner's interest if:
 - (A) At any time before the Project has operated at Break-even for a period of three (3) consecutive calendar months, any loan is in default, after the expiration of any applicable notice and cure period, or an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project;

OR

- (B) If the Partnership fails to:
 - i. For 4% projects, qualify for Federal Housing Credits for failing the 50% test as required in Code Section 42(h)(4)
 - ii. Achieve the minimum set-aside test for the Project
 - iii. Achieve at least 75% of the projected Federal Housing Credit
 - iv. Operate at break-even for 3 consecutive months within 18 months of the completion date
 - v. Achieve Loan Conversion
 - vi. Maintain any loan commitment which is not replaced by a comparable commitment acceptable to the Limited Partner
 - vii. Receive 8609s by September 1 of the second year after the first year of the credit period for the last building placed in service.

OR

- (C) Upon an Event of Bankruptcy with respect to the General Partner or the Guarantor prior to the completion date.

The repurchase price will be 110% of capital contributions made to date plus interest at the Prime Rate plus 2%, plus the costs and expenses incurred (including reasonable attorneys' fees incurred to enforce these provisions) less the credits allocated to the Limited Partner not subject to recapture.

- f) Indemnify the Partnership and the Limited Partner for any income tax liability on an after-tax basis or costs to remove liens realized by the Partnership or the Limited Partner in any taxable year attributable to any taxable grant not approved by the Limited Partner. This indemnification is a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.
- g) Indemnify and hold harmless the Partnership and the Limited Partner from any loss incurred due to the General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement, or environmental violations. This indemnification is a recourse

obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.

2. Reserve Requirements

- a) The operating reserve (the “Operating Reserve”) will be funded in the total amount of at least 6 months of operating expenses, reserve contributions, and debt service plus the amount necessary to maintain the Coverage Ratio through the compliance period, and is currently scheduled to be \$518,040. After the Project has achieved the Stabilization Date and Loan Conversion, the General Partner will be permitted to use the Operating Reserve prior to making operating deficit contributions to the extent the Operating Reserve has been funded as of the date of the deficit.

Upon termination and winding up of the Partnership, subject to the provisions of the Partnership Agreement, the balance in the Operating Reserve shall be used to pay any tax (including exit and transfer taxes) imposed on the Partnership, the Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or for other uses approved by the Limited Partner. Paying off Sponsor notes is an eligible use of these funds.

- b) The lease-up reserve (“Lease-Up Reserve”) must be budgeted in the amount needed to cover the projected deficits prior to the Stabilization Date. Borrowing authority under construction period loans may be used as a source. After the Stabilization Date, unused funded Lease-Up Reserve will reimburse development advances or reduce deferred Development Fee or partner or other loans (with the approval of the Limited Partner) with any remaining balance deposited into the Operating Reserve.
- c) The replacement reserve (the “Replacement Reserve”) will be funded from operations in the amount of \$300 per unit per year, increasing 3% annually.

H. Opinion of Counsel & Syndication Costs

The Limited Partner's attorneys will prepare the Partnership Agreement, review due diligence, and prepare the tax opinion. The Partnership will pay the Limited Partner's attorney fees, estimated to be \$55,000, but could be greater in the event of an extended closing schedule or extraordinary deal complexities.

The Limited Partner will require a satisfactory opinion of Partnership's counsel on certain corporate and other matters including formation of the Partnership, limited liability of the Limited Partner, no conflict between the Partnership Agreement and other binding contracts, no litigation, etc. The General Partner and the Partnership's counsel will prepare all other necessary documents, collect due diligence, legal opinions, and perform other work necessary to complete the transaction.

The Partnership will pay the costs of construction plan review and inspections as commissioned by the Limited Partner. Enterprise will endeavor to engage the same reviewer as lenders to manage costs. The Guarantor will be obligated to pay plan review and inspection invoices in a timely manner if the partnership fails to do so. Failure to do so will result in suspension of inspections and reports, which will lead to an inability to fund draws during construction and any construction-period capital contribution installments.

I. Reporting

The Partnership will deliver to the Limited Partner:

- a) Construction progress reports
- b) monthly lease-up report within 15 days after each month
- c) The Partnership will be required to prepare quarterly and annual reports in form and substance satisfactory to investor as set forth in the Partnership Agreement.
- d) Annual draft audited financial statements and draft tax returns not later than 45 days after the end of each year and final audited financial statements and final tax returns not later than 60 days after the end of each year. The audit and tax return must be prepared by a certified public accountant approved by Enterprise. Late delivery of annual audited financial statements or tax returns obligates the General Partner to pay to the Limited Partner the sum of \$100 per day until Limited Partner's receipt of such statements or returns.

J. Additional Requirements

In addition to the conditions set forth above, any investment by the Limited Partner is contingent upon availability of capital at the time of closing and upon review and approval by Enterprise's Investment Committee, in its sole and absolute discretion, of all of the following:

- Market demand, Rent, and Operating Expenses
- Management Agent and Management Plan
- Phase I Environmental Assessment including radon, lead paint and asbestos reports, as applicable
- Commitments and documents from all other sources of financing
- Legal or other opinions
- Any other items material to the underwriting of the Project
- Partnership Agreement
- Investor approval
- If the project is utilizing 4% tax credits, an award of tax exempt bond authority from the relevant agency, a bond inducement resolution issued, and evidence that the project qualifies for Federal Housing Credits in the amount of the Federal Housing Credit allocation because 50% or more of the project is financed with tax exempt bonds subject to the volume cap, as provided in Section 42(h)(4)(B) of the Code
- Prior to closing, Enterprise's approval of the overall site work/infrastructure to confirm there is sufficient master development site work being completed concurrently with the Subject to ensure operations and marketability.

Enterprise may waive any of the conditions to closing set forth in this letter. The waiver of any condition does not constitute a waiver of any remaining conditions.

The Sponsor acknowledges that this letter of interest is proprietary and confidential and may not be shared with competing investors or any other developer. Upon execution of this letter, Enterprise will commence its underwriting and due diligence review and will have its outside counsel commence the preparation of the transaction documents. The Sponsor agrees

that Enterprise will have an exclusive right to syndicate the credits for this Project which will terminate if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date. Enterprise reserves the right to terminate this letter if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date. Further, or to the extent there is tax or regulatory reform prior to closing, terms are subject to renegotiation.

This letter of interest will expire if the counter-signed copy is not received by Enterprise by the 11th day after the date of this letter. Please remit one fully executed copy right away. We look forward to working with you!

Sincerely,
ENTERPRISE HOUSING CREDIT
INVESTMENTS



Katie Porter, Director

Agreed and accepted:

By:



Title:

Executive Director, Harrisonburg Redevelopment and Housing Authority

By:

Title:

PROJECT ASSUMPTIONS

The terms and conditions are based on the following assumptions, which may be adjusted prior to closing:

1. Market rents as established by the Enterprise market analyst are at least 10% above the scheduled unsubsidized rents and at least equal to the rental subsidy contract rents.
2. Total vacancy loss (physical vacancy plus loss to lease and bad debt) rate of 7.00%.
3. Annual operating expenses of \$6,900 per unit net of Replacement Reserves and Investor Services Fee. The operating expense budget will be analyzed in further detail during underwriting and adjustments will be made, as necessary. Enterprise will approach operating expense underwriting by identifying four properties that are comparable to the subject property. The comparable properties that are used will be identified from Enterprise's portfolio as well as from external sources. The expense categories will be evaluated on a line-by-line basis and compared to the average of the comparable properties that are identified.
4. The project is anticipated to receive a property tax exemption through the compliance period
5. The Guarantor is estimated to have \$2,900,000 in liquidity and \$33,800,000 in net worth as of 12/31/2022 to support guarantees.
6. Should the Project not break even, the property management fee paid to parties related to the General Partner or Guarantor will be deferred and collected from cash flow.
7. Enterprise assumes that the rate for the permanent mortgage will be locked at closing using a fixed-rate construction-permanent product or a forward commitment which encompasses the projected construction, leasing, and stabilization period with a cushion. Swaps are not acceptable. Debt service covenants which would put the project into default as long as payments are being made are generally unacceptable.
8. The Project contractor will provide a 15% letter of credit or 100% payment and performance bond. Retainage will be 10% until 50% completion then reduced to 5% through completion unless limited by state law.
9. Construction will begin by July 1, 2025 and will be complete by February 1, 2027. Liquidated damages for delayed delivery will be built into the General Contract according to the following minimum standards:
 - Contracts over \$10MM up to \$15MM: \$1,500 per day
 - Contracts over \$15MM up to \$20MM: \$2,000 per day
 - Contracts over \$20MM up to \$30MM: \$2,500 per day
10. For projects in Uniform Building Code zones 3 or 4, a seismic survey will be required. Enterprise will not invest in projects with a Scenario Expected Loss ratio (SEL) above 40% post completion. Until such time as the SEL is below 20%, then earthquake insurance sufficient to cover replacement with a deductible of no more than 5% of insured value will be required.

11. Depreciation according to the following base election schedule, but with special allocations as specified in the projections (including depreciating soft costs pro-rata according to the useful lives of the hard costs):

Depreciation Assumptions

Is FP GP a For-Profit Subsidiary of a Non-Profit?

Will a 168 (h) (6) Election be made?

Is there a Commercial Depreciation Override?

Will there be a Building by Building Override?

Will there be Soft Cost Allocation?

Depreciable Life of Building

Depreciable Life of Furniture, Fixtures, Equipment

Depreciable Life of Site Work

Will there be Bonus Depreciation?

The financing and tax structure will be approved by our tax attorney.

No	
No	
No	
No	
Yes	
30.0	Years
5	Years
15	Years
No	Reallocations

Project Loan Information:

Important:

Enter Loans in Lien Priority at Sale

Lender Name

Financing Source

Loan Amount:

Interest Rate:

Mortgage Insurance Premium

Fixed or Variable:

Term (Years):

Amortization

Loan Type

Loan Repayment Type

Loan First Payment Date:

Market Value after Affordability Period	LOAN 1	LOAN 2	LOAN 3	LOAN 4	LOAN 5	LOAN 6	LOAN 7
18,012,374	VHDA	Virginia HTF	Virginia HIEE	Virginia HOME	Sponsor Loan: FHLB Grant	DDF	GAP SOURCE
DCR/ECR:	Bank/Conventional	Govt-State Other	Govt-State Other	Govt-State Other	Other	Other	Other
Base Year: 1.150	6,502,000	2,000,000	2,000,000	1,000,000	1,000,000	1,350,000	791,622
Year 15: 1.271	5.80%	1.00%	0.00%	1.00%	0.00%	0.00%	0.00%
Debt Per Door	78,337	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
PASS	17	30	30	30	30	15	30
	40	30	30	30	30	15	30
Conventional Must pay		Public Must Pay	Contingent	Contingent	Contingent	Deferred Develop. Fee	Contingent
Fully Amortizing		Interest Only	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting
5/1/2027		5/1/2027	5/1/2027	5/1/2027	5/1/2027	2/1/2027	5/1/2027

Construction Loan Information

Bonds/Construction	Construction	Construction
Loan #1 ☒	Loan #2 ☒	Loan #3 ☐
Tax-Exempt Construction Loan	Taxable Tail	Sponsor Loan: FHLB Grant
10,626,072	3,627,500	1,000,000
7.00%	7.50%	0.00%
22	22	22

266 Election Quarterly Capitalization of Interest?

Yes	Loan #1	Loan #2	Loan #3
Months of Construction	21.0	21.0	21.0
Construction % Carry (Avg. Outstanding Balance)	64.0%	12.0%	100.0%
Mos. of Interest Carry before Completion Payment	0.0	0.0	0.0
Mos of Interest Carry after Completion Payment	1.0	1.0	1.0
Interest During Construction	833,084	57,133	0
Interest During Carry	61,985	11,588	0
Total Interest	895,069	68,721	0
AOB %	64.30%	12.15%	100.00%

Other Sources	Financing Source	Amount
General Partner	Other	100
Accrued Interest During Construction	Other	0
GP Capital (Bond Positive Arbitrage)	Other	200,000

Tab D:

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

From: [TaxCreditApps](#)
To: [Tim McCarty](#)
Subject: RE: Tab D Schedule A
Date: Wednesday, June 3, 2026 10:57:55 AM

Good Afternoon Tim!

We no longer require Schedule A. Only the organizational chart and signed past participation document that is in the excel app.

Thank you!

Katie Lucas

Associate Tax Credit Allocation Officer

Kathleen.Lucas@VirginiaHousing.com

601 S. Belvidere Street, Richmond, VA 23220

Office: 804-343-5570

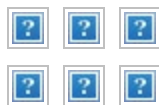
From: Tim McCarty <tmccarty@equityplusllc.com>
Sent: Tuesday, June 2, 2026 1:26 PM
To: TaxCreditApps <TaxCreditApps@virginiahousing.com>
Subject: Tab D Schedule A

CAUTION: This email originated from outside of Virginia Housing. Use caution when clicking on links or opening attachments.

Apologies for being remedial. I am submitting 4% tax credit applications by July 1. I cannot seem to find current version of the attached form that I have submitted previously. Is the attached form the most recent version?

Thanks,

Tim



[Subscribe to eNews](#)

V. Previous Participation Certification

Development Name: Bluestone Town Center Family I**Name of Applicant (entity):** BTC Family I 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 **the organizational chart attached hereto**.

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 within the organizational charts 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 within the past ten (10) years 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. For purposes of this statement, "declared a default" refers only to final notices of default issued after the exhaustion of all applicable notice and cure rights.

3. During any time within the last ten (10) years that any of the Participants were a Principal in an owner of multifamily rental property, no such owner 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. For the purposes of this statement, "determined to have breached" refers only to determinations made by an independent third-party arbiter or court of law following the expiration of all applicable notice and cure periods and excludes default judgments that have been fully satisfied.

4. No Participant listed in this Certification has been required to turn control of a property over to an investor or been otherwise involuntarily removed as a general partner from the ownership of a multifamily rental property within the past ten (10) years.

5. There are no unresolved material findings of noncompliance resulting from any audits, management reviews, or other governmental investigations performed by (or on behalf of) any state or federal entity, concerning any multifamily rental property in which any of the Participants were Principals at the time of such finding. For the purposes of this statement, a finding is considered resolved if either (a) the state or federal entity issuing the finding has determined that no further action is required to remedy the finding; or (b) the Participant (or entity in which it is a Principal) has entered into a binding agreement with the applicable state or federal entity to address such finding(s) and the Applicant has included with this Certification a copy of such agreement accompanied by a written statement from the state or federal entity verifying that such agreement is not in default and is reasonably expected to be satisfied within (90) days. Any such statement must be addressed to Virginia Housing and dated no more than thirty (30) days prior to submission of the Application.
6. During the past ten (10) years, no Participants were Principals in any multifamily rental property for which payments under any state or federal assistance contract were suspended or terminated. For the purposes of this statement, suspensions and terminations do not include those caused solely by actions or inactions of the state or federal agency, like funding shortages, technical issues, or administrative delays, where the Principals were not at fault.
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.
8. No Participant has been suspended, debarred, or otherwise restricted by any federal or state entity from participating in housing programs administered by such entity due to programmatic noncompliance on the part of either the Participant or an entity in which the Participant was a Principal.
9. During the past ten (10) years, (a) no Participant has been the subject of a claim under an employee fidelity bond; and (b) while any Participant was a Principal in an owner of multifamily rental property, no Participant or such related owner defaulted on any obligation secured by a letter of credit or surety or performance bond. For the purposes of this statement, "defaulted" refers only to events where funds were paid by the issuer of a letter of credit or surety or performance bond.
10. No Participant is a Virginia Housing employee or a member of the immediate household of any Virginia Housing employee.
11. No Participant currently holds an ownership interest in a multifamily rental property where construction has stopped for more than 20 consecutive days, unless the stoppage:
 - (a) resulted from events beyond the reasonable control of the property owner that also caused similar delays in comparable projects in the surrounding area (e.g. natural disasters, labor strikes, pandemics, or government-imposed work stoppages); or
 - (b) solely involves work neither contractually required as a condition of tax credit allocation nor required prior to placing in service all residential buildings within such project.

Additionally, no Participant currently holds an ownership interest in a multifamily rental property assisted by a federal or state governmental entity and that has been substantially complete for more than 90 days without the required closing documents (such as the final cost certification) being filed, unless the delay is solely attributable to the governmental entity and not to the property owner or its agents.

12. No court of competent jurisdiction or other federal or state governmental entity has found any Participant to be in violation of any applicable civil rights, fair housing, or equal employment opportunity laws or regulations.

13. During the past ten (10) years, no Participant was a Principal in any multifamily rental property found by a court of competent jurisdiction or other federal or state governmental entity to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended (this statement does not refer to 8823s deemed corrected by the issuing agency).

14. No Participants are currently named as a defendant in a civil lawsuit relating to their ownership or other participation in a multi-family housing development where the amount of damages sought by the plaintiffs against the Participants relates to such ownership or participation and is for an amount greater than 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.

Michael Wong
Signature

Michael Wong
Printed Name

6/9/2026
Date (no more than 30 days prior to submission of the Application)

V. Previous Participation Certification

Development Name: Bluestone Town Center Family I

Name of Applicant (entity): BTC Family I 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 **the organizational chart attached hereto**.

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 within the organizational charts 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 within the past ten (10) years 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. For purposes of this statement, "declared a default" refers only to final notices of default issued after the exhaustion of all applicable notice and cure rights.

3. During any time within the last ten (10) years that any of the Participants were a Principal in an owner of multifamily rental property, no such owner 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. For the purposes of this statement, "determined to have breached" refers only to determinations made by an independent third-party arbiter or court of law following the expiration of all applicable notice and cure periods and excludes default judgments that have been fully satisfied.

4. No Participant listed in this Certification has been required to turn control of a property over to an investor or been otherwise involuntarily removed as a general partner from the ownership of a multifamily rental property within the past ten (10) years.

5. There are no unresolved material findings of noncompliance resulting from any audits, management reviews, or other governmental investigations performed by (or on behalf of) any state or federal entity, concerning any multifamily rental property in which any of the Participants were Principals at the time of such finding. For the purposes of this statement, a finding is considered resolved if either (a) the state or federal entity issuing the finding has determined that no further action is required to remedy the finding; or (b) the Participant (or entity in which it is a Principal) has entered into a binding agreement with the applicable state or federal entity to address such finding(s) and the Applicant has included with this Certification a copy of such agreement accompanied by a written statement from the state or federal entity verifying that such agreement is not in default and is reasonably expected to be satisfied within (90) days. Any such statement must be addressed to Virginia Housing and dated no more than thirty (30) days prior to submission of the Application.
6. During the past ten (10) years, no Participants were Principals in any multifamily rental property for which payments under any state or federal assistance contract were suspended or terminated. For the purposes of this statement, suspensions and terminations do not include those caused solely by actions or inactions of the state or federal agency, like funding shortages, technical issues, or administrative delays, where the Principals were not at fault.
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.
8. No Participant has been suspended, debarred, or otherwise restricted by any federal or state entity from participating in housing programs administered by such entity due to programmatic noncompliance on the part of either the Participant or an entity in which the Participant was a Principal.
9. During the past ten (10) years, (a) no Participant has been the subject of a claim under an employee fidelity bond; and (b) while any Participant was a Principal in an owner of multifamily rental property, no Participant or such related owner defaulted on any obligation secured by a letter of credit or surety or performance bond. For the purposes of this statement, "defaulted" refers only to events where funds were paid by the issuer of a letter of credit or surety or performance bond.
10. No Participant is a Virginia Housing employee or a member of the immediate household of any Virginia Housing employee.
11. No Participant currently holds an ownership interest in a multifamily rental property where construction has stopped for more than 20 consecutive days, unless the stoppage:
 - (a) resulted from events beyond the reasonable control of the property owner that also caused similar delays in comparable projects in the surrounding area (e.g. natural disasters, labor strikes, pandemics, or government-imposed work stoppages); or
 - (b) solely involves work neither contractually required as a condition of tax credit allocation nor required prior to placing in service all residential buildings within such project.

Additionally, no Participant currently holds an ownership interest in a multifamily rental property assisted by a federal or state governmental entity and that has been substantially complete for more than 90 days without the required closing documents (such as the final cost certification) being filed, unless the delay is solely attributable to the governmental entity and not to the property owner or its agents.

12. No court of competent jurisdiction or other federal or state governmental entity has found any Participant to be in violation of any applicable civil rights, fair housing, or equal employment opportunity laws or regulations.

13. During the past ten (10) years, no Participant was a Principal in any multifamily rental property found by a court of competent jurisdiction or other federal or state governmental entity to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended (this statement does not refer to 8823s deemed corrected by the issuing agency).

14. No Participants are currently named as a defendant in a civil lawsuit relating to their ownership or other participation in a multi-family housing development where the amount of damages sought by the plaintiffs against the Participants relates to such ownership or participation and is for an amount greater than 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

Timothy McCarty, EquityPlus Manager LLC, Class B Member

Printed Name

6/9/2026

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

Tab E:

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

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “Amendment”) is entered into as of June 26, 2026, by **EP HARRISONBURG OWNER LLC**, a Virginia limited liability company (“Seller”), and **BTC FAMILY I LLC**, a Virginia limited liability company (“Buyer”).

Recitals

A. Seller and Buyer are parties to a Purchase and Sale Agreement dated as of July 18, 2024 (the “Agreement”), pursuant to which Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, the property described in Exhibit A to the Agreement.

B. Seller and Buyer desire to amend the Agreement as to extend the Outside Closing Date.

Statement of Amendment

Seller and Buyer hereby agree as follows:

1. Section 3(a) of the Agreement is hereby amended and restated in its entirety to read as follows:

“(a) Closing. The place, time and date provided for herein or hereafter, as may be changed by agreement of the parties, is sometimes referred to herein as the “Closing.” The Closing shall occur on a date mutually agreed to by Purchaser and Seller (the “Closing Date”), but not later than December 31, 2027 (the “Outside Closing Date”), by delivery of documents in escrow to a settlement agent that is mutually acceptable to the parties (the “Settlement Agent”).”

2. Capitalized terms not otherwise defined in this Amendment are defined as provided in the Agreement.

3. This Amendment may be executed by email 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.

4. To the extent that this Amendment is inconsistent with the Agreement, this Amendment will control and the Agreement is amended hereby. As amended by this Amendment, the Agreement remains in full force and effect.

[Signatures appear on the following pages]

Seller and Buyer have executed this Amendment as of the date first set forth above.

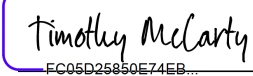
SELLER:

EP Harrisonburg Owner LLC,
a Virginia limited liability company

By: Harrisonburg Managing Member LLC,
a Virginia limited liability company
its sole managing member

By: EPM Harrisonburg Holdings LLC,
a Virginia limited liability company,
its managing member

By: EquityPlus Manager, LLC,
a Mississippi limited liability company
its managing member

By: 
EC05D25850E74EB...
Timothy L. McCarty, Manager

By: _____
Avram S. Fechter, Manager

[Signatures continue on the following page]

Seller and Buyer have executed this Amendment as of the date first set forth above.

SELLER:

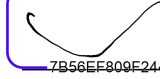
EP Harrisonburg Owner LLC,
a Virginia limited liability company

By: Harrisonburg Managing Member LLC,
a Virginia limited liability company
its sole managing member

By: EPM Harrisonburg Holdings LLC,
a Virginia limited liability company,
its managing member

By: EquityPlus Manager, LLC,
a Mississippi limited liability company
its managing member

By: _____
Timothy L. McCarty, Manager

By:  _____
7B56EF809E24464...
Avram S. Fechter, Manager

[Signatures continue on the following page]

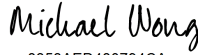
PURCHASER:

BTC FAMILY I LLC,
a Virginia limited liability company

By: BTC Housing, LLC,
a Virginia limited liability company,
its managing member

By: Harrisonburg Redevelopment and Housing Authority,
a political subdivision of the Commonwealth of Virginia,
its sole member

By:

A handwritten signature in black ink that reads "Michael Wong". The signature is written in a cursive style. A blue circular stamp is partially visible behind the signature.

8353AED480794CA...

Michael Wong
Executive Director

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) made as of April ___, 2024, by and between by **EP HARRISONBURG OWNER LLC**, a Virginia limited liability company (“Seller”), and **BTC FAMILY I LLC**, a Virginia limited liability company (“Purchaser”).

WITNESSETH:

WHEREAS, Seller is the owner of the fee simple interest in the Property (defined herein) located in Harrisonburg, Virginia; and

WHEREAS, Seller desires to sell such Property to Purchaser, and Purchaser desires to purchase such Property from Seller in the manner and upon and subject to the terms and conditions set forth in this Agreement.

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

1. Agreement to Buy and Sell. Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, all in the manner and upon and subject to the terms and conditions set forth in this Agreement, the following property (collectively, the “Premises”):

(a) that certain piece or parcel of land owned by Seller as more particularly described on Exhibit A hereto, together with all buildings and improvements thereon (such land, buildings and improvements are hereinafter collectively referred to as the “Property”);

(b) the easements, rights-of-way, privileges and appurtenances, and rights to the same, belonging to and inuring to the benefit of the Premises (collectively, the “Appurtenant Rights”); and

(c) Seller’s interest in all leases, subleases, licenses, occupancy agreements and tenancies of portions of the Property (the “Leases”); any maintenance, service contracts, warranties and other agreements (the “Contracts”); and all personal property owned by Seller and located at the Property (the “Personal Property”).

2. Purchase Price. The “Purchase Price” shall be Ten and NO/100 Dollars (\$10.00) which shall be paid to Seller in cash at Closing.

3. Closing and Conditions Precedent.

(a) Closing. The place, time and date provided for herein or hereafter, as may be changed by agreement of the parties, is sometimes referred to herein as the “Closing.” The Closing shall occur on a date mutually agreed to by Purchaser and Seller (the “Closing Date”), but not later than December 31, 2025 (the “Outside Closing Date”), by delivery of documents in escrow to a settlement agent that is mutually acceptable to the parties (the “Settlement Agent”).

(b) Condition Precedent. Purchaser's obligation to purchase the Premises and to take the other actions required to be taken by Purchaser at or in connection with the Closing, and Seller's obligation to sell the Premises and to take the other actions required to be taken by Seller at or in connection with the Closing, are contingent upon the admission of a tax-credit investor as an investor member in the Purchaser at or prior to the Closing.

4. Seller's Delivery of Documents. At the Closing, Seller shall deliver to the Settlement Agent in escrow the following documents:

(a) Executed Special Warranty Deed in proper form, sufficient to convey to Purchaser good and marketable fee simple title to the Premises subject only to the Permitted Encumbrances (as defined herein);

(b) Corporate/entity documents, resolutions, and other documents, and affidavits customarily required by title insurance companies in the Commonwealth of Virginia for the issuing of title insurance protecting against mechanics liens and parties in possession and removing any so-called "standard exceptions" from such policy of title insurance;

(c) Executed Closing settlement statement;

(d) Conveyance tax and other required tax returns and filing statements;

(e) An affidavit of Seller swearing that Seller is not a "foreign person" as defined in Section 1445(B)(2) of the Internal Revenue Code of 1986, as amended; and

(f) Any additional documents that Settlement Agent, Purchaser or Purchaser's title company (the "Title Company") may reasonably require for the proper consummation of the transactions contemplated by this Agreement.

5. Purchaser's Delivery of Documents. At the Closing, Purchaser shall deliver to the Settlement Agent in escrow the following:

(a) The Purchase Price;

(b) Executed Closing settlement statement; and

(c) Any additional documents that Settlement Agent, Seller, or the Title Company may reasonably require for the proper consummation of the transactions contemplated by this Agreement.

6. Title. Purchaser shall notify Seller of the existence of any encumbrances and defects in title rendering title unmarketable at least ten (10) days prior to the Closing Date. The Premises shall be conveyed subject to all other encumbrances, restrictions, and tenancies, provided the same do not render title to the Property unmarketable (hereinafter the "Permitted Encumbrances"). Seller shall have until the Closing to clear the title of any matters so objected to by Purchaser. If, at the Closing, Seller shall be unable to convey marketable title to the Premises subject only to the Permitted Encumbrances (as determined in the reasonable judgment of Purchaser), Purchaser shall have the option either of accepting such title as Seller can convey, or of rescinding this Agreement,

and if Purchaser shall so elect to rescind, this Agreement shall be terminated, whereupon all rights and liabilities of the parties hereto shall be deemed at an end.

7. Transfer Taxes; Recording. Seller shall pay all documentary, transfer, recordation, deed, or similar taxes and fees imposed on this transaction under applicable state and local law.

8. Adjustments. Seller shall pay or credit on the purchase price any of the following that are a lien on the Property on the date of Closing: all assessments which are a lien on the Property, all delinquent real estate taxes, including penalty and interest, all unpaid real estate taxes not yet due for years prior to Closing and a portion of such taxes for the year of Closing, prorated through the date of Closing. Such proration shall be based on a 365-day year and on the most recently available tax rate and valuation, and shall be final.

9. Casualty/Eminent Domain. In the event that at any time or from time to time prior to Closing, any proceedings shall be commenced or consummated for the taking of any part or all of the Premises for public or quasi-public use pursuant to the power of eminent domain, or otherwise, or any casualty shall occur with respect to the Premises, the same shall have no effect on this Agreement unless Purchaser by reason thereof elects, at its option, within fifteen (15) days of receipt by it of notice thereof or until the Closing Date, whichever is the longer period, to cancel this Agreement by giving written notice thereof to Seller to such effect, and upon the giving of such notice, this Agreement shall become null and void and of no further force or effect, with neither party having any further rights or liabilities hereunder. In the event that, notwithstanding the commencement of such proceedings or the occurrence of such casualty, Purchaser shall elect to proceed to Closing, Seller shall assign any and all claims, rights, awards, proceeds, insurance contracts, and any other compensation on account of or related to such proceedings or casualty to Purchaser and Seller shall convey, in accordance with this Agreement, the portion of the Premises, if any, as shall be left after such taking or casualty.

10. Condition of Premises; "As Is." This Agreement is entered into upon the knowledge and inspection of Purchaser as to the value and condition of the Premises and Seller makes no warranties, representations, or promises whatsoever as to the character, quality, use, value, condition, occupation, or other matters relating thereto. Purchaser agrees to accept the Premises in their present "as is" condition, reasonable wear and tear excepted.

11. Reserved.

12. Reserved.

13. Default. If Purchaser shall default in the performance of its obligations hereunder and shall fail to cure the same within fifteen (15) days following written notice thereof from Seller, Seller shall have the right, as its sole and exclusive remedy, to terminate this Agreement by written notice to Purchaser, whereupon all rights and liabilities of the parties hereto by reason of this Agreement shall be deemed at an end. If Seller shall default in the performance of its obligations hereunder and shall fail to cure the same within fifteen (15) days following written notice thereof from Purchaser, Purchaser shall have the right, as its sole and exclusive remedy, to terminate this Agreement by written notice, whereupon all rights and liabilities of the parties hereto by reason of this Agreement shall be deemed at an end. In no event may Purchaser or Seller assert a claim

against the other for monetary damages, whether direct, indirect, or consequential and each hereby release and covenant not to sue the other therefor.

14. Entire Agreement. This Agreement contains the entire agreement by and between the parties hereto affecting said Premises and supersedes any and all previous agreements, written or oral, between said parties and affecting said Premises. If two or more persons or entities constitute either Seller or Purchaser, such terms shall be construed to mean the plural unless the context clearly indicates a contrary intent. Unless otherwise specifically provided herein, pronouns of any gender shall include the other gender wherever the sense of this Agreement requires.

15. Survival and Succession. The rights and obligations contained herein shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto.

