
2022 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 10, 2022**

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2022 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 10, 2022**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	philip.cunningham@virginiahousing.com	(804) 343-5514
Pamela Freeth	pamela.freeth@virginiahousing.com	(804) 343-5563
Aniyah Moaney	aniyah.moaney@virginiahousing.com	(804) 343-5518

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
11. Enhancements	Building Amenities above Minimum Design Requirements
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. Project Schedule	Actual or Anticipated Development Schedule
16. Hard Costs	Development Budget: Contractor Costs
17. Owner's Costs	Development Budget: Owner's Costs, Developer Fee, Cost Limits
18. Eligible Basis	Eligible Basis Calculation
19. Sources of Funds	Construction, Permanent, Grants and Subsidized Funding Sources
20. Equity	Equity and Syndication Information
21. Gap Calculation	Credit Reservation Amount Needed
22. Cash Flow	Cash Flow Calculation
23. BINs	BIN by BIN Eligible Basis
24. Owner Statement	Owner Certifications
25. Architect's Statement	Architect's agreement with proposed deal
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
29. Mixed Use - Cost Distribution	For Mixed Use Applications only - indicates how costs are distributed across the different construction activities

2022 Low-Income Housing Tax Credit Application For Reservation

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

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | \$1,000 Application Fee (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application (MANDATORY) |
| <input type="checkbox"/> | Scanned Copy of the <u>Signed</u> Tax Credit Application with Attachments (excluding market study and plans & specifications) (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Plans and Unit by Unit writeup (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Specifications (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab) |
| <input type="checkbox"/> | Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request) |
| <input type="checkbox"/> | Electronic Copy of Appraisal (MANDATORY if acquisition credits requested) |
| <input checked="" type="checkbox"/> | Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested) |
| <input checked="" type="checkbox"/> | Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab B: Virginia State Corporation Commission Certification (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab C: Principal's Previous Participation Certification (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab D: List of LIHTC Developments (Schedule A) (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab F: RESNET Rater Certification (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab G: Zoning Certification Letter (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab H: Attorney's Opinion (MANDATORY) |
| <input checked="" type="checkbox"/> | Tab I: Nonprofit Questionnaire (MANDATORY for points or pool) |
| | The following documents need not be submitted unless requested by Virginia Housing: |
| | -Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status |
| | -Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable) |
| <input checked="" type="checkbox"/> | Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY) |
| | Tab K: Documentation of Development Location: |
| <input checked="" type="checkbox"/> | K.1 Revitalization Area Certification |
| <input checked="" type="checkbox"/> | K.2 Location Map |
| <input checked="" type="checkbox"/> | K.3 Surveyor's Certification of Proximity To Public Transportation |
| <input checked="" type="checkbox"/> | Tab L: PHA / Section 8 Notification Letter |
| <input checked="" type="checkbox"/> | Tab M: Locality CEO Response Letter |
| <input checked="" type="checkbox"/> | Tab N: Homeownership Plan |
| <input checked="" type="checkbox"/> | Tab O: Plan of Development Certification Letter |
| <input checked="" type="checkbox"/> | Tab P: Developer Experience documentation and Partnership agreements |
| <input checked="" type="checkbox"/> | Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property |
| <input checked="" type="checkbox"/> | Tab R: Documentation of Operating Budget and Utility Allowances |
| <input checked="" type="checkbox"/> | Tab S: Supportive Housing Certification |
| <input checked="" type="checkbox"/> | Tab T: Funding Documentation |
| <input checked="" type="checkbox"/> | Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing |
| <input checked="" type="checkbox"/> | Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal |
| <input checked="" type="checkbox"/> | Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected) |
| <input checked="" type="checkbox"/> | Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504 |
| <input checked="" type="checkbox"/> | Tab Y: Inducement Resolution for Tax Exempt Bonds |
| <input checked="" type="checkbox"/> | Tab Z: Documentation of team member's Diversity, Equity and Inclusion Designation |
| <input checked="" type="checkbox"/> | Tab AA: Priority Letter from Rural Development |
| <input checked="" type="checkbox"/> | Tab AB: Social Disadvantage Certification |

VHDA TRACKING NUMBER

[Redacted]

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

[Redacted]

16. Local Needs and Support

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

Chief Executive Officer's Name: Bryan Hill
 Chief Executive Officer's Title: County Executive Phone: (703) 324-2531
 Street Address: 12000 Government Center Parkway
 City: Fairfax State: VA Zip: 22035

Name and title of local official you have discussed this project with who could answer questions for the local CEO: William O'Donnell, Staff Coordinator, Zoning Evaluation, DPZ

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name: _____
 Chief Executive Officer's Title: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____

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

ACTION: Provide Locality Notification Letter at **Tab M** if applicable.

B. RESERVATION REQUEST INFORMATION

1. Requesting Credits From:

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

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

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)
Skip to Number 4 below.

2. Type(s) of Allocation/Allocation Year

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2022.

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, 2022, 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 2023 credits pursuant to Section 42(h)(1)(E).

3. Select Building Allocation type:

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

4. Is this an additional allocation for a development that has buildings not yet placed in service?
 If True, additional Credit Request cannot exceed 10% of the prior credit award.

5. **Planned Combined 9% and 4% Developments**

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

Name of companion development:

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

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

Total Units within 9% allocation request?

Total Units within 4% Tax Exempt allocation Request?

Total Units: **0**

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

6. Extended Use Restriction

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

Must Select One:

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 (ACH or Wire).

In 2022, Virginia Housing will debut a new Rental Housing Invoicing Portal to allow easy payments via secure ACH transactions. More details will be provided.

C. OWNERSHIP INFORMATION

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

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Arrowbrook Apartments II, LLC

Developer Name: SCG Development Partners, LLC

Contact: M/M ▶ Mr. First: Stephen MI: P. Last: Wilson

Address: 8245 Boone Blvd., suite 640

City: Tysons Corner St. ▶ VA Zip: 22182

Phone: (703) 942-6610 Ext. 210 Fax:

Email address: spw@scgdevelopment.com

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

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

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

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

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

Names **	Phone	Type Ownership	% Ownership	
**See attached Org Chart Due to Limited Space			0.000%	needs
Stephen P. Wilson	(703) 942-6610		25.000%	
Benjamin D. Mottola	(978) 535-5600		25.000%	
John M. Nelson, IV	(978) 535-5600		25.000%	
Kyle F. Wolff	(978) 535-5600		25.000%	
SCG Capital Corp.	(978) 535-5600		0.000%	needs
Stratford Capital Group	(978) 535-5600		0.000%	needs
			0.000%	
			0.000%	
			0.000%	
			0.000%	
			0.000%	
			0.000%	

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

C. OWNERSHIP INFORMATION

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

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

b. Indicate if at least one principal listed above with an ownership interest of at least 25% in the controlling general partner or managing member is a socially disadvantaged individual as defined in the manual.

TRUE

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

3. Developer Experience:

*May only choose one of A, B or C **OR** select one or more of D, E and F.*

FALSE a. A principal of the controlling general partner or managing member for the proposed development has developed as a controlling general partner or managing member for (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments.

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

TRUE b. A principal of the controlling general partner or managing member for the proposed development has developed at least three deals as principal and have at \$500,000 in liquid assets.

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

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

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

d. The development has an experienced sponsor (as defined in the manual) that has placed at least one LIHTC development in service in Virginia within the past 5 years.

Action: Provide one 8609 from qualifying development. (**Tab P**)

e. The development has an experienced sponsor (as defined in the manual) that has placed at least three (3) LIHTC developments in service in any state within the past 6 years (in addition to any development provided to qualify for option d. above)

Action: Provide one 8609 from each qualifying development. (**Tab P**)

f. Applicant is competing in the Local Housing Authority pool and partnering with an experienced sponsor (as defined in the manual), other than a local housing authority

Action: Provide documentation as stated in the manual. (**Tab P**)

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Long Term Lease

Expiration Date: 4/13/2121

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

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

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. FALSE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 00/00/0000 .

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: Arrowbrook Centre, LLC

Address: 459 Herndon Parkway, Suite 14

City: Herndon St.: VA Zip: 20170

Contact Person: Jeffrey Fairfield Phone: (703) 437-9200

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

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

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

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

E. DEVELOPMENT TEAM INFORMATION

Provide Email address for each completed team member

Complete the following as applicable to your development team.

Indicate Diversity, Equity and Inclusion (DEI) Designation if this team member is SWAM or Service Disabled Veteran as defined in manual.

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

1. Tax Attorney:	<u>Erik Hoffman</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>Klein Hornig LLP</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>1325 G Street, NW, Suite 770, Washington, DC</u>		
Email:	<u>ehoff</u>	Phone:	<u>(202) 842-0125</u>
2. Tax Accountant:	<u>Debbie Norris</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>Hertzbach & Company</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>10 Music Fair Road Owings Mills, MD 21117</u>		
Email:		Phone:	<u>(443) 471-2052</u>
<i>Provide Email address for completed team member</i>			
3. Consultant:	<u>Ryne Johnson</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>Astoria, LLC</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>3450 Lady Marian Ct.; Midlothian, VA 23113</u>		
Email:	<u>rynejohnson@astrialc.com</u>	Phone:	<u>(804) 320-0585</u>
4. Management Entity:	<u>Jan Haub</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>Paradigm Management</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>1415 N. Taft Street, Suite 100; Arlington, VA 22201</u>		
Email:	<u>jhaub@paradigmcos.com</u>	Phone:	<u>(703) 527-7500</u>
5. Contractor:		This is a Related Entity.	<u>FALSE</u>
Firm Name:		DEI Designation?	<u>FALSE</u>
Address:			
Email:		Phone:	
6. Architect:	<u>Joseph S. Saville</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>DCS Architects</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>8614 Westwood Center Drive, Suite 800; Tysons Corner, VA 22182</u>		
Email:	<u>ssaville@dcsdesign.com</u>	Phone:	<u>(571) 620-7861</u>
7. Real Estate Attorney:		This is a Related Entity.	<u>FALSE</u>
Firm Name:		DEI Designation?	<u>FALSE</u>
Address:			
Email:		Phone:	
8. Mortgage Banker:	<u>Robert N. Kaplan</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>M&T Realty Capital Corporation</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>One Light Street, 12th Floor; Baltimore, MD 21202</u>		
Email:	<u>rkaplan@mtb.com</u>	Phone:	<u>(410) 545-2483</u>
9. Other:	<u>Matthew Waring</u>	This is a Related Entity.	<u>FALSE</u>
Firm Name:	<u>Viridiant</u>	DEI Designation?	<u>FALSE</u>
Address:	<u>1431 West Main Street, Richmond, VA 23220</u>		
Email:	<u>matt.waring@viridiant.org</u>	Phone:	<u>(804) 225-9843</u>
		Role:	<u>Green Consultant</u>

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 and Appraisal
- b. This development has received a previous allocation of credits..... **FALSE**
 If so, in what year did this development receive credits?
- 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..... **TRUE**
- 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 must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section must be completed to obtain points for nonprofit involvement.

1. Tax Credit Nonprofit Pool Applicants: To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:

- FALSE a. Be authorized to do business in Virginia.
FALSE b. Be substantially based or active in the community of the development.
FALSE c. Materially participate in the development and operation of the development throughout the compliance period (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)

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

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

B. Type of involvement:

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

or

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

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: [arrow] [yellow box]

Name: [yellow box]

Contact Person: [yellow box]

Street Address: [yellow box]

City: [yellow box] State: [arrow] [yellow box] Zip: [yellow box]

Phone: [yellow box] Contact Email: [yellow box]

G. NONPROFIT INVOLVEMENT

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

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

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

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

Action: Provide Option or Right of First Refusal in Recordable Form meeting Virginia Housing's specifications. **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit:

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

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

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

NOTE: Applicant 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	<u>148</u>	bedrooms	<u>293</u>
Total number of rental units in development	<u>148</u>	bedrooms	<u>293</u>
Number of low-income rental units	<u>148</u>	bedrooms	<u>293</u>
Percentage of rental units designated low-income	<u>100.00%</u>		
b. Number of new units:.....	<u>148</u>	bedrooms	<u>293</u>
Number of adaptive reuse units:	<u>0</u>	bedrooms	<u>0</u>
Number of rehab units:.....	<u>0</u>	bedrooms	<u>0</u>
c. If any, indicate number of planned exempt units (included in total of all units in development).....	<u>0</u>		
d. Total Floor Area For The Entire Development.....	<u>270,992.13</u> (Sq. ft.)		
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....	<u>78,968.93</u> (Sq. ft.)		
f. Nonresidential Commercial Floor Area (Not eligible for funding).....	<u>0.00</u>		
g. Total Usable Residential Heated Area.....	<u>192,023.20</u> (Sq. ft.)		
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space	<u>100.00%</u>		
i. Exact area of site in acres	<u>4.613</u>		
j. Locality has approved a final site plan or plan of development.....	<u>FALSE</u>		
If True , Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....	<u>FALSE</u>		

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	776.61	SF	10	10
1BR Garden	998.85	SF	20	20
2BR Garden	1320.70	SF	91	91
3BR Garden	1635.42	SF	27	27
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
			148	148

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)..... 1
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 6

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

- e. Commercial Area Intended Use: N/A

- f. Development consists primarily of : **(Only One Option Below Can Be True)**
 - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
 - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
 - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

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

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

h. Development contains an elevator(s). TRUE
 If true, # of Elevators. 2
 Elevator Type (if known) Hydraulic

i. Roof Type ▶ Flat
 j. Construction Type ▶ Masonry
 k. Primary Exterior Finish ▶ Brick

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Outdoor Courtyard, Community Room

m. Number of Proposed Parking Spaces 218
 Parking is shared with another entity TRUE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. TRUE
 If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

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

6. Market Study Data: (MANDATORY)

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

Project Wide Capture Rate - LIHTC Units	6.50%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	6.50%
Project Wide Absorption Period (Months)	12 to 14

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	11	14	17	20	0
Air Conditioning	5	7	8	9	0
Cooking	4	5	7	8	0
Lighting	18	22	26	30	0
Hot Water	10	13	15	18	0
Water	10	12	16	19	0
Sewer	23	27	35	43	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$81	\$100	\$124	\$147	\$0

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

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

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.

J. ENHANCEMENTS

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

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

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

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

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

ACTION: Provide Internet Safety Plan and Resident Information Form (**Tab W**) if 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. |
| 74.63% | b1. Percentage of brick covering the exterior walls. |
| 0.00% | b2. Percentage of Fiber Cement Board or other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations. |
| FALSE | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| TRUE | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| FALSE | e. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| | f. <i>Not applicable for 2022 Cycles</i> |
| FALSE | g. Each unit is provided free individual high speed internet access. |
| | or |
| TRUE | h. Each unit is provided free individual WiFi access. |
| TRUE | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| | or |
| FALSE | j. Full bath fans are equipped with a humidistat. |
| TRUE | k. Cooking surfaces are equipped with fire prevention features |
| | or |
| FALSE | l. Cooking surfaces are equipped with fire suppression features. |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| | or |
| TRUE | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| TRUE | o. All interior doors within units are solid core. |
| TRUE | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| TRUE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| | r. <i>Not applicable for 2022 Cycles</i> |
| FALSE | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet. |

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:

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

If Green Certification is selected, no points will be awarded for d. 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.)