16. Assignment. Purchaser shall be entitled to assign its rights and obligations hereunder to any person controlling, controlled by or under common control with Purchaser.

17. Nonwaiver. The failure of Seller or Purchaser to insist upon strict performance of any of the provisions of this Agreement or to exercise any right herein conferred shall not be construed as a waiver for the future of any provision, but the same shall remain in full force and effect.

18. Brokers. Purchaser and Seller mutually represent to each that no real estate broker was involved in or brought about this transaction and each party agrees to save, defend and hold harmless the other for any damages, fees or expenses incurred as a result of a breach of this representation. The provisions of this Section shall survive the Closing.

19. Reserved.

20. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For the convenience of the parties, a signature upon this Agreement made or delivered by facsimile, PDF, or other electronic means shall constitute an electronic signature and shall be effective for all purposes as an original.

21. Governing Law and Venue. This Agreement shall be construed, enforced, and governed in all respects by the laws of the Commonwealth of Virginia. Any and all disputes arising out of this Agreement or actions to enforce this Agreement shall be brought in the Circuit Court of Rockingham County, Virginia.

[Remainder of page intentionally blank; Signature page follows]

IN WITNESS WHEREOF, Seller and Purchaser have hereunto set their hands and seals as of the day and year first above written.

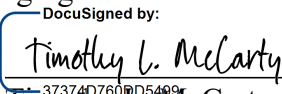
SELLER:

EP Harrisonburg Owner LLC,
a Virginia limited liability company

By: Harrisonburg Managing Member LLC,
a Virginia limited liability company
its sole managing member

By: EPM Harrisonburg Holdings LLC,
a Virginia limited liability company,
its managing member

By: EquityPlus Manager, LLC,
a Mississippi limited liability company
its managing member

By: 
Timothy L. McCarty, Manager

By: _____
Avram S. Fechter, Manager

IN WITNESS WHEREOF, Seller and Purchaser have hereunto set their hands and seals as of the day and year first above written.

SELLER:

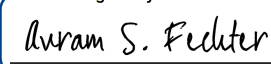
EP Harrisonburg Owner LLC,
a Virginia limited liability company

By: Harrisonburg Managing Member LLC,
a Virginia limited liability company
its sole managing member

By: EPM Harrisonburg Holdings LLC,
a Virginia limited liability company,
its managing member

By: EquityPlus Manager, LLC,
a Mississippi limited liability company
its managing member

By: _____
Timothy L. McCarty, Manager
DocuSigned by:

By:  _____
B62AC393526B48F
Avram S. Fechter, Manager

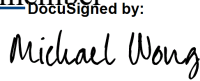
PURCHASER:

BTC FAMILY I LLC,
a Virginia limited liability company

By: BTC Housing, LLC,
a Virginia limited liability company,
its managing member

By: Harrisonburg Redevelopment and Housing Authority,
a political subdivision of the Commonwealth of Virginia,
its sole member

By:

A blue ink handwritten signature of Michael Wong.

Michael Wong,
Executive Director

Exhibit A

Legal Description

A proposed 3.016 acre parcel of land, being a portion of the land standing in the name of EP Harrisonburg Owner, LLC., a Virginia limited liability company, located off of Garbers Church Road, in the City of Harrisonburg, Virginia and is further described as a portion of the Blue Stone Town Center Development.

Commencing at the South face of a fence corner post, a common corner with Clark E. Martin and other lands of EP Harrisonburg Owner, LLC., thence with said Martin

S 27° 42' 20" W 424.35'

to a point, a common corner with the proposed southern right-of-way line of Hidden Creek Lane, in the line of said Martin, thence generally with the southern right-of-way line of said Hidden Creek Lane

S 62° 17' 40" E 92.00'

to the **True Point of Beginning**, an Iron Pin to be set, a new corner in the southern right-of-way line of Hidden Creek Lane, thence the following eight new courses through the lands of EP Harrisonburg Owner, LLC.

S 62° 17' 40" E 236.00'

to an Iron Pin to be set, a new corner in the southern right-of-way line of said Hidden Creek Lane, thence a curve to the right having the following:

a radius of 27.00' an arc length of 42.41'
and a long chord of S 17° 17' 40" E 38.18'

to an Iron Pin to be set, a new corner in the western right-of-way line of Iris Lane, thence

S 27° 42' 20" W 403.00'

to an Iron Pin to be set, a new corner in the western right-of-way line of Iris Lane, thence a curve to the right having the following:

a radius of 25.00' an arc length of 39.27'
and a long chord of N 72° 42' 20" W 35.36'

to an Iron Pin to be set, a new corner in the northern right-of-way line of Mountain Mint Street, thence

N 62° 17' 40" W 240.00'

to an Iron Pin to be set, a new corner in the northern right-of-way line of Mountain Mint Street, thence a curve to the right having the following:

a radius of 25.00' an arc length of 39.27'
and a long chord of N 17° 17' 40" W 35.36'

to an Iron Pin to be set, a new corner in the eastern right-of-way line of Bluebell Drive, thence

N 27° 42' 20" E 403.00'

to an Iron Pin to be set, a new corner in the eastern right-of-way line of Bluebell Drive, thence a curve to the right having the following:

a radius of 27.00' an arc length of 42.41'
and a long chord of N 72° 42' 20" E 38.18'

to the beginning, enclosing an area of 3.016 acres, as shown on the Preliminary Plat of Blue Stone Town Center Subdivision, prepared by AES Consulting Engineers, and dated October 5, 2023.

Being a portion of the lands conveyed to EP Harrisonburg Owners, LLC., from Charles W. Clark, et al, by a deed dated March 23, 2023, and recorded in the land records of the Rockingham County Clerk of Court in Deed Book 5691, at Page 400

1645 ERICKSON AVE

Location	1645 ERICKSON AVE	Acct#	115 B 1 4
Owner	EP HARRISONBURG OWNER LLC	Building Name	
Total Market Va...	\$3,213,900	Building Count	1
Legal Description	QUADRANT 4 N OF ERICKSON AVE	Bill Acct Num	P1014620
Assessing Distr...	Quadrant 4		

Current Value

Assessment					
Valuation Year	Building	Extra Features	Outbuildings	Land	Total
2026	\$0	\$0	\$0	\$3,213,900	\$3,213,900

Owner of Record

Owner	EP HARRISONBURG OWNER LLC	Sale Price	\$3,510,128
Co-Owner		Book & Page	5691/400
Address	1888 MAIN ST SUITE C163 MADISON , MS 39110	Sale Date	05/01/2023
		Instrument	20

Ownership History

Ownership History				
Owner	Sale Price	Book & Page	Instrument	Sale Date
EP HARRISONBURG OWNER LLC	\$3,510,128	5691/400	20	05/01/2023
BARBER MARTHA CLARK OTHERS	\$0	2199/560	1	01/16/2003

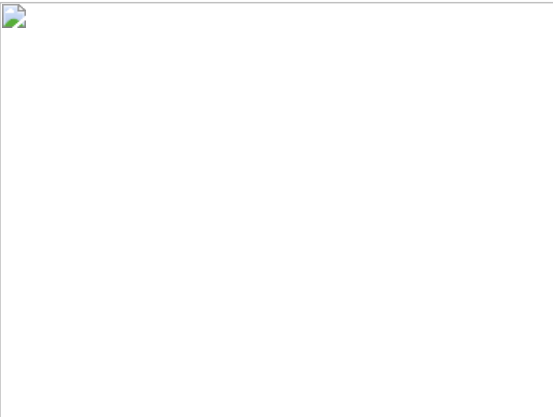
Building Information

Building 1 : Section 1

Year Built:
Living Area: 0
Building Percent
Good:

Building Attributes	
Field	Description
Style	
Quality	
Story Height	
Exterior Wall	
Framing	
Roof Structure	
Roof Cover	
Interior Wall 1	
Interior Floor	

Building Photo



(<https://images.vgsi.com/photos/HarrisonburgVAPhotos//def>

Building Layout

(ParcelSketch.ashx?pid=12668&bid=20759)

Attic SF	
Add Heat Sys	
Heat Type	
AC Type	
Bedroom(s)	
Full Bath(s)	
Half Bath(s)	
Extra Fixture(s)	
Total Room(s)	
Owner Occ	
FPL Opening(s)	
Dining Room(s)	
Family Room(s)	
Bsmt SF	
Fin Bsmt SF	
Bsmt Grade	
FPL Stack(s)	
Fpl Type	
Bsmt Gar	
Living Room(s)	
Int Finish	
Foundation Code	
Bsmt Type	
Cns Occ	

Building Sub-Areas (sq ft)	Legend
No Data for Building Sub-Areas	

Extra Features

Extra Features	Legend
No Data for Extra Features	

Land

Land Use

Use Code

000V

Description

000V

Zone

R7

Neighborhood

Quadrant 4

Alt Land Appr No

Category

Land Line Valuation

Size (Acres)

45.91

Frontage

0

Depth

0

Total Market Land

\$3,213,900

Outbuildings

Outbuildings	Legend
No Data for Outbuildings	

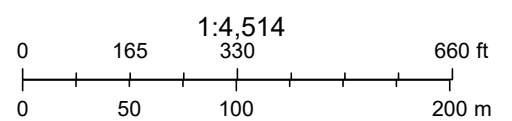
Valuation History

Assessment					
Valuation Year	Building	Extra Features	Outbuildings	Land	Total
2025	\$0	\$0	\$0	\$3,213,900	\$3,213,900
2024	\$0	\$0	\$0	\$3,213,900	\$3,213,900

P1014620



March 4, 2024



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Data and scale shown on this map are provided for planning and
Powered by Esri Technology

1010 GARBERS CHURCH RD

Location	1010 GARBERS CHURCH RD	Acct#	117 C 3
Owner	EP HARRISONBURG OWNER LLC	Building Name	
Total Market Va...	\$1,287,200	Building Count	1
Legal Description	QUADRANT 4 ES GARBERS CHURCH RD	Bill Acct Num	P1014707
		Assessing Distr...	GARBERS CHURCH

Current Value

Assessment					
Valuation Year	Building	Extra Features	Outbuildings	Land	Total
2026	\$0	\$0	\$0	\$1,287,200	\$1,287,200

Owner of Record

Owner	EP HARRISONBURG OWNER LLC	Sale Price	\$1,300,800
Co-Owner		Book & Page	5691/394
Address	1888 MAIN ST SUITE C163	Sale Date	05/01/2023
	MADISON , MS 39110	Instrument	20

Ownership History

Ownership History				
Owner	Sale Price	Book & Page	Instrument	Sale Date
EP HARRISONBURG OWNER LLC	\$1,300,800	5691/394	20	05/01/2023
WILLOW LANE PARTNERS	\$0	0/0	00	11/16/2017

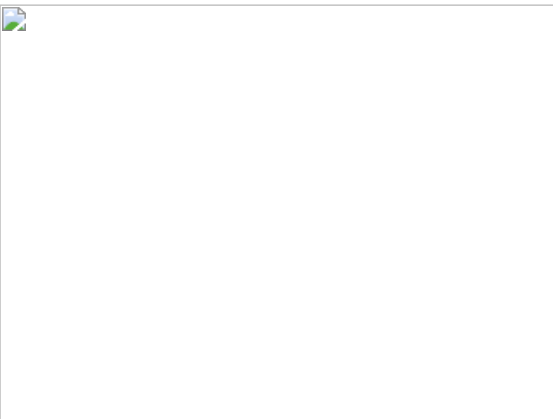
Building Information

Building 1 : Section 1

Year Built:
Living Area: 0
Building Percent
Good:

Building Attributes	
Field	Description
Style	DEFAULT STYLE
Quality	
Story Height	
Exterior Wall	
Framing	
Roof Structure	
Roof Cover	
Interior Wall 1	
Interior Floor	

Building Photo



(<https://images.vgsi.com/photos/HarrisonburgVAPhotos//def>

Attic SF	
Add Heat Sys	
Heat Type	
AC Type	
Bedroom(s)	
Full Bath(s)	
Half Bath(s)	
Extra Fixture(s)	
Total Room(s)	
Owner Occ	
FPL Opening(s)	
Dining Room(s)	
Family Room(s)	
Bsmt SF	
Fin Bsmt SF	
Bsmt Grade	
FPL Stack(s)	
Fpl Type	
Bsmt Gar	
Living Room(s)	
Int Finish	
Foundation Code	
Bsmt Type	
Cns Occ	

Building Layout

(ParcelSketch.ashx?pid=12750&bid=12750)

Building Sub-Areas (sq ft)	Legend
No Data for Building Sub-Areas	

Extra Features

Extra Features	Legend
No Data for Extra Features	

Land

Land Use

Use Code

000V

Description

000V

Zone

R7

Neighborhood

GARBERS CHURCH

Alt Land Appr No

Category

Land Line Valuation

Size (Acres)

17.21

Frontage

0

Depth

0

Total Market Land

\$1,287,200

Outbuildings

Outbuildings	Legend
No Data for Outbuildings	

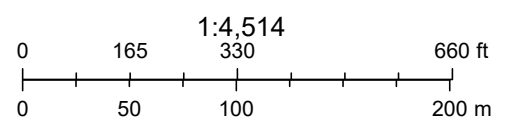
Valuation History

Assessment					
Valuation Year	Building	Extra Features	Outbuildings	Land	Total
2025	\$0	\$0	\$0	\$1,287,200	\$1,287,200
2024	\$0	\$0	\$0	\$1,287,200	\$1,287,200

P1014707



March 4, 2024



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Data and scale shown on this map are provided for planning and
Powered by Esri Technology

1781 S HIGH ST

Location	1781 S HIGH ST	Acct#	021 K 4
Owner	EP HARRISONBURG OWNER LLC	Building Name	
Total Market Va...	\$1,825,600	Building Count	1
Legal Description	QUADRANT 4 W OF DOGWOOD DR & N OF S HIGH	Bill Acct Num	P1016041
		Assessing Distr...	Quadrant 4

Current Value

Assessment					
Valuation Year	Building	Extra Features	Outbuildings	Land	Total
2026	\$0	\$0	\$0	\$1,825,600	\$1,825,600

Owner of Record

Owner	EP HARRISONBURG OWNER LLC	Sale Price	\$1,964,073
Co-Owner		Book & Page	5691/388
Address	1888 MAIN ST SUITE C163 MADISON , MS 39110	Sale Date	05/01/2023
		Instrument	20

Ownership History

Ownership History				
Owner	Sale Price	Book & Page	Instrument	Sale Date
EP HARRISONBURG OWNER LLC	\$1,964,073	5691/388	20	05/01/2023
HARRISONBURG INVESTMENTS PROPERTIES LLC	\$0	5679/742	1	03/28/2023
G S W INVESTORS	\$0	1037/708	20	10/22/1990

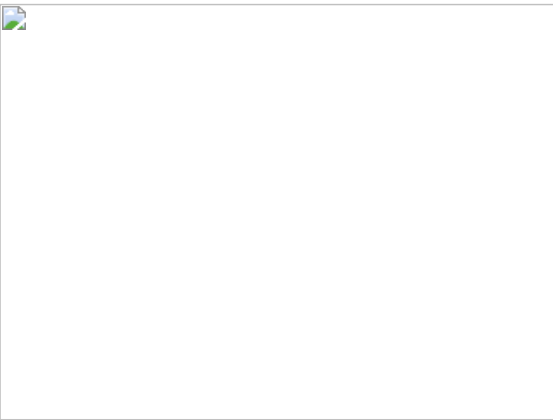
Building Information

Building 1 : Section 1

Year Built:
Living Area: 0
Building Percent
Good:

Building Attributes	
Field	Description
Style	DEFAULT STYLE
Quality	
Story Height	
Exterior Wall	
Framing	
Roof Structure	
Roof Cover	
Interior Wall 1	

Building Photo



(https://images.vgsi.com/photos/HarrisonburgVAPhotos//def

Interior Floor	
Attic SF	
Add Heat Sys	
Heat Type	
AC Type	
Bedroom(s)	
Full Bath(s)	
Half Bath(s)	
Extra Fixture(s)	
Total Room(s)	
Owner Occ	
FPL Opening(s)	
Dining Room(s)	
Family Room(s)	
Bsmt SF	
Fin Bsmt SF	
Bsmt Grade	
FPL Stack(s)	
Fpl Type	
Bsmt Gar	
Living Room(s)	
Int Finish	
Foundation Code	
Bsmt Type	
Cns Occ	

Building Layout

(ParcelSketch.ashx?pid=31249&bid=22798)

Building Sub-Areas (sq ft)	Legend
No Data for Building Sub-Areas	

Extra Features

Extra Features	Legend
No Data for Extra Features	

Land

Land Use

Use Code 000V
Description 000V
Zone R7
Neighborhood Quadrant 4
Alt Land Appr No
Category

Land Line Valuation

Size (Acres) 0.00
Frontage
Depth
Total Market Land \$1,825,600

Outbuildings

Outbuildings	Legend
No Data for Outbuildings	

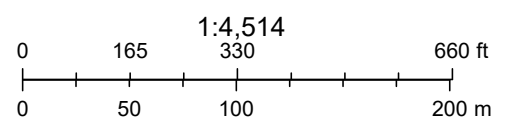
Valuation History

Assessment					
Valuation Year	Building	Extra Features	Outbuildings	Land	Total
2025	\$0	\$0	\$0	\$1,825,600	\$1,825,600
2024	\$0	\$0	\$0	\$1,825,600	\$1,825,600

P1016041



March 4, 2024



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Data and scale shown on this map are provided for planning and
Powered by Esri Technology

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 Allocation Plan (QAP).

If the plans and specifications do not include requirements to meet the QAP 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 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, the applicant will obtain and provide EnergyStar Certification to Virginia Housing.
- ☐ **Rehabilitation** – 30% performance increase over existing, based on HERS index.
Or, it must provide evidence of a HERS Index of 80 or lower. The rater understands that before IRS Form 8609 is issued, the rater must provide Virginia Housing with energy performance certification.
- ☐ **Adaptive Reuse** – Must provide evidence of a HERS index of 95 or lower. The rater understands that before IRS 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 IRS 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 gold 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*****

_____ RESNET Rater Signature	_____ Owen Burwell Printed Name	_____ 6/25/2026 Date
_____ Southern Energy Management RESNET Provider Agency	_____ Laurie Colwander Provider Contact Name	
_____ Contact Signature	_____ laurie@southern-energy.com Email	_____ (919) 538-7837 Phone
_____ Bluestone Town Center Family I Development Name		

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date: 2026-06-22

Registry ID:

Ekotrope ID: d4KkkaVL

HERS® Index Score:

55

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$793

*Relative to an average U.S. home

Home:

1210 Iris Lane
Harrisonburg, VA 22801

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	6.7	\$184
Cooling	0.6	\$18
Hot Water	6.2	\$171
Lights/Appliances	12.9	\$357
Service Charges		\$114
Generation (e.g. Solar)	0.0	\$0
Total:	26.4	\$844

This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1

ENERGY STAR MF v1.0

2009 International Energy Conservation Code

2006 International Energy Conservation Code

Rating Completed by:

Energy Rater: Owen Burwell

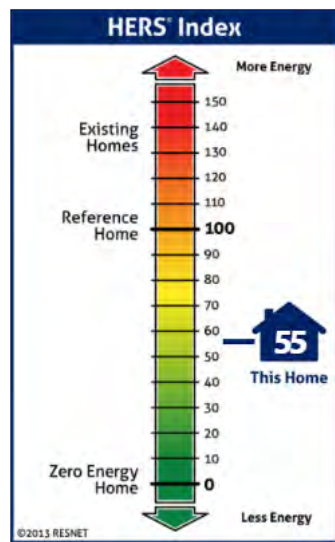
RESNET ID: 6409954

Rating Company: Southern Energy Management MES
5908 Triangle Drive

Rating Provider: Southern Energy Management
5908 Triangle Drive, Raleigh, NC 27617
919-836-0330



Owen Burwell, Certified Energy Rater
Digitally signed: 6/25/26 at 12:44 PM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	2BR Ground
Community:	N/A
Conditioned Floor Area:	1,066 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 7.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 14.3 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	0.3 CFM50 / s.f. Shell Area (Adjusted Infiltration: 3.30 ACH50)
Ventilation:	120 CFM • 34 Watts • Supply Only
Duct Leakage to Outside:	Untested Forced Air
Above Grade Walls:	R-21
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.24, SHGC: 0.23
Foundation Walls:	N/A
Framed Floor:	N/A



Ekotrope RATER - Version:5.2.2.hf.3887

The Energy Rating Disclosure for this home is available from the Approved Rating Provider.

This report does not constitute any warranty or guarantee.

ENERGY STAR MF V1.1 Home Report

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 2BR Ground	Organization Southern Energy Managem Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_2BR Grou 2316 - 2025-10-01 - BLUESTONE FAMILY P		

Mandatory Requirements

- ✓ Duct leakage at post construction better than or equal to applicable requirements.
- ✓ Rater has attested that building-level UA (rather than dwelling unit UA) demonstrates compliance with Section 3 of the MFNC National Rater Design Review Checklist. See supplemental documentation from Rater.
- ✓ Envelope insulation achieves RESNET Grade I installation, or uses exceptions in footnote 5.
- ✓ Total window thermal properties meet or exceed the applicable requirements
- ✓ Duct insulation meets the EPA minimum requirements of R-6.
- ✓ Mechanical ventilation system is installed in the home.
- ✓ Measured infiltration is better than or equal to applicable requirements.
- ✓ ENERGY STAR Checklists fully verified and complete.

ERI (HERS) Index Target

Reference Home ERI (HERS)	60
SAF (Size Adjustment Factor)	1.00
SAF Adjusted ERI (HERS) Target	60
As Designed Home ERI (HERS)	55
As Designed Home ERI (HERS) w/o PV	55

Normalized, Modified End-Use Loads (MBtu / year)

	ENERGY STAR	As Designed
Heating	9.0	8.6
Cooling	1.6	0.8
Water Heating	5.5	5.5
Lights and Appliances	13.7	12.9
Total	29.7	27.8



This home **MEETS** or **EXCEEDS** the energy efficiency requirements for designation as an EPA ENERGY STAR Qualified Home under Version Multifamily V1.1

Pollution Prevented

Type of Emissions	Reduction
Carbon Dioxide (CO ₂) - tons/yr	0.2

Energy Cost Savings

	\$/yr
Heating	5
Cooling	18
Water Heating	-0
Lights & Appliances	21
Generation Savings	0
Total	44

The energy savings and pollution prevented are calculated by comparing the Rated Home to the ENERGY STAR Version Multifamily V1.1 Reference Home as defined in the ENERGY STAR Qualified Homes ERI (HERS) Target Procedure for National Program Requirements, Version Multifamily V1.1 promulgated by the Environmental Protection Agency (EPA). In accordance with the ANSI/RESNET/ICC 301 Standard, building inputs affecting setpoints infiltration rates, window shading and the existence of mechanical systems may have been changed prior to calculating loads

Building Specification Summary

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 2BR Ground	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_2BR Ground 2316 - 2025-10-01 - BLUESTONE FAMILY PROJECT		

Building Information

Conditioned Area [ft²]	1,066.00
Conditioned Volume [ft³]	11,459.50
Thermal Boundary Area [ft²]	3,578.00
Number Of Bedrooms	2
Housing Type	Apartment, end unit

Rating

HERS ERI	55
HERS ERI w/o PV	55

Building Shell

Unconditioned Attic Ceiling	None
Sealed Attic Ceiling	None
Vaulted Ceiling / Exposed Exterior	None
Above Grade Walls	R21 G1; U-0.056
Found. Walls	None
Framed Floors	None
Slabs	R10 Perimeter (wood); R-10

Windows (largest)	U-Value: 0.24, SHGC: 0.23
Window / Wall Ratio	0.07
Window / Floor Ratio	0.07
Infiltration	0.3 CFM50 / s.f. Shell Area
Duct Lkg to Outside	Untested Forced Air
Total Duct Leakage	6 CFM25 / 100 ft² (Post-Construction)

Mechanical Systems

Heating	Air Source Heat Pump • Electric • 7.5 HSPF2
Cooling	Air Source Heat Pump • Electric • 14.3 SEER2
Water Heating	Residential Water Heater • Electric • 0.93 UEF
Programmable Thermostat	Yes
Ventilation System	120 CFM • 34 Watts • Supply Only
Whole House Fan	N/A

Lights and Appliances

Percent Interior LED	100%	Clothes Dryer Fuel	Electric
Percent Exterior LED	100%	Clothes Dryer CEF	3.0
Refrigerator (kWh/yr)	500.0	Clothes Washer LER (kWh/yr)	400.0
Dishwasher Efficiency	270 kWh	Clothes Washer Capacity	3.0
Ceiling Fan (Watts)	37.5	Range/Oven Fuel	Electric

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date: 2026-06-22

Registry ID:

Ekotrope ID: 2RJpp7r2

HERS® Index Score:

55

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

\$854

*Relative to an average U.S. home

Home:

1210 Iris Lane
Harrisonburg, VA 22801

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	6.9	\$191
Cooling	1.9	\$54
Hot Water	6.2	\$171
Lights/Appliances	12.9	\$358
Service Charges		\$114
Generation (e.g. Solar)	0.0	\$0
Total:	27.9	\$888

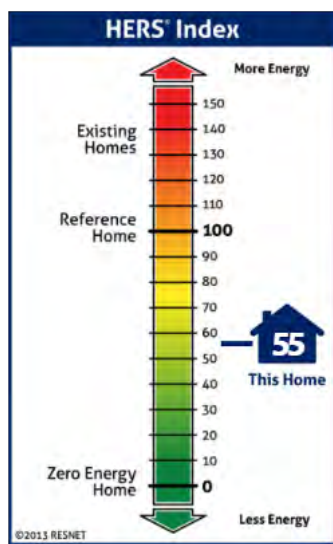
This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1

ENERGY STAR MF v1.0

2009 International Energy Conservation Code

2006 International Energy Conservation Code



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	2BR Top
Community:	N/A
Conditioned Floor Area:	1,066 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 7.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 14.3 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	0.3 CFM50 / s.f. Shell Area (Adjusted Infiltration: 3.62 ACH50)
Ventilation:	120 CFM • 34 Watts • Supply Only
Duct Leakage to Outside:	Untested Forced Air
Above Grade Walls:	R-21
Ceiling:	Vented Attic, R-59
Window Type:	U-Value: 0.24, SHGC: 0.23
Foundation Walls:	N/A
Framed Floor:	R-13

Rating Completed by:

Energy Rater: Owen Burwell

RESNET ID: 6409954

Rating Company: Southern Energy Management MES
5908 Triangle Drive

Rating Provider: Southern Energy Management
5908 Triangle Drive, Raleigh, NC 27617
919-836-0330

Owen Burwell, Certified Energy Rater
Digitally signed: 6/25/26 at 12:44 PM



Ekotrope RATER - Version:5.2.2.hf.3887

The Energy Rating Disclosure for this home is available from the Approved Rating Provider.

This report does not constitute any warranty or guarantee.

ENERGY STAR MF V1.1 Home Report

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 2BR Top	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_2BR Top 2316 - 2025-10-01 - BLUESTONE FAMILY P		

Mandatory Requirements

- ✓ Duct leakage at post construction better than or equal to applicable requirements.
- ✓ Rater has attested that building-level UA (rather than dwelling unit UA) demonstrates compliance with Section 3 of the MFNC National Rater Design Review Checklist. See supplemental documentation from Rater.
- ✓ Envelope insulation achieves RESNET Grade I installation, or uses exceptions in footnote 5.
- ✓ Total window thermal properties meet or exceed the applicable requirements
- ✓ Duct insulation meets the EPA minimum requirements of R-6.
- ✓ Mechanical ventilation system is installed in the home.
- ✓ Measured infiltration is better than or equal to applicable requirements.
- ✓ ENERGY STAR Checklists fully verified and complete.

ERI (HERS) Index Target

Reference Home ERI (HERS)	59
SAF (Size Adjustment Factor)	1.00
SAF Adjusted ERI (HERS) Target	59
As Designed Home ERI (HERS)	55
As Designed Home ERI (HERS) w/o PV	55

Normalized, Modified End-Use Loads (MBtu / year)

	ENERGY STAR	As Designed
Heating	8.8	8.8
Cooling	3.7	2.7
Water Heating	5.5	5.5
Lights and Appliances	13.7	12.9
Total	31.7	29.9



This home **MEETS** or **EXCEEDS** the energy efficiency requirements for designation as an EPA ENERGY STAR Qualified Home under Version Multifamily V1.1

Pollution Prevented

Type of Emissions	Reduction
Carbon Dioxide (CO ₂) - tons/yr	0.1

Energy Cost Savings	\$/yr
Heating	-9
Cooling	21
Water Heating	-0
Lights & Appliances	22
Generation Savings	0
Total	34

The energy savings and pollution prevented are calculated by comparing the Rated Home to the ENERGY STAR Version Multifamily V1.1 Reference Home as defined in the ENERGY STAR Qualified Homes ERI (HERS) Target Procedure for National Program Requirements, Version Multifamily V1.1 promulgated by the Environmental Protection Agency (EPA). In accordance with the ANSI/RESNET/ICC 301 Standard, building inputs affecting setpoints infiltration rates, window shading and the existence of mechanical systems may have been changed prior to calculating loads

Building Specification Summary

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 2BR Top	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_2BR Top 2316 - 2025-10-01 - BLUESTONE FAMILY P		

Building Information

Conditioned Area [ft²]	1,066.00
Conditioned Volume [ft³]	9,594.00
Thermal Boundary Area [ft²]	3,342.50
Number Of Bedrooms	2
Housing Type	Apartment, end unit

Rating

HERS ERI	55
HERS ERI w/o PV	55

Building Shell

Unconditioned Attic Ceiling	R-60 Attic Blown G1; U-0.017
Sealed Attic Ceiling	None
Vaulted Ceiling / Exposed Exterior	None
Above Grade Walls	R21 G1; U-0.056
Found. Walls	None
Framed Floors	None
Slabs	None

Windows (largest)	U-Value: 0.24, SHGC: 0.23
Window / Wall Ratio	0.07
Window / Floor Ratio	0.07
Infiltration	0.3 CFM50 / s.f. Shell Area
Duct Lkg to Outside	Untested Forced Air
Total Duct Leakage	6 CFM25 / 100 ft² (Post-Construction)

Mechanical Systems

Heating	Air Source Heat Pump • Electric • 7.5 HSPF2
Cooling	Air Source Heat Pump • Electric • 14.3 SEER2
Water Heating	Residential Water Heater • Electric • 0.93 UEF
Programmable Thermostat	Yes
Ventilation System	120 CFM • 34 Watts • Supply Only
Whole House Fan	N/A

Lights and Appliances

Percent Interior LED	100%	Clothes Dryer Fuel	Electric
Percent Exterior LED	100%	Clothes Dryer CEF	3.0
Refrigerator (kWh/yr)	500.0	Clothes Washer LER (kWh/yr)	400.0
Dishwasher Efficiency	270 kWh	Clothes Washer Capacity	3.0
Ceiling Fan (Watts)	37.5	Range/Oven Fuel	Electric

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date: 2026-06-22

Registry ID:

Ekotrope ID: vyzAA7o2

HERS® Index Score:

55

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

\$909

*Relative to an average U.S. home

Home:

1210 Iris Lane
Harrisonburg, VA 22801

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	7.3	\$200
Cooling	1.0	\$26
Hot Water	7.7	\$212
Lights/Appliances	14.6	\$404
Service Charges		\$114
Generation (e.g. Solar)	0.0	\$0
Total:	30.7	\$957

This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1

ENERGY STAR MF v1.0

2009 International Energy Conservation Code

2006 International Energy Conservation Code

Rating Completed by:

Energy Rater: Owen Burwell

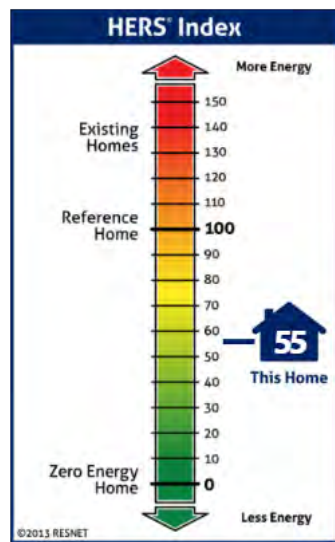
RESNET ID: 6409954

Rating Company: Southern Energy Management MES
5908 Triangle Drive

Rating Provider: Southern Energy Management
5908 Triangle Drive, Raleigh, NC 27617
919-836-0330



Owen Burwell, Certified Energy Rater
Digitally signed: 6/25/26 at 12:44 PM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	3BR Ground
Community:	N/A
Conditioned Floor Area:	1,225 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 7.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 14.5 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	0.3 CFM50 / s.f. Shell Area (Adjusted Infiltration: 3.20 ACH50)
Ventilation:	120 CFM • 34 Watts • Supply Only
Duct Leakage to Outside:	Untested Forced Air
Above Grade Walls:	R-21
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.24, SHGC: 0.23
Foundation Walls:	N/A
Framed Floor:	N/A



Ekotrope RATER - Version:5.2.2.hf.3887

The Energy Rating Disclosure for this home is available from the Approved Rating Provider.

This report does not constitute any warranty or guarantee.

ENERGY STAR MF V1.1 Home Report

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 3BR Ground	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_3BR Ground 2316 - 2025-10-01 - BLUESTONE FAMILY PROJECT		

Mandatory Requirements

- ✓ Duct leakage at post construction better than or equal to applicable requirements.
- ✓ Rater has attested that building-level UA (rather than dwelling unit UA) demonstrates compliance with Section 3 of the MFNC National Rater Design Review Checklist. See supplemental documentation from Rater.
- ✓ Envelope insulation achieves RESNET Grade I installation, or uses exceptions in footnote 5.
- ✓ Total window thermal properties meet or exceed the applicable requirements
- ✓ Duct insulation meets the EPA minimum requirements of R-6.
- ✓ Mechanical ventilation system is installed in the home.
- ✓ Measured infiltration is better than or equal to applicable requirements.
- ✓ ENERGY STAR Checklists fully verified and complete.

ERI (HERS) Index Target

Reference Home ERI (HERS)	60
SAF (Size Adjustment Factor)	1.00
SAF Adjusted ERI (HERS) Target	60
As Designed Home ERI (HERS)	55
As Designed Home ERI (HERS) w/o PV	55

Normalized, Modified End-Use Loads (MBtu / year)

	ENERGY STAR	As Designed
Heating	9.8	9.4
Cooling	2.3	1.2
Water Heating	7.0	7.0
Lights and Appliances	15.5	14.6
Total	34.6	32.2



This home **MEETS** or **EXCEEDS** the energy efficiency requirements for designation as an EPA ENERGY STAR Qualified Home under Version Multifamily V1.1

Pollution Prevented

Type of Emissions	Reduction
Carbon Dioxide (CO ₂) - tons/yr	0.2

Energy Cost Savings

	\$/yr
Heating	6
Cooling	28
Water Heating	-1
Lights & Appliances	22
Generation Savings	0
Total	55

The energy savings and pollution prevented are calculated by comparing the Rated Home to the ENERGY STAR Version Multifamily V1.1 Reference Home as defined in the ENERGY STAR Qualified Homes ERI (HERS) Target Procedure for National Program Requirements, Version Multifamily V1.1 promulgated by the Environmental Protection Agency (EPA). In accordance with the ANSI/RESNET/ICC 301 Standard, building inputs affecting setpoints infiltration rates, window shading and the existence of mechanical systems may have been changed prior to calculating loads

Building Specification Summary

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 3BR Ground	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_3BR Ground 2316 - 2025-10-01 - BLUESTONE FAMILY PROJECT		

Building Information		Rating	
Conditioned Area [ft²]	1,225.00	HERS ERI	55
Conditioned Volume [ft³]	13,168.50	HERS ERI w/o PV	55
Thermal Boundary Area [ft²]	4,054.00		
Number Of Bedrooms	3		
Housing Type	Apartment, end unit		

Building Shell			
Unconditioned Attic Ceiling	None	Windows (largest)	U-Value: 0.24, SHGC: 0.23
Sealed Attic Ceiling	None	Window / Wall Ratio	0.06
Vaulted Ceiling / Exposed Exterior	None	Window / Floor Ratio	0.07
Above Grade Walls	R21 G1; U-0.056	Infiltration	0.3 CFM50 / s.f. Shell Area
Found. Walls	None	Duct Lkg to Outside	Untested Forced Air
Framed Floors	None	Total Duct Leakage	6 CFM25 / 100 ft² (Post-Construction)
Slabs	R10 Perimeter (wood); R-10		

Mechanical Systems	
Heating	Air Source Heat Pump • Electric • 7.5 HSPF2
Cooling	Air Source Heat Pump • Electric • 14.5 SEER2
Water Heating	Residential Water Heater • Electric • 0.93 UEF
Programmable Thermostat	Yes
Ventilation System	120 CFM • 34 Watts • Supply Only
Whole House Fan	N/A

Lights and Appliances			
Percent Interior LED	100%	Clothes Dryer Fuel	Electric
Percent Exterior LED	100%	Clothes Dryer CEF	3.0
Refrigerator (kWh/yr)	500.0	Clothes Washer LER (kWh/yr)	400.0
Dishwasher Efficiency	270 kWh	Clothes Washer Capacity	3.0
Ceiling Fan (Watts)	37.5	Range/Oven Fuel	Electric

Home Energy Rating Certificate

Projected Report

Based on Plans

Rating Date: 2026-06-22

Registry ID:

Ekotrope ID: dGKaaA0d

HERS® Index Score:

55

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

\$987

*Relative to an average U.S. home

Home:

1210 Iris Lane
Harrisonburg, VA 22801

Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	7.6	\$207
Cooling	2.5	\$69
Hot Water	7.7	\$212
Lights/Appliances	14.7	\$403
Service Charges		\$114
Generation (e.g. Solar)	0.0	\$0
Total:	32.5	\$1,006

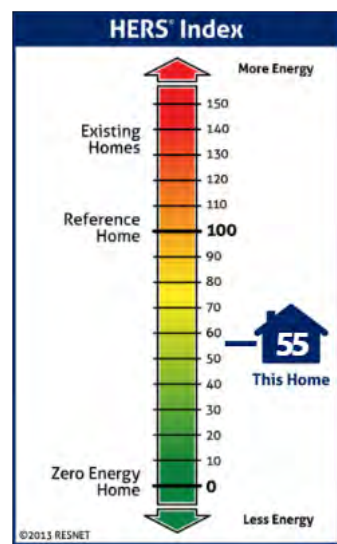
This home meets or exceeds the criteria of the following:

ENERGY STAR MF v1.1

ENERGY STAR MF v1.0

2009 International Energy Conservation Code

2006 International Energy Conservation Code



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	3BR Top
Community:	N/A
Conditioned Floor Area:	1,225 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 7.5 HSPF2
Primary Cooling System:	Air Source Heat Pump • Electric • 14.5 SEER2
Primary Water Heating:	Residential Water Heater • Electric • 0.93 UEF
House Tightness:	0.3 CFM50 / s.f. Shell Area (Adjusted Infiltration: 3.53 ACH50)
Ventilation:	120 CFM • 34 Watts • Supply Only
Duct Leakage to Outside:	Untested Forced Air
Above Grade Walls:	R-21
Ceiling:	Vented Attic, R-59
Window Type:	U-Value: 0.24, SHGC: 0.23
Foundation Walls:	N/A
Framed Floor:	R-13

Rating Completed by:

Energy Rater: Owen Burwell

RESNET ID: 6409954

Rating Company: Southern Energy Management MES
5908 Triangle Drive

Rating Provider: Southern Energy Management
5908 Triangle Drive, Raleigh, NC 27617
919-836-0330

Owen Burwell, Certified Energy Rater
Digitally signed: 6/25/26 at 12:44 PM



Ekotrope RATER - Version:5.2.2.hf.3887

The Energy Rating Disclosure for this home is available from the Approved Rating Provider.
This report does not constitute any warranty or guarantee.

ENERGY STAR MF V1.1 Home Report

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 3BR Top	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_3BR Top 2316 - 2025-10-01 - BLUESTONE FAMILY P		

Mandatory Requirements

- ✓ Duct leakage at post construction better than or equal to applicable requirements.
- ✓ Rater has attested that building-level UA (rather than dwelling unit UA) demonstrates compliance with Section 3 of the MFNC National Rater Design Review Checklist. See supplemental documentation from Rater.
- ✓ Envelope insulation achieves RESNET Grade I installation, or uses exceptions in footnote 5.
- ✓ Total window thermal properties meet or exceed the applicable requirements
- ✓ Duct insulation meets the EPA minimum requirements of R-6.
- ✓ Mechanical ventilation system is installed in the home.
- ✓ Measured infiltration is better than or equal to applicable requirements.
- ✓ ENERGY STAR Checklists fully verified and complete.

ERI (HERS) Index Target

Reference Home ERI (HERS)	59
SAF (Size Adjustment Factor)	1.00
SAF Adjusted ERI (HERS) Target	59
As Designed Home ERI (HERS)	55
As Designed Home ERI (HERS) w/o PV	55

Normalized, Modified End-Use Loads (MBtu / year)

	ENERGY STAR	As Designed
Heating	9.8	9.6
Cooling	4.7	3.4
Water Heating	7.0	7.0
Lights and Appliances	15.5	14.7
Total	37.0	34.6



This home MEETS or EXCEEDS the energy efficiency requirements for designation as an EPA ENERGY STAR Qualified Home under Version Multifamily V1.1

Pollution Prevented

Type of Emissions	Reduction
Carbon Dioxide (CO ₂) - tons/yr	0.1

Energy Cost Savings

	\$/yr
Heating	-5
Cooling	31
Water Heating	-0
Lights & Appliances	23
Generation Savings	0
Total	49

The energy savings and pollution prevented are calculated by comparing the Rated Home to the ENERGY STAR Version Multifamily V1.1 Reference Home as defined in the ENERGY STAR Qualified Homes ERI (HERS) Target Procedure for National Program Requirements, Version Multifamily V1.1 promulgated by the Environmental Protection Agency (EPA). In accordance with the ANSI/RESNET/ICC 301 Standard, building inputs affecting setpoints infiltration rates, window shading and the existence of mechanical systems may have been changed prior to calculating loads

Building Specification Summary

Property 1210 Iris Lane Harrisonburg, VA 22801 Model: 3BR Top	Organization Southern Energy Management Owen Burwell	Inspection Status Results are projected
Builder Bluestone Town Center Family I_3BR Top 2316 - 2025-10-01 - BLUESTONE FAMILY P		

Building Information

Conditioned Area [ft²]	1,225.00
Conditioned Volume [ft³]	11,025.00
Thermal Boundary Area [ft²]	3,795.50
Number Of Bedrooms	3
Housing Type	Apartment, end unit

Rating

HERS ERI	55
HERS ERI w/o PV	55

Building Shell

Unconditioned Attic Ceiling	R-60 Attic Blown G1; U-0.017
Sealed Attic Ceiling	None
Vaulted Ceiling / Exposed Exterior	None
Above Grade Walls	R21 G1; U-0.056
Found. Walls	None
Framed Floors	None
Slabs	None

Windows (largest)	U-Value: 0.24, SHGC: 0.23
Window / Wall Ratio	0.06
Window / Floor Ratio	0.07
Infiltration	0.3 CFM50 / s.f. Shell Area
Duct Lkg to Outside	Untested Forced Air
Total Duct Leakage	6 CFM25 / 100 ft² (Post-Construction)

Mechanical Systems

Heating	Air Source Heat Pump • Electric • 7.5 HSPF2
Cooling	Air Source Heat Pump • Electric • 14.5 SEER2
Water Heating	Residential Water Heater • Electric • 0.93 UEF
Programmable Thermostat	Yes
Ventilation System	120 CFM • 34 Watts • Supply Only
Whole House Fan	N/A

Lights and Appliances

Percent Interior LED	100%	Clothes Dryer Fuel	Electric
Percent Exterior LED	100%	Clothes Dryer CEF	3.0
Refrigerator (kWh/yr)	500.0	Clothes Washer LER (kWh/yr)	400.0
Dishwasher Efficiency	270 kWh	Clothes Washer Capacity	3.0
Ceiling Fan (Watts)	37.5	Range/Oven Fuel	Electric

6/25/2026

Energy Model & Green Program Assumptions Disclosure

Southern Energy Management has built energy models for the following project:

- **Bluestone Town Center Family I**

The energy models follow the *ANSI/RESNET/ICC 301-2022 Standard for the Calculation and Labeling of the Energy Performance of Dwelling and Sleeping Units using an Energy Rating Index*.

The inputs in the energy models that are used to demonstrate preliminary compliance with the Virginia QAP standards are based upon the minimum requirements for Energy Star, as well as the initial plans provided (if applicable) to Southern Energy Management. If plans were provided, they were assumed to be the latest version and a representation of what will be constructed on site.

Unless otherwise indicated, building envelope performance values are assumed to be code minimum for the applicable jurisdiction and are also subject to change after on-site testing is performed. Initial files sent to the project team may indicate a variation in unit square footage values than what is provided to SEM on the preliminary plans. This difference can be attributed to the differing protocols for measuring units between the architect and the residential modeler. If square footage below is the same as the values listed on the plans, note that once measured for the final energy model the square footage utilized may vary.

Southern Energy Management does not guarantee nor attest compliance with the applicable QAP requirements based on these preliminary models or plan set(s) as our review is based on ENERGY STAR for Multifamily New Construction V1.1 compliance and green program (EarthCraft Gold) qualification. All inputs listed in the following Building File Reports are subject to change with any alterations or modifications in the construction documents plan set as well as differences observed during on-site inspections.

As Modeled Unit Type(s)*

**Plans used to generate these scores are preliminary and may not be representative of the final design.*

Number of Bedrooms	Square Footage	Average HERS
2 bedroom	1,066	55

3 bedroom	1,225	55
-----------	-------	----

About Southern Energy Management

Southern Energy Management (SEM) is a HERS rater training provider that has been committed to improving the way people create, consume, and conserve energy since 2001. We are a team of over 200 building performance and solar experts who believe what you do is important, and how you do it matters just as much. SEM provides consultations, inspections, testing and third party verification for multifamily & commercial green building certification programs including (but not limited to): HERS Ratings, ENERGY STAR, National Green Building Standard, LEED, Green Globes, EarthCraft, Fitwel, etc.

<https://southern-energy.com/multifamily-energy-services/>



affordableenergyconcepts.com
info@affordableenergyconcepts.com
PH: 434-929-1166 Fax: 434-929-0367
161 Dillard Rd.
Madison Heights, VA 24572



Solar Design and Installation Proposal

June 26, 2026

Bluestone Town Center
Family Apartments (New Construction)
1206 Iris Ln
Harrisonburg, VA 22801



Solar Design and Installation Proposal

June 26, 2026

Prepared For: Tim McCarty
Equity Plus, LLC
1888 Main Street, Suite C163
Madison, MS 39110

Site Address: Bluestone Town Center
Senior 1 Complex (New Construction)
1206 Iris Ln
Harrisonburg, VA 22801

Scope of Work: Affordable Energy Concepts, Inc. the “contractor” proposes to furnish design services, project management, labor, and materials in accordance with the plans, specifications, and requirements as approved by the owner as follows:

149.6 kW Grid-Tied Rooftop PV System

System Specifications

- System Size: 149,600 Watts
- Solar Module: (340 qty) ZNShine 440Watt modules or equal
- Rapid Shutdown: (340 qty) Tigo TS4-A-O rooftop Optimizer (or equal) to help with shade mitigation and individual panel monitoring
- Rooftop Racking System: Iron Ridge Flush-mount Rail system with XR-100 and Flash Foot 2 (or equal)
- 240V Grid-tied Inverter: (14 qty) Tigo EI 11.4kw 240V single-phase string inverter/hybrid inverter.
- Remote Monitoring included depending on local internet network

*Prices based on availability of panels/racking/inverter. Contractor reserves the right to substitute materials of the same or better quality if necessary and will provide panel/Rack/inverter product datasheets for approval before purchase of these components.

Installation Scope and requirements.

- AEC will provide a fully engineered solar PV System design based on the preliminary documentation included in this contract. This sealed design will provide detailed information so that part of the electrical gear can be installed by others during building construction to keep the solar cost down.
- AEC may provide a third-party consultant to be paid directly by Equity Plus, LLC to analyze the power use and projected savings of our preliminary and final engineered designs.
- AEC will oversee and coordinate the solar building permit for the solar PV system only. No other electrical components of the building will be included in our permit.
- See included preliminary electrical one-line drawings.
- NABCEP PV Installation Professional Certification and NABCEP PV Associate Certification
- 15 years experience installing commercial solar PV systems in Virginia since 2009 including the Bluestone Elementary School Rooftop Solar Project and Turner Pavilion Solar project with Harrisonburg Electric Commission.
- Virginia Class A Contractor License: Alternative Energy Systems (AES), & Electrical (ELE)
- 2 Master Electricians and 2 Journeyman Electricians on Staff
- Electrical and structural engineering review and stamp for the PV design only
- Coordination for Net Metering/Interconnection with Harrisonburg Electric Commission
- AEC will coordinate with the roofer to provide roof penetrations that preserve the integrity of the roofing system and do not void the roof warranty.

Exclusions:

- 4G internet service for online monitoring is excluded
- Roof warranty maintenance beyond providing slip sheets under the ballasted racking system is not included in this price. AEC will coordinate with the roofer as needed
- A Bond Fee is not included. AEC can include a bond for an additional 3% to our price for the bond fee.
- Any structural upgrades to the existing building design for the rooftop solar equipment are not included.
- AEC will work with the owner, GC, and the roofer for guidance, however additional materials or labor that may be required to maintain the warranty beyond installing slip sheets under each ballast racking attachment are not included. The included Racking System will use the Iron Ridge Flash Foot 2 for waterproofing around anchors to the roof trusses. AEC will install the racking per the manufacturer's instructions, and coordinate any roof penetrations and roof boot installation with the roofer. Our experience and assumptions are that the materials we've chosen and priced will meet the roof warranty. Any unforeseen additional costs for roof warranty maintenance requirements are not included in this price.

- Any changes or upgrades to the electrical service or gear that may be required to connect PV are not included.
- AEC has excluded structural and electrical engineering for any other scope of the project other than solar PV.
- AEC will obtain utility approval for the solar scope of work only.
- AEC has excluded dumpster, storage container and port-a-potty rentals, assuming our solar work can be done before the building is completed in order to keep the cost down on some of these site conditions expenses.

Warranties:

All installed equipment is covered by the respective manufacturer's warranties:

- Solar modules 25 year performance warranty,
- Inverter: 10 year limited warranty
- Optimizer: 25 year limited warranty
- Affordable Energy Concepts, Inc. workmanship warranty: 5 years
- AEC has a master electrician on staff to oversee the electrical considerations related to our solar installations.

Estimated Solar Project Time:

- | | |
|-------------------------------------|------------|
| • Material Lead Time: | 2-4 Months |
| • Engineering and Permitting: | 3-6 weeks |
| • Installation: | 3-6 weeks |
| • Inspections and Utility Approval: | 2-9 weeks |

Payments and Preliminary Schedule of Values:

Total Project Cost estimate: \$508,300.00

Deposit/Engineering fees	6%	\$ 30,498.00
Preconstruction/ Submittal Review & Permitting	8%	\$ 40,664.00
Solar Module materials	15%	\$ 76,245.00
Solar Inverters, Optimizers Materials	15%	\$ 76,245.00
Solar Racking Materials	6%	\$ 30,498.00
Electrical Materials	6%	\$ 30,498.00
Solar Racking and Module Installation	15%	\$ 76,245.00
Solar Inverters, Optimizers Installation	6%	\$ 30,498.00
Electrical Installation	15%	\$ 76,245.00
Contractor Fee	8%	\$ 40,664.00
Total	100%	\$508,300.00

Total project cost is based on the scope of work, assumptions, and exclusions outlined in this document and attached drawings. Total cost is valid for 30 days and subject to change based on market conditions or changes to the scope or system design as the building is constructed.

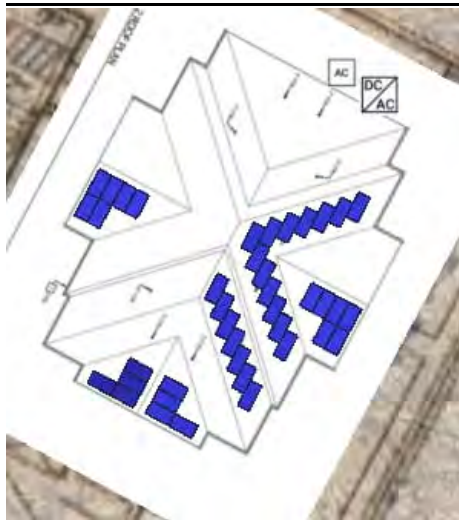
A final contract price will be agreed upon by all parties after the final engineering design is sealed.

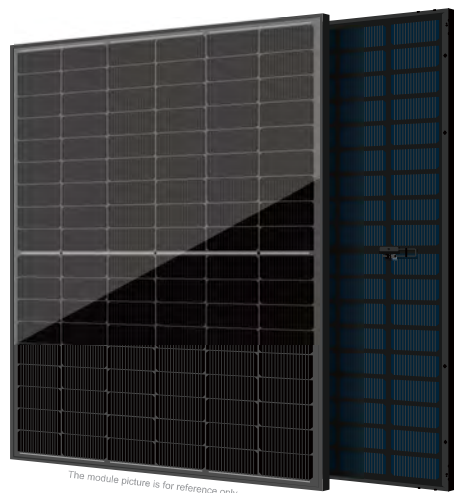
- Please make checks payable to **Affordable Energy Concepts, Inc.**
- Contact your tax advisor for tax credit eligibility and filing details
- 1.5% per month interest charged on all 30 day past due accounts

Building Electrical Design Recommendations

- We propose each of the three buildings with 24 units have approximately 100 panels that feed three or four string inverters. The individual string inverters feed a 200A PV combiner panel which will pass through a 200A fused AC Disconnect near the meter and tie to the grid service as a line-side-tap to each building.
- A similar design with approximately 40 solar panels, and two inverters will be used on the smaller 12-unit building 2.
- We suggest you combine all residential units on one master meter at each building on Tariff 315 with HEC (possibly Tariff 314 for Building 2) to allow for one solar point of connection per building.

- We suggest you sell the power to the tenants at a reduced price with a third party metering and billing company.
- Based on the individual apartment unit annual consumption calculated in the ETE Analysis for the Bluestone Senior Apartment, we estimate an expected 14% energy reduction to the tenants in the larger units (building 1) and an 11% energy reduction for the tenants in building 2.





ZXM7-UHLDD108 Series

SMBB HALF-CELL Black N-Type Bifacial Double Glass
Monocrystalline PV Module

410-440W

POWER RANGE

22.53%

MAXIMUM EFFICIENCY

0.40%

YEARLY DEGRADATION



12 YEARS PRODUCT WARRANTY



30 YEARS OUTPUT GUARANTEE

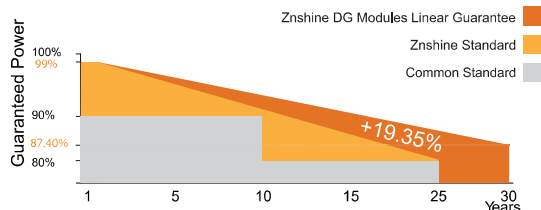


IEC 61215/IEC 61730/IEC 61701/IEC 62716

ISO 14001: Environmental Management System

ISO 9001: Quality Management System

ISO45001: Occupational Health and Safety Management System



*Please check Limited Warranty for Standard PV Modules which is officially released by ZNSHINE PV-TECH Co.,Ltd.

*As there are different certification requirements in different markets, please contact your local znshine sales representative for the specific certificates applicable to the products in the region in which the products are to be used.

Key Features



Excellent Cells Efficiency

SMBB technology reduce the distance between busbars and finger grid line which is benefit to power increase.



Better Weak Illumination Response

More power output in weak light condition, such as haze, cloudy, and early morning.



Anti PID

Ensured PID resistance through the quality control of cell manufacturing process and raw materials.



Adapt To Harsh Outdoor Environment

Resistant to harsh environments such as salt, ammonia, sand, high temperature and high humidity environment.



TIER 1

Global, Tier 1 bankable brand, with independently certified advanced automated manufacturing.



Excellent Quality Management System

Warranted reliability and stringent quality assurances well beyond certified requirements.



Bifacial Technology

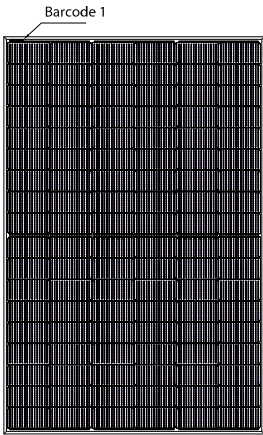
Up to 25% additional power gain from back side depending on albedo.



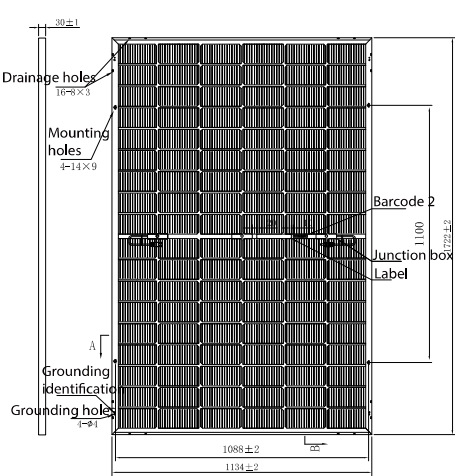
Improved Aesthetics

Compared to conventional modules, this full black modules have a more uniform appearance and superior aesthetics.

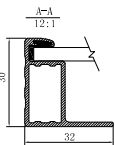
DIMENSIONS OF PV MODULE(mm)



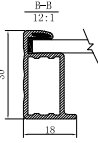
Barcode 1



Drainage holes
16mm x 3
Mounting holes
4-14 x 9
Barcode 2
Junction box
Label
Grounding identification
Grounding holes
1088±2
1134±2



A-A
12:1
30
32

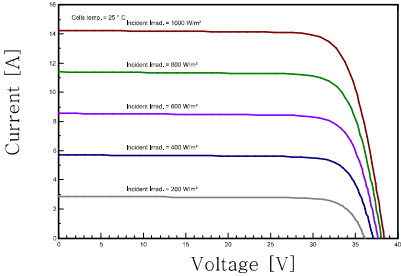


B-B
12:1
30
18

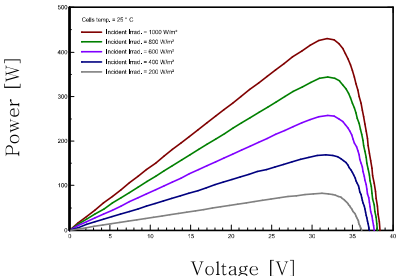
Front View

Back View

I-V CURVES OF PV MODULE(430W)



P-V CURVES OF PV MODULE(430W)



*Remark: customized frame color and cable length available upon request

ELECTRICAL CHARACTERISTICS STC*								MECHANICAL DATA	
Nominal Power Watt Pmax(W)*	410	415	420	425	430	435	440	Solar cells	N-type Monocrystalline
Maximum Power Voltage Vmp(V)	31.10	31.30	31.50	31.70	31.90	32.10	32.30	Cells orientation	108 (6×18)
Maximum Power Current Imp(A)	13.19	13.26	13.34	13.41	13.48	13.56	13.63	Module dimension	1722×1134×30 mm (With Frame)
Open Circuit Voltage Voc(V)	37.60	37.80	38.00	38.20	38.40	38.60	38.80	Weight	24.5±1.0 kg
Short Circuit Current Isc(A)	13.97	14.04	14.11	14.18	14.25	14.32	14.39	Glass	2.0 mm+2.0mm, High Transmission, AR Coated Heat Strengthened Glass
Module Efficiency (%)	21.51	21.76	21.51	21.76	22.02	22.28	22.53	Junction box	IP 68, 3 diodes
*The data above is for reference only and the actual data is in accordance with the practical testing								Cables	4 mm ² , 350mm (With Connectors)
STC (Standard Test Condition): Irradiance 1000W/m ² , Module Temperature 25±2°C, AM 1.5								Connectors	MC4-EVO2 compatible
*Measuring uncertainty: ±3%, all the electrical characteristics such as Power, Im, Vm and FF are within ±3% tolerance.								*Please refer to regional datasheet for specified connector	

ELECTRICAL CHARACTERISTICS NMOT*								TEMPERATURE RATINGS	WORKING CONDITIONS		
Maximum Power Pmax(Wp)	311.40	315.0	318.70	322.30	326.00	329.80	333.50	NMOT	44°C ±2°C	Maximum system voltage	1500 V DC
Maximum Power Voltage Vmp(V)	29.10	29.30	29.50	29.70	29.90	30.00	30.20	Temperature coefficient of Pmax	(-0.30±0.03)%/°C	Operating temperature	-40°C~+85°C
Maximum Power Current Imp(A)	10.69	10.75	10.81	10.86	10.92	10.97	11.03	Temperature coefficient of Voc	-0.25%/°C	Maximum series fuse	30 A
Open Circuit Voltage Voc(V)	35.50	35.70	35.90	36.10	36.30	36.40	36.60	Temperature coefficient of Isc	0.046%/°C	Front Side Maximum Static Loading	Up to 5400Pa
Short Circuit Current Isc(A)	11.27	11.33	11.39	11.44	11.50	11.56	11.61	Refer. Bifacial Factor	(80±10)%	Rear Side Maximum Static Loading	Up to 2400Pa
*NMOT: Irradiance 800W/m ² , Ambient Temperature 20°C, AM 1.5, Wind Speed 1m/s								*Remark: Do not connect Fuse in Combiner Box with two or more strings in parallel connection			

ELECTRICAL CHARACTERISTICS (REAR POWER GAIN) *								PACKAGING CONFIGURATION *	
5%	Maximum Power: Pmax(W)	431	436	441	446	452	457	Piece/Box	36
	Module Efficiency(%)	22.05	22.31	22.58	22.85	23.12	23.39	Piece/Container(40'HQ)	936
15%	Maximum Power: Pmax(W)	472	477	483	489	495	500	*Customized packaging is available upon request. *Remark: Electrical data in this catalog do not refer to a single module and they are not part of the offer. *They only serve for comparison among different module types. *Caution: Please be kindly advised that PV modules should be handled and installed by qualified people who have professional skills and please carefully read the safety and installation instructions before using our PV modules.	
	Module Efficiency(%)	24.15	24.44	24.73	25.03	25.32	25.62		
25%	Maximum Power: Pmax(W)	513	519	525	531	538	544		
	Module Efficiency(%)	26.25	26.57	26.89	27.21	27.53	27.85		

*Bifacial Gain: The additional gain from the back side compared to the power of the front side at the standard test condition.
*It depends on mounting (structure, height, tilt angle etc.) and albedo of the ground.