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

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

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

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

If not, please explain:



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

K. SPECIAL HOUSING NEEDS

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

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

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

FALSE

- a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;
- (ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.
- (iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

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

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

FALSE

- b. Any development in which ten percent (10%) of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

For items a or b, 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)

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

K. SPECIAL HOUSING NEEDS

b. The development has existing tenants and a relocation plan has been developed..... **FALSE**
(If **True**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

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

3. Leasing Preferences

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

Organization which holds waiting list: _____

Contact person: _____

Title: _____

Phone Number: _____

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

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

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: _____ **0**
% of total Low Income Units _____ **0%**

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

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

3. Target Population Leasing Preference

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

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

First Name: _____

Last Name: _____

Phone Number: _____ Email: _____

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

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. FALSE

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

d. Number of units receiving assistance: _____
How many years in rental assistance contract? _____
Expiration date of contract: _____
There is an Option to Renew..... FALSE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

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

a. Units Provided Per Household Type:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
0	0.00%	50% Area Median	0%
148	100.00%	60% Area Median	60.00%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	0%
148	100.00%	Total	60.00%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
0	0.00%	50% Area Median	0%
148	100.00%	60% Area Median	60.00%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	0%
148	100.00%	Total	60.00%

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

2. Unit Detail

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

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

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	Efficiency	60% AMI	10	0	457.49	\$1,242.00	\$12,420
Mix 2	1 BR - 1 Bath	60% AMI	9	0	658.99	\$1,318.00	\$11,862
Mix 3	1 BR - 1 Bath	60% AMI	4	0	614.62	\$1,318.00	\$5,272
Mix 4	1 BR - 1 Bath	60% AMI	1	0	586.24	\$1,318.00	\$1,318
Mix 5	1 BR - 1 Bath	60% AMI	1	0	636.81	\$1,318.00	\$1,318
Mix 6	1 BR - 1 Bath	60% AMI	5	0	720.53	\$1,318.00	\$6,590
Mix 7	2 BR - 1.5 Bath	60% AMI	5	0	856.76	\$1,577.00	\$7,885
Mix 8	2 BR - 2 Bath	60% AMI	1	0	944.55	\$1,577.00	\$1,577
Mix 9	2 BR - 2 Bath	60% AMI	22	0	994.55	\$1,577.00	\$34,694
Mix 10	2 BR - 2 Bath	60% AMI	6	0	878.25	\$1,577.00	\$9,462
Mix 11	2 BR - 2 Bath	60% AMI	4	0	914.05	\$1,577.00	\$6,308
Mix 12	2 BR - 2 Bath	60% AMI	4	0	948.50	\$1,577.00	\$6,308
Mix 13	2 BR - 2 Bath	60% AMI	6	0	961.26	\$1,577.00	\$9,462
Mix 14	2 BR - 2 Bath	60% AMI	3	0	928.03	\$1,577.00	\$4,731
Mix 15	2 BR - 2 Bath	60% AMI	5	0	896.03	\$1,577.00	\$7,885
Mix 16	2 BR - 2 Bath	60% AMI	4	0	1017.86	\$1,577.00	\$6,308

L. UNIT DETAILS

Mix 17	2 BR - 2 Bath	60% AMI	1	0	961.81	\$1,577.00	\$1,577
Mix 18	2 BR - 2 Bath	60% AMI	5	0	1121.33	\$1,577.00	\$7,885
Mix 19	2 BR - 2 Bath	60% AMI	5	0	1035.29	\$1,577.00	\$7,885
Mix 20	2 BR - 2 Bath	60% AMI	10	0	991.60	\$1,577.00	\$15,770
Mix 21	2 BR - 2 Bath	60% AMI	5	0	909.53	\$1,577.00	\$7,885
Mix 22	2 BR - 2 Bath	60% AMI	5	0	1141.64	\$1,577.00	\$7,885
Mix 23	3 BR - 2 Bath	60% AMI	5	0	1289.95	\$1,819.00	\$9,095
Mix 24	3 BR - 2 Bath	60% AMI	4	0	1266.86	\$1,819.00	\$7,276
Mix 25	3 BR - 2 Bath	60% AMI	2	0	1125.80	\$1,819.00	\$3,638
Mix 26	3 BR - 2 Bath	60% AMI	4	0	1230.54	\$1,819.00	\$7,276
Mix 27	3 BR - 2 Bath	60% AMI	1	0	1247.21	\$1,819.00	\$1,819
Mix 28	3 BR - 2 Bath	60% AMI	1	0	1210.59	\$1,819.00	\$1,819
Mix 29	3 BR - 2 Bath	60% AMI	5	0	1334.78	\$1,819.00	\$9,095
Mix 30	3 BR - 2 Bath	60% AMI	1	0	1360.89	\$1,819.00	\$1,819
Mix 31	3 BR - 2 Bath	60% AMI	4	0	1277.55	\$1,819.00	\$7,276
Mix 32							\$0
Mix 33							\$0
Mix 34							\$0
Mix 35							\$0
Mix 36							\$0
Mix 37							\$0
Mix 38							\$0
Mix 39							\$0
Mix 40							\$0
Mix 41							\$0
Mix 42							\$0
Mix 43							\$0
Mix 44							\$0
Mix 45							\$0
Mix 46							\$0
Mix 47							\$0
Mix 48							\$0
Mix 49							\$0
Mix 50							\$0
Mix 51							\$0
Mix 52							\$0
Mix 53							\$0
Mix 54							\$0
Mix 55							\$0
Mix 56							\$0
Mix 57							\$0
Mix 58							\$0
Mix 59							\$0
Mix 60							\$0
Mix 61							\$0
Mix 62							\$0
Mix 63							\$0
Mix 64							\$0
Mix 65							\$0
Mix 66							\$0
Mix 67							\$0
Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
Mix 73							\$0

L. UNIT DETAILS

Mix 74							\$0
Mix 75							\$0
Mix 76							\$0
Mix 77							\$0
Mix 78							\$0
Mix 79							\$0
Mix 80							\$0
Mix 81							\$0
Mix 82							\$0
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			148	0			\$231,400

Total Units	148	Net Rentable SF:	TC Units	140,931.88
			MKT Units	0.00
			Total NR SF:	140,931.88

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$10,479
2. Office Salaries			\$77,946
3. Office Supplies			\$44,104
4. Office/Model Apartment	(type		\$0
5. Management Fee			\$81,241
	3.00% of EGI	\$548.93	Per Unit
6. Manager Salaries			\$0
7. Staff Unit (s)	(type		\$0
8. Legal			\$0
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$0
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$5,196
Total Administrative			\$218,966

Utilities

14. Fuel Oil			\$0
15. Electricity			\$18,095
16. Water			\$12,991
17. Gas			\$0
18. Sewer			\$0
Total Utility			\$31,086

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$25,982
23. Trash Removal			\$32,478
24. Security Payroll/Contract			\$12,991
25. Grounds Payroll			\$0
26. Grounds Supplies			\$7,287
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$77,946
29. Repairs/Material			\$88,837
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$25,982
37. Miscellaneous			\$62,281
Totals Operating & Maintenance			\$333,784

M. OPERATING EXPENSES

Taxes & Insurance	
38. Real Estate Taxes	\$337,851
39. Payroll Taxes	\$46,768
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$56,771
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$441,390
Total Operating Expense	\$1,025,226
Total Operating Expenses Per Unit	\$6,927
C. Total Operating Expenses as % of EGI	37.86%
Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$37,000
Total Expenses	\$1,062,226

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	3/11/2019	Stephen Wilson
b. Site Acquisition	10/20/2020	Stephen Wilson
c. Zoning Approval	1/23/2018	Seller
d. Site Plan Approval	6/30/2020	Seller
2. Financing		
a. Construction Loan		
i. Loan Application	3/1/2020	Stephanie Marcus
ii. Conditional Commitment	5/30/2020	Bob Kaplan
iii. Firm Commitment	12/10/2020	Bob Kaplan
b. Permanent Loan - First Lien		
i. Loan Application	3/1/2020	Stephanie Marcus
ii. Conditional Commitment	5/30/2020	Bob Kaplan
iii. Firm Commitment	12/10/2020	Bob Kaplan
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List	Housing Blueprint Fund	FCRHA
ii. Application	9/14/2018	Stephanie Marcus
iii. Award/Commitment	2/19/2019	FCRHA
2. Formation of Owner	4/28/2020	Stephen Wilson
3. IRS Approval of Nonprofit Status	N/A	
4. Closing and Transfer of Property to Owner	10/20/2020	Stephen Wilson
5. Plans and Specifications, Working Drawings	4/30/2020	Stephanie Marcus
6. Building Permit Issued by Local Government	7/1/2020	Stephanie Marcus
7. Start Construction	12/1/2020	Stephanie Marcus
8. Begin Lease-up	8/30/2022	Jennifer Schneider
9. Complete Construction	2/1/2023	Jennifer Schneider
10. Complete Lease-Up	7/1/2023	Jennifer Schneider
11. Credit Placed in Service Date	2/1/2024	Jennifer Schneider

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

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

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
Must Use Whole Numbers Only!				
1. Contractor Cost				
a. Unit Structures (New)	21,684,511	0	21,684,511	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
<input type="checkbox"/> e. Structured Parking Garage	3,908,911	0	3,908,911	0
Total Structure	25,593,422	0	25,593,422	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
<input type="checkbox"/> h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	3,306,852	0	2,175,284	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. Other Site work	0	0	0	0
Total Land Improvements	3,306,852	0	2,175,284	0
Total Structure and Land	28,900,274	0	27,768,706	0
r. General Requirements	0	0	0	0
s. Builder's Overhead	1,747,701	0	1,747,701	0
(6.0% Contract)				
t. Builder's Profit	1,434,841	0	1,434,841	0
(5.0% Contract)				
u. Bonds	1,229,308	0	1,229,308	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: <input type="checkbox"/>	0	0	0	0
z. Other 2: <input type="checkbox"/>	0	0	0	0
aa. Other 3: <input type="checkbox"/>	0	0	0	0
Contractor Costs	\$33,312,124	\$0	\$32,180,556	\$0

O. PROJECT BUDGET - OWNER COSTS

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

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	91,006	0	91,006	0
b. Architecture/Engineering Design Fee \$7,488 /Unit)	1,108,218	0	1,108,218	0
c. Architecture Supervision Fee \$1,737 /Unit)	257,102	0	257,102	0
d. Tap Fees	1,511,061	0	1,511,061	0
e. Environmental	1,864	0	1,864	0
f. Soil Borings	2,682	0	2,682	0
g. Green Building (Earthcraft, LEED, etc.)	24,289	0	24,289	0
h. Appraisal	18,143	0	18,143	0
i. Market Study	9,036	0	9,036	0
j. Site Engineering / Survey	597,051	0	597,051	0
k. Construction/Development Mgt	32,185	0	32,185	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	327,271	0	238,015	0
n. Construction Interest (0.0% for 0 months)	2,419,850	0	1,759,891	0
o. Taxes During Construction	221,454	0	221,454	0
p. Insurance During Construction	487,512	0	487,512	0
q. Permanent Loan Fee (0.0%)	341,052	0	0	0
r. Other Permanent Loan Fees	571,600	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	32,500	0	16,250	0
v. Title and Recording	215,067	0	107,533	0
w. Legal Fees for Closing	332,330	0	0	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	131,000			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	440,000	0	440,000	0
ab. Organization Costs	118,010	0	118,010	0
ac. Operating Reserve	0	0	0	0
ad. Contingency	2,598,484	0	2,598,484	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	818,977			
(1) Other* specify: Impact Fees	127,964	0	127,964	0
(2) Other* specify: Zoning / Site Plan Fees	49,096	0	0	0
(3) Other* specify: As-Built Survey	10,728	0	0	0
(4) Other* specify: Land Use Legal	414,721	0	207,361	0
(5) Other* specify: Marketing	40,231	0	0	0
(6) Other* specify: Green Consultant		0		0
(7) Other* specify: Soil Testing During Const.	145,500	0	145,500	0
(8) Other* specify: Bond Monitoring Fee		0		0
(9) Other* specify: Cost of Bond Issuance	1,290,492	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$14,786,476	\$0	\$10,120,611	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$48,098,600	\$0	\$42,301,167	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	3,922,388	0	3,000,000	0
4. Owner's Acquisition Costs Land	1,000			
Existing Improvements	0	0		
Subtotal 4:	\$1,000	\$0		
5. Total Development Costs Subtotal 1+2+3+4:	\$52,021,988	\$0	\$45,301,167	\$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: \$4,277,968

Proposed Development's Cost per Sq Foot \$192 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$476

Proposed Development's Cost per Unit \$351,493 **Meets Limits**
 Applicable Cost Limit per Unit: \$513,262

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	52,021,988	0	45,301,167	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	45,301,167	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	45,301,167	0
--------------------------------------	------------	---

5. Applicable Fraction

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

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

0	45,301,167	0
---	------------	---

7. Applicable Percentage

0.00%	4.00%	9.00%
-------	-------	-------

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

8. Maximum Allowable Credit under IRC §42

(Qualified Basis x Applicable Percentage)	\$0	\$1,812,047	\$0
---	-----	-------------	-----

(Must be same as BIN total and equal to or less than credit amount allowed)	\$1,812,047 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.	M&T Bank	09/15/19	01/15/20	\$38,600,000	Robert Kaplan, M&T Bank
2.					
3.					
Total Construction Funding:				\$38,600,000	

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 <i>(Whole Numbers only)</i>	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period <i>IN YEARS</i>	Term of Loan (years)
1.	M&T Bank	3/1/2020	9/23/2020	\$22,500,000	\$1,080,231	3.71%	40	18
2.	Taxable Tail		9/23/2020	\$6,169,000	\$314,475	4.11%	40	18
3.	Housing Blueprint	9/14/2018	2/19/2019	\$5,750,000	\$255,037	2.00%	30	30
4.	Return of GFD			\$571,600		0.00%	0	0
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$34,990,600	\$1,649,743			

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

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

Q. SOURCES OF FUNDS

4. Subsidized Funding

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

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$25,500,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$0
h.	Other:	\$5,750,000
	Housing Blueprint	
i.	Other:	
	Taxable Tail	

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:	\$28,669,000
	Conv. Mtg Loan	

Grants*

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

Grants

c.	State	
d.	Local	
e.	Other:	

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

Q. SOURCES OF FUNDS

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

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **56.29%**

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

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

8. Other Subsidies

Action: Provide documentation (**Tab Q**)

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

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

c. **FALSE** Other _____

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

R. EQUITY

1. Equity

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

b. Equity that Sponsor will Fund:

i. Cash Investment	\$0	
ii. Contributed Land/Building	\$0	
iii. Deferred Developer Fee	\$904,166	(Note: Deferred Developer Fee cannot be negative.)
iv. Other:	\$0	