 Add

No. 229 Tongda Avenue Suqian Economic and Technological Development Zone 223800 Suqian City, Jiangsu P.R. China

 Tel:

+86 519 6822 0233

 E-mail:

info@znshinesolar.com

Note: Specifications included in this datasheet are subject to change without notice. ZNSHINE reserves the right of final interpretation © ZNSHINE SOLAR 2024 | Version: ZXM7-UHLDD108 2506.E



EI Inverter

TSI-3.8/7.6/11.4K-US

The hybrid Tigo EI Inverter is the centerpiece of the Tigo Energy Intelligence (EI) solution. It orchestrates energy production and consumption when coupled with a Tigo EI Battery. In addition, it enables module-level monitoring, optimization, and rapid shutdown when paired with Tigo TS4 MLPE.

Features

- Up to 200% DC oversizing (2:1 DC/AC ratio)
- 80 V starting voltage
- Multiple MPPTs (2, 3, and 4)
- Powered by the Tigo Energy Intelligence platform
- NEC 690.12 rapid shutdown compliant
- Built-in Wi-Fi
- Cellular communications for data backup (optional)
- 152 month standard warranty
- Lightweight (32/45 lb.)
- <10 min. commissioning (including Tigo TS4s) with EI mobile app

Specifications

	3.8K ¹	7.6K	11.4K
Input (PV)			
Max. Recommended power (STC)	7600 W	15200 W	22800 W
MPPT voltage range		80 V - 550 V ²	
Full-load voltage range	150 V-500 V	200 V-500 V	220 V-500 V
MPPT	2	3	4
PV strings per MPPT		2	
Max. Input current per MPPT (I_{MP}/I_{SC})		13.5 A/16.9 A	
Battery (DC)			
Nominal DC voltage		400 V	
I/O DC current	Up to 11.1 A	Up to 21.7 A	Up to 32.5 A ³
I/O DC power	4000 W	7800 W	11700 W ⁴
Output (AC)			
Nominal power @208V/240 V	3290 W/ 3800 W	6580 W/ 7600 W	9880 W/ 11400 W
Max. apparent power	3800 VA	7600 VA	11400 VA
Nominal voltage		208 V/240 V	
Grid frequency		50/60 Hz	
Max. output current	16 A	32 A	48 A
Power factor (@nominal power)		>0.99	
Adjustable power factor		0.8 leading - 0.8 lagging	
THDI		<3%	
Grid connection type		L1/L2/N/PE	

¹ Not available in Puerto Rico

² The inverter enters standby above 550 V and risk of inverter damage over 600 V.

³ Only compatible with GO Battery. With EI Battery, the limit is 10,300 W.



Specifications

	3.8K ¹	7.6K	11.4K
Output (Backup)			
AC nominal power	3800 W	7600 W	11400 W
Max. AC power output	6000 VA ⁴	12000 VA ⁴	18000 VA ⁴
Nominal AC voltage	240 V		
Max. output current	25 A ⁵	50 A ⁵	75 A ⁵
THD	2% linear load - 5% non-linear load		
Efficiency			
Max. efficiency	98.0%	98.4%	98.5%
CEC efficiency	97.0 %/	97.5%/	98.0%/
@240 V/@208 V	97.0%	97.0%	97.5%
Protection			
DC reverse polarity	Yes		
DC disconnect switch	Yes		
DC surge	Type II		
Insulation resistance monitoring	Yes		
AC surge	Type III		
AC short-circuit	Yes		
Ground fault monitoring	Yes		
Grid monitoring	Yes		
Anti-islanding	Yes		
Residual-current monitoring unit	Yes		
AFCI Protection	Yes		
PVRSS rapid shutdown	With TS4-A-F/2F, TS4-A-O/S		
Module-level monitoring	With TS4-A-O/S		
⁴ Only compatible with GO Battery with duration of 300 ms. EI Battery: 4560 VA (3.8K), 9120 VA (7.6K), 13600 VA (11.4K)			
⁵ Only compatible with GO Battery with duration of 300 ms. EI Battery: 19 A (3.8K), 38 A (7.6K), 56.7 A (11.4K)			

⁴ Only compatible with GO Battery with duration of 300 ms.
EI Battery: 4560 VA (3.8K), 9120 VA (7.6K), 13600 VA (11.4K)
⁵ Only compatible with GO Battery with duration of 300 ms.
EI Battery: 19 A (3.8K), 38 A (7.6K), 56.7 A (11.4K)

Resources



	3.8K ¹	7.6K	11.4K
General			
Dimensions (W x D x H)	400 x 170 x 570 mm (15.8 x 7 x 22 in.)	400 x 187 x 638 mm (15.8 x 7.4 x 25.2 in.)	
Weight	14.7 kg (32.3 lb.)	20.5 kg (45.2 lb.)	
Operating temperature range	-25 °C - 60 °C (-13 °F - 140 °F) de-rating above 45 °C/113 °F		
Altitude	3000 m (9843 ft.)		
Internal consumption at night	<1 W PV/<5 W storage		
Cooling	Natural convection		
Enclosure	NEMA 4X/IP65		
Relative humidity	0-95%		
Certifications	FCC Part15B, UL1741:2021 Ed.3, UL1741:2021 Ed.3 (PVRSS) (SA) (SB), CSA 22.2-107.1:2016,UL1741 CRD: PCS, UL1699B, IEEE 1547:2018, IEEE 1547.1:2020, IEEE 2030.5 V2.1 certified gateway, HECO-SRD1547.1:2020 Ed.2		
Listings	CA-CEC, CA Rule21 CSIP, CA CPUC-SGIP, Hawaii Rule 14H, Rule 22, Rule 27 and Rule 32,Puerto Rico-OGPe		
Interfaces			
RS-485	Yes		
Wi-Fi/4G communication	Wi-Fi standard, 4G optional		
Warranty	152 months		
Revenue-grade meter	ANSI C12.20 (meets 0.5% accuracy)		

Ordering Information

Part Number	Description
601-2103K8-0002 ¹	3.8kW hybrid inverter, built-in Wi-Fi. Compatible with 50A ATS
601-2107K6-0002	7.6kW hybrid inverter, built-in Wi-Fi. Compatible with 50A ATS
601-2107K6-0003	7.6kW hybrid inverter, built-in Wi-Fi. Compatible with 200A ATS
601-2111K4-0003	11.4kW hybrid inverter, built-in Wi-Fi. Compatible with 200A ATS
301-300000-0001	Cellular Dongle Kit with 5 year prepaid plan

¹ Not available in Puerto Rico.



TS4-A-O (725 W)

Module-level optimization, monitoring, and rapid shutdown

The Tigo TS4-A-O improves production, safety, and intelligence in new designs and existing systems. Patented technology delivers top performance with high efficiency for a fast ROI. Easy installation and long-term reliability reduce system downtime and truck rolls, while Tigo's Energy Intelligence platform enables quicker onsite commissioning and comprehensive remote monitoring.

Features

- Rated 725 W, 22 A I_{SC} /16 A I_{MP} to accommodate high-power, high-current modules
- Simple, fast installation – snaps to a standard PV module frame or mounts to racking
- Intelligent optimization – delivers the maximum energy from an array
- Module-level monitoring – full visibility into module- and system-level production
- Rapid shutdown – a UL Standards-certified component for photovoltaic rapid shutdown systems (PVRSS) worldwide
- Required – Tigo Access Point (TAP) and Cloud Connect Advanced (CCA) for rapid shutdown and module-level monitoring
- Multi-factor Rapid Shutdown capability for enhanced safety when combined with RSS Transmitter (optional)
- Works with thousands of different inverter models from more than 50 inverter brands
- 25-year warranty

Specifications

Electrical	
Input Current (I_{MP}/I_{SC})	16 A/22 A
Input voltage range (V_{MP})	12 – 80 V
Maximum system voltage	1000 V/1500 V
Maximum output power (P_{MAX})	725 W
Maximum efficiency	99.6%
Recommended fuse rating	30 A
Rapid Shutdown	
TS4 conductor	12 AWG
Rapid shutdown time limit	<30 sec.
PVRSS control conductor limit	≤ 240 VA, ≤ 8 A, ≤ 30 V _{DC}
UL 1741 PVRSE standard certified	Yes
Communications	Wireless 2.4GHz ¹ and/or PLC ²

¹ Using Tigo Access Point (TAP) and Cloud Connect Advanced (CCA)

² Using Tigo RSS transmitter power-line communications



Specifications

Connections

Connectors MC4/EVO2

For cable length details, refer to the ordering information below

Environmental

Operating temperature range -40 – 70 °C (-40 – 158 °F)

Storage temperature range -20 – 65 °C (-4 – 149 °F)

Maximum elevation 3000 m (9840 ft.)

Outdoor IP rating IP68

Mechanical

Dimensions (H/W/D) 139.7 x 138.4 x 22.9 mm
(5.4 x 5.5 x 0.9 in.)

Weight 520 g (1.15 lb.)

General

Standards compliance

FCC 15b, ETSI EN 301 489, CISPR 31, CSA 22.2,
IEC 62109, NEC 690.12 UL 1741 PVRSE/PVRSS

Warranty 25 years

More Resources



Home



Help Center

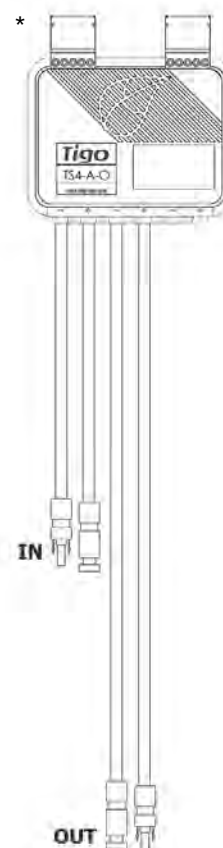


Downloads

Ordering Information

Part Number	Cable Lengths* IN/OUT	Connectors	V _{MAX}	Certifications UL / IEC
511-340112-2001	0.1/1.2 m	MC4	1500 V	1000 V
511-341220-2001	1.2/2.0 m	MC4	1500 V	1000 V
511-340612-2001	0.6/1.2 m	MC4	1500 V	1000 V
511-320112-2001	0.1/1.2 m	EVO2	1500 V	1500 V
511-320612-2001	0.6/1.2 m	EVO2	1500 V	1500 V
511-321220-2001	1.2/2.0 m	EVO2	1500 V	1500 V

* Refer to image. Cable lengths are +/- 0.05m





Tigo Energy Intelligence Simplify your solar fleet management

Tigo Energy Intelligence is the most powerful complete solar monitoring solution available. It's deployed at tens of thousands of sites around the world to maximize uptime, minimize O&M costs, and simplify the commissioning of your solar installation.

BENEFITS



Increase uptime

Get an alert when a performance or safety issue arises so the site can quickly be returned to normal. More uptime = more energy.



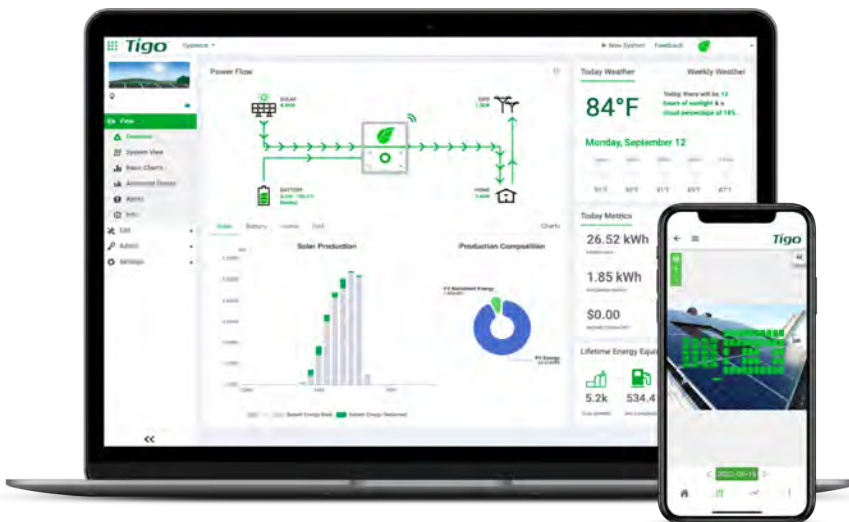
Reduce O&M

Detect system level, string level, and module level issues to pinpoint and diagnose issues remotely. Save money with fewer truck rolls.



Satisfy customers

Get visibility to all sites from one spot with fleet, system, and module level performance data. See what your customer sees and troubleshoot issues remotely.



Reduce truck rolls and get peace of mind that your system is performing the way you designed and installed it. Tigo gives you complete visibility to performance, including

- **Fleet management** - view all your installations in one spot
- **System monitoring** - view all of the components of each installation
- **Module visibility** - get the details on each individual module

Read more about each, including examples, on the following page.

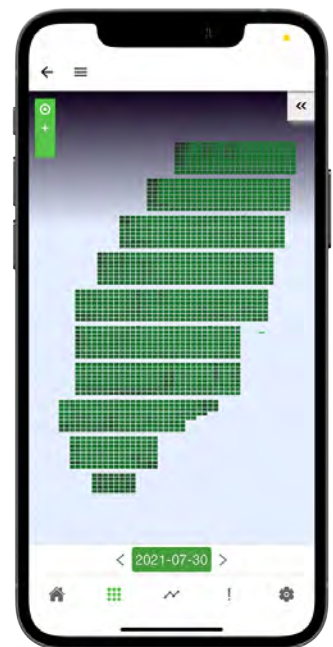
Commission, monitor, analyze your sites - all from the palm of your hand



SIMPLE COMMISSIONING

Layout the system on-site

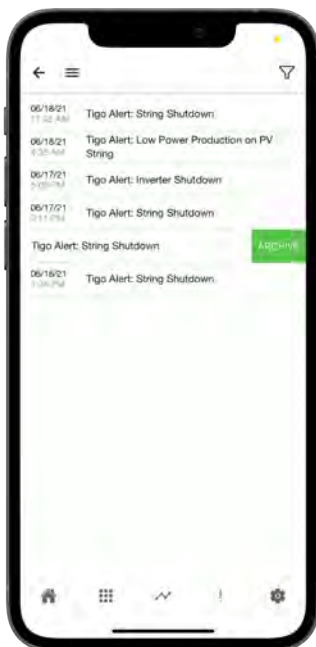
The Tigo EI App walks you through how to commission and setup your monitored system in minutes. Scan and arrange each of the modules, connect other devices, check communications, and more - all from your phone.



FEWER TRUCK ROLLS

Detect issues early

Get module-level visibility at 1 minute intervals - 7x more granular than comparable monitoring solutions. We call it Ultra-High Definition (UHD) monitoring and it lets you detect and diagnose issues that other monitoring solutions miss.



ENHANCED SAFETY

Manage critical alerts

Alerts can be configured to notify you - as either an end user of the solar installation or a designated installer - of any performance issues, outages, potential failures and more. Alerts help ensure that each module performs at its most optimal level throughout the whole year.



Download the Tigo EI App



Contact us

<https://www.tigoenergy.com/contacts>

Copyright Tigo Energy, Inc. 2022

Tigo®

Tigo TS4 Flex MLPE with monitoring

Embrace solar freedom and choose the features you want with your solar installation. Tigo enables you to mix and match optimization, safety and/or monitoring features for your site.

FEATURES

Monitoring

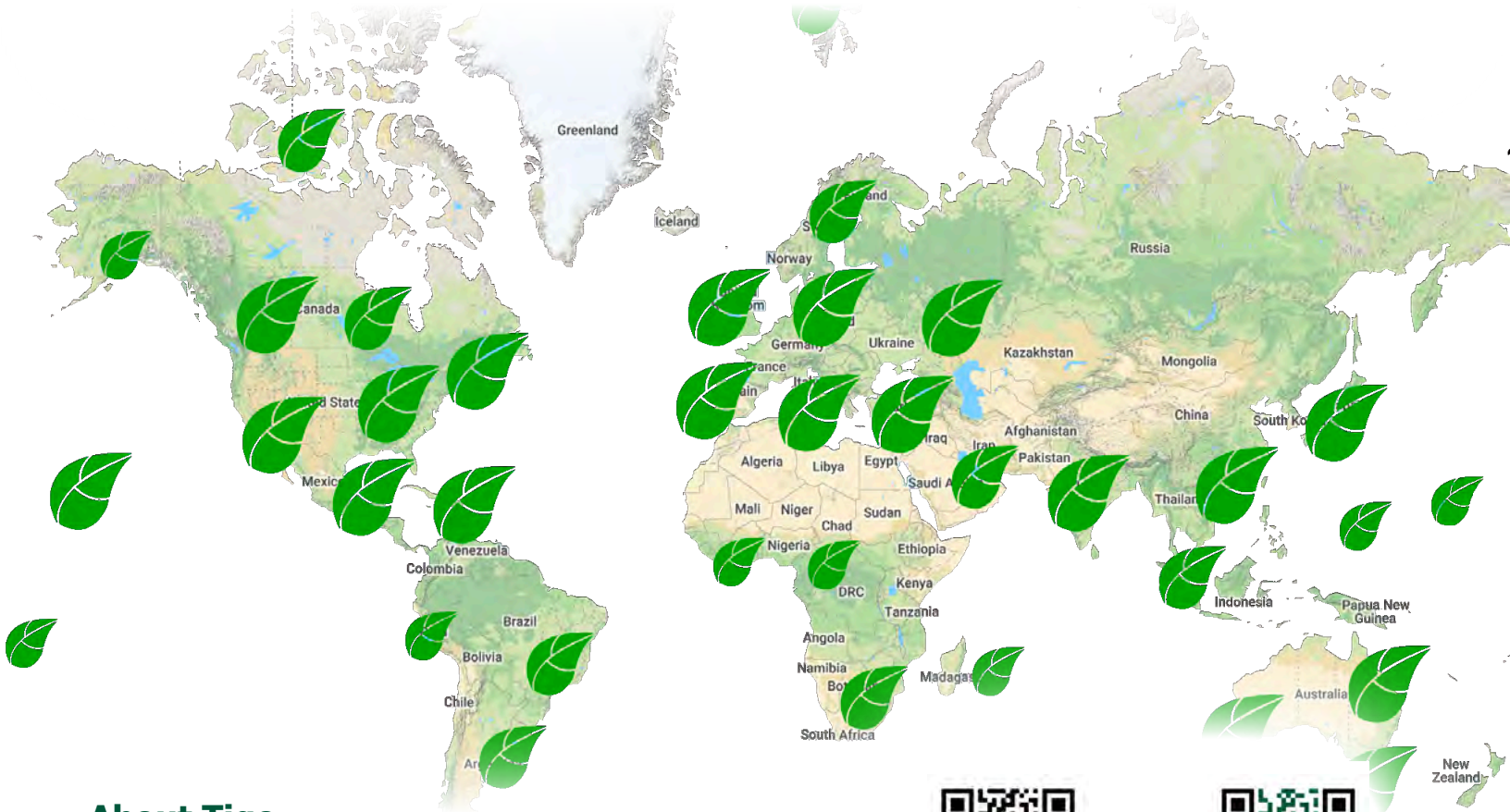
Rapid Shutdown

Optimization

	O	S	M
Monitoring	X	X	X
Rapid Shutdown	X	X	
Optimization	X		

TRUSTED AROUND THE WORLD

Tigo Energy Intelligence monitors >1GWh of daily solar production



About Tigo

Tigo Energy is the worldwide leader in Flex MLPE (Module Level Power Electronics) with innovative solutions that increase solar energy production, decrease operating costs, and significantly enhance safety of solar energy systems. The Tigo TS4 platform maximizes the benefit of solar and provides customers with the most scalable, versatile, and reliable MLPE solution available. Tigo Energy is dedicated to making the best MLPE on earth so more people can enjoy the benefits of solar.



DEMO

View an example site



Tigo homepage

Visit for more info.

Contact us

<https://www.tigoenergy.com/contacts>

Copyright Tigo Energy, Inc. 2022

Tigo®

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: June 1, 2026

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

RE: ZONING CERTIFICATION
Name of Development: Bluestone Town Center Family I
Name of Owner/Applicant: BTC Family I LLC
Name of Seller/Current Owner: EP Harrisonburg Owner 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:
1645 Erickson Ave, Harrisonburg, VA 22801

Leal Description:
See attached.

Proposed Improvements:

Construction

New Construction:	# Units	83	# Buildings	4	Total Floor Area	112,738
Adaptive Reuse	# Units		# Buildings		Total Floor Area	
Rehabilitation:	# Units		# Buildings		Total Floor Area	

Zoning Certification, cont'd

Current Zoning: R-7 allowing a density of 10.03 units per acre, and the following other applicable conditions: See attached Master Plan

Other Descriptive Information:
See Attached Master Plan

LOCAL CERTIFICATION:

Check one of the following a 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.

Nathan Hunter Knopp

Signature

Owen Burwell
Printed Name

Owen Burwell

Title of Local Official or Civil Engineer

(919) 538-7837

Phone

6/25/2026

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.



566 East Market Street
Harrisonburg, VA 22801
Phone (540) 432-9555
aesva.com

**Metes and Bounds Description of the proposed
Blue Stone Town Center Family Apartment Parcel**

The following is a metes and bounds description of a proposed 3.016 acre parcel of land, being a portion of the land standing in the name of EP Harrisonburg Owner, LLC., a Virginia limited liability company, located off of Garbers Church Road, in the City of Harrisonburg, Virginia and is further described as a portion of the Blue Stone Town Center Development.

Commencing at the South face of a fence corner post, a common corner with Clark E. Martin and other lands of EP Harrisonburg Owner, LLC., thence with said Martin

S 27° 42' 20" W 424.35'

to a point, a common corner with the proposed southern right-of-way line of Hidden Creek Lane, in the line of said Martin, thence generally with the southern right-of-way line of said Hidden Creek Lane

S 62° 17' 40" E 92.00'

to the **True Point of Beginning**, an Iron Pin to be set, a new corner in the southern right-of-way line of Hidden Creek Lane, thence the following eight new courses through the lands of EP Harrisonburg Owner, LLC.

S 62° 17' 40" E 236.00'

to an Iron Pin to be set, a new corner in the southern right-of-way line of said Hidden Creek Lane, thence a curve to the right having the following:

a radius of 27.00' an arc length of 42.41'
and a long chord of S 17° 17' 40" E 38.18'

to an Iron Pin to be set, a new corner in the western right-of-way line of Iris Lane, thence

S 27° 42' 20" W 403.00'

to an Iron Pin to be set, a new corner in the western right-of-way line of Iris Lane, thence a curve to the right having the following:

a radius of 25.00' an arc length of 39.27'
and a long chord of N 72° 42' 20" W 35.36'

to an Iron Pin to be set, a new corner in the northern right-of-way line of Mountain Mint Street, thence

N 62° 17' 40" W 240.00'

to an Iron Pin to be set, a new corner in the northern right-of-way line of Mountain Mint Street, thence a curve to the right having the following:

a radius of 25.00' an arc length of 39.27'
and a long chord of N 17° 17' 40" W 35.36'

to an Iron Pin to be set, a new corner in the eastern right-of-way line of Bluebell Drive, thence

N 27° 42' 20" E 403.00'

to an Iron Pin to be set, a new corner in the eastern right-of-way line of Bluebell Drive, thence a curve to the right having the following:

a radius of 27.00' an arc length of 42.41'
and a long chord of N 72° 42' 20" E 38.18'

to the beginning, enclosing an area of 3.016 acres, as shown on the Preliminary Plat of Blue Stone Town Center Subdivision, prepared by AES Consulting Engineers, and dated October 5, 2023.

Being a portion of the lands conveyed to EP Harrisonburg Owners, LLC., from Charles W. Clark, et al, by a deed dated March 23, 2023, and recorded in the land records of the Rockingham County Clerk of Court in Deed Book 5691, at Page 400.

Tab H:

Attorney's Opinion (MANDATORY)

Date July 1, 2026

To Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

RE: 2026 4% Tax Credit Reservation Request (30% present value credits to be paired with tax-exempt bonds)

Name of Development: Bluestone Town Center Family I

Name of Owner: BTC Family I LLC, a Virginia limited liability company

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 July 1, 2026 (of which this opinion is a part) (the “Application”) submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low-income housing tax credits (“Credits”) available under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the “Regulations”).

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

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

3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. Based solely upon my review of (i) the Applicant's operating agreement; (ii) any certifications, resolutions, or consents provided to me by the Applicant; and (iii) such operating agreements, partnership agreements, bylaws, or other organizational documents of the Applicant's Principals which I deemed necessary to issue this Opinion (none of which are attached to this Opinion), the individuals identified on the list attached as Exhibit A are duly authorized to execute documents on behalf of the Applicant, to the best of my knowledge and belief.

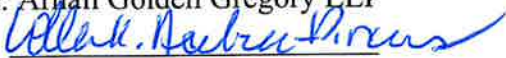
Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code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

Firm Name: Arnall Golden Gregory LLP

By:



Its:

Partner

EXHIBIT A
TO
ATTORNEY'S OPINION LETTER

Based solely upon my review of (i) the Applicant's operating agreement; (ii) any certifications, resolutions, or consents provided to me by the Applicant; and (iii) such operating agreements, partnership agreements, bylaws, or other organizational documents of the Applicant's Principals which I deemed necessary to issue this Opinion (none of which are attached to this Opinion or included within this Exhibit), the individuals identified below are duly authorized to execute documents on behalf of the Applicant, to the best of my knowledge and belief.

	NAME	TITLE
1	Timothy L. McCarty	Manager of EquityPlus Manager, LLC, member of Applicant
2	Avram S. Fechter	Manager of EquityPlus Manager, LLC, member of Applicant
3	Michael G. Wong	Executive Director of Harrisonburg Redevelopment and Housing Authority, sole member of BTC Housing LLC, member of Applicant
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

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)

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

Tab K:

Documentation of Development Location:

Tab K.1

Revitalization Area Certification

RESOLUTION

WHEREAS, pursuant to Section 36-55.30:2.A of the Code of Virginia of 1950, as amended, the City Council of the City of Harrisonburg, Virginia, desires to designate the area (the "Area") described on Exhibit A attached hereto as a revitalization area;

NOW, THEREFORE, BE IT HEREBY DETERMINED as follows:

(1) the industrial, commercial or other economic development of the Area will benefit the City of Harrisonburg, but the Area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in the Area; and

(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the Area and will induce other persons and families to live within the Area and thereby create a desirable economic mix of residents in the Area.

NOW, THEREFORE, BE IT HEREBY RESOLVED that pursuant to Section 3655.30:2.A of the Code of Virginia of 1950, as amended, the Area is hereby designated as a revitalization area.

NOW, THEREFORE, BE IT HEREBY FURTHER DETERMINED that the following non-housing building or buildings (or non-housing portion or portions of the building or buildings) located or to be located in the Area are necessary or appropriate for the industrial, commercial, or other economic development of the Area:

Approximately 15,000 to 20,000 square feet of office or service space to be potentially financed by VHDA. The space will be used to provide supportive services to the residents residing at Bluestone Town Center and community members within the City of Harrisonburg and Rockingham County.

ADOPTED AND APPROVED THIS 28th DAY OF NOVEMBER, 2023.



Deanna R. Reed, Mayor

ATTEST:


Pamela Ulmer, City Clerk

EXHIBIT A

See attachment A

Attachment A

PARCEL ONE:

ALL THAT certain tract or parcel of land containing 26.180 acres, more or less, together with any improvements thereon, and all rights, privileges, appurtenances, easements and rights-of-way thereunto belonging or in anywise appertaining, located in the City of Harrisonburg, Virginia, as set forth on the attached ALTA/NSPS Land Title survey made by Hal T. Benner, L.S., dated January 12, 2022, revised April 15, 2022, revised January 12, 2023 and revised February 9, 2023, which is to be attached hereto and made a part hereof.

LESS AND EXCEPT, however, all that certain tract or parcel of land containing 0.196 acres, more or less, conveyed to Cooks Creek Church of the Brethren Cemetery, (originally Trustees for Cook's Creek Congregation of the Church of the Brethren) by deed dated October 9, 2022, recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 124, Page 157.

AND BEING the same real property conveyed to EP Harrisonburg Owner LLC from Harrisonburg Investment Properties, LLC by deed dated March 28, 2023, and of record in the aforesaid Clerk's Office as Instrument Number 202308665.

PARCEL TWO:

ALL THAT certain tract or parcel of land, containing 17.215 acres, more or less, together with any improvements thereon and all rights, privileges, appurtenances, easements and rights-of-way thereunto belonging or in anywise appertaining, located in the City of Harrisonburg, Virginia, as set forth on the attached ALTA/NSPS Land Title survey made by Hal T. Benner, L.S., dated January 7, 2022, revised April 15, 2022, revised January 12, 2023 and revised February 9, 2023, which is to be attached hereto and made a part hereof.

AND BEING the same property conveyed to EP Harrisonburg Owner LLC from Willow Lane II, LLC by Deed dated March 23, 2023, and of record in the aforesaid Clerk's Office as Instrument Number 202308666.

PARCEL THREE:

All that certain tract or parcel of land, containing 46.443 acres, more or less, together with any improvements thereon, and all rights, privileges, appurtenances, easements and rights-of-way thereunto belonging or in anywise appertaining, located in the City of Harrisonburg, Virginia, , as set forth on the attached ALTA/NSPS Land Title survey made by Hal T. Benner, L.S., dated January 19, 2022, revised April 15, 2022, revised January 12, 2023 and revised February 9, 2023, which is to be attached hereto and made a part hereof.

AND BEING the same property conveyed to EP Harrisonburg Owner LLC from Charles W. Clark, Mary Strate Bahn, Dorothy Strate Harper, Sarah Strate Rees, Ann Strate Egge and Ronnie Allen Barber by deed dated March 23, 2023 and recorded in the aforesaid Clerk's Office as Instrument Number 202308667.

Tab K.2

Surveyor's Certification of Proximity to
Public Transportation using Virginia
Housing template



July 8, 2024

Virginia Housing
601 S. Belvidere St
Richmond, VA 23220

RE: Access to Public Transportation for Future Residents of Bluestone Town Center Family Apartments

To Whom It May Concern:

Per page 6 of the enclosed Rezoning Request Proffer approved by Harrisonburg City Council on 2/28/23, the developers of Bluestone Town Center Master Plan are required to provide up to three bus stops within the project, one of which is planned to within ¼ mile of Bluestone Town Center Senior Apartments.

Respectfully,

A handwritten signature in black ink, appearing to read "Timothy McCarty".

Timothy McCarty
Class B Member
BTC Family I LLC



BUS ROUTES

of HARRISONBURG, VIRGINIA



BUS FARES

Adults: \$1.00 / City Students through Grade 12: Free with Valid ID
Non-City & ANU / EMU Students: \$.50
Persons with Disabilities: \$.50 / Senior Citizens (Age 62 & Older): \$.50
Medicare/Medicaid Card Holders: \$.50
JMU/BRCC Students, Faculty & Staff: Free with Valid ID
Transfers: No Charge (Please request when boarding bus)

Discounted coupon books are available for purchase at the Transit Office, located at 475 E. Washington St. or from any city route driver.
Rates: Effective July 1, 2003.
Adult passengers.....book of 25/ \$20.00
Students/Senior Citizens/Disabled.....book of 25/ \$10.00
Rates: Effective July 1, 2003.

Harrisonburg Transit offers alternate services for passengers unable to board a bus or access a bus stop. Please call 432-0492 for more information regarding these services.

WHEN RIDING THE BUS, PLEASE KEEP THE FOLLOWING IN MIND

- Stand at designated bus stops located along each route.
- Allow a few minutes for delays in scheduled arrival times.
- In case of inclement weather, routes will operate if possible. However, it may not be possible to operate the routes on schedule. Please be patient and listen to local radio for additional information.
- Please board by front door only and have exact change, coupon or valid ID ready. Drivers do not make change.
- Pull bell cord to let driver know your stop is coming up, then exit by rear door. Do not cross in front of the bus.
- General office hours are Monday – Friday 8 AM – 4:30 PM.
- Campus routes operate ONLY during JMU's Fall and Spring Sessions.
- Buses do not operate on New Year's Day, Memorial Day, Independence Day, Thanksgiving Day and Christmas Day.
- Other changes will be posted online and/or in HDPT bus shelters.
- Please note bus stops that are "On-Demand" and please call 540-432-0492 to request service when using these stops.

POLICIES & REGULATIONS

1. Smoking, profanity and open alcoholic beverages are prohibited on buses. Violators will be asked to exit the bus and may be subject to legal action.
2. NO animals, except service animals, permitted on buses.
3. NO standing in front of white or yellow line or in stairwells.
4. Shirts and shoes are required for all passengers.
5. Drivers reserve the right to refuse service to anyone not observing regulations or whose behavior is hazardous to passengers or vehicular safety.
6. Drivers have a choice to wear protective gloving when handling a mobility device for their safety and for the safety of the passenger.
7. Please have EXACT fare ready when you board, drivers DO NOT carry change.
8. Passengers desiring a transfer should request one from the driver, IMMEDIATELY as they BOARD the bus.
 - Failure to do so will make it impossible for HDPT to guarantee your transfer in a timely manner.
 - A transfer is good for ONE HOUR and will be honored on any route except the one on which it was issued.
9. When JMU is out of session, City Routes will service housing complexes normally serviced by a JMU route.
 - Please call to request On-Demand service from these locations.

For real-time bus information, download the Passio GO app from the iTunes Store for Apple or from the Play Store for Android. On the web at passio.go.com; choose HDPT as the agency.

○ Bus Stop

★ Transfer Point

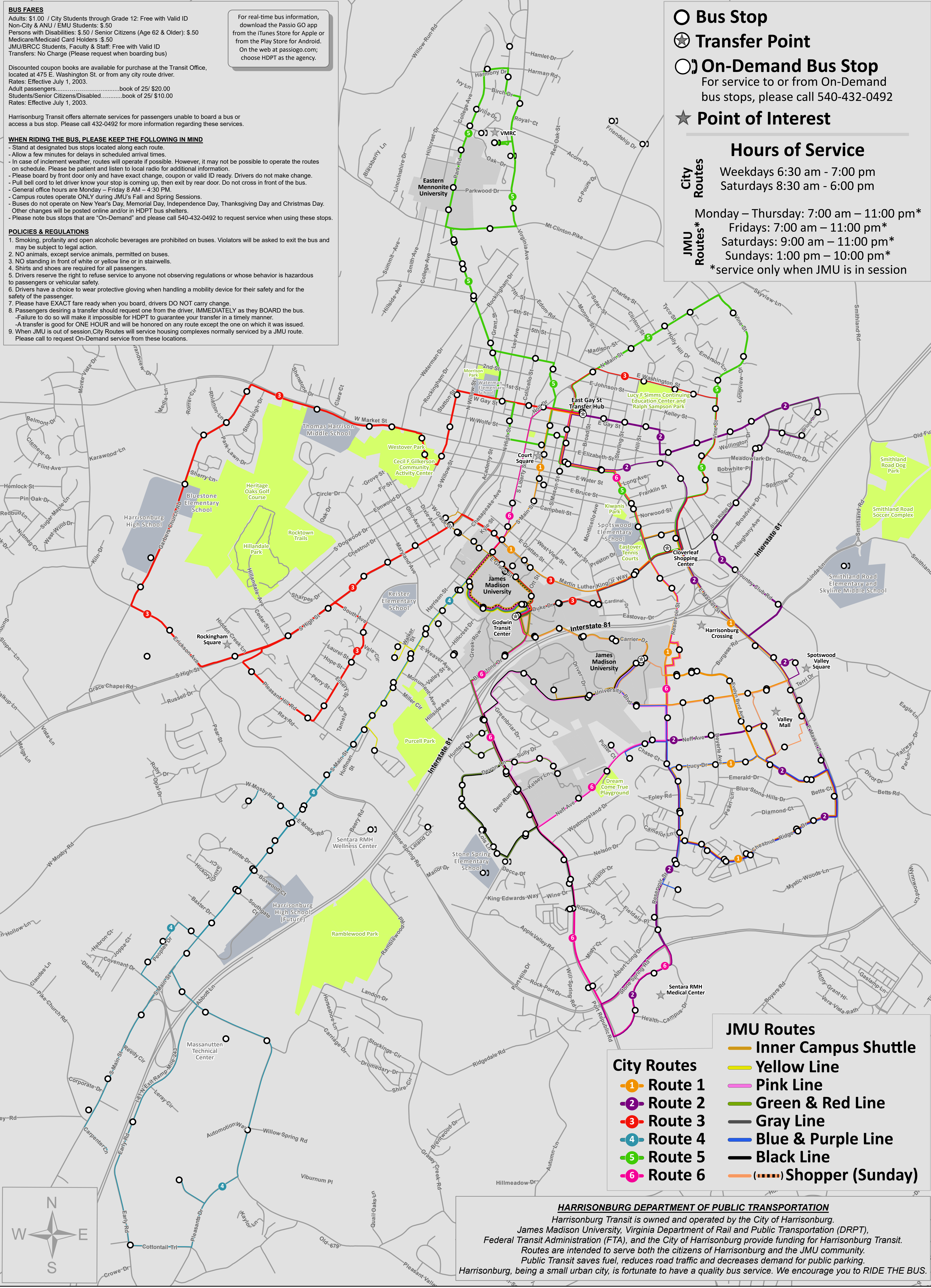
○ On-Demand Bus Stop
For service to or from On-Demand bus stops, please call 540-432-0492

★ Point of Interest

Hours of Service

Weekdays 6:30 am - 7:00 pm
Saturdays 8:30 am - 6:00 pm

Monday – Thursday: 7:00 am – 11:00 pm*
Fridays: 7:00 am – 11:00 pm*
Saturdays: 9:00 am – 11:00 pm*
Sundays: 1:00 pm – 10:00 pm*
*service only when JMU is in session



JMU Routes

- Inner Campus Shuttle
- Yellow Line
- Pink Line
- Green & Red Line
- Gray Line
- Blue & Purple Line
- Black Line
- (.....) Shopper (Sunday)

City Routes

- Route 1
- Route 2
- Route 3
- Route 4
- Route 5
- Route 6

HARRISONBURG DEPARTMENT OF PUBLIC TRANSPORTATION

Harrisonburg Transit is owned and operated by the City of Harrisonburg. James Madison University, Virginia Department of Rail and Public Transportation (DRPT), Federal Transit Administration (FTA), and the City of Harrisonburg provide funding for Harrisonburg Transit. Routes are intended to serve both the citizens of Harrisonburg and the JMU community. Public Transit saves fuel, reduces road traffic and decreases demand for public parking. Harrisonburg, being a small urban city, is fortunate to have a quality bus service. We encourage you to RIDE THE BUS.

Bluestone Town Center

RZ-_____
REZONING REQUEST PROFFER
(Conditions for this Rezoning Request)

Applicant:

THE HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY

Owners:

MARTHA CLARK BARBER AND OTHERS

Tax Map Nos. 115 B 1 and 115 B 4

1645 ERICKSON AVE

AREA = 46.33 ACRES

ZONED: B-2, R-1, and R-3

G S W INVESTORS

Tax Map No. 021 K 4

1781 S HIGH ST

AREA = 26.08 ACRES

ZONED: R3

COOK CREEK CHURCH OF BRETHREN CEMETERY

Tax Map No. 021 K 5

S DOGWOOD DR

AREA = 0.20 ACRES

ZONED: R3

WILLOW LANE PARTNERS

Tax Map No. 117 C 3

1010 GARBERS CHURCH RD

AREA = 17.14 ACRES

ZONED: R1



Dated: January 4, 2023 and revised January 13, 2023

**TO THE HONORABLE MAYOR AND MEMBERS OF
THE COUNCIL OF THE CITY OF HARRISONBURG**

Property Information

The Applicant and the Owners of the above-described parcels, totaling 89.75 acres (+/-) of land (the "Property"), have petitioned the of the City of Harrisonburg, Virginia (the "Council") for a rezoning to allow for the development of a specific project, identified as the Bluestone Town

Center (the "Project"), as specifically detailed in the Bluestone Town Center Master Plan dated January 4, 2023 and revised January 10, 2023 (the "Proposed Rezoning").

Proffers

In furtherance of the Proposed Rezoning, the Applicant hereby proffers that in the event the Council shall approve the rezoning of the Property, from their varying current zoning districts to R-7 Medium Density Mixed Residential Planned Community District, then the Project shall be done in conformity with the terms and conditions as set forth herein, except to the extent that such terms and conditions may be subsequently amended or revised by the Applicant and such be approved by the Council in accordance with Virginia law. In the event that such rezoning is not granted, then these Proffers shall be deemed withdrawn and have no effect whatsoever. These Proffers shall be binding upon the Applicant, the Owners, and their legal successors or assigns. Any and all terms and conditions, accepted or binding upon the Property and Project, as a condition of accepting these Proffers, shall become void and have no subsequent effect. The Applicant hereby agrees that the Proposed Rezoning itself gives rise to the need for these Proffers, that the Proffers have a reasonable relation to the Proposed Rezoning, and that all conditions are in conformity with the City's Comprehensive Plan.

The Applicant, who is acting on behalf of the Owners of the Property, hereby voluntarily proffers that, if the Council approves the rezoning, the Applicant and the Owners, or their successors and assigns, will provide the following during the Project:

1. ***Provision of Affordable Dwelling Units. Provision of Affordable Housing.*** Where the Master Plan indicates residential uses, the residential dwelling units within the Project are two-fold: a) for-purchase units; and b) rental units. The Project will incorporate affordable housing components as set forth below:
 - a. For-Purchase Units (single-family detached dwellings, manufactured homes, and townhouses):
 - i. Term: The For-Purchase Units affordability period shall only be upon the initial sale from the Developer to the initial homebuyer.
 - ii. Income Restrictions: 100% of the For-Purchase Units will be initially sold and restricted only to households with incomes between 80% and 120% of the Area Median Income (AMI), as established and updated regularly by the U.S. Department of Housing and Urban Development (HUD).
 - iii. Compliance and Monitoring: Upon request from the City, the Developer will provide certification of household income eligibility for all For-Purchase Unit sales.
 - b. Rental Units (multifamily and townhomes owned and leased by Harrisonburg Redevelopment & Housing Authority (HRHA) or similar entity):
 - i. Term: The Rental Units affordability period shall be thirty (30) years.
 - ii. Income Restrictions: 100% of units will be occupied by households whose incomes do not exceed 80% of AMI, based on income averaging.

- iii. Rent Restrictions: 100% of units will have affordable rents leased at the Low-Income Housing Tax Credit (LIHTC) maximum rents or below.
- iv. Compliance and Monitoring: Projects awarded LIHTC should submit proof of compliance with Virginia Housing annually. Projects not awarded LIHTC must, upon request from the City, submit an equivalent format to a LIHTC Tenant Income Certification (TIC) for each unit annually during the 30-year term.

c. Annual Construction:

- i. Beginning on the date of the (subject rezoning) application, the City shall not issue building permits for the construction of more than 100 dwelling units per year, on a cumulative basis, excluding senior housing. The City may review building permits that exceed 100 per each year but will not issue them.
- ii. Compliance and Monitoring: Upon request from the City, the Developer will provide an accounting of the number of building permits pulled each year and how many building permits it can still pull in that year, which the City can also verify and control through issuance.

2. *Residential Units.*

- a. The maximum number of residential units in the Project will be Nine Hundred (900). The maximum number of multi-family units will be 450. The maximum number of townhouse units will be 350. The maximum number of single-family detached and/or manufactured home units will be 145.
- b. ~~The Bluestone Town Center will implement an applicant preference system prioritizing residents who live or work in the City of Harrisonburg and Rockingham County. The property wait list uses a two-tiered admission preference system. This system gives applicant households that qualify for a preference an opportunity to be screened for eligibility ahead of applicants that do not have a preference. The admission preferences are a way of organizing the wait lists to address local housing issues and agency policy. Without admission preferences, applicant households on the wait list are organized only by the date and time stamp of their pre-application. Priorities and preferences for admission to Bluestone Town Center will be applied as follows: eligible applicants who live or work in the City of Harrisonburg or Rockingham County shall be given priority for occupancy over all other tenants. Developer reserves the option to provide additional preferences as determined to be necessary.~~

Proffer 2.b. was
not accepted by
City Council

3. *Environmental Sustainability.*

- a. All Rental Units shall be initially constructed to meet EarthCraft, Enterprise® Green Communities, or LEED certification building standards.

- b. All For-Purchase manufactured homes will meet or exceed the then-current requirements for Fannie Mae MH Advantage or Freddie Mac CHOICEhome building standards, or any replacement program with requirements that are substantially similar at the time of initial sale.
- c. Solar panel systems will be incorporated on all multi-family housing buildings as a supplementary energy source.
- d. At least 6 electric vehicle ("EV") charging stations will be constructed and maintained at various locations throughout the Project. The EV charging stations shall be "Level 2" equivalent or better technology at the time of construction.
- e. Compliance and Monitoring: Upon request from the City, the Developer will provide certification of the applicable building standard and solar panel system and EV charging station installations.
- f. Landscaping. The Project will contain various green space and common areas, such as, pocket parks, playgrounds, playing fields, and recreation areas. All residential units shall be within 1,000 feet of a green space and/or common area.

4. ~~Impact fee¹.~~

- a. ~~In effort to mitigate the impact the Proposed Rezoning and the Project will have on the school systems and the surrounding communities, an impact fee of Fifty Thousand Dollars (\$50,000) per Rental Unit shall be paid the City of Harrisonburg (the "City") upon the Rental Unit building receiving a certificate of occupancy for all of the units therein, on condition that the City loan \$40,000 per Rental Unit back to the Developer for further construction of the Project.~~
- b. ~~The Developer shall make annual loan payments to the City and the City shall have a subordinate security interest in the Rental Units pursuant to loan agreements and deed of trust.~~
- c. ~~Accordingly, the City will immediately retain \$10,000 per Rental Unit upon the issuance of the certificate of occupancy and be paid \$40,000 plus per Rental Unit over time. The Developer shall construct a minimum of 400 Rental Units over the life of the Project, ultimately yielding over \$20,000,000.00 to the City.~~
- d. ~~Compliance and Monitoring: Upon request from the City, the Developer will certify and provide to the City the number of Rental Unit buildings completed, which the City can verify through issuance of certificates of occupancy.~~

Proffer 4 was not
accepted by City
Council

¹ The Developer recognizes that this proffer is currently inconsistent with the City Code. However, the Developer believes that such an impact fee for school use is an important element of the Project, and such proffers are common throughout Virginia. Accordingly, this proffer will be subject to a zoning text amendment, and, upon approval of this Rezoning Application, the Developer will work with City staff to draft and implement such an amendment.

5. ***Traffic and Transportation.*** The Developer agrees to construct or cause to be constructed the following improvements:
- a. A southbound left turn lane, by restriping, at the Garbers Church Road entrance (Road J), with 100' taper and 100' storage.
 - b. A section of Road J between Garbers Church Road and Road A, a section of Road A between Road J and Hidden Creek Lane, and the entirety of Hidden Creek Lane, including all associated bicycle, pedestrian, and public transit facilities, and the small diameter roundabouts, both on and off site between Road A and South High Street shall be completed prior to the City issuing more than 150 certificates of occupancy for dwelling units within Phase 1. As part of the Hidden Creek Lane construction, the Developer will construct:
 1. A mid-block crosswalk to connect the shared use path on the north side of Hidden Creek Lane to the shared use path that parallels the Sunset Heights Branch of Cooks Creek. The shared use path on Hidden Creek Lane (extended) shall be adjusted to end at the midblock crosswalk and transition the off-road path to on-road bike lanes, on both sides of the street.
 2. New sidewalks along the south side of Hidden Creek Lane from the property line to the existing sidewalk along the frontage of the shopping center in accordance with the Street Improvement Agreement with the City.
 3. A small diameter roundabout at the intersection of Hidden Creek Lane and South Dogwood Drive, per design specifications provided by the City.
 - c. A traffic signal at Hidden Creek and South High Street, excluding the right turn lane recommended by the traffic impact analysis (TIA) study, will be completed prior to the City issuing more than 300 certificates of occupancy for dwelling units within the Development.
 - d. A section of Road A between Hidden Creek Lane and Erickson Avenue and a section of Road E between Hidden Creek Lane and Erickson Avenue, including bicycle, pedestrian, and public transit facilities, and all associated improvements and traffic signals prior to the City issuing more than 450 certificates of occupancy for dwelling units within the Development. As part of these improvements, the Developer will:
 1. Construct the entrance at Road A to Erickson Avenue as restricted to right turn in and right turn out only;

2. Construct improvements at Road E to Erickson Avenue, as described in the Street Improvement Agreement accompanying the rezoning application.
 3. Road E shall not be connected to Erickson Avenue until the improvements described in proffer 5.d. are completed.
- e. Shared use paths between the termination points of Roads C and J to connect with the existing Friendly City Trail prior to opening the respective Road sections to vehicular traffic.
 - f. Up to three bus stops within the Project, to include a pull off, concrete pads, shelters, and easements/right-of-way at locations acceptable to the Harrisonburg Department of Transportation (HDPT). HDPT has discretion during site engineering design to waive any requirement of this proffer, if they deem it necessary or appropriate.
 - g. Traffic and transportation improvements in accordance with the Street Improvement Agreement accompanying the rezoning application.

Consistent with the timing already set forth herein, these improvements will be phased and constructed in accordance with the mitigation need created by the construction of the development phases. All traffic improvements described above shall be completed prior to the City issuing more than 450 certificates of occupancy for dwelling units within the Development.

Remainder of page intentionally left blank

Signature pages follow

IN WITNESS WHEREOF, the parties have executed this Rezoning Request Proffer as follows.

APPLICANT:

HARRISONBURG REDEVELOPMENT AND
HOUSING AUTHORITY

By: _____ (SEAL)
Michael G. Wong, Executive Director

COMMONWEALTH OF VIRGINIA
CITY OF HARRISONBURG

The foregoing instrument was acknowledged before me this _____ day of _____,
2023, by Michael G. Wong, Executive Director of the Harrisonburg Redevelopment and
Housing Authority, Applicant.

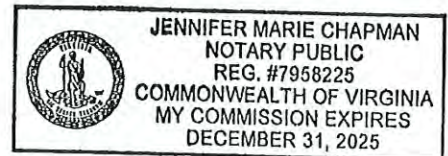
Notary Public

My commission expires: _____
Registration Number: _____

OWNERS:

MARTHA CLARK BARBER AND OTHERS

By: Mary Strate Bahn (SEAL)
Mary Strate Bahn



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham

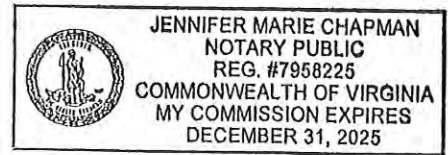
The foregoing instrument was acknowledged before me this 23 day of Feb,
2023, by Mary Strate Bahn, owner.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

MARTHA CLARK BARBER AND OTHERS

By: Sarah Rees (SEAL)
Sarah Rees



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg / Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb, 2023, by Sarah Rees, owner.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

MARTHA CLARK BARBER AND OTHERS

By: Charles Clark (SEAL)
Charles W. Clark



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg / Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb, 2023, by Charles W. Clark, owner.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

MARTHA CLARK BARBER AND OTHERS

By: Ronnie A. Barber (SEAL)
Ronnie A. Barber



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb,
2023, by Ronnie A. Barber, owner.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

MARTHA CLARK BARBER AND OTHERS

By: Dorothy S. Harper (SEAL)
Dorothy S. Harper



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb,
2023, by Dorothy S. Harper, owner.

Jennifer Marie Chapman
Notary Public

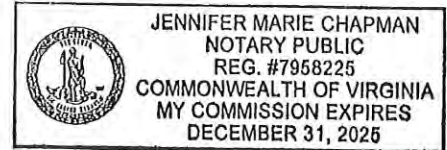
My commission expires: 12/31/25
Registration Number: 7958225

G S W INVESTORS

By: *Greg Weaver*
M. Steven

Its: *Manager*

STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham



The foregoing instrument was acknowledged before me this 23 day of Feb, 2023, by H. Steven Weaver, manager of G S W Investors.

Jennifer Marie Chapman
Notary Public

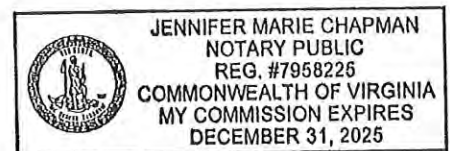
My commission expires: 12/31/25
Registration Number: 7958225

COOK CREEK CHURCH OF BRETHREN CEMETERY

By: *Greg Weaver*
M. Steven

Its: *Agent*

STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham



The foregoing instrument was acknowledged before me this 23 day of Feb, 2023, by M. Steven Weaver, Agent of Cook Creek Church of Brethren Cemetery.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

WILLOW LANE PARTNERS

By: Mary Strate Bahn
Mary Strate Bahn

Its: partner



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb, 2023, by Mary Strate Bahn, Partner of Willow Lane Partners.

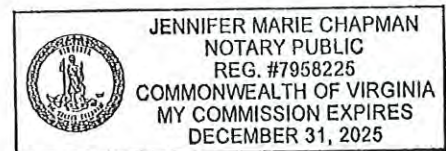
Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

WILLOW LANE PARTNERS

By: Sarah Rees
Sarah Rees

Its: manager



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg/Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb, 2023, by Sarah Rees, Partner of Willow Lane Partners.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

WILLOW LANE PARTNERS

By:

Dorothy S. Harper
Dorothy S. Harper

Its:

partner



STATE/Commonwealth of Virginia
CITY/COUNTY OF Harrisonburg / Rockingham

The foregoing instrument was acknowledged before me this 23 day of Feb,
2023, by Dorothy S. Harper, Partner of Willow Lane Partners.

Jennifer Marie Chapman
Notary Public

My commission expires: 12/31/25
Registration Number: 7958225

WILLOW LANE PARTNERS

By: Ann S. Egge
Ann S. Egge

Its: Partner



STATE/Commonwealth of Virginia
CITY/COUNTY OF Roanoke

The foregoing instrument was acknowledged before me this 23rd day of February, 2023, by Ann S. Egge, Partner of Willow Lane Partners.

Steven Lamont Lomax
Notary Public

My commission expires: September 30, 2023
Registration Number: 7647249

MARTHA CLARK BARBER AND OTHERS

By: Ann S. Egge (SEAL)
Ann S. Egge

STATE/Commonwealth of Virginia
CITY/COUNTY OF Roanoke



The foregoing instrument was acknowledged before me this 23rd day of February, 2023, by Ann S. Egge, owner.

Steven Lamont Lomax
Notary Public

My commission expires: September 30, 2023
Registration Number: 7647249

Tab L:

PHA / Section 8 Notification Letter

PHA or Section 8 Notification Letter

Date 7/10/2024

To Michael Wong, Executive Director
Harrisonburg RHA
286 Kelley St, Harrisonburg VA 22803

RE: Proposed Affordable Housing Development

Name of Development Bluestone Town Center Family I

Name of Owner BTC Family I LLC

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

The following is a brief description of the proposed development:

Development Address 1645 Erickson Ave, Harrisonburg, VA 22802

Proposed Improvements:

☒ New Construction:	<u>83</u> #Units	<u>4</u> #Buildings
☐ Adaptive Reuse:	_____ #Units	_____ #Buildings
☐ Rehabilitation:	_____ #Units	_____ #Buildings

Proposed Rents:

☐ Efficiencies:	\$ _____	/month
☐ 1 Bedroom Units:	\$ _____	/month
☒ 2 Bedroom Units:	\$ <u>1201</u>	/month
☒ 3 Bedroom Units:	\$ <u>1389</u>	/month
☐ 4 Bedroom Units:	\$ _____	/month

Other Descriptive Information:

PHA or Section 8 Notification Letter

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at (601) 506 - 5026 .

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,

Name Timothy McCarty

Title Class B Member

To be completed by the Local Housing Authority or Sec 8 Administrator:

Seen and Acknowledged By Michael Wong

Printed Name: _____

Title _____

Phone 540 434 7386

Date 7/10/2024

Tab M:

Intentionally Blank

Tab N:

Homeownership Plan

Tab O:

Plan of Development Certification Letter



CITY OF HARRISONBURG COMMUNITY DEVELOPMENT

409 SOUTH MAIN STREET, HARRISONBURG, VA 22801
OFFICE (540) 432-7700 • FAX (540) 432-7777

NOTICE OF SITE PLAN ACCEPTANCE

To: Mr. N. Hunter Knopp, P.E.

AES Consulting Engineers

566 East Market Street

Harrisonburg, Virginia 22801

Project Name: BLUESTONE TOWN CENTER PHASE 1

Project ID #: 1042

Review of the site plans for the above project is complete. Plans were signed by the City as "Accepted for Construction" on 3/14/2025 (date).

Release of plans and permitting for actual construction remains conditional on the following (check as appropriate):

		(For office use only)	
Required		Received	Notes
X	Receipt of bond estimate and approval of bond amount	_____	_____
X	A pre-construction meeting with affected parties*	_____	_____
X	Receipt of bond, letter of credit or other approved surety (Bond Amount \$ TBD)	_____	_____
X	Submission of completed Application for Land Disturbing Permit**	_____	_____
X	Receipt of recorded Stormwater BMP Maintenance Agreement	_____	_____
X	Copy of Stormwater Pollution Prevention Plan (SWPPP)	_____	_____
X	Receipt of DEQ Registration Statement by Community Development	_____	_____
X	Payment of VPDES Permit Fee \$2,250.00	_____	_____
X	Receipt of VPDES Coverage Letter from DEQ	_____	_____
	Verification of offsite easements and/or permissions	_____	_____
	Schedule Agreement for Public Utilities	_____	_____
X	Receipt of written assurance by the owner that an engineer has been engaged to monitor the construction of the BMP and provide the required as-built drawings and as-built certification.	_____	_____
	Other conditions as described below:	_____	_____

Matthew Huston

Digitally signed by Matthew Huston
Reason: I am approving this document

3/14/2025

Signature / Title

Date

* Attendees as requested by City Official

** Note that Application requires Applicant and Property Owner to certify that VSMP Stormwater Permit for Construction Sites has been secured from VADEQ, for applicable projects.

Signed plans will be held for a maximum of five years past the above date.

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



Harrisonburg Redevelopment & Housing Authority

P.O. BOX 1071 + HARRISONBURG, VA 22803

Phone/VTDD 540-434-7386 + Fax 540-432-1113

March 5, 2024

Mr. Timothy McCarty
BTC Family Housing

Dear Tim,

The Harrisonburg Redevelopment and Housing Authority Board of Commissioners approved as part of its 2024 annual plan an allocation of Project Based Vouchers (PBV) for our joint venture agreement. Please accept this letter of the Board of Commissioner's decision to award PBV rental assistance for 35 units total consisting of 35 3-bedroom units.

The commitment is conditional upon:

1. Receiving a Low Income Housing Tax Credits (LIHTC) award from Virginia Housing no later than September 1, 2024 and
2. That the property is evaluated through the Environmental Assessment process and received a Finding of No Significant Impacts (FONSI) and
3. That we receive a Release of Funds (ROF) based upon our submission of your Subsidy Layering Review (SLR), and
4. That we do not have a substantial reduction in funding for the Department of Housing and Urban Development for our Housing Choice Voucher program.

Upon satisfaction of the first three items, we will enter into an Agreement to Enter Into A Housing Assistance Payment (AHAP) contract at which you may commence development of the above captioned property. You must acquire all relative development and building permits from the City of Harrisonburg prior to commencing and following the execution of the AHAP. The term of the PBV will be 15 years subject to the execution of the Housing Assistance Payment (HAP) contract after all assisted units pass the required National Standards for the Physical Inspection of Real Estate (NSPIRE) inspections.

We look forward to working with you as you expand affordable housing opportunities in the City of Harrisonburg.

Sincerely,

Michael Wong

Michael Wong
Executive Director

Tab R:

Documentation of Utility Allowance calculation

06/25/2026

EP Harrisonburg Owner, LLC

696 Prospect Road, Pembroke NC, 28372

tmccarty@equityplusllc.com

Bluestone Town Center Family I - Utility Allowance Estimation

Please find below an estimated Utility Allowance (UA) for Bluestone Town Center Family I in Harrisonburg, VA.

In order to estimate the electric utility use, we used RESNET standard approved software (ekotrope). Below is the projected electric utility allowance cost that represents the worst case (highest) cost between unit types. The inputs used in the energy modeling were from the preliminary plans and specifications from the ENERGY STAR MFNC v1.1 reference design. Utility rates were taken from the most current listed schedules.

Unit Type	Electricity	Water & Sewage	Water & Sewage	Total UA
2 BR	\$76	\$64	\$76	\$140
3 BR	\$85	\$82	\$94	\$167
Tool	ekotrope	HUDUSM	VHDA	
Source	Harrisonburg Electric	Harrisonburg Water and Sewer	Virginia Housing Utility Allowance Schedules	
Notes	Eff. 06/24	Eff. 06/04/2026	Eff. 07/01/2026	

Should you have any questions do not hesitate to contact me.

Sincerely,

Patrick Schulze

Residential Energy Modeler

RESNET HERS Rater

pschulze@southern-energy.com

Southern Energy Management

Fuel Summary

Property

1210 Iris Lane
Harrisonburg, VA 22801
Model: 2BR Top

Organization

Southern Energy Management
Owen Burwell

Inspection Status

Results are projected

Builder

Bluestone Town Center Family I_2BR Top
2316 - 2025-10-01 - BLUESTONE FAMILY PROG

Annual Energy Cost

Electric	\$906
----------	-------

Annual End-Use Cost

Heating	\$214
Cooling	\$52
Water Heating	\$170
Lights & Appliances	\$355
Onsite Generation	-\$0
Service Charges	\$114
Total	\$906

Annual End-Use Consumption

Heating [Electric kWh]	2,283.7
Cooling [Electric kWh]	542.8
Hot Water [Electric kWh]	1,806.8
Lights & Appliances [Electric kWh]	3,767.2
Total [Electric kWh]	8,400.5
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	1.61
Peak Summer kW	1.27

Utility Rates

Electricity	Harrisonburg Electric (06/24)
-------------	-------------------------------

Fuel Summary

Property

1210 Iris Lane
Harrisonburg, VA 22801
Model: 3BR Top

Organization

Southern Energy Management
Owen Burwell

Inspection Status

Results are projected

Builder

Bluestone Town Center Family I_3BR Top
2316 - 2025-10-01 - BLUESTONE FAMILY PROG

Annual Energy Cost

Electric	\$1,023
----------	---------

Annual End-Use Cost

Heating	\$230
Cooling	\$66
Water Heating	\$211
Lights & Appliances	\$401
Onsite Generation	-\$0
Service Charges	\$114
Total	\$1,023

Annual End-Use Consumption

Heating [Electric kWh]	2,494.0
Cooling [Electric kWh]	698.9
Hot Water [Electric kWh]	2,259.1
Lights & Appliances [Electric kWh]	4,273.9
Total [Electric kWh]	9,725.9
Total Onsite Generation [Electric kWh]	0.0

Peak Electric Consumption

Peak Winter kW	1.83
Peak Summer kW	1.57

Utility Rates

Electricity	Harrisonburg Electric (06/24)
-------------	-------------------------------

Tab S:

Supportive House Mandatory
Certification and Documentation

Tab T:

Funding Documentation



June 22, 2026

Harrisonburg Housing and Redevelopment Authority
Attn: Michael Wong, Executive Director
286 Kelley Street
Harrisonburg, VA 22802

RE: Bluestone Town Center Family I
1346 Erickson Avenue, Harrisonburg, VA

Dear Mr. Wong:

Bellwether Enterprise Real Estate Capital, LLC ("BWE") has completed a review of Bluestone Town Center Family I ("BTC Family") and is pleased to present this proposal for a nonrecourse first mortgage loan for the above referenced project pursuant to FHA's 221(d)(4) program. These terms are subject to FHA's review and approval.