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

Equity Total \$904,166

2. Equity Gap Calculation

a. Total Development Cost	\$52,021,988
b. Total of Permanent Funding, Grants and Equity	- <u>\$35,894,766</u>
c. Equity Gap	\$16,127,222
d. Developer Equity	- <u>\$3,225</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$16,123,997

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	<u>Stratford Capital Group</u>		
Contact Person:	<u>Miles Hapgood, III</u>	Phone:	<u>(978) 535-5600</u>
Street Address:	<u>100 Corporate Place, STE 404</u>		
City:	<u>Peabody</u>	State:	<u></u>
		Zip:	<u></u>

b. Syndication Equity		
i. Anticipated Annual Credits	\$1,812,047.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.890	
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.98000%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0	
v. Net credit amount anticipated by user of credits	\$1,811,685	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$16,123,997	

c. Syndication:	<u>Select?</u>
d. Investors:	<u>Select?</u>

4. Net Syndication Amount \$16,123,997

Which will be used to pay for Total Development Costs

5. Net Equity Factor 89.0000228719%

Must be equal to or greater than 85%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$52,021,988</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$35,894,766</u>
3. Equals Equity Gap		<u>\$16,127,222</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>89.0000228719%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$18,120,469</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$1,812,047</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,812,047</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$1,812,047</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$12,243.5608</u>	Combined 30% & 70% PV Credit Requested
Credit per LI Bedroom	<u>\$6,184.4608</u>	

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

T. CASH FLOW

1. Revenue

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

Total Monthly Rental Income for LIHTC Units	\$231,400
Plus Other Income Source (list): <u>Laundry fees, Late Fees, Etc.</u>	\$6,167
Equals Total Monthly Income:	\$237,567
Twelve Months	x12
Equals Annual Gross Potential Income	\$2,850,800
Less Vacancy Allowance <u>5.0%</u>	\$142,540
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$2,708,260

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): <u></u>	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <u>0.0%</u>	\$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	\$2,708,260
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$2,708,260
d. Total Expenses	\$1,062,226
e. Net Operating Income	\$1,646,034
f. Total Annual Debt Service	\$1,649,743
g. Cash Flow Available for Distribution	(\$3,709)

T. CASH FLOW

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

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	2,708,260	2,762,425	2,817,674	2,874,027	2,931,508
Less Oper. Expenses	1,062,226	1,094,093	1,126,916	1,160,723	1,195,545
Net Income	1,646,034	1,668,332	1,690,758	1,713,304	1,735,963
Less Debt Service	1,649,743	1,649,743	1,649,743	1,649,743	1,649,743
Cash Flow	-3,709	18,589	41,015	63,561	86,220
Debt Coverage Ratio	1.00	1.01	1.02	1.04	1.05

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	2,990,138	3,049,941	3,110,939	3,173,158	3,236,621
Less Oper. Expenses	1,231,411	1,268,353	1,306,404	1,345,596	1,385,964
Net Income	1,758,727	1,781,587	1,804,535	1,827,562	1,850,657
Less Debt Service	1,649,743	1,649,743	1,649,743	1,649,743	1,649,743
Cash Flow	108,984	131,844	154,792	177,819	200,914
Debt Coverage Ratio	1.07	1.08	1.09	1.11	1.12

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	3,301,354	3,367,381	3,434,729	3,503,423	3,573,492
Less Oper. Expenses	1,427,543	1,470,369	1,514,480	1,559,915	1,606,712
Net Income	1,873,811	1,897,012	1,920,248	1,943,508	1,966,779
Less Debt Service	1,649,743	1,649,743	1,649,743	1,649,743	1,649,743
Cash Flow	224,068	247,269	270,505	293,765	317,036
Debt Coverage Ratio	1.14	1.15	1.16	1.18	1.19

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:	1
------------------------	---

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

Please help us with the process:
DO NOT use the CUT feature
DO NOT SKIP LINES BETWEEN BUILDINGS

Bldg #	BIN if known	TAX CREDIT UNITS	MARKET RATE UNITS	Street Address					30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
				Street Address 1	Street Address 2	City	State	Zip	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.		148	0	13325 Fairfield Ridge Avenue		Herndon	VA	20171				\$0	\$45,301,167	12/31/22	4.00%	\$1,812,047				\$0
2.												\$0				\$0				\$0
3.												\$0				\$0				\$0
4.												\$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

148 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings

\$0

\$45,301,167

\$0

\$0

\$1,812,047

\$0

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or Virginia Housing regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
- 14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
- 15. that undersigned 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: Arrowbrook Apartments II, LLC
 (not enough room for entire signature block)
 By SCG Capital Corp.
 By: 
 Its: President - Virginia Office
 (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:	Joseph Steven Saville
Virginia License#:	0401012654
Architecture Firm or Company:	Davis, Carter, Scott Ltd.

By: 
Its:  Project Director
(Title)

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

W.

LIHTC SELF SCORE SHEET

Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. 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. Universal Design Plans
- m. List of LIHTC Developments (Schedule A)

Included

Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y
Y

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

Score

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

Total: 0.00

1. READINESS:

- a. Virginia Housing notification letter to CEO (via Locality Notification Information App)
- b. Local CEO Opposition Letter
- c. Plan of development < no points offered in Cycle 2022 >
- d. Location in a revitalization area based on Qualified Census Tract
- e. Location in a revitalization area with resolution
- f. Location in a Opportunity Zone

Y
N
N/A
N
Y
N

- 0 or -50
- 0 or -25
- 0 pts for 2022
- 0 or 10
- 0 or 15
- 0 or 15

0.00
0.00
0.00
0.00
15.00
0.00

Total: 15.00

2. HOUSING NEEDS CHARACTERISTICS:

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

N
N
0.00%
N
N
3%
N
Y

- 0 or up to 5
- 0 or 20
- Up to 40
- 0 or 5
- 0 or 10
- 0, 20, 25 or 30
- 0 or 15
- Up to 20

0.00
0.00
0.00
0.00
0.00
30.00
0.00
20.00

Total: 50.00

Enhancements:

	Max Pts	Score
All units have:		
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	40	20.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	0.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	12.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	5.00
o. All interior doors within units are solid core	3	3.00
p. USB in kitchen, living room and all bedrooms	1	1.00
q. LED Kitchen Light Fixtures	2	2.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>55.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		<u>0.00</u>
Total amenities:		<u>55.00</u>

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			55.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 50	0.00
or c. HUD 504 accessibility for 10% of units	N	0 or 20	0.00
d. Proximity to public transportation (within Northern VA or Tidewater)	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	0%	Up to 15	0.00
g. Developments with less than 100 low income units	N	up to 20	0.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			75.00

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$129,000	\$59,700

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	18.24%	Up to 15	0.00
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 with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			0.00

5. SPONSOR CHARACTERISTICS:

a. Developer experience (Subdivision 5a - options a,b or c)	Y	0, 10 or 25	25.00
b. Experienced Sponsor - 1 development in Virginia	N	0 or 5	0.00
c. Experienced Sponsor - 3 developments in any state	N	0 or 15	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
h. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Socially Disadvantaged Principal owner 25% or greater	Y	0 or 5	5.00
k. Management company rated unsatisfactory	N	0 or -25	0.00
l. Experienced Sponsor partnering with Local Housing Authority pool applicant	N	0 or 5	0.00
Total:			30.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	139.38
b. Cost per unit		Up to 100	100.00
Total:			239.38

7. BONUS POINTS:

a. Extended compliance	0	Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	N		0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N		0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N		Up to 30	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N		0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation	N		0 or 5	0.00
g. Commitment to electronic payment of fees	Y		0 or 5	5.00
Total:				5.00

400 Point Threshold - all 9% Tax Credits
 300 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: **414.38**

X. Development Summary

Summary Information 2022 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Arrowbrook Centre Apartments II

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$1,812,047
Allocation Type: N/A **Jurisdiction:** Fairfax County
Total Units: 148 **Population Target:** General
Total LI Units: 148
Project Gross Sq Ft: 270,992.13 **Owner Contact:** Stephen Wilson
Green Certified? TRUE

Total Score 436.49

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$34,990,600	\$236,423	\$129	\$1,649,743
Grants	\$0	\$0		
Subsidized Funding	\$5,750,000	\$38,851		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$28,900,274	\$195,272	\$107	55.55%
General Req/Overhead/Profit	\$3,182,542	\$21,504	\$12	6.12%
Other Contract Costs	\$1,229,308	\$8,306	\$5	2.36%
Owner Costs	\$14,786,476	\$99,909	\$55	28.42%
Acquisition	\$1,000	\$7	\$0	0.00%
Developer Fee	\$3,922,388	\$26,503	\$14	7.54%
Total Uses	\$52,021,988	\$351,500		

Total Development Costs

Total Improvements	\$48,098,600
Land Acquisition	\$1,000
Developer Fee	\$3,922,388
Total Development Costs	\$52,021,988

Proposed Cost Limit/Sq Ft: \$192
Applicable Cost Limit/Sq Ft: \$476
Proposed Cost Limit/Unit: \$351,493
Applicable Cost Limit/Unit: \$513,262

Income		
Gross Potential Income - LI Units		\$2,850,800
Gross Potential Income - Mkt Units		\$0
Subtotal		\$2,850,800
Less Vacancy %	5.00%	\$142,540
Effective Gross Income		\$2,708,260

Rental Assistance? FALSE

Unit Breakdown	
Supp Hsg	0
# of Eff	10
# of 1BR	20
# of 2BR	91
# of 3BR	27
# of 4+ BR	0
Total Units	148

Expenses		
Category	Total	Per Unit
Administrative	\$218,966	\$1,480
Utilities	\$31,086	\$210
Operating & Maintenance	\$333,784	\$2,255
Taxes & Insurance	\$441,390	\$2,982
Total Operating Expenses	\$1,025,226	\$6,927
Replacement Reserves	\$37,000	\$250
Total Expenses	\$1,062,226	\$7,177

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	148	148
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

Cash Flow	
EGI	\$2,708,260
Total Expenses	\$1,062,226
Net Income	\$1,646,034
Debt Service	\$1,649,743
Debt Coverage Ratio (YR1):	1.00

i. Efficient Use of Resources

Credit Points for 9% Credits:

* 4% Credit applications will be calculated using the E-U-R TE Bond Tab

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 200 credit points.

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

Combined Max	\$1,812,047
Credit Requested	\$1,812,047
% of Savings	0.00%
Sliding Scale Points	0

4% Deals EUR Points
139.38

Cost Points:

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

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

Total Costs Less Acquisition	\$52,020,988
Total Square Feet	270,992.13
Proposed Cost per SqFt	\$191.96
Applicable Cost Limit per Sq Ft	\$476.00
% of Savings	59.67%
Total Units	148
Proposed Cost per Unit	\$351,493
Applicable Cost Limit per Unit	\$513,262
% of Savings	31.52%
Max % of Savings	59.67%
Sliding Scale Points	100.00

2022 Low-Income Housing Tax Credit Application For Reservation

v.2022.1

\$/SF = **\$263.04** Credits/SF = **9.43366** Const \$/unit = **\$225,081.92**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

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

11000
100
1

100
1

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

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

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	776.61	998.85	1,320.70	1,635.42	0.00	0.00	0.00	0.00
NUMBER OF UNITS	10	20	91	27	0	0	0	0
PARAMETER-(CREDITS=>35,000)	23,850	32,595	41,738	47,104	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	23,850	32,595	41,738	47,104	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	23,850	32,595	41,738	47,104	0	0	0	0
PROJECT CREDIT PER UNIT	7,326	9,423	12,459	15,428	0	0	0	0
CREDIT PER UNIT POINTS	9.36	19.21	86.26	24.54	0.00	0.00	0.00	0.00

TOTAL CREDIT PER UNIT POINTS **139.38**

Credit Parameters - Elderly

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

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	23,850	32,595	41,738	47,104	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	23,850	32,595	41,738	47,104	0	0	0	0

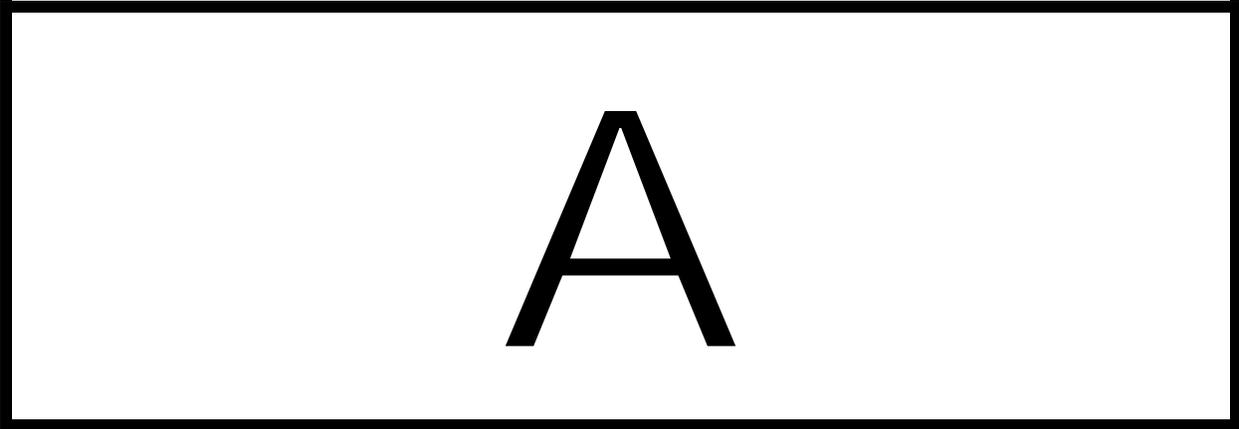
Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

Credit Parameters - Elderly

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

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	23,850	32,595	41,738	47,104	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	23,850	32,595	41,738	47,104	0	0	0	0



A

Partnership or Operating Agreement

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

**Full text of operating agreement available upon request.

ARROWBROOK APARTMENTS II, LLC
(a Virginia limited liability company)

* * *

AMENDED AND RESTATED
OPERATING AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
I. FORMATION AND CONTINUATION.....	1
1.1 Formation.....	1
1.2 Name.....	2
1.3 Place of Business.....	2
1.4 Registered Office and Agent.....	2
1.5 Admission.....	2
II. INTERPRETATIVE PROVISIONS.....	2
2.1 Defined Terms.....	2
2.2 Rules of Construction.....	27
III. BUSINESS PURPOSE.....	27
3.1 Purpose.....	27
3.2 Work Product.....	28
IV. INTERESTS AND CAPITAL.....	29
4.1 Managing Member.....	29
4.2 Investor Member.....	29
4.3 Tax Credit Adjusters.....	32
4.4 Special Member.....	34
4.5 Interest on Capital.....	34
4.6 Withdrawal of Capital.....	34
V. ALLOCATIONS AND DISTRIBUTIONS.....	35
5.1 Allocations.....	35
5.2 Cash and Capital Proceeds Distributions.....	40
5.3 Capital Accounts.....	42
VI. MANAGEMENT.....	43
6.1 Managing Member.....	43
6.2 Limitations on Managing Member.....	54
6.3 Liability for Acts and Omissions.....	58
6.4 Property Manager.....	59
6.5 Partnership Audits; Company Representative.....	59
6.6 Company Costs.....	66
6.7 Financing Provisions.....	67
6.8 Development Period Provisions.....	68
6.9 Operating Period Provisions.....	69
6.10 Tax Credit Provisions.....	69
6.11 [Intentionally Omitted].....	74
6.12 Special Member.....	74
VII. GUARANTEES.....	74
7.1 Tax Credit Guarantee.....	74

7.2	Operating Deficit Guarantee	76
7.3	Completion Guarantee	77
7.4	Repurchase Guarantee	78
VIII.	ACCOUNTING, REPORTS AND RESERVES	80
8.1	Books and Records	80
8.2	Financial Statements and Reports	81
8.3	Company Funds.....	83
8.4	Reserves	83
8.5	Tax Elections.....	84
IX.	TENURE OF MANAGING MEMBER.....	85
9.1	Withdrawal of Managing Member	85
9.2	Interest of Withdrawn Managing Member.....	85
9.3	Removal of Managing Member; Additional Managing Member	86
9.4	Obligations of a Prior Managing Member	87
9.5	Successor Managing Member	87
9.6	Remaining Managing Member.....	88
X.	TRANSFER OF INTERESTS	89
10.1	Transfers	89
10.2	Voluntary Transfers	89
10.3	Involuntary Withdrawal by Members.....	91
10.4	Additional Transfer Restrictions	91
10.5	Substitute Non-Managing Members.....	92
10.6	Redemption of Non-Managing Member Interests.....	92
10.7	Option to Acquire Interests of the Non-Managing Members.	93
XI.	DISSOLUTION AND LIQUIDATION	95
11.1	Term and Dissolution	95
11.2	Liquidation of Company Assets.....	95
XII.	AMENDMENTS AND MEETINGS	96
12.1	Amendment Procedure	96
12.2	Meetings and Voting.....	97
XIII.	STATUS OF NON-MANAGING MEMBERS.....	98
13.1	Management Restrictions.....	98
13.2	Limitation on Liability.....	98
XIV.	MISCELLANEOUS PROVISIONS	99
14.1	Applicable Law	99
14.2	Binding Agreement.....	99
14.3	Counterparts	100
14.4	Creditors.....	100
14.5	Brokers or Consultants.....	100
14.6	Entire Agreement.....	100
14.7	Further Assistance	100
14.8	Government Requirements	100

14.9	Other Activities	100
14.10	Remedies.....	101
14.11	Representations and Warranties	101
14.12	Title to Property.....	101
14.13	Waiver.....	101
14.14	Waiver of Partition and Dissolution	101
XV.	FREDDIE MAC PROVISIONS	101

Exhibits

1. Schedule of Members
2. Financial Projections
3. Projected Credits
4. Capital Contribution Installment Certificate
5. Due Diligence Deliverables
6. Determination of Debt Service Coverage Ratio

* * *

**AMENDED AND RESTATED
OPERATING AGREEMENT**

THIS AMENDED AND RESTATED OPERATING AGREEMENT is made as of December 1, 2020, by and among **ARROWBROOK II MANAGING MEMBER, LLC**, a Delaware limited liability company, as “Managing Member;” **STRATFORD ARROWBROOK II INVESTORS LIMITED PARTNERSHIP**, a Massachusetts limited partnership, as “Investor Member;” and **STRATFORD SLP, INC.**, a Delaware corporation, as “Special Member.”

Recitals:

A. Arrowbrook Apartments II, LLC (the “**Company**”) was formed as a Virginia limited liability company by Articles of Organization dated April 28, 2020 and filed by Stephen P. Wilson, acting in the capacity of an “authorized person” under the Act executing the Articles of Organization on April 28, 2020 and filing it with the State Corporation Commission of the Commonwealth of Virginia on April 28, 2020;

B. The affairs of the Company are governed by an Operating Agreement, dated as of May 20, 2020 as amended (the “**Original Agreement**”);

C. The purpose of the Company is to acquire a leasehold condominium interest in the Real Property (as defined herein) and to construct, develop, finance, own, lease and operate a 148 unit multifamily rental apartment project (together with any and all related improvements, appurtenances, fixtures and personal property made or used in connection therewith) thereon known as “Ovation at Arrowbrook II” (the “**Apartment Complex**” and together with the Real Property, the “**Property**”); and

D. The parties hereto desire to enter into this Agreement in order to (i) admit the Investor Member and the Special Member, (ii) amend and restate the Original Agreement and (iii) otherwise set forth the rights and obligations of the parties hereto with respect to the Company.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree and certify as follows:

I. FORMATION AND CONTINUATION

1.1 Formation. The Company has been formed as a limited liability company under the Act. The Managing Member shall take all action required by law to perfect and maintain the Company as a limited liability company under the Act and under the laws of all other

jurisdictions in which the Company may elect to conduct business. The Managing Member shall also promptly register the Company under applicable assumed or fictitious name statutes or similar laws. The Original Agreement is hereby amended and restated in its entirety by this Agreement.

1.2 Name. The name of the Company shall be “Arrowbrook Apartments II, LLC”, which name may be changed by the Managing Member and Notice thereof shall be given to all Members.

1.3 Place of Business. The principal office of the Company shall be located at 8245 Boone Blvd, Suite 640, Tyson’s Corner, VA 22182. The Managing Member may change the location of the Company’s principal office or establish additional offices of the Company and Notice thereof shall be given to all Members.

1.4 Registered Office and Agent. The registered agent and office of the Company shall be as set forth in the Articles.

1.5 Admission. The Non-Managing Members are hereby admitted as non-managing members of the Company in accordance with and subject only to the terms and conditions of this Agreement.

II. INTERPRETATIVE PROVISIONS

2.1 Defined Terms. The following terms have the definitions hereinafter indicated whenever used in this Agreement with initial capital letters:

Accountants: SC&H Group, or such other independent certified public accountants for the Company selected by the Managing Member with the Consent (or at the direction) of the Investor Member.

Acquisition and Financing Costs: All costs incurred in connection with the acquisition of a leasehold condominium interest in the Property and funding of the Mortgage Loans (excluding the Developer Fee) including, without limitation, (i) initial lease payments pursuant to the Ground Lease, (ii) legal fees and expenses, (iii) accounting fees and expenses, (iv) costs of real estate consultants (such as engineers, the Architect and appraisers), (v) real estate escrows and closing costs, (vi) costs of securing the Requisite Approvals, (vii) travel and communication expenses, (viii) title insurance fees and costs, (ix) transfer and recording fees and taxes, (x) broker commissions and (xi) commitment fees, loan fees and other financing costs.

Act: The Virginia Limited Liability Act (Chapter 12 of Title 13.1 of the Code of Virginia, et seq.), as amended from time to time.

Actual Credits: The Actual Federal Housing Tax Credits.

Actual Federal Housing Tax Credits: With respect to any period of time, the total amount of the Federal Housing Tax Credits actually allocated by the Company to the Investor Member

* * *

SIGNATURE PAGE TO
AMENDED AND RESTATED
OPERATING AGREEMENT
(dated as of December 1, 2020)

ARROWBROOK II MANAGING MEMBER, LLC, a Delaware
limited liability company

By: SCG Development Partners, LLC, a Delaware limited
liability company, its managing member

By: SCG Development Manager, LLC, a Delaware limited
liability company, its managing member

By: SCG Capital Corp., a Delaware corporation, its
sole member

Witness:

Name:

Sl Cole
Sandra L. Cole

By:

SPW
Name: Stephen P. Wilson

Title: President – Virginia Office

* * *

SIGNATURE PAGE TO
AMENDED AND RESTATED
OPERATING AGREEMENT
(dated as of December 1, 2020)

STRATFORD SLP, INC., a Delaware corporation,
as Special Member

Witness: M B Manos
Name: Meredith B. Manos

By: 
Name: Benjamin D. Mottola
Title: President

* * *

SIGNATURE PAGE TO
AMENDED AND RESTATED
OPERATING AGREEMENT
(dated as of December 1, 2020)

**STRATFORD ARROWBROOK II
INVESTORS LIMITED PARTNERSHIP**, a
Massachusetts limited partnership, as Investor
Member

By: SCG Capital Corp., a Delaware corporation,
its General Partner

Witness: Mzmanos
Name: Meredith B. Manos

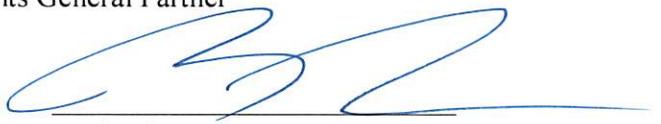
By: 
Name: Benjamin D. Mottola
Title: President

Exhibit 1**SCHEDULE OF MEMBERS**

<u>Name and Address</u>	<u>Percentage Interest</u>	<u>Capital Contribution</u>
<u>Managing Member:</u> Arrowbrook II Managing Member, LLC 8245 Boone Boulevard Tyson's Corner, Virginia 22182	0.01%	\$100
<u>Investor Member:</u> Stratford Arrowbrook II Investors Limited Partnership c/o Stratford Capital Group LLC 100 Corporate Place Suite 404 Peabody, MA 01960 Attention: Asset Management (Ovation at Arrowbrook II)	99.98%	\$12,211,000*
<u>Special Member:</u> Stratford SLP, Inc. c/o Stratford Capital Group LLC 100 Corporate Place, Suite 404 Peabody, Massachusetts 01960 Attention: Asset Management (Ovation at Arrowbrook II)	0.01%	\$100

* See Section 4.2

FINANCIAL PROJECTIONS

EXHIBIT 2

ARROWBROOK APARTMENTS II, LLC



Last Revised: 12/20/20

3:51 PM

Last Edited (Initials): JJB

GENERAL INFORMATION - 4%

Directory Name:	S:\LIHTC\SCG Development Partners\Arrowbrook Centre		
File Name:	Arrowbrook - OpTr 4% (12.10.20) .xslm		
Project Name:	Arrowbrook Centre - 4%		
Street Address:	Centreville Road		
City:	Herndon	County:	Fairfax
State:	VA	Zipcode:	20171
Sponsor (City, State):	SCG Developer Partners (Tysons Corner, VA)		
Developer Contact:	Stephanie Marcus; Jason Duguay		

Development Type (Acq_Rehab / New Construction):	New Construction
Tenancy Type (Family / Senior):	Family
# Revenue Producing Units:	148
# Buildings / BINS:	1

Statistical Area:	Washington-Arlington-Alexandria, DC-VA-MD HUD
Area Median Income:	126,000
HUD Data Year:	2020

Projections Start Date:	12/01/20
Construction Start:	12/01/20
Construction Completed:	24 12/01/22
Rent Up Begins:	12/01/22
Rent Up Completed:	6 06/01/23
Sales Date:	12/31/37

Unit Delivery (months)	1
Unit Rent-Up (months)	6
Tax Credit Begins	2023

Acquisition Credit %	Dec-20	3.09%
Rehabilitation Credit %	Dec-20	3.09%
Maximum LIHTC Allocated		0
Low Income Percentage		100%
Difficult Development Area / QCT?		No
Fed Historic Tax Credits		0
Fed Historic Tax Credit %		N/A

Property Owner:	Arrowbrook Apartments II, LLC
Managing Member:	Arrowbrook II Managing Member, LLC
Special Member:	Stratford SLP, Inc.
Investor Member:	Stratford Arrowbrook II Investors Limited Partnership

Investor Capital Contributions

Date	Payment Threshold	Contribution Amount	%
12/01/20	Initial Closing	3,053,000	25.0%
01/01/22	50% Completion	3,053,000	25.0%
01/01/23	Completion Date	3,053,000	25.0%
10/01/23	Final Closing / QO	2,747,000	22.5%
01/01/24	Stabilization / 8609	305,000	2.5%
Totals		12,211,000	100.0%

Price Per FED LIHTC:	\$0.8900
Price Per FED Historic Credit:	N/A

Allocation Percentages				
	To GP	To SLP	To State LP	To LP
Tax Allocation	0.01%	0.01%	0.00%	99.98%
NCF Allocation	0.01%	0.01%	0.00%	99.98%
NCP Allocation	90.00%	0.01%	0.00%	9.99%

Tax Rate	21.0%
Tax Rate - Sale	21.0%

Depreciation:	Real Property	30.0
	Personal Property	5.0
	Site Improvements	15.0

Investor Counsel:	Holland & Knight
Lawyer:	Dayna Hutchins
Lawyer:	Jarrod Connors

ARROWBROOK APARTMENTS II, LLC

FINANCING SUMMARY

Permanent Financing Assumptions			
First Mortgage Loan		M&T Freddie TEL	
Loan Amount	22,500,000	Loan Amount	-
Interest Rate	3.71%	Interest Rate	0.00%
Loan Term (Months)	204	Loan Term (Months)	-
Amortization Period (Months)	480	Amortization Period (Months)	-
Percent of Cash Flow Limit	100.00%	Percent of Cash Flow Limit	0.00%
Commencement	Oct-23	Commencement	Jan-00
Hard Debt (Y/N)?	Yes	Hard Debt (Y/N)?	No
Second Mortgage Loan		Fifth Mortgage Loan	
M&T (Taxable Portion)		Lender	
Loan Amount	6,169,000	Loan Amount	-
Interest Rate (Simple)	4.11%	Interest Rate	0.00%
Loan Term (Months)	204	Loan Term (Months)	-
Amortization Period (Months)	480	Amortization Period (Months)	-
Percent of Cash Flow Limit	100.00%	Percent of Cash Flow Limit	0.00%
Commencement	Oct-23	Commencement	Jan-00
Hard Debt (Y/N)?	Yes	Hard Debt (Y/N)?	No
Third Mortgage Loan		DEFERRED DEVELOPMENT FEE	
FCRHA Blueprint			
Loan Amount	5,750,000	Deferred Development Fee	2,777,694
Interest Rate	2.00%	Interest Rate	0.00%
Loan Term (Months)	360	Term	156
Amortization Period (Months)	480	Percent of Cash Flow Limit	100.00%
Percent of Cash Flow Limit	50.00%	Commencement	Dec-20
Commencement	Oct-23		
Hard Debt (Y/N)?	No		

Construction Financing		TD / M&T	
Construction Loan	38,509,945		
Interest Rate	3.25%		
Fixed or Variable Rate?	Variable		
Commencement	Dec-20		
Ending date (month/day/yr)	Oct-23		