Borrower:	BTC Family I, LLC
Property:	An 83-unit affordable multifamily apartment development, known as Bluestone Town Center Family I.
Loan Type:	Section 221(d)(4)
Maximum Mortgage Loan Amount:	\$10,250,000 (loan amount is based on current budget and projections)
Interest Rate:	Construction and Permanent Loan: 5.8%. This rate is not a prediction of the rate that will be available, but rather represents the rate that would be achievable if the rate were locked today assuming all underwriting standards and conditions were satisfied.
Mortgage Loan Term:	40 years plus construction period
Amortization:	40 years
Maximum LTV:	87 %
Minimum DCR:	1.15x amortizing DCR
Prepayment:	Negotiable. Preferred in the current market environment is 10% prepayment penalty in the first year, declining by 1% per year and to -0- the tenth year.
Application Deposit:	\$52,000 (Includes MAP third party reports estimates and Engagement Fee)



Recourse:	The Mortgage Loan will be non-recourse subject to the provisions for acts of malfeasance as recited in the FHA Regulatory Agreement, from HUD 92466M, Item 50.										
Tax and Insurance Escrows:	Required										
Replacement Reserve:	Replacement Reserve as determined by the PCNA and Underwriting. Estimated to be between \$250 to \$500 per unit per year based on current property condition.										
FHA Application Fee:	\$3.00 per thousand at Firm Commitment stage. The Application Fee must be advanced by the Client but is included in loan proceeds and reimbursed at Closing. This fee is due prior to submitting the Firm Application to HUD.										
FHA Inspection Fee:	The HUD Inspection Fee is \$5 per thousand of the mortgage amounts for new construction and \$5 per thousand of the improvement costs for substantial rehabilitation.										
FHA MIP:	MIP (Mortgage Insurance Premium) is 0.25% annually and upfront.										
MAP Third Party Fees:	The following third-party reports are required by MAP Underwriting Guidelines; Preliminary cost estimates are presented below: <table><tr><td>AEC Review:</td><td>\$20,000</td></tr><tr><td>Appraisal:</td><td>\$8,000</td></tr><tr><td>Phase I:</td><td>\$6,000</td></tr><tr><td>Market Study:</td><td>\$8,000</td></tr><tr><td>Total</td><td>\$42,000</td></tr></table> If the actual costs are less, the difference will be refunded. Bellwether Enterprise will diligently negotiate with vendors to receive the lowest cost possible. If unforeseen costs arise Bellwether Enterprise will immediately inform the Client.	AEC Review:	\$20,000	Appraisal:	\$8,000	Phase I:	\$6,000	Market Study:	\$8,000	Total	\$42,000
AEC Review:	\$20,000										
Appraisal:	\$8,000										
Phase I:	\$6,000										
Market Study:	\$8,000										
Total	\$42,000										
Engagement Fee:	\$10,000										
Financing, Placement and Closing Fees:											
Financing Fee:	A fee equal to 1.0% of the mortgage amount, payable from Loan proceeds at Initial Endorsement.										
Placement Fee:	Estimated to be \$65,000, payable from Loan proceeds at Initial Endorsement. Placement Fee will cover Lender Legal and GNMA Fees.										
Good Faith Deposit:	An amount equal to 0.5% of the mortgage amount will be payable pursuant to the Funding commitment.										

This letter is a proposal and does not constitute a commitment to lend. Terms are subject to final review and approval by Lender / FHA. Thank you for the opportunity to offer this proposal.



Sincerely,

A handwritten signature in blue ink that reads 'Victor E. Agusta, Jr.' with a stylized flourish at the end.

Victor E. Agusta, Jr
Executive Vice President
BWE

**VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
VIRGINIA HOUSING TRUST FUND PROGRAM AGREEMENT**

THIS PROGRAM AGREEMENT made and entered into this date 6/25/2026 by and between **HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY** (hereinafter referred to as “the Developer”) and **BTC FAMILY I LLC** (hereinafter referred to as “the Owner”) and the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (hereinafter referred to as “DHCD”).

The Virginia Housing Trust Fund (hereinafter referred to as “VHTF”) funds provided for and which are the subject of this program agreement (hereinafter referred to as “the Agreement”), have been appropriated by the Virginia General Assembly to support the preservation and production of affordable housing, and are allocated for this project, however, the Department reserves the right to modify, amend or terminate this Agreement due to the reduction or rescission of state funds by the Virginia General Assembly. The funds are subject to, and this Agreement incorporates by reference, the terms, rules, and conditions set forth in the Virginia Housing Trust Fund Application, plan and guidelines and related laws of the Commonwealth of Virginia.

Upon execution of this Agreement, the Department has approved the Developer’s request for a loan and the Department authorizes the Developer to initiate activities and incur expenses associated with the **Bluestone Town Center Family I** project to provide affordable housing. The Developer agrees to comply with all the terms and conditions of this Agreement, and all applicable State laws and requirements in its implementation of activities. The Developer agrees to furnish in such a form as the Department may require, reports concerning the status of project activities and/or disposition of loan funds.

The Developer shall hold the Commonwealth of Virginia, the Department, its agents and employees harmless from any and all claims and demands based upon or arising out of any actions by the Developer, its employees, agents or contractors.

The Department reserves the right to modify, amend, or terminate this Agreement at any time during the term of this Agreement due to failure of the Developer to comply with the terms and conditions of this Agreement and other documents set forth herein, or due to the loss, reduction, or rescission of state funds from the Department.

- I. **Loan Amount** – The Department hereby awards a loan of **\$2,000,000** of VHTF resources (the “Loan”) to be used in a manner consistent with the proposed budget in the Affordable and Special Needs Housing application and the Scope of Eligible Activities, IV. The Loan is intended to be for long-term permanent financing.
- II. **Term of Agreement** – This Agreement goes into effect upon execution/signing of this Agreement. The funding reservation will expire on November 1, 2028 (11/1/2028) after the execution/signing of this Agreement. DHCD reserves the right to de-obligate the fund reservation at any time in the case of the project not making sufficient progress toward

completion. This funding reservation may be extended at DHCD's discretion if the Developer can demonstrate just cause. This VHTF Program Agreement will remain in effect until the expiration of the Affordability Period (as defined in Section V).

- III. **Budget** – The attached budget, including other funding sources and projected expenses to be paid with the Loan, are herein incorporated as a part of this Agreement.
- IV. **Scope of Eligible Activities** – Bluestone Town Center Family I (the “Project”) is the new construction of eighty-three (83) units of affordable rental housing across one (1) building(s) located at 1645 Erickson Avenue, Harrisonburg, Virginia 22801, which will be made available to individuals or families with incomes at or below 80% of the Area Median Income.
- V. **Affordability Period** – The Developer must assure that the developed/preserved units will be used for affordable housing in accordance with program requirements and those specified with this Agreement for at least 30 years from the completion of the project. The completion date is the date that DHCD receives a complete and accurate rent lease up report, or a complete and accurate completion report including beneficiary data for the project if HOME funds are included in the project. 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 Developer has been in compliance for 30 years. This affordability period shall be secured through a Deed of Trust. Deeds of Trust placed on the project under the Virginia Housing Trust Fund may only be subordinated to other project financing with the approval of the Department. Should the Loan be subordinate to financing issued by Virginia Housing Development Authority (“Virginia Housing”), the Affordability Period shall be the greater of 30 years or the remaining term of the mortgage issued by Virginia Housing.
- VI. **Fund Disbursement** – The Loan of **\$2,000,000** will be for a term of 30 years at zero percent (0%) interest, structured as an interest-only, must pay loan consisting of equal monthly interest payments. The Loan is not intended to be a grant. Payments shall be made in accordance with Virginia Housing loan servicing guidance. Funds will be disbursed to Virginia Housing for distribution at the project loan closing and must be used in accordance with the approved budget. Funds not disbursed by the expiration of this Agreement will be forfeited. Disbursements will be made by the Department on the basis of notification of the project loan closing date. The closing date must be confirmed by Virginia Housing. The total disbursement of VHTF funds shall not exceed the loan dollar amount awarded in section I. of this Agreement. Should the anticipated closing not take place, funds will be held at Virginia Housing. Funds are intended to be used as long-term permanent financing. Notwithstanding anything to the contrary above, should the Loan be subordinate to financing issued by Virginia Housing Development Authority (“Virginia Housing”), the term of the Loan shall be the greater of 30 years or the remaining term of the mortgage issued by Virginia Housing.

Other terms and conditions of the Loan will be as set forth in the loan commitment issued pursuant to this Agreement.

- VII. **Federal HOME Requirements** – If applicable, use of these funds results in a project that uses federal HOME Investment Partnerships Program funds, this Agreement shall be governed by all federal requirements pertaining to affordable housing projects developed under the HOME program. The Developer's failure to contact the Department in no way releases it from its responsibility to ensure compliance with federal HOME requirements in project construction, maintenance, and management.

This project does X OR does not include an allocation of HOME Funds.

- VIII. **Repayment Provision** – The Loan is to be repaid in accordance with the rate and terms outlined in Section VI. Virginia Housing will serve as the loan servicing entity. Failure to make payments in accordance with the prescribed payment schedule may result in foreclosure on the property.
- IX. **Access to Property** – The Developer shall give DHCD unrestricted access to the property for inspections and site review.
- X. **Records and Reports** – The Developer shall maintain records as prescribed by the Department. The Developer shall give DHCD unrestricted access to records, files, books, papers, and documents related to the administration of the Housing Trust Fund project. Records pertaining to activities funded pursuant to this Agreement shall remain intact and accessible for at least five years beyond the end of the affordability period. In the event a litigation claim or audit is initiated prior to expiration of the record retention period, records shall be retained until such action is resolved to DHCD's satisfaction. DHCD reserves the right to change reporting requirements for the Housing Trust Fund as needed to ensure compliance.
- XI. **Accounting Records** – The Developer shall record in its accounting system all funds received by it pursuant to this Agreement. All costs to be supported by the Loan shall be documented by properly executed invoices, contracts, or vouchers. All checks, invoices, contracts vouchers, orders, or other accounting documents pertaining in whole or in part to any project activity funded with the Loan shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall be retained by the Developer for a period of five years beyond the end of the affordability period and shall be readily accessible to the Department during the course of the project. Should any litigation claim or audit be started before the expiration of the affordability period, the records shall be retained until such action is resolved.
- XII. **Audit** – The Developer must submit an annual audit to DHCD within thirty days after receipt of the auditor's report and nine months after the end of the audited period.

- XIII. **Termination, Suspension, Conditions** – If through any cause, the Developer fails to comply with the terms, conditions or requirements of this Agreement, the Department may terminate or suspend this Agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five days prior to such action. In the case of Agreement violations by the Developer and/or termination of the project before completion, the Department may make a written request that all or some of the Loan be returned even if the Developer has expended the Loan. The Developer agrees to return the Loan as requested by the Department within 15 days of receipt of the written request.
- XIV. **Subsequent Contracts** – The Developer shall remain fully obligated under the provisions of the Agreement notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the activities for which the Loan is being provided to the Developer. Any contractor or subcontractor, which is not the Developer, shall comply with all the lawful requirements of the Developer necessary to ensure that the project for which this assistance is being provided under this Agreement is carried out in accordance with the Developer's assurance and certifications.
- XV. **Federal Match** – Virginia Housing Trust Fund expenditures associated with this funding commitment will be used to meet the State's federal HOME program match requirement and may not be utilized for any subsequent match requirement without permission from the Department.
- XVI. **Miscellaneous** – This Agreement constitutes the entire and final Agreement between the parties with respect to the reserved funds and supersedes all prior negotiations and agreements. This Agreement is contingent upon the availability of Housing Trust Fund funds. This Agreement may be amended only in writing signed by DHCD and the Developer. This Agreement may be terminated for convenience upon 30 days written notice by any party hereto. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. All provisions contained herein are severable and should any provision be held invalid by a court of competent jurisdiction the remaining provisions shall remain in full force and effect.
- XVII. **ADDITIONAL ASSURANCES AND CONDITIONS:**

The Developer hereby assures and certifies that:

It possesses legal authority to execute this Agreement;

It will ensure that resources are available to provide the housing units developed/preserved through this Agreement at affordable rents to the targeted population for at least a period of 30 years.

That any additional funds needed to complete the Scope of Eligible Activities (IV) are committed and available for uses.

XVIII. DEED OF TRUST

The owner/developer agrees to place a Deed of Trust on the developed/preserved units to ensure that they are used for affordable housing for the targeted population for a period of 30 years. Should the property use be changed during the Affordability Period, the loan funds must be immediately re-paid in full to the Virginia Housing Trust Fund in accordance with the terms of this Agreement.

XIX. SOURCE OF FUNDING

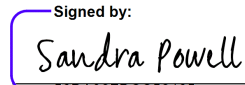
The Loan has not been funded or subsidized in whole or in part, directly or indirectly, with any tax-exempt bond proceeds or tax-exempt obligations.

The parties named below on the date set forth below their respective signatures as follows hereby execute this Agreement:

Virginia Department of Housing and Community Development

By Its Authorized Officer:

Signed by:


56DA08FDCC56465...
Sandra Powell
Senior Deputy Director
Community Development & Housing

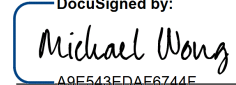
6/29/2026

Date

Harrisonburg Redevelopment & Housing Authority

By:

DocuSigned by:


A9E543EDAF6744F...
Michael Wong
Executive Director

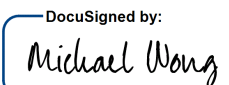
6/25/2026

Date

BTC Family I LLC

By:

DocuSigned by:


A9E543EDAF6744F...
Michael Wong
Manager

6/25/2026

Date

**VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
HOUSING INNOVATIONS IN ENERGY EFFICIENCY PROGRAM AGREEMENT**

THIS PROGRAM AGREEMENT made and entered into this date 6/25/2026 by and between **HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY** (hereinafter referred to as “the Developer”) and **BTC FAMILY I LLC** (hereinafter referred to as “the Owner”) and the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (hereinafter referred to as "DHCD").

The **Housing Innovations In Energy Efficiency** (hereinafter referred to as “HIEE”) funds provided for and which are the subject of this program agreement (hereinafter referred to as “the Agreement”), have been appropriated by the Virginia General Assembly to support the preservation and production of affordable housing, and are allocated for this project, however, the Department reserves the right to modify, amend or terminate this Agreement due to the reduction or rescission of state funds by the Virginia General Assembly. The funds are subject to, and this Agreement incorporates by reference, the terms, rules, and conditions set forth in the HIEE Application, plan and guidelines and related laws of the Commonwealth of Virginia.

Upon execution of this Agreement, the Department has approved the Developer’s request for a loan and the Department authorizes the Developer to initiate activities and incur expenses associated with the **Bluestone Town Center Family I** project to provide affordable housing. The Developer agrees to comply with all the terms and conditions of this Agreement, and all applicable State laws and requirements in its implementation of activities. The Developer agrees to furnish in such a form as the Department may require, reports concerning the status of project activities and/or disposition of loan funds.

The Developer shall hold the Commonwealth of Virginia, the Department, its agents and employees harmless from any and all claims and demands based upon or arising out of any actions by the Developer, its employees, agents or contractors.

The Department reserves the right to modify, amend, or terminate this Agreement at any time during the term of this Agreement due to failure of the Developer to comply with the terms and conditions of this Agreement and other documents set forth herein, or due to the loss, reduction, or rescission of state funds from the Department.

- I. **Loan Amount** – The Department hereby awards a loan of **\$2,000,000** of HIEE resources (the “Loan”) to be used in a manner consistent with the proposed budget in the Affordable and Special Needs Housing application and the Scope of Eligible Activities, IV. The loan is intended to be for long-term permanent financing.
- II. **Term of Agreement** – This Agreement goes into effect upon execution/signing of this Agreement. The funding reservation will expire on November 1, 2028 (11/1/2028) after the execution/signing of this Agreement. DHCD reserves the right to de-obligate the fund reservation at any time in the case of the project not making sufficient progress toward completion. This funding reservation may be extended at DHCD’s discretion if the Developer

can demonstrate just cause. This HIEE Program Agreement will remain in effect until the expiration of the Affordability Period (as defined in Section V).

- III. **Budget** – The attached budget, including other funding sources and projected expenses to be paid with HIEE loan, are herein incorporated as a part of this Agreement.
- IV. **Scope of Eligible Activities** –
Bluestone Town Center Family I (the “Project”) is the new construction of eighty-three (83) units of affordable rental housing across one (1) building located at 1645 Erickson Avenue, Harrisonburg, Virginia 22801. All units will be made available to households at or below 80% Area Median Income. The Project will meet or exceed Zero Energy Ready Homes (ZERH) standards including but not limited to improved energy efficiency performance, dehumidification, fresh air ventilation, and green building certification standards to comply with guidelines for receiving Housing Innovations in Energy Efficiency (HIEE) funding.
- V. **Affordability Period** – The Developer must assure that the developed/preserved units will be used for affordable housing in accordance with program requirements and those specified with this Agreement for at least 30 years from the completion of the project. The completion date is the date that DHCD receives a complete and accurate rent lease up report, or a complete and accurate completion report including beneficiary data for the project if HOME funds are included in the project. 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 Developer has been in compliance for 30 years. This affordability period shall be secured through a Deed of Trust. Deeds of Trust placed on the project under the HIEE Loan may only be subordinated to other project financing with the approval of the Department. Should the Loan be subordinate to financing issued by Virginia Housing Development Authority (“Virginia Housing”), the Affordability Period shall be the greater of 30 years or the remaining term of the mortgage issued by Virginia Housing.

- VI. **Fund Disbursement** – The loan of **\$2,000,000** will be for a term of 30 years at zero percent (0%) interest, structured as an interest-only, must pay loan consisting of equal monthly interest payments. The Loan is not intended to be a grant. Payments shall be made in accordance with Virginia Housing loan servicing guidance. Funds will be disbursed to Virginia Housing for distribution at the project loan closing and must be used in accordance with the approved budget. Funds not disbursed by the expiration of this Agreement will be forfeited. Disbursements will be made by the Department on the basis of notification of the project loan closing date. The closing date must be confirmed by Virginia Housing. The total disbursement of HIEE funds shall not exceed the loan dollar amount awarded in section I. of this Agreement. Should the anticipated closing not take place, funds will be held at Virginia Housing. Funds are intended to be used as long-term permanent financing. Notwithstanding anything to the contrary above, should the Loan be subordinate to financing issued by Virginia Housing Development Authority (“Virginia Housing”), the term of the Loan shall be the greater of 30 years or the remaining term of the mortgage issued by Virginia Housing. Other terms and conditions of the Loan will be as set forth in the loan commitment issued pursuant to this Agreement.
- VII. **Federal HOME Requirements** – If applicable, use of these funds results in a project that uses federal HOME Investment Partnerships Program funds, this Agreement shall be governed by all federal requirements pertaining to affordable housing projects developed under the HOME program. The Developer’s failure to contact the Department in no way releases it from its responsibility to ensure compliance with federal HOME requirements in project construction, maintenance, and management.
- This project does X OR does not include an allocation of HOME Funds.
- VIII. **Repayment Provision** – The Loan is to be repaid in accordance with the rate and terms outlined in Section VI. Virginia Housing will serve as the loan servicing entity. Failure to make payments in accordance with the prescribed payment schedule may result in foreclosure on the property.
- IX. **Access to Property** – The Developer shall give DHCD unrestricted access to the property for inspections and site review.
- X. **Records and Reports** – The Developer shall maintain records as prescribed by the Department. The Developer shall give DHCD unrestricted access to records, files, books, papers, and documents related to the administration of the HIEE Fund project. Records pertaining to activities funded pursuant to this Agreement shall remain intact and accessible for at least five years beyond the end of the affordability period. In the event a litigation claim or audit is initiated prior to expiration of the record retention period, records shall be retained until such action is resolved to DHCD’s satisfaction. DHCD reserves the right to change reporting requirements for the HIEE Fund as needed to ensure compliance.

- XI. **Accounting Records** – The Developer shall record in its accounting system all funds received by it pursuant to this Agreement. All costs to be supported by the Loan shall be documented by properly executed invoices, contracts, or vouchers. All checks, invoices, contracts vouchers, orders, or other accounting documents pertaining in whole or in part to any project activity funded with the Loan shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall be retained by the Developer for a period of five years beyond the end of the affordability period and shall be readily accessible to the Department during the course of the project. Should any litigation claim or audit be started before the expiration of the affordability period, the records shall be retained until such action is resolved.
- XII. **Audit** – The Developer must submit an annual audit to DHCD within thirty days after receipt of the auditor’s report and nine months after the end of the audited period.
- XIII. **Termination, Suspension, Conditions** – If through any cause, the Developer fails to comply with the terms, conditions or requirements of this Agreement, the Department may terminate or suspend this Agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five days prior to such action. In the case of Agreement violations by the Developer and/or termination of the project before completion, the Department may make a written request that all or some of the Loan be returned even if the Developer has expended the Loan. The Developer agrees to return the Loan as requested by the Department within 15 days of receipt of the written request.
- XIV. **Subsequent Contracts** – The Developer shall remain fully obligated under the provisions of the Agreement notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the activities for which the Loan is being provided to the Developer. Any contractor or subcontractor, which is not the Developer, shall comply with all the lawful requirements of the Developer necessary to ensure that the project for which this assistance is being provided under this Agreement is carried out in accordance with the Developer’s assurance and certifications.
- XV. **Federal Match** –HIEE expenditures associated with this funding commitment will be used to meet the State’s federal HOME program match requirement and may not be utilized for any subsequent match requirement without permission from the Department.
- XVI. **Miscellaneous** – This Agreement constitutes the entire and final Agreement between the parties with respect to the reserved funds and supersedes all prior negotiations and agreements. This Agreement is contingent upon the availability of HIEE funds. This Agreement may be amended only in writing signed by DHCD and the Developer. This Agreement may be terminated for convenience upon 30 days written notice by any party hereto. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. All provisions contained herein are severable and should any provision be held invalid by a court of competent jurisdiction the remaining provisions shall remain in full force and effect.

XVII. ADDITIONAL ASSURANCES AND CONDITIONS:

The Developer hereby assures and certifies that:

It possesses legal authority to execute this Agreement;

It will ensure that resources are available to provide the housing units developed/preserved through this Agreement at affordable rents to the targeted population for at least a period of 30 years.

That any additional funds needed to complete the Scope of Eligible Activities (IV) are committed and available for uses.

XVIII. DEED OF TRUST

The owner/developer agrees to place a Deed of Trust on the developed/preserved units to ensure that they are used for affordable housing for the targeted population for a period of 30 years. Should the property use be changed during the Affordability Period, the loan funds must be immediately re-paid in full to the HIEE Fund in accordance with the terms of this Agreement.

The parties named below on the date set forth below their respective signatures as follows hereby execute this Agreement:

**Virginia Department of Housing and
Community Development**

By Its Authorized Officer:

Signed by:



56DA06FDDC56465...

Sandra Powell

Senior Deputy Director

Community Development & Housing

6/29/2026

Date

**Harrisonburg Redevelopment & Housing
Authority**

By:

DocuSigned by:



A9E543EDAF6744F...

Michael Wong

Executive Director

6/25/2026

Date

BTC Family I LLC

By:

DocuSigned by:



A9E543EDAF6744F...

Michael Wong

Manager

6/25/2026

Date

From: [Spach, Elizabeth \(DHCD\)](#)
To: [Tim McCarty](#)
Cc: [Avram Fechter](#); mwong@harrisonburgrha.com
Subject: SIGNATURE REQUESTED: Bluestone Town Center Family I HOME Program Agreement
Date: Wednesday, June 24, 2026 3:08:26 PM
Attachments: [Bluestone Town Center Family I FY25 HOME Program Agreement FY25 Draft.docx](#)

Good afternoon,

Attached is your HOME program agreement for Bluestone Town Center Family I. Please date the first page and sign the program agreement where indicated with a wet signature. Once signed, please scan the document and email it back to me in a pdf so that our Deputy Director can countersign.

I recently sent the VHTF and HIEE program agreements in DocuSign so they are in Tim's queue to review.

Please let me know if you have any questions or concerns.

Best,
Elizabeth

Elizabeth Spach, MPP

Rental Housing Program Administrator
Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, VA 23219
(804)-718-5615
elizabeth.spach@dhcd.virginia.gov



AFFORDABLE AND SPECIAL NEEDS HOUSING PROGRAM HOME PROGRAM AGREEMENT

THIS PROGRAM AGREEMENT made and entered into this day of _____ by and between **HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY** (hereinafter referred to as “the Developer”) and **BTC FAMILY I LLC** (hereinafter referred to as “the Owner”) and the **VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (hereinafter referred to as "DHCD").

I. DEFINITIONS

- a. **The DEVELOPER** – is hereby identified as **Harrisonburg Redevelopment & Housing Authority**, who will develop the project and is hereinafter referred to as “Developer”.
- b. **The PROJECT OWNER** – is hereby identified as **BTC Family I LLC and** is hereinafter referred to as “Owner”.
- c. **The PROJECT NAME** - is hereby identified as **Bluestone Town Center Family I**, a DHCD-assisted Affordable and Special Needs Housing project, and is hereinafter referred to as the “Project”.
- d. **PARTICIPATING JURISDICTION** – is hereby defined as the **Virginia Department of Housing and Community Development**, the funding entity for Affordable and Special Needs Housing funds, including National Housing Trust Fund and HOME Investment Partnerships Program funds, and is hereinafter referred to as “DHCD”.

WITNESSETH:

WHEREAS, the Project Developer and Project Owner has applied to DHCD for permanent finance funding for the Project located in city of **Harrisonburg, Virginia**; and

WHEREAS, based upon the representations, statements and warranties contained in the Application, exhibits, underwriting and subsidy analysis, and any amendments thereto filed with, and accepted by DHCD, DHCD has approved funding for the Project; and

WHEREAS, the Developer, Owner, and DHCD desire to work together to provide such funding assistance in the amount and subject to the terms and conditions set forth below in the area to be served as set forth by this agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties agree as follows:

II. Reservation of Funds

The Developer and Project Owner hereby accepts the reservation of **\$1,000,000** in HOME Investment Partnership Funds (hereinafter referred to as “HOME funds”) for a permanent financing gap for the development of this rehabilitation or new construction project. HOME is funded by the U.S. Department of Housing and Urban Development (HUD) through the Federal HOME Investment Partnership Program which was signed into law as Title II of the Cranston-Gonzalez National Affordable Housing Act in 1990.

III. Project Description and Requirements

“Project Owner”: **_ BTC Family I LLC**

“Project Name”: **Bluestone Town Center Family I**

Project Type: **New Construction**

Project Address and Locality: **1645 Erickson Avenue, Harrisonburg, Virginia 22801**

Property Management Entity: **Beacon Properties LLC**

Total Development Cost: **\$30,466,668**

Purpose of the Award: To develop an affordable housing project that provides a total of **83 units** of affordable housing. Under the HOME Program Agreement the Project shall have no less a total of 11 Floating HOME-assisted units, of which 20% will be available for households at or below 50% AMI. The HOME-assisted units will be subject to the applicable HOME Program rent limits identified in this Agreement. **100% of the HOME-assisted units shall target incomes at or below 60 and 50 percent of the Area Median Income (AMI).**

The project must maintain accessible units for residents with mobility impairments and accessible units for residents with sensory impairments as identified in its Affordable and Special Needs Housing application as approved by DHCD. Based on representations made to DHCD in the Affordable and Special Needs Housing Program application approved by DHCD, a total of **11 units** will be accessible and meeting at least minimum Section 504 requirements.

DHCD’s underwriting has been performed using supporting data provided by the Developer in the Affordable and Special Needs Housing Program application, to include the approved development budget, operating pro-forma, and detailed construction timeline.

AN UPDATED DEVELOPMENT BUDGET, OPERATING PROFORMA AND DETAILED TIMELINE MUST BE ATTACHED SUBMITTED WITH THIS EXECUTED AGREEMENT.

IV. Required Affordability Periods

a. Federal Affordability Period

The Project Owner must assure that the property will meet all HOME Program requirements and those specified within this Agreement for a minimum affordability period of no less than **15 years** in the case of a rehabilitation project, or no less than **20 years** in the case of new construction from the completion of the HOME-assisted project (the “**Affordability Period**”). The Affordability Period will begin on the date that DHCD receives a complete and accurate HUD project completion report, including beneficiary, rent and occupancy data, for the Project and that information is entered into HUD’s Integrated Disbursement & Information System.

HOME-assisted units must provide affordable housing for the targeted income qualified households for the duration of the Affordability Period. The Affordability Period cannot begin prior to completion of construction. If there are any vacant HOME-assisted units six (6) months following the commencement of the Affordability Period, the Project Owner must submit documentation to DHCD to demonstrate how it will market the unit(s). If any unit remains vacant 18 months from project completion, this will be considered a breach of contract (failure to provide affordable housing) and the Project Owner will be required to repay any HOME funds that were invested in these units. When other affordable housing resources are combined with HOME funds, which require either a 15-year or a 20-year Affordability Period as identified above, the Project Owner must assure that the property will meet the most stringent Affordability Period.

b. Virginia Extended Compliance Period

In addition to and separate from the federal Affordability Period, the Project Owner hereby agrees to be subject to an extended compliance period of an **additional 10 years for new construction or 15 years for rehab** beginning at the end of the Affordability Period (the “VA Extended Compliance Period”). Unless agreed to otherwise in writing by DHCD, in no event shall the terms of the Affordability Period and the VA Extended Compliance Period add to less than 30 years. Should the Loan Documents be subordinate to financing issued by Virginia Housing Development Authority (“Virginia Housing”), the VA Extended Compliance Period may extend **beyond 10 or 15 years** and shall not terminate prior to the remaining term of the mortgage issued by Virginia Housing.

Federal HOME compliance requirements shall only apply during the Affordability Period. During the VA Extended Compliance Period, state compliance requirements shall apply, which shall be as set forth in the Loan Documents.