Additional Permanent Sources	
Return of Good Faith Deposit	573,380

SOURCE AND USE OF FUNDS

Description	Total	Total Per Unit	Eligible Acquisition Basis	Eligible Const/Rehab Basis	Non-Eligible Basis	Funded Expense	Other
Investor Capital Contributions	12,211,000	82,507					
First Mortgage Loan - M&T Freddie TEL	22,500,000	152,027					
Second Mortgage Loan - M&T (Taxable Portion)	6,169,000	41,682					
Third Mortgage Loan - FCRA Blueprint	5,750,000	38,851					
Return of Good Faith Deposit	573,380	3,874					
Deferred Development Fee	2,777,694	18,768					
Total Sources:	49,981,074	337,710					
Ground Lease Payment	1,000	7	-	-	-	-	1,000
On Site Improvements	2,175,284	14,698	-	2,175,284	-	-	-
Off Site Improvements	1,131,568	7,646	-	-	-	-	1,131,568
Residential Construction	25,593,422	172,929	-	25,593,422	-	-	-
General Requirements	1,747,701	11,809	-	1,747,701	-	-	-
Overhead/Profit	1,434,841	9,695	-	1,434,841	-	-	-
Insurance Taxes Bond	1,229,308	8,306	-	1,229,308	-	-	-
Construction Contingency	1,665,656	11,254	-	1,665,656	-	-	-
Capitalized Association Fees	118,010	797	-	59,005	59,005	-	-
Supplemental Reimbursement to Landlord Predev.	67,051	453	-	67,051	-	-	-
A&E Design	1,108,219	7,488	-	1,108,219	-	-	-
A&E Supervision	257,101	1,737	-	257,101	-	-	-
Civil Engineering	345,078	2,332	-	345,078	-	-	-
Building Permits	69,811	472	-	69,811	-	-	-
Impact Fees	127,964	865	-	127,964	-	-	-
Water/Sewer Tap Fees	1,521,974	10,284	-	1,521,974	-	-	-
RESERVED	-	0	-	-	-	-	-
Market Study	9,036	61	-	9,036	-	-	-
Environmental Report	1,864	13	-	1,864	-	-	-
Geotechnical Investigation	2,682	18	-	2,682	-	-	-
Soil Testing During Construction	81,132	548	-	81,132	-	-	-
Green Consultant	24,289	164	-	24,289	-	-	-
Boundary Topographical Survey	13,008	88	-	13,008	-	-	-
Zoning/Site Plan Fees	16,963	115	-	16,963	-	-	-
As Built Survey	10,728	72	-	10,728	-	-	-
Real Estate Legal	214,564	1,450	-	107,282	-	107,282	-
Construction Loan Origination	327,271	2,211	-	327,271	-	-	-
Construction Loan Interest	2,419,850	16,350	-	1,500,000	-	919,850	-
Permanent Loan Origination	342,831	2,316	-	-	-	342,831	-
Lender Legal/App Fee	281,615	1,903	-	-	-	281,615	-
Lender Third Parties/Other/LIHTC Consultant	26,805	181	-	13,403	-	13,402	-
Good Faith Deposit	573,380	3,874	-	-	-	-	573,380
Tax Credit Reservation Fee	103,404	699	-	-	-	103,404	-
Bond Cost of Issuance	890,492	6,017	-	-	-	890,492	-
PIS App, Plan Review, Const Inspection	32,185	217	-	32,185	-	-	-
Tax Credit Organizational Costs	50,000	338	-	-	-	50,000	-
Real Estate Taxes	187,743	1,269	-	187,743	-	-	-
Title and Recording Fees	195,067	1,318	-	97,534	-	97,533	-
Accounting/Cost Cert	16,092	109	-	8,046	-	8,046	-
Insurance (GL/BR)	487,512	3,294	-	487,512	-	-	-
FF&E	146,976	993	-	146,976	-	-	-
Marketing	40,231	272	-	-	-	40,231	-
Soft Cost Contingency	150,001	1,014	-	19,001	-	131,000	-
Operating Reserve	818,977	5,534	-	-	-	-	818,977
Developer Fee	3,922,388	26,503	-	3,922,388	-	-	-
Total Uses:	49,981,074	337,710	0	44,411,458	59,005	2,985,686	2,524,925

Tax Exempt Proceeds as a Percentage of Land and Depreciable Basis
 Tax Exempt Portion of Bond Proceeds

50.66%
 22,500,000

OPERATING ASSUMPTIONS

Rental Income				
Units	No. of Units	Rent per Month	Total Rent per Month	Total Annual Rent
Studio - 60%	10	\$1,242	\$12,420	\$149,040
1 BD - 60%	20	\$1,318	\$26,350	\$316,200
2 BD - 60%	91	\$1,577	\$143,507	\$1,722,084
3 BD - 60%	27	\$1,819	\$49,102	\$589,224
	<u>148</u>		<u>\$231,379</u>	<u>\$2,776,548</u>
Other Income	41.67		\$6,167	\$74,004
Escalation	2.00%			
Total Economic Vacancy	5.00%			
Base Year	2022			

Operating Expenses				
	Stabilized	2022	2023	2024
Advertising / Leasing	10,480	873	10,506	10,821
General & Administrative	44,104	3,675	44,214	45,541
Utilities	31,087	2,591	31,165	32,100
Payroll	202,660	16,888	203,166	209,261
Operations & Maintenance	261,029	21,752	261,682	269,532
Insurance	56,771	4,731	56,913	58,620
Real Estate Taxes	337,851	28,154	338,696	348,856
Management Fee	81,241	1,144	70,306	83,004
Total Expenses Net of Reserves	<u>1,025,222</u>	<u>79,809</u>	<u>1,016,648</u>	<u>1,057,736</u>
Replacement Reserves	<u>37,000</u>	<u>0</u>	<u>9,250</u>	<u>37,367</u>
Total Operating Expenses	<u>1,062,222</u>	<u>79,809</u>	<u>1,025,898</u>	<u>1,095,103</u>
Stabilized Expense Per Unit	7,177			
Escalation	3.00%			
Base Year	2022			

Management Fee	3.00%			
Subordinated Management Fee	1.00%			
Related Party Property Manager?	No	If Yes, % of PMF Deferred (\$8):	100.0%	
Blueprint Monitoring Fee - Year 1	5,000			
Blueprint Monitoring Fee - Ongoing	5,150	Escalate?	Yes	3.0%
Asset Management Fee - Year 1	7,500			
Asset Management Fee - Ongoing	7,725	Escalate?	Yes	3.0%

Replacement Reserves	\$250	Per Unit	\$37,000	Per Year
Start Month	10			
Start Year	2023			
Escalation	3.00%			
Investment Rate	0.75%			
Withdrawal Years	3			

Phase-In of Units						
	Cum Units Rented / Unrenovated	Cumulative Units Completed	Cumulative Units Rented	Rent 1,563.37	Other Inc. 41.67	Tax Credits 772.55
Jan-22	-	0	-	-	0	0
Feb-22	-	0	-	-	0	0
Mar-22	-	0	-	-	0	0
Apr-22	-	0	-	-	0	0
May-22	-	0	-	-	0	0
Jun-22	-	0	-	-	0	0
Jul-22	-	0	-	-	0	0
Aug-22	-	0	-	-	0	0
Sep-22	-	0	-	-	0	0
Oct-22	-	0	-	-	0	0
Nov-22	-	0	-	-	0	0
Dec-22	-	148	25	39,084	1,042	0
2022				<u>39,084</u>	<u>1,042</u>	<u>0</u>

	Cum Units Rented / Unrenovated	Cumulative Units Completed	Cumulative Units Rented	Rent 1,594.64	Other Inc. 42.50	Tax Credits 772.55
Jan-23	-	148	50	78,169	2,083	38,627
Feb-23	-	148	75	117,253	3,125	57,941
Mar-23	-	148	100	156,337	4,167	77,255
Apr-23	-	148	125	195,422	5,208	96,568
May-23	-	148	148	231,379	6,167	114,337
Jun-23	-	148	148	231,379	6,167	114,337
Jul-23	-	148	148	231,379	6,167	114,337
Aug-23	-	148	148	231,379	6,167	114,337
Sep-23	-	148	148	231,379	6,167	114,337
Oct-23	-	148	148	231,379	6,167	114,337
Nov-23	-	148	148	231,379	6,167	114,337
Dec-23	-	148	148	236,007	6,290	114,337
2023				<u>2,402,842</u>	<u>64,040</u>	<u>1,185,084</u>

	Cum Units Rented / Unrenovated	Cumulative Units Completed	Cumulative Units Rented	Rent 1,626.53	Other Inc. 43.35	Tax Credits 772.55
Jan-24	-	148	148	236,007	6,290	114,337
Feb-24	-	148	148	236,007	6,290	114,337
Mar-24	-	148	148	236,007	6,290	114,337
Apr-24	-	148	148	236,007	6,290	114,337
May-24	-	148	148	236,007	6,290	114,337
Jun-24	-	148	148	236,007	6,290	114,337
Jul-24	-	148	148	236,007	6,290	114,337
Aug-24	-	148	148	236,007	6,290	114,337
Sep-24	-	148	148	236,007	6,290	114,337
Oct-24	-	148	148	236,007	6,290	114,337
Nov-24	-	148	148	236,007	6,290	114,337
Dec-24	-	148	148	240,727	6,416	114,337
2024				<u>2,836,802</u>	<u>75,606</u>	<u>1,372,040</u>

ARROWBROOK APARTMENTS II, LLC

PROJECTED CASH FLOW

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTAL
INCOME																	
Gross Potential Income	39,084	2,402,842	2,836,802	2,893,538	2,951,408	3,010,436	3,070,645	3,132,058	3,194,699	3,258,593	3,323,765	3,390,240	3,458,045	3,527,206	3,597,750	3,669,705	47,756,818
Other Income	1,042	64,040	75,606	77,118	78,660	80,233	81,838	83,475	85,144	86,847	88,584	90,356	92,163	94,006	95,886	97,804	1,272,804
Vacancy	(2,006)	(123,344)	(145,620)	(148,533)	(151,503)	(154,533)	(157,624)	(160,777)	(163,992)	(167,272)	(170,617)	(174,030)	(177,510)	(181,061)	(184,682)	(188,375)	(2,451,481)
Net Rental Income	38,120	2,343,538	2,766,787	2,822,123	2,878,565	2,936,136	2,994,859	3,054,756	3,115,852	3,178,169	3,241,732	3,306,567	3,372,698	3,440,152	3,508,955	3,579,134	46,578,142
Economic Vacancy	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
EXPENSES																	
Advertising / Leasing	873	10,506	10,821	11,146	11,480	11,825	12,180	12,545	12,921	13,309	13,708	14,119	14,543	14,979	15,429	15,892	196,277
General & Administrative	3,675	44,214	45,541	46,907	48,314	49,764	51,256	52,794	54,378	56,009	57,690	59,420	61,203	63,039	64,930	66,878	826,013
Utilities	2,591	31,165	32,100	33,063	34,055	35,076	36,128	37,212	38,329	39,479	40,663	41,883	43,139	44,433	45,766	47,139	582,221
Payroll	16,888	203,166	209,261	215,539	222,005	228,666	235,526	242,591	249,869	257,365	265,086	273,039	281,230	289,667	298,357	307,307	3,795,563
Operations & Maintenance	21,752	261,682	269,532	277,618	285,946	294,525	303,361	312,461	321,835	331,490	341,435	351,678	362,228	373,095	384,288	395,817	4,888,745
Insurance	4,731	56,913	58,620	60,379	62,190	64,056	65,978	67,957	69,996	72,096	74,258	76,486	78,781	81,144	83,579	86,086	1,063,250
Real Estate Taxes	28,154	338,696	348,856	359,322	370,102	381,205	392,641	404,420	416,553	429,049	441,921	455,179	468,834	482,899	497,386	512,308	6,327,525
Management Fees	1,144	70,306	83,004	84,664	86,357	88,084	89,846	91,643	93,476	95,345	97,252	99,197	101,181	103,205	105,269	107,374	1,397,344
Total Expenses	79,809	1,016,648	1,057,736	1,088,638	1,120,450	1,153,200	1,186,915	1,221,624	1,257,356	1,294,142	1,332,013	1,371,001	1,411,139	1,452,462	1,495,003	1,538,801	19,076,937
Net Operating Income	(41,689)	1,326,890	1,709,051	1,733,485	1,758,115	1,782,936	1,807,944	1,833,132	1,858,495	1,884,026	1,909,719	1,935,565	1,961,559	1,987,690	2,013,952	2,040,333	27,501,205
Replacement Reserves	-	(9,250)	(37,367)	(38,488)	(39,643)	(40,832)	(42,057)	(43,319)	(44,619)	(45,957)	(47,336)	(48,756)	(50,219)	(51,725)	(53,277)	(54,875)	(647,720)
Cash Flow Available for DS	(41,689)	1,317,640	1,671,684	1,694,997	1,718,472	1,742,104	1,765,887	1,789,813	1,813,877	1,838,069	1,862,383	1,886,810	1,911,340	1,935,965	1,960,675	1,985,458	26,853,485
DEBT SERVICE																	
First Mortgage Loan	-	(270,058)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(1,080,231)	(15,393,291)
Second Mortgage Loan	-	(78,619)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(314,475)	(4,481,272)
Project Debt Service	-	(348,677)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(1,394,706)	(19,874,563)
Net Cash Flow	(41,689)	968,963	276,978	300,291	323,766	347,398	371,181	395,107	419,170	443,363	467,677	492,103	516,634	541,259	565,969	590,752	6,978,921
Debt Service Coverage		3.78	1.20	1.22	1.23	1.25	1.27	1.28	1.30	1.32	1.34	1.35	1.37	1.39	1.41	1.42	
Year																	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTAL
NCF Available	(41,689)	968,963	276,978	300,291	323,766	347,398	371,181	395,107	419,170	443,363	467,677	492,103	516,634	541,259	565,969	590,752	6,978,921
Bond Monitoring Fee	-	(14,024)	(55,466)	(54,812)	(54,134)	(53,430)	(52,699)	(51,941)	(51,154)	(50,337)	(49,490)	(48,610)	(47,698)	(46,751)	(45,768)	(44,748)	(721,062)
Net Cash Flow	(41,689)	954,939	221,512	245,478	269,632	293,968	318,482	343,166	368,017	393,026	418,187	443,493	468,936	494,508	520,200	546,003	6,257,859
Subordinated Mgt. Fee	-	(24,028)	(28,368)	(28,935)	(29,514)	(30,104)	(30,706)	(31,321)	(31,947)	(32,586)	(33,238)	(33,902)	(34,580)	(35,272)	(35,978)	(36,697)	(477,177)
NCF Available	(41,689)	930,911	193,144	216,543	240,118	263,864	287,775	311,846	336,070	360,440	384,949	409,591	434,356	459,236	484,223	509,306	5,780,682
Working Capital / Lease Up	41,689	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,689
NCF Available	-	930,911	193,144	216,543	240,118	263,864	287,775	311,846	336,070	360,440	384,949	409,591	434,356	459,236	484,223	509,306	5,822,371
Asset Mgmt Fee	-	(23,182)	(8,195)	(8,441)	(8,695)	(8,955)	(9,224)	(9,501)	(9,786)	(10,079)	(10,382)	(10,693)	(11,014)	(11,344)	(11,685)	(12,035)	(163,212)
NCF Available	-	907,729	184,948	208,102	231,424	254,909	278,551	302,345	326,284	350,360	374,567	398,897	423,342	447,892	472,538	497,271	5,659,159
Deferred Dev. Fee	-	(907,729)	(184,948)	(208,102)	(231,424)	(254,909)	(278,551)	(302,345)	(326,284)	(350,360)	(374,567)	(398,897)	(423,342)	(447,892)	(472,538)	(497,271)	(2,777,694)
NCF Available	-	-	-	-	-	-	-	-	-	266,958	374,567	398,897	423,342	447,892	472,538	497,271	2,881,465
Blueprint Monitoring Fee	-	-	-	-	-	-	-	-	-	(6,731)	(6,720)	(6,921)	(7,129)	(7,342)	(7,563)	(7,790)	(100,784)
NCF Available	-	-	-	-	-	-	-	-	-	209,638	367,848	391,976	416,213	440,549	464,975	489,481	2,780,680
Third Mortgage Loan	-	-	-	-	-	-	-	-	-	(104,819)	(183,924)	(195,988)	(208,106)	(220,274)	(232,488)	(244,741)	(1,390,340)
NCF Available	-	-	-	-	-	-	-	-	-	104,819	183,924	195,988	208,106	220,274	232,488	244,741	1,390,340
Partnership Mgmt. Fee	-	-	-	-	-	-	-	-	-	(94,337)	(165,532)	(176,389)	(187,296)	(198,247)	(209,239)	(220,267)	(1,251,306)
L.P. Cash Flow	-	-	-	-	-	-	-	-	-	10,482	18,392	19,599	20,811	22,027	23,249	24,474	139,034
Total L.P. Cash Flow	-	-	-	-	-	-	-	-	-	10,482	18,392	19,599	20,811	22,027	23,249	24,474	139,034
ILP Net Cash Flow	-	-	-	-	-	-	-	-	-	10,480	18,389	19,595	20,806	22,023	23,244	24,469	139,006

ARROWBROOK APARTMENTS II, LLC

PROJECTED TAXABLE INCOME (LOSS)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTAL
Net Operating Income	(41,689)	1,326,890	1,709,051	1,733,485	1,758,115	1,782,936	1,807,944	1,833,132	1,858,495	1,884,026	1,909,719	1,935,565	1,961,559	1,987,690	2,013,952	2,040,333	27,501,205
Interest Expense	-	(300,582)	(1,195,529)	(1,185,703)	(1,175,453)	(1,164,764)	(1,153,617)	(1,141,994)	(1,129,874)	(1,117,239)	(1,101,970)	(1,084,519)	(1,066,171)	(1,046,894)	(1,026,658)	(1,005,429)	(15,896,397)
Bond Monitoring Fee	-	(14,024)	(55,466)	(54,812)	(54,134)	(53,430)	(52,699)	(51,941)	(51,154)	(50,337)	(49,490)	(48,610)	(47,698)	(46,751)	(45,768)	(44,748)	(721,062)
Subordinated Management Fee	-	(24,028)	(28,368)	(28,935)	(29,514)	(30,104)	(30,706)	(31,321)	(31,947)	(32,586)	(33,238)	(33,902)	(34,580)	(35,272)	(35,978)	(36,697)	(477,177)
Asset Mgmt Fee	-	(23,182)	(8,195)	(8,441)	(8,695)	(8,955)	(9,224)	(9,501)	(9,786)	(10,079)	(10,382)	(10,693)	(11,014)	(11,344)	(11,685)	(12,035)	(163,212)
Blueprint Monitoring Fee	-	-	-	-	-	-	-	-	-	(57,319)	(6,720)	(6,921)	(7,129)	(7,343)	(7,563)	(7,790)	(100,784)
Partnership Management Fee	-	-	-	-	-	-	-	-	-	(94,337)	(165,532)	(176,389)	(187,296)	(198,247)	(209,239)	(220,267)	(1,251,306)
Interest on Replacement Reserves	-	-	69	350	291	591	901	322	649	989	352	710	1,081	385	776	1,181	8,647
Interest on Operating / Debt Service Reserves	-	-	6,142	6,188	6,235	6,282	6,329	6,376	6,424	6,472	6,521	6,570	6,619	6,669	6,719	6,769	90,315
Depreciation	(398,274)	(3,486,459)	(2,648,635)	(2,141,840)	(1,992,699)	(1,896,905)	(1,371,569)	(1,409,954)	(1,391,050)	(1,382,425)	(1,422,431)	(1,400,970)	(1,384,417)	(1,428,574)	(1,404,660)	(1,370,878)	(26,531,739)
Funded Expenses	(116,607)	(1,090,444)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(107,050)	(106,153)	(2,704,851)
Taxable Income (Loss)	(556,570)	(3,611,830)	(2,327,981)	(1,786,759)	(1,602,903)	(1,471,398)	(909,691)	(911,929)	(855,292)	(959,886)	(980,220)	(926,210)	(876,095)	(886,730)	(827,154)	(755,714)	(20,246,362)
Taxable Income (Loss)	(556,570)	(3,611,830)	(2,327,981)	(1,786,759)	(1,602,903)	(1,471,398)	(909,691)	(911,929)	(855,292)	(959,886)	(980,220)	(926,210)	(876,095)	(886,730)	(827,154)	(755,714)	(20,246,362)
Taxable Income (Loss) to LP	(556,459)	(3,611,107)	(2,327,515)	(1,786,401)	(1,602,582)	(1,471,104)	(909,509)	(911,747)	(855,121)	(959,694)	(980,024)	(926,024)	(875,920)	(886,553)	(826,988)	(755,563)	(20,242,313)
Taxable Income (Loss) to LP	(556,459)	(3,611,107)	(2,327,515)	(1,786,401)	(1,602,582)	(1,471,104)	(909,509)	(911,747)	(855,121)	(959,694)	(980,024)	(926,024)	(875,920)	(886,553)	(826,988)	(755,563)	(20,242,313)

ARROWBROOK APARTMENTS II, LLC
LOAN AMORTIZATION SCHEDULE
First Mortgage Loan - M&T Freddie TEL

Principal	22,500,000
Rate	3.71%
Loan Term (Months)	204
Amortization Period (Months)	480
Beginning Month	10
Beginning Year	2023
Monthly Payment	90,019

Month	Year	Payment	Principal	Interest	Balance
1	2023	270,058	61,560	208,498	22,438,440
4	2024	1,080,231	252,022	828,209	22,186,418
16	2025	1,080,231	261,532	818,699	21,924,886
28	2026	1,080,231	271,402	808,829	21,653,484
40	2027	1,080,231	281,644	798,587	21,371,840
52	2028	1,080,231	292,272	787,959	21,079,568
64	2029	1,080,231	303,302	776,929	20,776,266
76	2030	1,080,231	314,748	765,483	20,461,518
88	2031	1,080,231	326,625	753,605	20,134,893
100	2032	1,080,231	338,951	741,279	19,795,941
112	2033	1,080,231	351,743	728,488	19,444,199
124	2034	1,080,231	365,016	715,214	19,079,182
136	2035	1,080,231	378,791	701,440	18,700,391
148	2036	1,080,231	393,086	687,145	18,307,305
160	2037	1,080,231	407,920	672,311	17,899,385
TOTAL		15,393,291	4,600,615	10,792,677	

ARROWBROOK APARTMENTS II, LLC
LOAN AMORTIZATION SCHEDULE
Second Mortgage Loan - M&T (Taxable Portion)

Principal	6,169,000
Rate	4.11%
Loan Term (Months)	204
Amortization Period (Months)	480
Beginning Month	10
Beginning Year	2023
Monthly Payment	26,206

Month	Year	Payment	Principal	Period Interest	Balance
1	2023	78,619	15,285	63,334	6,153,715
4	2024	314,475	62,730	251,745	6,090,985
16	2025	314,475	65,358	249,117	6,025,627
28	2026	314,475	68,095	246,380	5,957,532
40	2027	314,475	70,947	243,528	5,886,585
52	2028	314,475	73,919	240,557	5,812,666
64	2029	314,475	77,015	237,461	5,735,652
76	2030	314,475	80,240	234,235	5,655,411
88	2031	314,475	83,601	230,874	5,571,810
100	2032	314,475	87,102	227,373	5,484,708
112	2033	314,475	90,751	223,725	5,393,957
124	2034	314,475	94,551	219,924	5,299,406
136	2035	314,475	98,512	215,964	5,200,894
148	2036	314,475	102,638	211,838	5,098,257
160	2037	314,475	106,936	207,539	4,991,320
TOTAL		4,481,272	1,177,680	3,303,592	

ARROWBROOK APARTMENTS II, LLC
LOAN AMORTIZATION SCHEDULE
Third Mortgage Loan - FCRHA Blueprint

Principal	5,750,000
Rate	2.00%
Loan Term (Months)	360
Amortization Period (Months)	480
Beginning Month	10
Beginning Year	2023
Monthly Payment	0

Month	Year	Payment	Principal	Period Interest	Balance
1	2023	-	-	28,750	5,778,750
4	2024	-	-	115,575	5,894,325
16	2025	-	-	117,887	6,012,212
28	2026	-	-	120,244	6,132,456
40	2027	-	-	122,649	6,255,105
52	2028	-	-	125,102	6,380,207
64	2029	-	-	127,604	6,507,811
76	2030	-	-	130,156	6,637,967
88	2031	104,819	-	132,759	6,665,907
100	2032	183,924	-	133,318	6,615,302
112	2033	195,988	-	132,306	6,551,620
124	2034	208,106	-	131,032	6,474,546
136	2035	220,274	-	129,491	6,383,762
148	2036	232,488	-	127,675	6,278,950
160	2037	244,741	-	125,579	6,159,788
TOTAL		1,390,340	0	1,800,128	

ARROWBROOK APARTMENTS II, LLC
DEFERRED DEVELOPMENT FEE

Principal 2,777,694
Rate 0.00%
Term in Months 156
Beginning Date 12/1/2020

Year	NCF Payment	Principal	Paid Interest	Period Interest	Accrued Interest	Balance
2020	-	-	-	-	-	2,777,694
2021	-	-	-	-	-	2,777,694
2022	-	-	-	-	-	2,777,694
2023	907,729	907,729	-	-	-	1,869,965
2024	184,948	184,948	-	-	-	1,685,016
2025	208,102	208,102	-	-	-	1,476,915
2026	231,424	231,424	-	-	-	1,245,491
2027	254,909	254,909	-	-	-	990,583
2028	278,551	278,551	-	-	-	712,031
2029	302,345	302,345	-	-	-	409,686
2030	326,284	326,284	-	-	-	83,403
2031	83,403	83,403	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
TOTAL	2,777,694	2,777,694	0	0		

ARROWBROOK APARTMENTS II, LLC

DEBT SERVICE SUMMARY

Project Debt Service					Other Debt Service		Interest on Debt Service				
Year	First Mortgage	Second Mortgage	Third Mortgage	Total Project Debt Service	Deferred Development	Total Other Debt Service	First Mortgage	Second Mortgage	Third Mortgage	DDF	Total Interest
2022	-	-	-	-	-	-	-	-	-	-	-
2023	270,058	78,619	-	348,677	907,729	907,729	208,498	63,334	28,750	-	300,582
2024	1,080,231	314,475	-	1,394,706	184,948	184,948	828,209	251,745	115,575	-	1,195,529
2025	1,080,231	314,475	-	1,394,706	208,102	208,102	818,699	249,117	117,887	-	1,185,703
2026	1,080,231	314,475	-	1,394,706	231,424	231,424	808,829	246,380	120,244	-	1,175,453
2027	1,080,231	314,475	-	1,394,706	254,909	254,909	798,587	243,528	122,649	-	1,164,764
2028	1,080,231	314,475	-	1,394,706	278,551	278,551	787,959	240,557	125,102	-	1,153,617
2029	1,080,231	314,475	-	1,394,706	302,345	302,345	776,929	237,461	127,604	-	1,141,994
2030	1,080,231	314,475	-	1,394,706	326,284	326,284	765,483	234,235	130,156	-	1,129,874
2031	1,080,231	314,475	104,819	1,499,525	83,403	83,403	753,605	230,874	132,759	-	1,117,239
2032	1,080,231	314,475	183,924	1,578,630	-	-	741,279	227,373	133,318	-	1,101,970
2033	1,080,231	314,475	195,988	1,590,694	-	-	728,488	223,725	132,306	-	1,084,519
2034	1,080,231	314,475	208,106	1,602,813	-	-	715,214	219,924	131,032	-	1,066,171
2035	1,080,231	314,475	220,274	1,614,981	-	-	701,440	215,964	129,491	-	1,046,894
2036	1,080,231	314,475	232,488	1,627,194	-	-	687,145	211,838	127,675	-	1,026,658
2037	1,080,231	314,475	244,741	1,639,447	-	-	672,311	207,539	125,579	-	1,005,429
	<u>15,393,291</u>	<u>4,481,272</u>	<u>1,390,340</u>	<u>21,264,903</u>	<u>2,777,694</u>	<u>2,777,694</u>	<u>10,792,677</u>	<u>3,303,592</u>	<u>1,800,128</u>	<u>-</u>	<u>15,896,397</u>

ARROWBROOK APARTMENTS II, LLC

DEPRECIATION SCHEDULE

Total Capitalized Costs	44,470,463
Existing Structures	-
Less: Historic Credit	-
Less: Site Improvement	2,175,284
Less: Personal Property	<u>5,370,269</u>
Total Real Property	<u><u>36,924,910</u></u>

	<u>2025</u>	<u>2028</u>	<u>2031</u>	<u>2034</u>	<u>2037</u>
Replacement Reserves	46,686	120,196	131,867	144,100	157,463

Year	Real Property Improvements 30.0	Existing Structure 30.0	Site Improvements 150% 15.0	Personal Property 200% 5.0	Replacement Reserves	Total				
2022	102,570	-	27,191	268,513						398,274
2023	1,230,839	-	214,918	2,040,702						3,486,459
2024	1,230,830	-	193,383	1,224,421						2,648,635
2025	1,230,830	-	174,023	734,653	2,334					2,141,840
2026	1,230,830	-	156,620	587,507	17,741					1,992,699
2027	1,230,830	-	140,958	514,472	10,644					1,896,905
2028	1,230,830	-	128,342		6,387	6,010				1,371,569
2029	1,230,830	-	128,342		5,107	45,674				1,409,954
2030	1,230,830	-	128,342		4,473	27,405				1,391,050
2031	1,230,830	-	128,559			16,443	6,593			1,382,425
2032	1,230,830	-	128,342			13,149	50,109			1,422,431
2033	1,230,830	-	128,559			11,515	30,066			1,400,970
2034	1,230,830	-	128,342				18,039	7,205		1,384,417
2035	1,230,830	-	128,559				14,426	54,758		1,428,574
2036	1,230,830	-	128,342				12,633	32,855		1,404,660
2037	1,230,830	-	112,462					19,713	7,873	1,370,878
	<u>18,565,034</u>	<u>-</u>	<u>2,175,284</u>	<u>5,370,269</u>	<u>46,686</u>	<u>120,196</u>	<u>131,867</u>	<u>114,531</u>	<u>7,873</u>	<u>26,531,739</u>