V. Unit Designation

The assisted unit mix containing **11 HOME** rent units must be maintained throughout the applicable project Affordability Period. Noncompliance is allowable on a temporary basis only if a tenant’s income increases. IRS rules regarding over income tenants in LIHTC are govern. Rents may need to be adjusted if tenant income exceeds limits. HOME-assisted tenant households must

earn less than 50 or 60 percent AMI as applicable. The assisted units are floating units within the project and consist of the following unit mix:

HOME Unit Mix		
<i>Number of Bedrooms</i>	<i>Number of HOME Assisted-Units</i>	<i>Type of unit See rents below</i>
Two-Bedroom Units	6	2 @ 50% AMI, 4 @ 60% AMI
Three-Bedroom Units	5	1 @ 50% AMI, 4 @ 60% AMI
Total HOME-assisted units	11	3 @ 50% AMI, 8 @ 60% AMI

VI. Rent Limits

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

HOME Program Rent limits are inclusive of all rent a client and/or tenant-based voucher pays, and utilities that must be paid by the tenant. The Project Owner may not charge any rents that are higher than the applicable HUD-issued Program rent limits with the exception of project-based subsidies. HUD-issued Program rent limits include utilities. This means that if the tenant is paying any utilities, the Project Owner must deduct the applicable utility allowance (discussed in the following section) from the applicable HUD-issued HOME Program rent limits in order to determine the maximum amount of rent that can be charged for each unit type. **Rents are based on the Rent Schedule included in Exhibit A and are approved as follows:**

HOME Unit Rents (rent includes utilities)				
<i>Number of Bedrooms</i>	<i>Proposed Low HOME Assisted Pro-forma rent</i>	<i>Proposed High HOME Assisted Pro-forma rent</i>	<i>2026 HUD Low HOME Rent Limit</i>	<i>2026 HUD High HOME Rent Limit</i>
<i>Two-Bedroom Units</i>	<i>\$1,001</i>	<i>\$1,322</i>	<i>\$1,100</i>	<i>\$1,322</i>
<i>Three-Bedroom Units</i>	<i>\$1,158</i>	<i>\$1,551</i>	<i>\$1,270</i>	<i>\$1,617</i>

VII. Projects/units with Project-based rental assistance

The Project will have at least **35 project-based vouchers** available for tenants. HOME Program regulations allow the owner of the rental project to charge up to the project-based program rent limit provided:

- The unit receives project-based assistance;
- The unit is occupied by an income eligible tenant and
- Tenant does not pay more than 30 % of adjusted income for housing.

Section 8 Project-Based Vouchers may be made available to HOME-assisted units. When project-

based assistance from other HUD programs is provided to HOME units, the rents are based on the rent requirements of that program.

VIII. Rents during the Affordability Period

Each year, HUD issues updated rent limits for the HOME Program. DHCD will notify the Project Owner when these updates are issued. At no time can the rents be increased above the applicable program rent limits that are in effect throughout the Affordability Period, with the exception of project-based subsidies. **DHCD must approve any rent increase for these units throughout the Affordability Period.**

The current HOME Rent limits are available here:
<https://www.hudexchange.info/programs/home/home-rent-limits>

IX. Utility Allowances

If onsite electrical and water/sewer utilities are not provided onsite by a local Cooperative or by the locality, the Project Owner must submit to DHCD a project-specific utility allowance using HUD's Utility Schedule Model which is available at:
<https://www.huduser.gov/portal/resources/utilallowance.html>.

The property Owner is required to annually update the utility schedule and submit the updated schedule to DHCD for annual review.

X. Property Standards

All units being constructed must comply with local and applicable State Codes and Ordinances. Prior to expending the funds, and before the occupancy, the State will require a fully executed AIA G704, certificate of substantial completion in the case of a rehabilitation project or a Certificate of Occupancy in the case of new construction. A copy of the G704 or Certificate of Occupancy will be kept in the State's HOME project file to document that the property standards requirement under the HOME program have been met.

Federal accessibility standards of Section 504 of the Rehabilitation Act of 1973 apply to the Project in all accessible units and common spaces. The Project must have and maintain the required number of accessible units for residents with mobility impairments and accessible units for residents with sensory impairments as identified in its Affordable and Special Needs Housing application as approved by DHCD. Individual units can be both accessible for residents with mobility impairments and accessible for residents with sensory impairments. The accessible units and the common spaces must meet the Uniform Federal Accessibility Standards (UFAS) throughout the Affordability Period. These standards are available online at <https://www.access-board.gov/aba/ufas.html>.

The Project is NOT subject to the lead-based paint requirements of 24 CFR Part 35 Subparts A, B, J, K, M, and R for pre-1978 units. For all pre-1978 properties, the owner must disclose any known or potential lead-based paint risks to each tenant at move-in and lease renewal; the tenant

must sign the notice to document receipt. In addition, visual inspections must be conducted annually or at unit turnover (whichever is sooner) to check for peeling, flaking, or deteriorating paint. For more information on the lead-based paint requirements, please see the *Lead Safe Housing Policies and Procedures* guide on DHCD's website at: <http://www.dhcd.virginia.gov/images/Housing/Lead-Safe-Housing-Rule-Procedures.pdf>.

DHCD reserves the right to inspect the property and any assisted units at any point throughout the Affordability Period. It expects to conduct onsite property inspections upon project completion and at a minimum of every three years and will include property common areas for all project buildings and a sample of assisted units. All assisted projects must maintain the property standards applicable (state and local codes and ordinances) at the time of project completion throughout the 30 year Affordability Period.

Project owner must submit an annual certification to DHCD that each building and all assisted units in the project are suitable for occupancy, in consideration of these property standards requirements.

XI. Income Eligibility

HOME Program regulations require income verification for all prospective tenants of HOME-assisted units. DHCD's Affordable and Special Needs Housing program rules specify that owners of HOME-assisted rental properties use the Section 8/Part 5 definition of income for income verification. State officials will monitor the income verification process to ensure that the initial occupants comply with Program requirements. HUD will adjust HOME program income limits annually. Therefore, incomes are required to be verified annually. Property owners are required to use source documentation to verify an applicant's income upon initial occupancy and every 6th year of the Affordability Period. Income recertification should occur on either:

- The anniversary date of initial verification; or
- Lease renewal date; or
- An annual date established for all tenant incomes in the project to be verified.

For years when the Project Owner is not required to use *source documentation*, it must require tenants to self-certify their income. Tenants are considered over-income if their incomes rise above the applicable income limit for the type and size of HOME-assisted unit they lease (HOME Program Rent).

In the event tenant incomes rise or fall at the time of annual income re-certification, the Project Owner must maintain the original HOME-assisted unit mix and/or adjust unit rents to remain in compliance with HOME program regulations. HUD has issued guidance on how to manage the rental unit mix under HOME which is available in the model guide *Compliance in HOME Rental Projects: A Guide for Property Owners* which is available here: <https://www.hudexchange.info/resource/2395/compliance-in-home-rental-projects-a-guide-for-property-owners/>.

In projects with both HOME funds and Low Income Housing Tax Credits, a tenant is not considered over-income until their income is greater than 140 percent of the applicable current qualifying income limit for the household size. For more information on HOME and the Low Income Housing Tax Credit program, please see the *HOME and the Low Income Housing Tax Credit Guidebook*.

It is the property owner's responsibility to ensure compliance with HOME Program rents and income limits throughout the applicable Affordability Period. Temporary noncompliance is allowed in the event a tenant's income rises or falls, but any instance of temporary noncompliance must be mitigated as soon as possible by filling the next available unit with an income eligible tenant, as a HOME-assisted unit.

XII. Maximum HOME Income Limits

The HOME Program publishes income limits on an annual basis. All HOME units must be targeted to Moderate and Low Income individuals. DHCD will provide the property manager with the annually updated HOME Program income limits at the time they are published by HUD. The income limits and occupancy restrictions are established for the HOME Program and will be enforced on the HOME-assisted units. Income calculations are based on the Section 8 income definition. The following table shows the current HOME Program income limits for the Project.

Project Location: Harrisonburg, VA MSA
HOME Program Income Limits for 2026

HUD HOME Program Income Limits								
	1 Person	2 Person	3 Person	4 person	5 Person	6 Person	7 Person	8 Person
50%	\$34,200	\$39,100	\$44,000	\$48,850	\$52,800	\$56,700	\$60,600	\$64,500
60%	\$41,040	\$46,920	\$52,800	\$58,620	\$63,360	\$68,040	\$72,720	\$77,400

These limits are the maximum amount of annual gross income a household can have and be eligible to occupy a HOME-assisted unit. Annual income limits are published at: <https://www.hudexchange.info/programs/home/home-rent-limits/>

XIII. Lease requirements and prohibited lease terms

The lease between a tenant and an owner of rental housing assisted with HOME funds must be in writing and for not less than one year, unless by mutual agreement between the tenant and the owner. All tenants in DHCD-funded HOME-assisted rental projects must sign the Virginia Department of Housing and Community Development HOME Unit Lease Addendum, when they sign the lease for their HOME-assisted unit. Termination of tenancy may only be for good cause, in accordance with 92.253(c).

The lease must not contain any of the following prohibited lease terms:

- (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell

personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;

(7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and

(8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(9) Mandatory services. The tenant may not be required to participate in any services as part of tenancy in a HOME-assisted unit unless the housing is specifically designed as transitional housing.

XIV. Prohibition against Unreasonable Fees

The Project Owner may not impose any fees on low-income applicants or tenants of the project, other than those that are reasonable and customary for non-assisted housing in the area (such as a credit report fee).

XV. Tenant Selection

The Project Owner must adopt a DHCD-approved written tenant selection policies and criteria that:

(1) Are consistent with the purpose of providing housing for extremely low-income, very low-income and low-income families;

(2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

(3) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

(4) Give prompt written notification to any rejected applicant of the grounds for any rejection.

XVI. Marketing Accessible Units

The Project Owner must offer accessible units to the following potential occupants who might require or benefit from the accessibility feature(s) of the unit, in this order of priority: (1) a current occupant of the property; (2) an eligible qualified applicant on the waiting list; (3) the disabled community at-large; and (4) a nondisabled person on the waiting list. Accessible units must be listed as available on Virginia Housing Search. Note, a nondisabled tenant may rent an accessible unit *only* when the property manager has made all reasonable efforts to attract a tenant with a disability, and has followed the above steps.

XVII. Marketing of Special Needs Units

Developer has agreed to designate units for tenants with intellectual/developmental disabilities per the allocation of Low Income Housing Tax Credits.

Tenant selection plans must include a provision for selection of tenants for special needs targeted units. Vacant units must be held vacant for 60 days or until leased to targeted special needs population. All vacant special needs units must be listed on Virginia Housing Search.

XVIII. Monitoring

Requirements include compliance with annual rent and occupancy reporting, annual financial reporting, and housing quality standard/inspections depending on project size. DHCD will verify rent and occupancy reporting and HOME program compliance through onsite file reviews and monitoring. Project Owners that are unable to remedy events of noncompliance following notice and opportunity to cure as set forth in this Agreement will not be eligible for additional funding through DHCD and may be required to return the full amount of the original HOME investment. For projects with operating costs that significantly exceed operating revenue within the Affordability Period, DHCD reserves the right to require one or more of the following as resolutions:

- Development of improved management procedures;
- Technical assistance for specific issues provided by DHCD, HUD, or a HUD-provided consultant;
- Project financial reporting and monitoring
- Additional owner funds commitment;
- Change in property management agency;
- Utilization of project reserves;
- Modification of HOME financing terms;
- Transfer of project ownership
- Foreclosure.

XIX. Other Federal Requirements

The Project Owner certifies that it will comply with all other applicable federal regulations.

These regulations are specified in the current DHCD Affordable and Special Needs Housing Program guidelines and by HOME regulations which can be found on the ASNH HOME webpage: <https://www.dhcd.virginia.gov/home-funds>.

These other federal requirements include but are not limited to the following: The Project Owner certifies that it will comply with the following:

1. All HOME requirements at 24 CFR Part 5, Subpart A
 2. Performance Reporting requirements;
 3. Affirmative Marketing at 24 CFR 92.351;
 4. Displacement, relocation, and acquisition at 24 CFR 92.353;
 5. Federal labor standards at 24 CFR 92.354 (if applicable);
 6. Conflict of Interest requirements at 24 CFR 92.3569(f);
 7. Nondiscrimination and Civil Rights requirements at 24 CFR 92.350;
 8. Uniform Administrative requirements:
 - (a) Governmental entities. The requirements of OMB Circular No. A-87 and the following requirements of 24 CFR part 85 apply to the participating jurisdiction, State recipients, and any governmental subrecipient receiving HOME funds: §§ 85.6, 85.12, 85.20, 85.22, 85.26, 85.32 through 85.34, 85.36, 85.44, 85.51, and 85.52.
 - (b) Non-profit organizations. The requirements of OMB Circular No. A-122 and the following requirements of 24 CFR part 84 apply to subrecipients receiving HOME funds that are nonprofit organizations that are not governmental subrecipients: §§ 84.2, 84.5, 84.13 through 84.16, 84.21, 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73.
- [If /Developer is a non-profit, (b) above applies]
9. Equal Participation of Religious Organizations requirements;
 10. Drug-Free Workplace requirements; and
 11. Violence Against Women Reauthorization Act of 2013 (VAWA)

The Project Owner agrees to make available all agency and program participant records to the Commonwealth of Virginia, HUD and the HUD Inspector General upon request.

XX. Repayment Provision for Failure to Comply

If the Project Owner fails to comply with all applicable HOME program requirements, throughout the required Affordability Period, and such failure comes after any notice and cure period provided for under Section 8 of this Agreement, DHCD may require the Project Owner to return the full amount of the HOME assistance to DHCD.

XXI. Term of Agreement

The project must be completed by November 1, 2028 (11/1/2028). No choice-limiting activity can commence on the project prior to execution of this Agreement. Environmental Record Review requirements must be documented and all funding contingencies must be finalized prior to the execution of this agreement. DHCD reserves the right to de-obligate this fund reservation at any time in the case of a project not making sufficient progress towards project completion and meeting the terms of this agreement. DHCD will notify the Project Developer and/or Owner in writing of any potential or perceived breach of this agreement within 30 days of DHCD's knowledge of same. The Project Developer and/or Owner will be provided 30 days from the date of the notice to correct and/or respond to the breach. In the event that the Project Developer and/or Owner cannot implement a remedy for the breach that is acceptable to DHCD, DHCD may initiate any such action outlined in this Agreement, permitted by the HOME program regulations, or at law or equity. This funding reservation will expire one year after the execution of this Agreement when construction has failed to commence. This Agreement may be extended at DHCD's discretion if the Project Developer and/or Owner can demonstrate just cause.

This program Agreement will remain in effect throughout the Affordability Period, as required by 24 CFR 92.504(c)(3)(ix) and 24 CFR 93.302(d)(1).

XXII. Funds Disbursement

HOME regulations require that Project Owner cannot request funds until they are needed for payment of HOME eligible costs; and, the amount of disbursement is limited to the amount needed.

DHCD funds are provided as must-pay permanent finance gap funding and will not be disbursed until the property's AIA G704 or Certificate of Occupancy, certifying that the property meets all local and state codes and DHCD rehabilitation standards as applicable has been provided by the borrower.

XXIII. Records and Reports

The Project Owner is required to submit the following reports to DHCD:

- (1) Annual rent and occupancy reports, including information on any unit substitutions that were made in order to maintain unit mix (in either February or September),
- (2) Annual financial reports that are in sufficient detail that DHCD can fairly evaluate the financial condition of the property, and
- (3) Annual certification that each building and all HOME-assisted units in the project are suitable for occupancy.

The annual rent and occupancy and financial reports must be submitted electronically to DHCD through the DHCD's CAMS website.

Throughout the construction period, the Project Owner must submit quarterly progress reports to

DHCD through the CAMS website to demonstrate appropriate timeline milestones are being met.

The Project Owner shall maintain records as prescribed by DHCD. The Project Owner shall give DHCD and HUD unrestricted access to records, files, books, papers, and documents related to the administration of the HOME program. Records pertaining to activities funded pursuant to this Agreement shall remain intact and accessible for at least five years beyond the end of the Affordability Period. Records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five year period, until five years after the Affordability Period terminates. Initial lease up information must be retained and accessible for at least five years after the end of the Affordability Period. In the event any litigation claim or audit is initiated prior to expiration of the record retention period, records shall be retained until such action is resolved to DHCD's satisfaction. DHCD reserves the right to change the reporting requirements as needed to ensure regulatory compliance.

The Project Owner shall record in its accounting system all project payments received by it pursuant to the HOME and all other funds provided for, accruing to, or otherwise received on account of the HOME Fund. All costs, including paid services contributed by the Project Owner, charged to the project shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing the nature and propriety of the charges. All checks, payrolls, invoices, contract, vouchers, orders or other accounting documents pertaining in whole or in part to any project activity funded with the Fund shall be clearly identified, readily accessible, and separate and distinct from all other such documents. All accounting records shall reside at the project owner's office.

XXIV. Enforcement

In accordance with 24 CFR 85.43, DHCD reserves the right to modify, amend, suspend or terminate this Agreement at any time during the term of this Agreement due to material failure of the Owner to comply with the terms and conditions of this Agreement and other Documents set forth by reference herein. DHCD will notify the Project Owner in writing of any potential or perceived breach of this agreement within 30 days of DHCD's knowledge of same. The Project Owner will be provided 30 days from the date of the notice to correct and/or respond to the breach. In the event that the Project Owner cannot implement a remedy for the breach that is acceptable to DHCD, DHCD may initiate any such action outlined in this Agreement, permitted by the HOME program regulations, or at law or equity.

Project Owner with unresolved findings or compliance issues will not be eligible for additional funding through DHCD and may be required to return the full amount of the original HOME investment.

This Agreement will be enforced by a covenant running with the land, deed restriction and/or deed rider which describes the process for ownership transfer of the project and in the event of default that remains uncured following any applicable notice and cure period, repayment of the HOME funds expended on the unit(s) during the Affordability Period.

Deed restrictions will be incorporated into any notes or mortgages between the Participating

Jurisdiction and the Owner, as a condition of funding for this development. These provisions must be enforced through deed restrictions, covenants running with the land, or similar legal mechanisms.

The terms and conditions of this Agreement shall extend and inure to the benefit of and be binding upon the respective successors, heirs, and assigns of the parties hereto. All indemnifications contained in this Agreement shall survive the completion of activities funded with HOME funds pursuant to this Agreement, until the expiration or termination of this Agreement.

XXV. Hold Harmless Provision

The Project Owner shall, within limitations placed on such entities by state law, hold harmless the Commonwealth of Virginia, DHCD and their respective agents, officers, and employees from all claims and actions, all expenses defending same, that are brought as a result of any injury or damage sustained by any person or property in consequence of any act or omission by the Project Owner. Any contractor hired in connection with the administration HOME Funds shall, within limitations placed on such entities by state law, save harmless the Commonwealth of Virginia, DHCD and their respective agents, officers, and employees from any claim or amount recovered as a result of infringement of patent, trademark or copyright or from any claim or amounts arising or recovered under Workers' Compensation Law or any other law. In any agreement with any subcontractor or any agent for Contractor, Contractor will specify that such subcontractors or agents shall hold harmless the Commonwealth of Virginia, DHCD, and their respective agents, officers, and employees for all the hereinbefore described expenses, claims, actions, or amounts recovered consistent with the conditions herein.

XXVI. Audit

The Project Owner must submit an annual audit to DHCD in accordance with federal audit standards. Audit thresholds and requirements are outlined in OMB Circular A-133.

XXVII. Financial Management

The Project Owner agrees to comply with Federal financial management guidelines, as outlined in 24 CFR Part 85, for the duration of the project period.

XXVIII. Miscellaneous

This Agreement constitutes the entire and final agreement between the parties with respect to the reserved funds and supersedes all prior agreements. This Agreement is contingent upon the availability of HOME funds. This Agreement may be amended only in writing signed by DHCD and the Project Owner. In accordance with 24 CFR 85.44 this Agreement may be terminated for convenience upon 30 days written notice by any party hereto. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia. All provisions contained herein are severable and should any provision be held invalid by a court of competent jurisdiction the remaining provisions shall remain in full force and effect.

XXIX. Provisions for Community Housing Development Organizations (CHDOs) [if applicable]

If this Project is being funded through DHCD HOME CHDO set-aside funds and developed by a DHCD state-certified CHDO, all federal regulations related to CHDO set aside funds at 24 CFR 92.300, 24 CFR 92.301, 24 CFR 92.302, and 24 CFR 92.303 apply to this project.

The CHDO Developer or Owner must demonstrate its financial accountability standards conforms to the requirements detailed in 24 CFR 82.21, "Standards for Financial Management Systems," by one of the following methods:

- Providing a notarized statement by the president or chief financial officer of the organization.
 - Furnishing a certification from a certified public accountant.
- OR**
- Supplying HUD with an approved audit summary.

The CHDO must adhere to a fair lease and grievance procedure and follow its tenant participation plan in making management decisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, by their duly authorized representatives, as of the day and year first above written.

BTC FAMILY I LLC

By: _____ Its: _____

Signature: _____ Date: _____

COMMONWEALTH OF _____ COUNTY/CITY OF _____
TO WIT:

Subscribed, sworn to and acknowledged before me by _____ this
_____ day of _____, 20__.

My Commission Expires: _____

Notary Public of Virginia

HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY

By: _____ Its: _____

Signature: _____ Date: _____

COMMONWEALTH OF _____ COUNTY/CITY OF _____
TO WIT:

Subscribed, sworn to and acknowledged before me by _____ this
_____ day of _____, 20__.

My Commission Expires: _____

Notary Public of Virginia

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: Sandra Powell Its: Authorized Officer

Signature: _____ Date: _____

COMMONWEALTH OF _____ COUNTY/CITY OF _____
TO WIT:

Subscribed, sworn to and acknowledged before me by _____ this
_____ day of _____, 20__.

My Commission Expires: _____

Notary Public of Virginia



Bluestone Town Center Family I
Harrisonburg, VA

GY 2023

Purpose

The U. S. Department of Housing and Urban Development's (HUD) HOME Investment Partnership Program regulations in Title 24 CFR Part 92.250(b) and HUD CPD Notice 98-01 require an underwriting and subsidy layering review before committing HOME and/or HOME funds to a project. The state is proposing funding this from the **AFFORDABLE AND SPECIAL NEEDS HOUSING PROGRAM SUBMISSIONS**. The project does X / does not have commitments of Low Income Housing Tax Credits. The state performed a review prior to committing the state HOME funds and believed the project was acceptable. This is the formal Subsidy Layering Analysis for this development, which clearly establishes that the HOME Program funds are needed funds to complete the financial funding for this project.

This Subsidy Layering Analysis is being performed to document the review process and to insure that the state did not invest any more HOME funds, in combination with other governmental assistance, than was necessary to provide affordable housing. The state is conducting this Subsidy Layering Analysis to determine whether the amount of state HOME funds provided was the least amount necessary to accomplish the affordable housing objectives of the project.

The Commonwealth of Virginia will make a <u>2023 AFFORDABLE AND SPECIAL NEEDS HOUSING PROGRAM SUBMISSIONS</u> HOME funding commitment for the <u>Project</u>. DHCD anticipates providing the <u>\$1,000,000 in HOME</u> funds as a deferred principal loan at half a percent (<u>0.5%</u>) <u>interest only</u>, throughout the <u>20-year</u> HOME compliance period. The loan will be evidenced by one or more promissory notes which will be secured by a deed of trust and such other loan documents as may be required by DHCD (the “Loan Documents”). At the end of the <u>20-year HOME compliance term</u>, the Recipient hereby agrees to be subject to an extended compliance period of an additional <u>10 years</u> with no HOME compliance requirements but instead the state compliance requirement as set forth in the Loan Documents (the “VA Extended Compliance Period”) assuring affordability for a total of 30 years. During the additional <u>10 years</u>, no principal payments will be due, with principal continuing to be deferred. At the end of the additional <u>10 years</u>, the initial principal and any accrued interest may be forgiven or repaid, at DHCD’s sole discretion, provided the recipient has been in compliance for a total of 30 years. Should the Loan Documents be subordinate to financing issued by Virginia Housing Development Authority (“Virginia Housing”), the VA Extended Compliance Period may extend beyond <u>10 years</u> and shall not terminate prior to the remaining term of the mortgage issued by Virginia Housing. During the VA Extended Compliance Period, the Loan Documents shall require payments of interest only, and payments of principal will continue to be deferred until the maturity date stated in the Loan Documents. 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.	Amount \$1,000,000
The total development costs are <u>\$30,466,668</u> for the project. The total source of funds and amounts include (do not include HOME funds): 1. Tax Credit Syndication- \$11,600,000 2. BTW First Mortgage- \$12,300,000 3. DHCD- VHTF- \$2,000,000 4. DHCD- HIEE- \$2,000,000 5. Deferred Developer Fee- \$736,668 6. Developer Land Equity- \$830,000	

The total <u>HOME funds</u> committed by the Participating Jurisdiction in comparison to the total development budget provided by the Owner translates to a minimum of <u>11 HOME-assisted units</u> . The state and the Project Owner have determined that they will designate <u>11 units as HOME-assisted units in this development</u> .																									
Based on the documentation provided, verification of funds <u>\$29,466,668</u> and documented expenses the financing package results in a subsidy shortfall of \$1,000,000.																									
Underwriting Criteria <u>Maximum HOME Per-Unit Subsidy (by HUD regulations)</u> HUD is required to undertake rulemaking to establish new maximum per-unit subsidy limits for the HOME Program because it is no longer updating and publishing limits for the Section 221(d)(3) mortgage insurance program. Based on the above, the limits effective May 1, 2026 are calculated as follows: <table border="1"><thead><tr><th>Bedrooms</th><th>Base</th><th>HCP limit cap</th><th>Max. Subsidy</th></tr></thead><tbody><tr><td>0</td><td>\$78,191.00</td><td>240%</td><td>\$187,658.00</td></tr><tr><td>1</td><td>\$89,634.00</td><td>240%</td><td>\$215,122.00</td></tr><tr><td>2</td><td>\$108,998.00</td><td>240%</td><td>\$261,595.00</td></tr><tr><td>3</td><td>\$141,008.00</td><td>240%</td><td>\$338,419.00</td></tr><tr><td>4+</td><td>\$154,782.00</td><td>240%</td><td>\$371,477.00</td></tr></tbody></table> The project will consist of the HOME assisted units identified below: <u> 6 </u> two-bedroom units <u> 5 </u> three-bedroom units The maximum allowable subsidy for the required HOME-assisted units in the project is <u>\$3,261,665</u> . (Calculated based on the number of bedroom units x the maximum allowable subsidy) The \$1,000,000 combined HOME investment identified here is well under the allowable maximum subsidy limit.		Bedrooms	Base	HCP limit cap	Max. Subsidy	0	\$78,191.00	240%	\$187,658.00	1	\$89,634.00	240%	\$215,122.00	2	\$108,998.00	240%	\$261,595.00	3	\$141,008.00	240%	\$338,419.00	4+	\$154,782.00	240%	\$371,477.00
Bedrooms	Base	HCP limit cap	Max. Subsidy																						
0	\$78,191.00	240%	\$187,658.00																						
1	\$89,634.00	240%	\$215,122.00																						
2	\$108,998.00	240%	\$261,595.00																						
3	\$141,008.00	240%	\$338,419.00																						
4+	\$154,782.00	240%	\$371,477.00																						
TOTAL AMOUNT OF HOME FUNDS REQUIRED	\$1,000,000																								
AMOUNT NEEDED TO FILL THE GAP	\$1,000,000																								
GAP REMAINING	-\$0-																								

CERTIFICATION OF GOVERNMENTAL ASSISTANCE

Bluestone Town Center Family I
Harrisonburg, VA

The undersigned Project Owner hereby certifies to the Commonwealth of Virginia that the only additional forms of governmental assistance and private endowments to the project other than the State HOME/HOME funds **(\$1,000,000)** are as follows:

1. Tax Credit Syndication- \$11,600,000
2. BTW First Mortgage- \$12,300,000
3. DHCD- VHTF- \$2,000,000
4. DHCD- HIEE- \$2,000,000
5. Deferred Developer Fee- \$736,668
6. Developer Land Equity- \$830,000

This certification is made as of this _____ day of _____, 20__.

BTC FAMILY I LLC

Attest

Title

HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY

Attest

Title

ARCHITECT CERTIFICATION SECTION 504 COMPLIANCE

Bluestone Town Center Family I
Harrisonburg, VA

The undersigned Project Architect hereby certifies to the Commonwealth of Virginia that the common spaces of all buildings associated with this rental project are in compliance with the Uniform Federal Accessibility Standards (UFAS), as required by Section 504 of the Rehabilitation Act of 1973.

___ units that have been developed to be accessible to persons with mobility impairments

___ units have been developed to be accessible to persons with sensory impairments, in accordance with UFAS.

This certification is made as of this _____ day of _____, 20__.

Attest

Title

CERTIFICATION ACCURACY

Bluestone Town Center Family I
Harrisonburg, VA

The undersigned Project Owner and Project Developer hereby certifies to the Commonwealth of Virginia that the project information contained in the HOME/HOME Subsidy Analysis is accurate.

This certification is made as of this _____ day of _____, 20__.

BTC FAMILY I LLC

By: _____

Its: _____

Attest

Title

HARRISONBURG REDEVELOPMENT & HOUSING AUTHORITY

Attest

Title

CERTIFICATION Ownership Entity/Partnership Composition

Bluestone Town Center Family I
Harrisonburg, VA

The undersigned Project Owner hereby certifies to the Commonwealth of Virginia that Ownership Entity is composed of the following members:

Names	Type of Ownership	% Ownership
		%
		%
		%
		%

This certification is made as of this _____ day of _____, 20____.

Attest

Title

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

BTC Family I LLC
286 Kelley St
Harrisonburg, VA 22802
(540) 434-7386

**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

Right of First Refusal Template A

Applicants seeking points for a Right of First Refusal must use Virginia Housing's form Right of First Refusal (ROFR) template:

- **Template A:** may be utilized by all applicants and **must** be used by all applicants unable to certify to Virginia Housing's form Previous Participation Certification *without striking any standard provisions*.
- **Template B:** may only be utilized by applicants who submit Virginia Housing's form Previous Participation Certification with their respective Application *without striking any standard provisions*.

The Right of First Refusal submitted as part of the application must be accompanied by a blackline showing that no changes have been made to this form beyond those necessary to complete it (e.g. filling in blanks, selecting bracketed language as appropriate).

RECORDING REQUESTED BY: _____

WHEN RECORDED MAIL TO: _____

RIGHT OF FIRST REFUSAL AGREEMENT

(BTC Family I Apartments)

RIGHT OF FIRST REFUSAL AGREEMENT (the "Agreement") dated as of [Closing Date] by and among BTC Family I LLC, a Virginia limited liability company (the "Owner" or the "Company"), Harrisonburg Redevelopment & Housing Authority, a Virginia nonstock nonprofit corporation (the "Grantee"), and is consented to by BTC Housing LLC, a Virginia limited liability company (the "Managing Member"), [INVESTOR ENTITY], a [_____] limited liability company (the "Investor Member"), [SPECIAL MEMBER ENTITY], a [_____] limited liability company (the "Special Member"), and **VIRGINIA HOUSING DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia ("Virginia Housing"), as third-party beneficiary. The Managing Member, the Investor Member, and the Special Member are sometimes collectively referred to herein as the "Consenting Members." The Investor Member and Special Member are sometimes collectively referred to herein as the "Non-Managing Members." This Agreement shall be fully binding upon and inure to the benefit of the parties and their successors and assigns to the foregoing.

Recitals

A. The Owner, pursuant to its Operating Agreement dated July 8, 2024, by and among the Consenting Members (the "Operating Agreement"), is engaged in the ownership and operation of an 83-unit apartment project for families located in Harrisonburg, Virginia and commonly known as "BTC Family I Apartments" (the "Project"). The real property comprising the Project is legally defined in Exhibit A; and

B. The Grantee is a qualified nonprofit organization as defined within Section 42 of the Internal Revenue Code of 1986, as amended, (the "Code") and is both a member of the Managing Member of the Owner and instrumental to the development and operation of the Project]; and

C. The Owner desires to give, grant, bargain, sell, and convey to the Grantee certain rights of first refusal to purchase the Project on the terms and conditions set forth herein; and

D. Capitalized terms used herein and not otherwise defined shall have the meanings outlined in the Operating Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which the parties hereto acknowledge, the parties hereby agree as follows:

Section 1. Right of First Refusal

The Owner hereby grants to the Grantee a right of first refusal (the "Refusal Right") to purchase the real or leasehold estate, fixtures, and personal property comprising the Project or associated with the physical operation thereof and owned by the Company at the time (the "Property"), for the price and subject to the other terms and conditions set forth below. The Property will include any reserves of the Partnership that are required by the Virginia Housing Development Authority ("Virginia Housing" or the "Credit Authority"), or any lender of a loan being assumed in connection with the exercise of the Refusal Right to remain with the Project.