FUNDED EXPENSES

	Amount	Period	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Balance	Total	
Real Estate Legal	107,282	216	497	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	5,960	17,384	107,282	
Construction Loan Interest	919,850	12	76,654	843,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	919,850
Permanent Loan Origination	342,831	216	1,587	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	19,046	55,551	342,831	
Lender Legal/App Fee	281,615	216	1,304	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	15,645	45,632	281,615
Lender Third Parties/Other/LIHTC Consultant	13,402	216	62	745	745	745	745	745	745	745	745	745	745	745	745	745	745	745	745	2,172	13,402
Tax Credit Reservation Fee	103,404	180	574	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,894	6,319	-	103,404
Bond Cost of Issuance	890,492	216	4,123	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	49,472	144,293	890,492	
Tax Credit Organizational Costs	50,000	180	278	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,056	-	50,000
Title and Recording Fees	97,533	216	452	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	5,419	15,804	97,533	
Accounting/Cost Cert	8,046	180	45	536	536	536	536	536	536	536	536	536	536	536	536	536	536	536	492	-	8,046
Marketing	40,231	2	20,116	20,116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,231
	<u>2,985,686</u>		<u>116,607</u>	<u>1,090,444</u>	<u>107,050</u>	<u>106,153</u>	<u>280,835</u>	<u>2,985,686</u>													

ARROWBROOK APARTMENTS II, LLC

CALCULATION OF TAX CREDIT

	<u>Acquisition Credit</u>	<u>Const./Rehab Credit</u>	<u>Total LIHTC</u>
Eligible Costs	-	44,411,458	
Less:	-	-	
Less:	-	-	
Adjusted Eligible Costs	<u>-</u>	<u>44,411,458</u>	
Low Income Percentage	<u>100.00%</u>	<u>100.00%</u>	
Sub-Total	-	44,411,458	
Difficult Development	<u>N/A</u>	<u>N/A</u>	
Qualified Basis	-	44,411,458	
Credit Rate	<u>3.09%</u>	<u>3.09%</u>	
Total Calculated Credit	<u>0</u>	<u>1,372,314</u>	<u>1,372,314</u>
Tax Credit Allocated			<u>NA</u>
Tax Credit Allowed			1,372,314
Investor Ownership			<u>99.98%</u>
Annual Credit to L.P.s			<u>1,372,040</u>

CAPITAL ACCOUNT ANALYSIS

Year	Investor L.P.									General Partner							
	Taxable Income (Loss)	Cash Flow	Capital Contributions		Historic Credit	Taxable Income (Loss)	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Adjusted Capital Account	Capital Contributions	Historic Credit	Taxable Income (Loss)	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Adjusted Capital Account
			Date	Amount													
2022	(556,570)	-	Various	9,159,000	-	(556,459)	-	8,602,541	-	8,602,541	-	-	(56)	-	(56)	-	(56)
2023	(3,611,830)	-	Various	2,747,000	-	(3,611,107)	-	7,738,434	-	7,738,434	-	-	(361)	-	(417)	-	(417)
2024	(2,327,981)	-	1/1/2024	305,000	-	(2,327,515)	-	5,715,919	-	5,715,919	-	-	(233)	-	(650)	-	(650)
2025	(1,786,759)	-		-	-	(1,786,401)	-	3,929,518	-	3,929,518	-	-	(179)	-	(828)	-	(828)
2026	(1,602,903)	-		-	-	(1,602,582)	-	2,326,935	-	2,326,935	-	-	(160)	-	(989)	-	(989)
2027	(1,471,398)	-		-	-	(1,471,104)	-	855,831	-	855,831	-	-	(147)	-	(1,136)	-	(1,136)
2028	(909,691)	-		-	-	(909,509)	-	(53,678)	-	(53,678)	-	-	(91)	-	(1,227)	-	(1,227)
2029	(911,929)	-		-	-	(911,747)	-	(965,425)	-	(965,425)	-	-	(91)	-	(1,318)	-	(1,318)
2030	(855,292)	-		-	-	(855,121)	-	(1,820,546)	-	(1,820,546)	-	-	(86)	-	(1,403)	-	(1,403)
2031	(959,886)	10,482		-	-	(959,694)	10,480	(2,790,721)	-	(2,790,721)	-	-	(96)	1	(1,500)	-	(1,500)
2032	(980,220)	18,392		-	-	(980,024)	18,389	(3,789,133)	-	(3,789,133)	-	-	(98)	2	(1,600)	-	(1,600)
2033	(926,210)	19,599		-	-	(926,024)	19,595	(4,734,752)	-	(4,734,752)	-	-	(93)	2	(1,695)	-	(1,695)
2034	(876,095)	20,811		-	-	(875,920)	20,806	(5,631,479)	-	(5,631,479)	-	-	(88)	2	(1,785)	-	(1,785)
2035	(886,730)	22,027		-	-	(886,553)	22,023	(6,540,055)	-	(6,540,055)	-	-	(89)	2	(1,875)	-	(1,875)
2036	(827,154)	23,249		-	-	(826,988)	23,244	(7,390,287)	-	(7,390,287)	-	-	(83)	2	(1,961)	-	(1,961)
2037	(755,714)	24,474		-	-	(755,563)	24,469	(8,170,319)	-	(8,170,319)	-	-	(76)	2	(2,039)	-	(2,039)

CALCULATION OF MINIMUM GAIN

	Original Net Assets	Accumulated Replacement Reserves	Accumulated Depreciation	Net Assets	Partnership Non Recourse Liabilities	Partner Non Recourse Liabilities	Total Nonrecourse Liabilities	Partner Minimum Gain	Partnership Minimum Gain	Allocation of Minimum Gain to LP	Reallocation of Loss to GP
2022	44,471,463	0	398,274	44,073,189	34,419,000	-	34,419,000	-	-	0	0
2023	45,290,440	9,250	3,884,734	41,414,956	34,370,905	-	34,370,905	-	-	0	0
2024	45,296,582	46,686	6,533,368	38,809,900	34,171,728	-	34,171,728	-	-	0	0
2025	45,302,770	85,525	8,675,209	36,713,086	33,962,725	-	33,962,725	-	-	0	0
2026	45,309,005	125,459	10,667,907	34,766,557	33,743,472	-	33,743,472	-	-	0	0
2027	45,315,287	166,882	12,564,812	32,917,357	33,513,530	-	33,513,530	596,173	596,054	0	0
2028	45,321,616	209,840	13,936,381	31,595,076	33,272,441	-	33,272,441	1,677,365	1,677,030	0	0
2029	45,327,992	253,481	15,346,335	30,235,139	33,019,729	-	33,019,729	2,784,590	2,784,033	0	0
2030	45,334,416	298,749	16,737,384	28,895,781	32,754,897	-	32,754,897	3,859,116	3,858,345	0	0
2031	45,340,888	345,695	18,119,810	27,566,773	32,372,611	-	32,372,611	4,805,837	4,804,876	0	0
2032	45,347,409	393,383	19,542,241	26,198,551	31,895,951	-	31,895,951	5,697,400	5,696,261	0	0
2033	45,353,979	442,849	20,943,210	24,853,617	31,389,776	-	31,389,776	6,536,159	6,534,851	0	0
2034	45,360,598	494,148	22,327,627	23,527,119	30,853,134	-	30,853,134	7,326,015	7,324,550	0	0
2035	45,367,267	546,258	23,756,201	22,157,325	30,285,047	-	30,285,047	8,127,723	8,126,097	0	0
2036	45,373,986	600,311	25,160,861	20,813,436	29,684,512	-	29,684,512	8,871,075	8,869,301	0	0
2037	45,380,755	656,367	26,531,739	19,505,383	29,050,494	-	29,050,494	9,545,111	9,543,202	0	0

ARROWBROOK APARTMENTS II, LLC
INTEREST EARNINGS ON REPLACEMENT RESERVES

Year	Beginning Balance	Deposits (incl. Cash)	Withdrawals	Interest on Beginning Balance 0.75%	Ending Balance
2022	-	-	-	-	-
2023	-	9,250	-	-	9,250
2024	9,250	37,367	-	69	46,686
2025	46,686	38,488	(46,686)	350	38,838
2026	38,838	39,643	-	291	78,772
2027	78,772	40,832	-	591	120,196
2028	120,196	42,057	(120,196)	901	42,958
2029	42,958	43,319	-	322	86,599
2030	86,599	44,619	-	649	131,867
2031	131,867	45,957	(131,867)	989	46,946
2032	46,946	47,336	-	352	94,634
2033	94,634	48,756	-	710	144,100
2034	144,100	50,219	(144,100)	1,081	51,300
2035	51,300	51,725	-	385	103,410
2036	103,410	53,277	-	776	157,463
2037	157,463	54,875	(157,463)	1,181	56,056
		<u>647,720</u>	<u>(600,311)</u>	<u>8,647</u>	

ARROWBROOK APARTMENTS II, LLC
INTEREST EARNINGS ON OPERATING RESERVES

Year	Beginning Balance	Deposits (incl. Cash)	Withdrawals	Interest on Beginning Balance 0.75%	Ending Balance
2022	-	-	-	-	-
2023	-	818,977	-	-	818,977
2024	818,977	-	-	6,142	825,119
2025	825,119	-	-	6,188	831,307
2026	831,307	-	-	6,235	837,542
2027	837,542	-	-	6,282	843,824
2028	843,824	-	-	6,329	850,153
2029	850,153	-	-	6,376	856,529
2030	856,529	-	-	6,424	862,953
2031	862,953	-	-	6,472	869,425
2032	869,425	-	-	6,521	875,946
2033	875,946	-	-	6,570	882,516
2034	882,516	-	-	6,619	889,135
2035	889,135	-	-	6,669	895,804
2036	895,804	-	-	6,719	902,523
2037	902,523	-	-	6,769	909,292
		818,977	-	90,315	

ARROWBROOK APARTMENTS II, LLC

BONA FIDE DEBT TEST

Revenue Trend: 2.00%
Expense Trend: 3.00%
Vacancy Factor: 5.00%

Year	Proforma NOI	Value @ Cap Rate 5.00%	Aggregate Loan Balances	Difference	Sufficient Residual Value?	Maximum Cap Rate
2022	(41,689)	(833,775)	34,419,000	(35,252,775)	No	-0.12%
2023	1,317,640	26,352,797	34,370,905	(8,018,109)	No	3.83%
2024	1,671,684	33,433,682	34,171,728	(738,046)	No	4.89%
2025	1,694,997	33,899,936	33,962,725	(62,789)	No	4.99%
2026	1,718,472	34,369,442	33,743,472	625,970	Yes	5.09%
2027	1,742,104	34,842,084	33,513,530	1,328,554	Yes	5.20%
2028	1,765,887	35,317,736	33,272,441	2,045,295	Yes	5.31%
2029	1,789,813	35,796,265	33,019,729	2,776,536	Yes	5.42%
2030	1,813,877	36,277,530	32,754,897	3,522,633	Yes	5.54%
2031	1,838,069	36,761,381	32,372,611	4,388,770	Yes	5.68%
2032	1,862,383	37,247,658	31,895,951	5,351,707	Yes	5.84%
2033	1,886,810	37,736,192	31,389,776	6,346,416	Yes	6.01%
2034	1,911,340	38,226,803	30,853,134	7,373,670	Yes	6.19%
2035	1,935,965	38,719,304	30,285,047	8,434,257	Yes	6.39%
2036	1,960,675	39,213,494	29,684,512	9,528,982	Yes	6.61%
2037	1,985,458	39,709,161	29,050,494	10,658,668	Yes	6.83%
2038	2,010,304	40,206,084	28,360,087	11,845,997	Yes	7.09%
2039	2,035,201	40,704,028	27,634,158	13,069,870	Yes	7.36%
2040	2,060,137	41,202,745	26,871,607	14,331,138	Yes	7.67%
2041	2,085,099	41,701,975	26,071,306	15,630,669	Yes	8.00%
2042	2,110,072	42,201,446	25,232,096	16,969,349	Yes	8.36%
2043	2,135,043	42,700,868	24,352,786	18,348,082	Yes	8.77%
2044	2,159,997	43,199,941	23,432,151	19,767,790	Yes	9.22%
2045	2,184,917	43,698,347	22,468,935	21,229,412	Yes	9.72%
2046	2,209,788	44,195,754	21,461,846	22,733,908	Yes	10.30%
2047	2,234,591	44,691,811	20,409,556	24,282,256	Yes	10.95%
2048	2,259,308	45,186,154	19,310,702	25,875,453	Yes	11.70%
2049	2,283,920	45,678,400	18,163,883	27,514,517	Yes	12.57%
2050	2,308,407	46,168,145	16,967,659	29,200,486	Yes	13.60%
2051	2,332,749	46,654,971	15,720,551	30,934,420	Yes	14.84%
2052	2,356,922	47,138,438	14,421,039	32,717,399	Yes	16.34%
2053	2,380,904	47,618,085	13,067,561	34,550,524	Yes	18.22%
2054	2,404,672	48,093,431	11,658,510	36,434,920	Yes	20.63%
2055	2,428,199	48,563,973	10,192,239	38,371,734	Yes	23.82%
2056	2,451,459	49,029,187	8,667,050	40,362,136	Yes	28.28%
2057	2,474,426	49,488,523	7,193,781	42,294,742	Yes	34.40%
2058	2,497,070	49,941,408	6,052,665	43,888,743	Yes	41.26%
2059	2,519,362	50,387,244	4,867,436	45,519,808	Yes	51.76%
2060	2,541,270	50,825,407	3,636,387	47,189,020	Yes	69.88%
2061	2,562,762	51,255,246	2,357,742	48,897,504	Yes	108.70%
2062	2,583,804	51,676,082	1,029,658	50,646,425	Yes	250.94%
2063	2,604,360	52,087,207	(0)	52,087,207	Yes	#####
2064	2,624,394	52,487,882	-	52,487,882	Yes	#DIV/0!

PROJECTED CREDITS

<u>Year</u>	<u>Federal Housing Tax Credits</u>
2023	\$1,185,084
2024	\$1,372,040
2025	\$1,372,040
2026	\$1,372,040
2027	\$1,372,040
2028	\$1,372,040
2029	\$1,372,040
2030	\$1,372,040
2031	\$1,372,040
2032	\$1,372,040
2033	\$186,956
Total	\$13,720,400

CAPITAL CONTRIBUTION INSTALLMENT CERTIFICATE

Arrowbrook II Managing Member, LLC, a Delaware limited liability company, as managing member of Arrowbrook Apartments II, LLC, a Virginia limited liability company (the “Company”), hereby certifies to Stratford Arrowbrook II Investors Limited Partnership, a Massachusetts limited partnership, and its successors and assigns (the “Investor Member”), and Stratford SLP, Inc., a Delaware corporation (the “Special Member,” together with the Investor Member, the “Non-Managing Members”), with respect to the payment by the Investor Member to the Company of the amount due and owing pursuant to *Section 4.2(A)*[] of that certain Amended and Restated Operating Agreement of the Company executed by the Non-Managing Members in connection with the acquisition by the Non-Managing Members of their respective Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Operating Agreement of the Company dated as of December 1, 2020 (the “Operating Agreement”)), as follows:

1. All conditions precedent to the payment of the Investor Member’s Capital Contribution pursuant to *Section 4.2(A)*[] of the Operating Agreement (the “Capital Contribution”) have been satisfied and all documents required to be delivered to the Investor Member in connection therewith are attached hereto as Exhibit A.