Section 2. Exercise of Refusal Right; Purchase Price

A. After the end of the Compliance Period, the Company agrees that it will not sell the Property or any portion thereof without first offering the Property to the Grantee (the "Refusal Right"), for the Purchase Price (as defined in Section 3); provided, however, that such Refusal Right shall be conditioned upon the receipt by the Company of a "bona fide offer" (the acceptance or rejection of which shall not require the Consent of the Members). The Company shall give the notice of its receipt of such offer (the "Offer Notice") and shall deliver a copy of the Offer Notice to the Grantee and to Virginia Housing. Upon receipt of the Offer Notice by the Grantee and by Virginia Housing, the Grantee shall have ninety (90) days to deliver to the Company a written notice of its intent to exercise the Refusal Right (the "Election Notice"). An offer made with the purchase price and basic terms of the proposed sale from a third party shall constitute a "bona fide offer" for purposes of this Agreement. Such offer:

- (i) may be solicited by the Grantee or the Managing Member (with such solicitation permitted to begin at any time following the end of the fourteenth (14th) year of the Compliance Period, provided that the Election Notice may not be sent until the end of the Compliance Period); and
- (ii) may contain customary due diligence, financing, and other contingencies. Notwithstanding anything to the contrary herein, a sale of the Project pursuant to the Refusal Right shall not require the Consent of the Non- Managing Members [or of Virginia Housing].

B. If the Grantee fails to deliver the Election Notice within ninety (90) days of receipt of the Offer Notice, then its Refusal Right shall automatically transfer to Virginia Housing, and Virginia Housing shall have sixty (60) days from that date to deliver to the Company the Election Notice or to transfer its Refusal Right to another Qualified Beneficiary (as defined herein) to deliver the Election Notice within the same period.

C. If a Qualified Beneficiary fails to deliver the Election Notice to the Company within 150 days of the date both Grantee and Virginia Housing have received a copy of the Offer Notice or if such Election Notice is delivered but the purchase of the Project is not consummated

by the Grantee, Virginia Housing, or any other Qualified Beneficiary within 270 days from the date of delivery of the Election Notice (each, individually, a “Terminating Event”), then its Refusal Right shall terminate, and the Company shall be permitted to sell the Property free of the Refusal Right.

Section 3. Purchase Price; Closing

A. The purchase price for the Property pursuant to the Refusal Right (the “Purchase Price”) shall equal the sum of (i) the principal amount of all outstanding indebtedness secured by the Project, and any accrued interest on any of such debts and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners or members of the Non-Managing Members. Notwithstanding the foregoing, however, the Purchase Price shall never be less than the amount of the “minimum purchase price” as defined in Section 42(i)(7)(B) of the Code. The Refusal Right granted hereunder is intended to satisfy the requirements of Section 42(i)(7) of the Code and shall be interpreted consistently therewith. In computing such price, it shall be assumed that each of the Non-Managing Members of the Owner (or their constituent partners or members) has an effective combined federal, state and local income tax rate equal to the maximum of such rates in effect on the date of Closing.

B. All costs of the Grantee’s purchase of the Property pursuant to the Refusal Right, including any filing fees, shall be paid by the Grantee.

C. The Purchase Price shall be paid at Closing in either of the following methods:

- (i) the payment of all cash or immediately available funds at Closing; or
- (ii) the assumption of any assumable Loans if Grantee has obtained the consent of the lenders to the assumption of such Loans, which consent shall be secured at the sole cost and expense of Grantee; provided, however, that any Purchase Price balance remaining after the assumption of the Loans shall be paid by Grantee in immediately available funds.

Section 4. Conditions Precedent; Termination

A. Notwithstanding anything in this Agreement to the contrary, the right of the Grantee to exercise the Refusal Right and consummate any purchase pursuant thereto is contingent on each of the following being true and correct at the time of exercise of the Refusal Right and any purchase pursuant thereto:

- (i) the Grantee or its assignee shall be a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a Qualified Beneficiary”); and

- (ii) the Project continues to be a “qualified low-income housing project” within the meaning of Section 42 of the Code.

B. This Agreement shall automatically terminate upon the occurrence of any of the following events and, if terminated, shall not be reinstated unless such reinstatement is agreed to in writing and signed by the Grantee and each of the Consenting Members:

- (i) the transfer of the Property to a lender in total or partial satisfaction of any loan; or
- (ii) any transfer or attempted transfer of all or any part of the Refusal Right by the Grantee, whether by operation of law or otherwise, except as otherwise permitted under Section 7 of this Agreement; or
- (iii) the Project ceases to be a “qualified low-income housing project” within the meaning of Section 42 of the Code; or (iv) the Grantee fails to deliver its Election Notice or consummate the purchase of the Property within the timeframes outlined in Section 2 above.

C. If the Investor Member removes the Managing Member from the Company for failure to cure a default under the Operating Agreement after all applicable notice and cure periods, the Investor Member may elect to exercise any rights it has under the Operating Agreement to terminate this Agreement and to exercise any rights it has under the Operating Agreement to release this Agreement as a lien against the Project, upon first obtaining the prior written consent of Virginia Housing, which consent may be granted or withheld in Virginia Housing’s sole discretion.

Section 5. Contract and Closing

Upon determination of the purchase price, the Owner and the Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with the terms of this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Property is located, providing for a closing (the “Closing”) to occur in the City of Harrisonburg, Virginia not later than the timeframes set forth in Section 2. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Refusal Right.

Section 6. Conveyance and Condition of the Property

The Owner's right, title, and interest in the Property shall be conveyed by quitclaim deed or an assignment of lease, subject to such liens, encumbrances, and parties in possession as shall exist as of the date of Closing. The Grantee shall accept the Property “AS IS, WHERE IS” and “WITH ALL FAULTS AND DEFECTS,” latent or otherwise, without any warranty or representation as to the condition thereof whatsoever, including without limitation, without

any warranty as to fitness for a particular purpose, habitability, or otherwise and no indemnity for hazardous waste or other conditions with respect to the Property will be provided. It is a condition to Closing that all amounts due to the Owner and the Investor Member from the Grantee or its Affiliates be paid in full. The Grantee shall pay all closing costs, including, without limitation, the Owner's attorney's fees. Upon closing, the Owner shall deliver to the Grantee, along with the deed or assignment of the lease to the property, an ALTA owner's (leasehold, as applicable) title insurance policy dated as of the close of escrow in the amount of the purchase price, subject to the liens, encumbrances, and other exceptions then affecting the title.

Section 7. Transfer

The Refusal Right shall not be transferred without the Consent of the Investor Member, except that the Grantee may assign all or any of its rights under this Agreement to Virginia Housing, or to an Affiliate of Grantee (a "Permitted Assignee") at the election and direction of the Grantee, or to any assignee that shall be a "qualified nonprofit organization" as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42 of the Code (collectively, each, a "Qualified Beneficiary").

In the case of any transfer of the Refusal Right, (i) all rights, conditions, and restrictions applicable to the exercise or transfer of the Refusal Right or to the purchase of the Property pursuant thereto shall also apply to such transferee, and (ii) such transferee shall be disqualified from the exercise of any rights hereunder at all times during which the transferor (whether the Grantee or Virginia Housing) would have been ineligible to exercise such rights hereunder had it not effected such transfer.

Section 8. Rights Subordinate; Priority of Requirements of Section 42 of the Code

This Agreement is subordinate in all respects to any regulatory agreements and to the terms and conditions of the Mortgage Loans encumbering the Property. In addition, it is the intention of the parties that nothing in this Agreement be construed to affect the Owner's status as owner of the Property for federal income tax purposes prior to exercise of the Refusal Right granted hereunder. Accordingly, notwithstanding anything to the contrary contained herein, both the grant and the exercise of the Refusal Right shall be subject in all respects to all applicable provisions of Section 42 of the Code, including, in particular, Section 42(i)(7). In the event of a conflict between the provisions contained in this Agreement and Section 42 of the Code, the provisions of Section 42 shall control.

Section 9. Option to Purchase

A. The parties hereto agree that if either the Code is revised or the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant an "option to purchase" pursuant to Section 42(i)(7) of the Code (or other applicable provision of Section 42) as opposed to a "right of first refusal" without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then the parties shall

amend this Agreement and the Owner shall grant the Grantee an option to purchase the Property at the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42.

B. The parties hereto agree that if either the Code is revised or the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant a "right of first refusal to purchase partner interests" and/or "purchase option to purchase partner interests" pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a "right of first refusal to purchase the Project" without adversely affecting the status of such owner as owner of its project for federal income tax purposes (or the status of the Investor Member as a partner of the Company for federal income tax purposes) then the parties shall amend this Agreement and the Investor Members shall provide a right of first refusal and/or purchase option, as the case may be, to acquire their Interests for the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42.

Section 10. Notice

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing by hand delivery (whether personally or by courier or other delivery service) or by certified mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. Any such notice(s) shall be deemed given when received at such address or place or, in the case of certified mail, three (3) days after date of mailing.

- (A) If to the Owner, at the principal office of the Company set forth in Article II of the Operating Agreement;
- (B) If to a Consenting Member, at their respective addresses set forth in Schedule A of the Operating Agreement;
- (C) If to the Grantee, P.O. Box 1071, Harrisonburg, VA 22803;
- (D) [_____]; and
- (E) If to Virginia Housing:

Virginia Housing Development Authority
c/o Director of Tax Credit Programs
601 S Belvidere Street
Richmond, Virginia 23220

Section 11. Severability of Provisions

Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

Section 12. Binding Provisions

The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 13. Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 14. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of law. Notwithstanding the foregoing, Company, Investor Member, and Grantee do not intend the Refusal Right in this Agreement to be a common law right of first refusal but rather intend it to be understood and interpreted as a mechanism authorized by Section 42 of the Code to allow nonprofit entities to preserve affordable housing for low-income families in accordance with Grantee's charitable objectives.

Section 15. Headings

All headings in this Agreement are for convenience of reference only. Masculine, feminine, or neuter gender shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 16. Amendments

This Agreement shall not be amended except by written agreement between Grantee and the Owner with the consent of each of the Consenting Members [and Virginia Housing].

Section 17. Time

Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.

Section 18. Legal Fees

Except as otherwise provided herein, in the event that legal proceedings are commenced by the Owner against the Grantee or by the Grantee against the Owner in connection with this Agreement or the transactions contemplated hereby, the prevailing party shall be entitled to recover all reasonable attorney's fees and expenses.

Section 19. Subordination

This Agreement is and shall remain automatically subject and subordinate to any bona fide mortgage to (or assigned to) an institutional or governmental lender with respect to the Project. In the event of a foreclosure of any such mortgage or of the giving of a deed in lieu of foreclosure to any such mortgagee, this Agreement shall become void and shall be of no further force or effect.

Section 20. Rule Against Perpetuities Savings Clause

The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. If any provision of this Agreement is construed as violating and applicable "Rule Against Perpetuities" by statute or common law, such provision will be deemed to remain in effect only until the death of the last survivor of the now-living descendants of any member of the 116th Congress of the United States, plus twenty-one (21) years thereafter. This Agreement and the Refusal Right herein granted are covenants running with the land, and the terms and provisions hereof will be binding upon, inure to the benefits of, and be enforceable by the parties hereto and their respective successors and assigns.

Section 21. Third-Party Beneficiary; Virginia Housing Rights and Powers

Virginia Housing shall be a third-party beneficiary to this Agreement, and the benefits of all of the covenants and restrictions hereof shall inure to the benefit of Virginia Housing, including the right, in addition to all other remedies provided by law or in equity, to apply to any court of competent jurisdiction within the Commonwealth of Virginia to enforce specific performance by the parties or to obtain an injunction against any violations hereof, or to obtain such other relief as may be appropriate. Virginia Housing and its agents shall have those rights and powers with respect to the Project as set forth in the Act and the Virginia Housing Rules and Regulations promulgated thereunder, including, without limitation, those rights and powers set forth in Chapter 1.2 of Title 365 of the Code of Virginia (1950), as amended, and 13VAC10-180-10 et seq., as amended.

[Signatures appear on following pages]

IN WITNESS WHEREOF, the parties hereto have caused this Right of First Refusal Agreement to be executed by their duly authorized representatives as of the date first stated above.

OWNER:

BTC Family I LLC, a Virginia limited liability company

By: BTC Housing LLC, a Virginia limited liability company, its Managing Member
By: Harrisonburg Redevelopment & Housing Authority, a Virginia
nonstock nonprofit corporation, its Sole Member

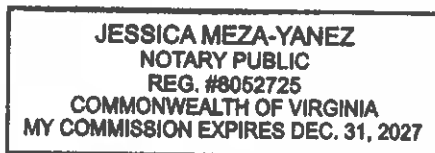

Tiffany Runion, Deputy Director

COMMONWEALTH OF VIRGINIA

City of Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me this 23 day of June, 2026, by Tiffany Runion, Deputy Director, Harrisonburg Redevelopment & Housing Authority, Sole Member of BTC Housing LLL, the Managing Member of BTC Family I LLC, on behalf of BTC Family I LLC, a Virginia limited liability company.

SEAL:




Notary Public

Commission expires: 12/31/2027

Registration No. 8052725

GRANTEE:

Harrisonburg Redevelopment & Housing Authority, a Virginia nonstock nonprofit corporation and political subdivision of the Commonwealth of Virginia

By: Tiffany Runion
Tiffany Runion, Deputy Director

COMMONWEALTH OF VIRGINIA

City of Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me this 23 day of June, 2026, by Tiffany Runion, Deputy Director, on behalf of Harrisonburg Redevelopment & Housing Authority, a Virginia nonstock nonprofit corporation and political subdivision of the Commonwealth of Virginia.

SEAL:



[Signature]
Notary Public
Commission expires: 12/31/2027
Registration No. 8052725

MANAGING MEMBER:

BTC Housing LLC, a Virginia limited liability company

By: Harrisonburg Redevelopment & Housing Authority, a Virginia nonstock nonprofit corporation

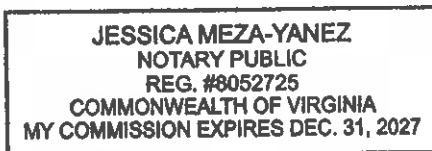
By: Tiffany Runion
Tiffany Runion, Deputy Director

COMMONWEALTH OF VIRGINIA

City of Harrisonburg, to-wit:

The foregoing instrument was acknowledged before me this 23 day of June, 2026, by Tiffany Runion, Deputy Director, Harrisonburg Redevelopment & Housing Authority, Sole Member of BTC Housing LLC, the Managing Member of BTC Family I LLC, on behalf of BTC Housing LLC, a Virginia limited liability company.

SEAL:



[Signature]
Notary Public
Commission expires: 12/31/2027
Registration No. 8052725

INVESTOR MEMBER:

[INVESTOR MEMBER], a [Virginia] limited liability company

By: _____

Its: _____

_____ OF _____

_____ of _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by

on behalf of _____

a _____.

SEAL:

Notary Public

Commission expires: _____

Registration No. _____

SPECIAL MEMBER:

[SPECIAL MEMBER], a [Virginia] limited liability company

By: _____

Its: _____

_____ OF _____

_____ of _____, to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by

on behalf of _____

a _____.

SEAL:

Notary Public

Commission expires: _____

Registration No. _____

EXHIBIT A

LEGAL DESCRIPTION

[insert legal description]

Exhibit A

Legal Description

A proposed 3.016 acre parcel of land, being a portion of the land standing in the name of EP Harrisonburg Owner, LLC., a Virginia limited liability company, located off of Garbers Church Road, in the City of Harrisonburg, Virginia and is further described as a portion of the Blue Stone Town Center Development.

Commencing at the South face of a fence corner post, a common corner with Clark E. Martin and other lands of EP Harrisonburg Owner, LLC., thence with said Martin

S 27° 42' 20" W 424.35'

to a point, a common corner with the proposed southern right-of-way line of Hidden Creek Lane, in the line of said Martin, thence generally with the southern right-of-way line of said Hidden Creek Lane

S 62° 17' 40" E 92.00'

to the **True Point of Beginning**, an Iron Pin to be set, a new corner in the southern right-of-way line of Hidden Creek Lane, thence the following eight new courses through the lands of EP Harrisonburg Owner, LLC.

S 62° 17' 40" E 236.00'

to an Iron Pin to be set, a new corner in the southern right-of-way line of said Hidden Creek Lane, thence a curve to the right having the following:

a radius of 27.00' an arc length of 42.41'
and a long chord of S 17° 17' 40" E 38.18'

to an Iron Pin to be set, a new corner in the western right-of-way line of Iris Lane, thence

S 27° 42' 20" W 403.00'

to an Iron Pin to be set, a new corner in the western right-of-way line of Iris Lane, thence a curve to the right having the following:

a radius of 25.00' an arc length of 39.27'
and a long chord of N 72° 42' 20" W 35.36'

to an Iron Pin to be set, a new corner in the northern right-of-way line of Mountain Mint Street, thence

N 62° 17' 40" W 240.00'

to an Iron Pin to be set, a new corner in the northern right-of-way line of Mountain Mint Street, thence a curve to the right having the following:

a radius of 25.00' an arc length of 39.27'
and a long chord of N 17° 17' 40" W 35.36'

to an Iron Pin to be set, a new corner in the eastern right-of-way line of Bluebell Drive, thence

N 27° 42' 20" E 403.00'

to an Iron Pin to be set, a new corner in the eastern right-of-way line of Bluebell Drive, thence a curve to the right having the following:

a radius of 27.00' an arc length of 42.41'
and a long chord of N 72° 42' 20" E 38.18'

to the beginning, enclosing an area of 3.016 acres, as shown on the Preliminary Plat of Blue Stone Town Center Subdivision, prepared by AES Consulting Engineers, and dated October 5, 2023.

Being a portion of the lands conveyed to EP Harrisonburg Owners, LLC., from Charles W. Clark, et al, by a deed dated March 23, 2023, and recorded in the land records of the Rockingham County Clerk of Court in Deed Book 5691, at Page 400

Tab W:

Internet Safety Plan and Resident Information Form

RESIDENT INTERNET SERVICE - Acknowledgement of Responsibilities

By signing below, I acknowledge that I have thoroughly reviewed the Internet Security Plan and understand the general rules of operation prior to use. I understand my responsibility as a user of the Internet and I agree to abide by the following Rules of Operation at all times.

Rules of Operation

- Computer usage for the purpose of illegal activity is absolutely NOT permitted and will be reported to authorities.
- Do not access pornographic or illicit sites via the internet.
- No smoking in the community room or business center.
- No profanity will be tolerated on-line or in-person.
- No rough-housing in the community room or business center.
- Surf at your own risk.

If there is any question regarding my or my child's behavior while using the community internet (including but not limited to, rough-housing, misuse of equipment, etc.), I or my child may be suspended from using the Internet service.

By: _____

Name (Print):

Date



Cyber Security:

Internet and Acceptable Use Policy Template

A Non-Technical Guide

***Essential for
Business Managers
Office Managers
Property Managers
Operations Managers***

This appendix is a supplement to the *Cyber Security: Getting Started Guide*, a non-technical reference essential for business managers, office managers, property managers and operations managers. This appendix is one of many which is being produced in conjunction with the *Guide* to help those in small business and agencies to further their knowledge and awareness regarding cyber security. For more information, visit:
<http://www.dhSES.ny.gov/ocs/>.

INTRODUCTION

Beacon Property Services, LLC Acceptable Use Policy specifies policy for the use of information resources and information technology systems. Enforcement of this acceptable use policy is consistent with the policies and procedures of this organization.

Being informed is a shared responsibility for all users of BPS information systems. Being informed means, for example:

- Knowing these acceptable use policies and other related rules and policies,
- Knowing how to protect your data and data that you are responsible for,
- Knowing how to use shared resources without damaging them,
- Knowing how to keep current with software updates,
- Knowing how to report a virus warning, a hoax, or other suspicious activity, and
- Participating in training.

POLICY

Compliance with this policy is mandatory for all employees, tenants and contractors of this organization. This policy applies to all BPS information, computer systems and data that is used for official BPS business regardless of its location as well as all tenants using the provided network.

1. Authorized Use

Users must not use other users' passwords, user-ids, or accounts, or attempt to capture or guess other users' passwords. Users are also restricted from using business equipment for personal use, without authorization from your BPS. Users must not hide their identity for malicious purposes or assume the identity of another user. Tenants are authorized to use the network so long as compliance to rules, regulations and guidelines are maintained.

2. Privacy

User files may be subject to access by authorized employees of [insert your organization name here] during the course of official business. Accordingly, users should have no expectation of privacy and their activity may be monitored.

3. Restricted Access

Users must not attempt to access restricted files or portions of operating systems, security systems, or administrative systems to which they have not been given authorization. Accordingly, users must not access without authorization: electronic mail, data, or programs, or information protected under state and federal laws. Users must not release another person's *restricted information*.

4. Proper Use of Resources

Users should recognize that computing resources are limited and user activities may have an impact on the entire network. They must not:

- misuse email — spread email widely (chain letter) and without good purpose ("spamming") or flood an individual, group, or system with numerous or large email messages ("bombing"), or
- use streaming audio, video or real time applications such as: stock ticker, weather monitoring or Internet radio.

5. Protecting Information and Shared Resources

Users must:

- Follow established procedures for protecting files, including managing passwords, using *encryption* technology, and storing back-up copies of files.
- Protect the physical and electronic integrity of equipment, networks, software, and accounts on any equipment that is used for BPS business in any location.
- Not visit non-business related websites.
- Not open email from unknown senders or email that seems suspicious.
- Not knowingly introducing worms or viruses or other malicious code into the system nor disable protective measures (i.e., antivirus, spyware firewalls).
- Not install unauthorized software.
- Not send restricted or confidential data over the Internet or off your locally managed network unless appropriately encrypted.
- Not connect unauthorized equipment or media, which includes but is not limited to: laptops, thumb drives, removable drives, wireless access points, PDAs, and MP3 players.

6. Civility

Users must not harass other users using computer resources, or make repeated unwelcome contacts with other users. Users must not display material that is inappropriate in an office environment consistent with BPS policies.

7. Applicable Laws

Users must obey local, state, and federal laws including laws on copyright and other intellectual property laws.

Glossary

Encryption –The cryptographic transformation of data to render it unintelligible through an algorithmic process using a cryptographic key.

Restricted Information – Pertains to information which is not public information, but can be disclosed to or used by organization representatives to carry out their duties, so long as there is no legal bar to disclosure.



Internet Safety

Playing it safe while playing online



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

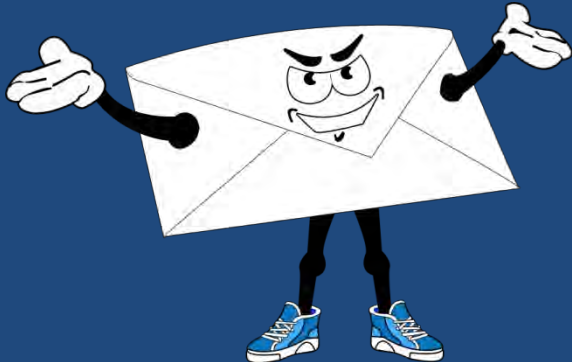
Spam



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/>



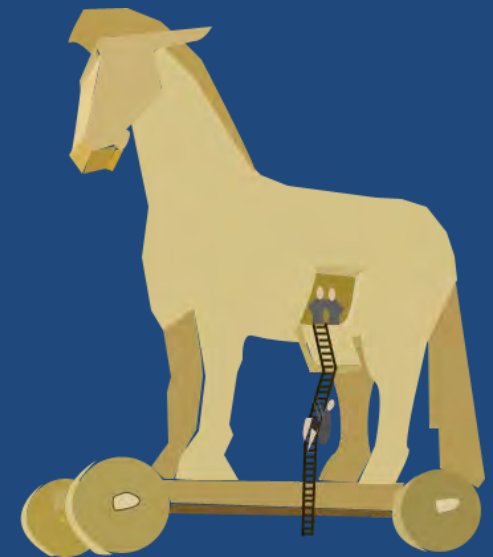
Trojan Horse

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](http://www.law.com/definition/defamation)

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](http://www.law.com/definition/slander)

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](http://www.law.com/definition/libel)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger(can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov
If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:
Office of the Attorney
General

202 North Ninth Street
Richmond, Virginia 23219
(804) 786-2071
www.ag.virginia.gov

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp.1/31/2021)

1a. Project Name & Address (including City, County, State & Zip Code)

Bluestone Town Center Family I
1645 Erickson Road
Harrisonburg, VA 22801

1b. Project Contract Number

TBD

1c. No. of Units

83

1d. Census Tract

51660000301

1e. Housing/Expanded Housing Market Area

Housing Market Area: City of Harrisonburg & Rockingham County
Expanded Housing Market Area: City of Harrisonburg & Rockingham County

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

Harrisonburg Redevelopment & Housing Authority, 286 Kelley St., Harrisonburg, VA 22802 (540) 434-7386, wongway@harrisonburgrha.com

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

Harrisonburg Redevelopment & Housing Authority, 286 Kelley St., Harrisonburg, VA 22802 (540) 434-7386, wongway@harrisonburgrha.com

1h. Entity Responsible for Marketing (check all that apply)

☐ Owner ☒ Agent ☐ Other (specify) _____

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

Beacon Property Services LLC, Celeste Carnaggio, 1888 Main St, STE C163, Madison, MS 39110, 803 767 1621, ccarnaggio@beaconpsllc.com

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

Tim McCarty, Consultant, 1888 Main St, STE C163, Madison, MS 39110, 601 506 5026, tmccarty@equityplusllc.com

2a. Affirmative Fair Housing Marketing Plan

Plan Type Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

☐ Elderly ☒ Family ☐ Mixed (Elderly/Disabled) ☐ Disabled

2c. Date of Initial Occupancy

04/01/2026

2d. Advertising Start Date

Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies ☐
To place applicants on a waiting list ☐ (which currently has individuals)
To reopen a closed waiting list ☐ (which currently has individuals)

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- | | | | |
|--|--|--|--|
| ☐ White | ☐ American Indian or Alaska Native | ☐ Asian | ☐ Black or African American |
| ☐ Native Hawaiian or Other Pacific Islander | ☐ Hispanic or Latino | ☐ Persons with Disabilities | |
| ☒ Families with Children | ☐ Other ethnic group, religion, etc. (specify) <input type="text"/> | | |
-

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

Harrisonburg City and Rockingham County

(4) What is the reason for having a residency preference?

To support the need for elderly housing that is consistent with Harrisonburg Redevelopment & Housing Authority's preference and mission, and to increase availability of high quality affordable housing.

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

The City of Harrisonburg and Harrisonburg Redevelopment & Housing Authority are partners in affirmatively furthering fair housing and will review annually the need for housing those residing in Harrisonburg City and Rockingham County.

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

☒ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

☒ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

☒ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Entrance to Project ☐ Other (specify)

The size of the Project Site Sign will be 36 x 24

The Equal Housing Opportunity logo or slogan or statement will be 12 x 18

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

Management will advertise in local newspapers and distribute brochures throughout the community to attract all applicable groups to apply for housing at Bluestone Town Center Family I. Management monitors its system closely to ensure that all groups are reached in a positive manner to be informed of our affordable housing program. Management strongly believes it strives with marketing efforts to attract these individuals to apply and that our housing at Bluestone Town Center Family I will reflect, to the best of our ability, our goals in reaching those people who are in need of affordable housing from the surrounding areas.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

Property Manager and Executive Director

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
- (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

Grace Hill Property Management Training - annually

- (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
- (5) If yes, how and how often?

Annually, through in-house reviews and online continuing courses.

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?
- (2) What staff positions are/will be responsible for tenant selection?

Community Manager, Owner

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

All staff are required to complete and pass Grace Hill Fair Housing training course annually.

8. Additional Consideration: s Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that 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. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Michael Wong

Name (type or print)

Michael Wong

Title & Name of Company

Executive Director, Harrisonburg Redevelopment and Housing Authority

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

☐ Approval

☐ Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name
(type
or
print)

Title

Name
(type
or
print)

Title

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

Please attach a copy of the advertising or marketing material.

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act. Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White			75	81	81
% Black or African American			2	3.1	3.1
% Hispanic or Latino			12	11	11
% Asian			5	2	2
% American Indian or Alaskan Native			0	.24	.24
% Native Hawaiian or Pacific Islander			0	.05	.05
%Persons with Disabilities			12	12.9	12.9
% Families with Children under the age of 18			11	18.7	18.7
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White			75	81	81	81
% Black or African American			2	3.1	3.1	3
% Hispanic or Latino			12	11	11	11
% Asian			5	2	2	2
% American Indian or Alaskan Native			0	0.24	.24	.24
% Native Hawaiian or Pacific Islander			0	.05	.05	.05
% Persons with Disabilities			12	12.9	12.9	12.9
% Families with Children under the age of 18			11	18.7	18.7	18.7
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s)→ Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			

Bluestone Town Center Family I Apartments

Section 504 Marketing Plan

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 Bluestone Town Center Family I 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 Bluestone Town Center Family I Apartments. Beacon Property Services LLC, the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, resident services programs and monitoring resident income qualifications.

I. Affirmative Marketing

Beacon Property Services, LLC 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. Beacon Property Services LLC, its Officers 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 Vice President of the Management Agent.

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

The Management Agent 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 (804-353-6503)
- Virginia Board for People with Disabilities (804-786-4464)
- Virginia Department for Aging and Rehabilitative Services (804-714-2021)

Centers for Independent Living

- Disability Resource Center (540-373-2559)
- Access Independence, Inc. (540-662-4452)
- Horizon Behavior Health (434-352-8239)

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

Bluestone Town Center Family I Apartments will also be listed on the following websites:

www.virginiahousingsearch.com
www.hud.gov
www.craigslist.org
accessva.org
dbhds.virginia.gov
apartments.com

3. Print Media

Print media sources will also be identified in the Harrisonburg area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the Apartment Shoppers Guide, Apartments For Rent, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property. Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage** – A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.
- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.
- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. Management Agent encourages and supports an affirmative marketing program in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 4:30 P.M. Applicants will be processed at the Management Office Tuesday, Wednesday and

Thursday, in accordance with approved criteria. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Management staff will perform housekeeping/home visits, check previous landlord and personal references, perform criminal/sex offender and credit background checks and verify income for each application taken. Tenant Selection will include minimum income limits assigned by the Owner/HUD. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance.

Application Processing

Application processing will be done at the Management Office by the housing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. The housing staff will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, the Housing Committee will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- We will process the Rental Applications through a credit bureau to determine the credit worthiness of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit and no negative rental history and no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by the Associate Director/ housing committee before final approval.

Note— If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- We will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether “adjudication” was withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if:
 - There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant’s family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants’ request.
- Applicants must provide complete and accurate verification of all income of all family members. The household’s annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which Bluestone Town Center Family I Apartments is located. The annual income is compared to the area’s Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.
- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
- Applicants must provide a doctor’s statement and/or other proof of any handicap or disability.
- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.

- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.

Held Vacant for 60 Days

- Units must be held vacant for 60 days during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management may request the ability to lease 50-point Units to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe.
- "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.
- Each time a vacancy occurs in a 50-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.
- If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 50-point Unit when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.
- **NOTE:** The move of the temporary/non-disabled tenant will be paid for by the owner.

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:

Social Disadvantage Certification or Veteran
Owned Small Business Certification