2. No Material Default has occurred and is continuing and neither the Investor Member nor the Special Member has delivered a notice of a Material Default that is currently being contested by the Managing Member as of the date of this Capital Contribution Installment Certificate.

3. All of the representations and warranties of the Managing Member set forth in *Section 4.2(B)* and *Article VI* of the Operating Agreement are true and correct in all material respects as of the date of this Capital Contribution Installment Certificate.

4. The proceeds of the Capital Contribution will be applied to pay [].

5. The Capital Contribution amount set forth in *Section 4.2(A)*[] of the Operating Agreement has been [reduced][increased] by \$[] pursuant to *Section 4.3()* and 5.1(O) of the Operating Agreement, back-up verification for which adjustment is included as an attachment to Exhibit A.

This Capital Contribution Installment Certificate is made on the date hereof to induce the Investor Member to pay to the Company a Capital Contribution in amount equal to \$[].

Dated: as of _____, _____

ARROWBROOK II MANAGING MEMBER, LLC, a Delaware limited liability company

By: SCG Development Partners, LLC, a Delaware limited liability company, its managing member

By: SCG Development Manager, LLC, a Delaware limited liability company, its managing member

By: SCG Capital Corp., a Delaware corporation, its sole member

Witness: _____
Name: _____

By: _____
Name: Stephen P. Wilson
Title: President – Virginia Office

EXHIBIT A

DETERMINATION OF TAX CREDITS

[Letterhead of Company Accountants]

_____, 20__

Stratford Arrowbrook II Investors Limited Partnership
c/o Stratford Capital Group LLC
100 Corporation Place, Suite 404
Peabody, MA 01960
Attn: Asset Management – Ovation at Arrowbrook II

Re: **Arrowbrook Apartments II, LLC**, a Virginia limited liability company (the "Company")

Ladies and Gentlemen:

We have reviewed the pertinent portions of the Amended and Restated Operating Agreement of the Company dated as of December 1, 2020 (the "Operating Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Operating Agreement.

Based upon information provided to us by the Company concerning Ovation at Arrowbrook II (a 148-unit apartment complex located in Herndon, Virginia referred to herein as the "Apartment Complex"), we have performed the following procedures.

We have compiled a statement of the development costs through _____, 20__ and the expected classification of each cost for tax purposes.

We have obtained a budget for the development costs from the Company.

We have compared the budget for such costs to the actual results, and have made all inquiries we considered necessary with respect to any material variances.

We have performed such other procedures as we considered necessary to evaluate both the assumptions used and the information provided to us by the Company.

We have determined that the Actual Credits properly allocable to the Investor Member will be \$ _____.

Furthermore, nothing has come to our attention to suggest that the data or assumptions on which the above determinations are based are incorrect or inappropriate.

In making these determinations, we have assumed that 100% of the apartment units in the Apartment Complex will be “low-income units” as such term is defined in Section 42(i)(3) of the Internal Revenue Code of 1986, as amended, and have no reason to believe that such assumption is unwarranted.

Copies of the calculations we have made in reaching the determinations above and of the financial statements and budgets upon which such calculations are based are attached hereto.

[Accountants]

DUE DILIGENCE DELIVERABLES

NONE

**DETERMINATION OF DEBT
SERVICE COVERAGE RATIO**

_____, 20__

Stratford Arrowbrook II Investors Limited Partnership
c/o Stratford Capital Group LLC
100 Corporation Place, Suite 404
Peabody, MA 01960
Attn: Asset Management – Ovation at Arrowbrook II

Re: Arrowbrook Apartments II, LLC, a Virginia limited liability company (the “Company”)

Ladies and Gentlemen:

We have reviewed the pertinent portions of the Amended and Restated Operating Agreement of the Company dated as of December 1, 2020 (the “Operating Agreement”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Operating Agreement.

Using information concerning Ovation at Arrowbrook II (a 148-unit apartment complex located in Herndon, Virginia referred to herein as the “Apartment Complex”), we have performed the following procedures:

We have compiled a statement of Cash Flow and Operating Costs for the three months ended _____, 20__.

We have obtained an annual budget prepared by the Property Manager for the year ended December 31, 20__.

We have adjusted the statement to annualize all expenditures, including those of a seasonal or irregular nature which might reasonably be expected to be incurred on an unequal basis during a full annual period of operations. (Examples of such expenditures include debt service, reserve funding, maintenance, utilities, snow removal and real estate taxes.)

We have compared the budget for such period to the statement of actual results, and have made all inquiries we considered necessary with respect to any material variances.

We have performed such other procedures as we considered necessary to evaluate both the assumptions used and the information provided to us by the Property Manager.

We have determined that the Company, for a period of three (3) calendar months beginning not earlier than the Completion Date and ending on _____, 20__ (which date is not earlier than Final Closing) has achieved an average Debt Service Coverage Ratio of

not less than 115% (measured in the aggregate over such three (3) month period). Furthermore, nothing has come to our attention to suggest that the data or assumptions on which the above determination is based are incorrect or inappropriate.

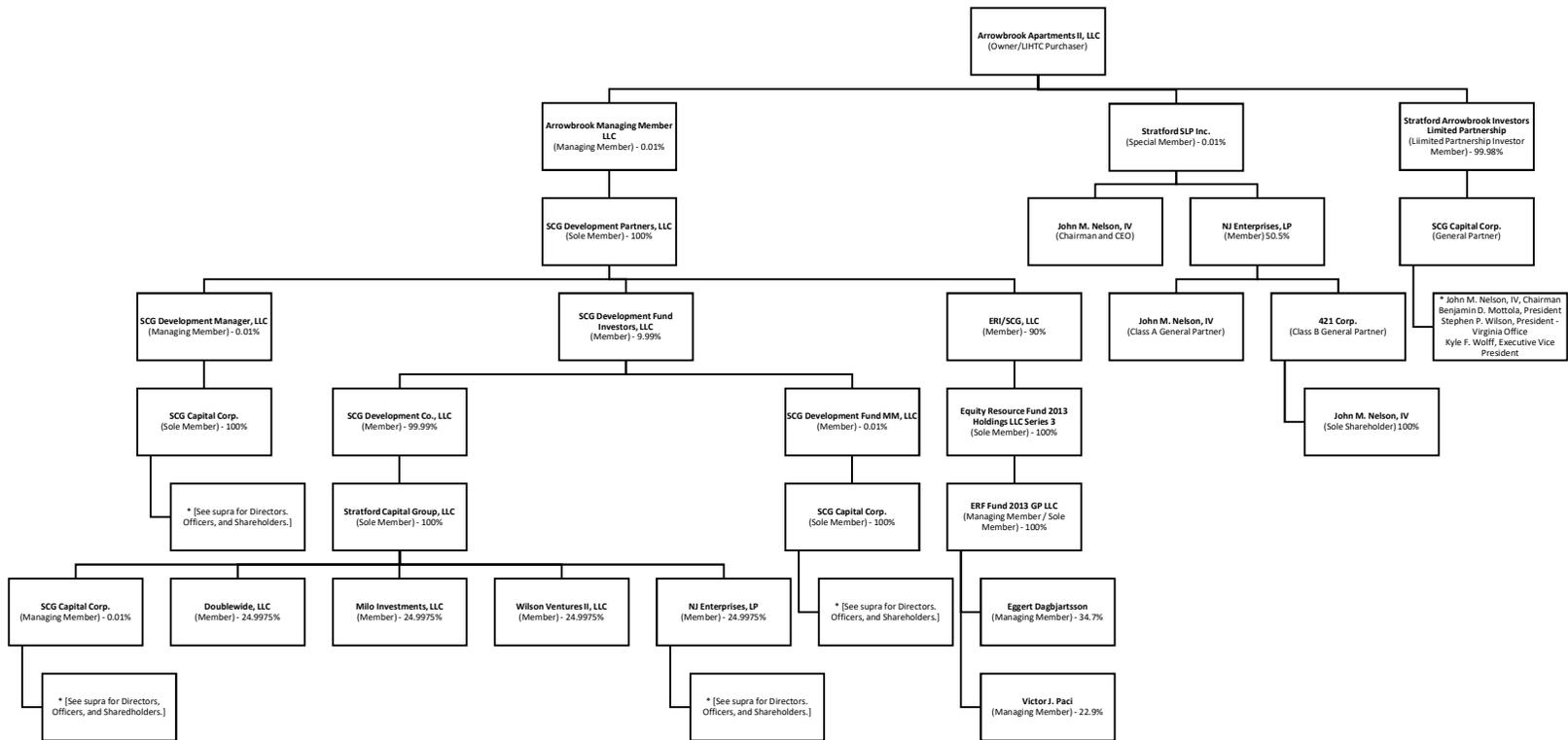
Copies of the calculations and adjustments we have made in reaching the determination above and of financial statements and budgets upon which such calculations are based are attached hereto.

[_____] , a [_____] limited liability company

By: _____
Name:

Its:

Arrowbrook Apartments II, LLC
Org Chart



B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, April 28, 2020

This is to certify that the certificate of organization of

Arrowbrook Apartments II, LLC

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

Effective date: April 28, 2020



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, APRIL 28, 2020

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

Arrowbrook Apartments II, LLC

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

CERTIFICATE OF ORGANIZATION

be issued and admitted to record with the articles of organization in the Office of the Clerk of the Commission, effective April 28, 2020.

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

STATE CORPORATION COMMISSION

By 

Mark C. Christie
Commissioner

Limited Liability Company - Articles of Organization

Entity Information

Entity Name: Arrowbrook Apartments II, LLC Entity Type: Limited Liability Company

Business Type

Industry Code: 0 - General

Duration

Perpetual(forever)

Registered Agent Information

RA Type: Entity

Locality: ROANOKE CITY

RA Qualification: N/A

Name: CAPITOL CORPORATE
SERVICES, INC.

Email Address: N/A

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

Registered Office Address: 10 S Jefferson St Ste 1400,
Roanoke, VA, 24011 - 1327,
USA

Contact Number: N/A

Principal Office Address

Address: 8245 Boone Blvd Ste 640, Vienna, VA, 22182 - 3894, USA

Principal Information

Management Structure: Member-Managed

Signature Information

Date Signed: 04/28/2020

Executed in the name of the limited liability company by:

Printed Name	Signature	Title
Stephen P. Wilson	Stephen P. Wilson	Organizer

Tab C:

Principal's Previous Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: Arrowbrook Centre Apartments
Name of Applicant (entity): Arrowbrook Apartments II, LLC

I hereby certify that:

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

**See Attached

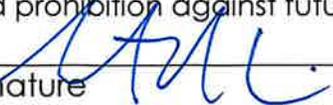
Previous Participation Certification, cont'd

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

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

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

Signature



Stephen P. Wilson

Printed Name

4/21/2022

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



Previous Participation Certification Instructions

General Instructions:

The following certification:

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

Definitions:

Development - the proposed multifamily rental housing development

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

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

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

Instructions, cont'd

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

Please follow guidelines below for listing principals.

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

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

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

Note to Previous Participation Certification:

Arrowbrook Apartments

In 2008, Stratford Capital Group (acting as Co-General Partner) acquired a portfolio of 15 LIHTC multifamily properties from SunTrust Bank, N.A. (“Seller”). One of the properties, Gable Oaks Apartments, a 200-unit garden style apartment complex located in Columbia, SC, (the “Property”) could not be debt financed conventionally due to a history of low occupancy and poor operating performance. As such, SunTrust Bank, N.A. agreed to finance the Property with a first mortgage loan of \$4,000,000, in order to facilitate the sale of the portfolio.

Since the Property was acquired, the performance at the Property remained largely unchanged and, in fact, deteriorated as the overall economy worsened. Additionally, the rental market has continued to decline as evidenced by unkempt single family homes, vandalism, graffiti and arson in the immediate market area. The property management company utilized concessions and other promotions to try and generate increased leasing opportunities, but occupancy has remained low.

Given the situation, the Lender agreed to “right size” the loan and modify it by forgiving \$1,500,000 of principal and bifurcating the remaining \$2.5 million into 2 parts - an “A Piece” which is now a \$1.5 million first mortgage loan and a “B Piece” which is a \$1.0 million second mortgage (cash-flow only) loan. The A Piece of the first mortgage loan now has a 68 month term and 25 year amortization at a variable rate equal to the One Month LIBOR plus 350 basis points with a floor interest rate of 5%, and the B Piece is a cash flow loan at zero percent interest with the same term as the A Piece. As a part of the modification, the general partners agreed to infuse \$200,000 into the property for capital improvements. The new loan structure served to enhance property operations, increase cash flow (and funds for capital replacements) and positioned the property for long term sustainability. The property was sold in January 2016; at that time, the property and loan were in good standing with lender, SunTrust, and no negative actions have occurred against the General Partners.

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)



List of LIHTC Developments (Schedule A)

Development Name: Arrowbrook Apartments
 Name of Applicant: Arrowbrook Apartments II, LLC

INSTRUCTIONS:

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

Stephen P. Wilson

Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

Principal's Name:

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"	
2 Parkside at Hudson/Gastonia, NC	Parkside at Hudson, LP; (703)942-6610	Y	80	80	TBD	TBD	N	
3 Dogwood Trail/Albany, GA	Dogwood Trail Apartments, LP; (703)942-6610	Y	64	61	TBD	TBD	N	
4 Springhill Apartments/Madison, FL	Springhill Apartments, LLC; (703)942-6610	Y	76	76	TBD	TBD	N	
5 Parkside at Drayton/Spartanburg, SC	Parkside at Drayton, LP; (703)942-6610	Y	41	41	TBD	1/27/2020	N	
6 Perrytown Apartments/Perry, FL	Perrytown Apartments, LLC; (703)942-6610	Y	100	100	8/31/2019	TBD	N	
7 Momentum at Shady Grove/Derwood, MD	Momentum Apartments, LLC; (703)942-6610	Y	110	110	10/17/2019	TBD	N	
8 Douglass Village/Douglasville, GA	Douglass Village Apartments, LP; (703)942-6610	Y	88	88	TBD	TBD	N	
9 Hand Trading Company Apartments/Pelham, GA	Hand TC Restoration, LP; (703)942-6610	Y	54	44	12/31/2019	TBD	N	
10 The Forge on Broadway/Buffalo, NY	SAAC Buffalo Forge, LLC; (978)535-5600	Y	158	141	TBD	TBD	N	
11 Castle Creek/Aspen, CO	488 Castle Creek, LLC; (703)942-6610	Y	24	24	TBD	TBD	N	
12 Ashton Cove/Kingsland, GA	Kingsland Cove, LP; (703)942-6610	Y	72	72	9/27/2018	6/17/2019	N	
13 St. James Terrace/Baltimore, MD	St. James Apartments LP; (703)942-6610	Y	151	151	7/20/2018	3/13/2019	N	
14 Chelmsford Woods Residences II/Chelmsford, MA	Chelmsford Woods Residences II LP; (978)535-5600	Y	58	58	7/6/2018	3/19/2019	N	
15 Parkside at Bethel/Clover, SC	Parkside at Bethel LP; (703)942-6610	Y	42	42	5/11/2018	2/25/2019	N	
16 Market Station/Thomasville, GA	Market Station Apartments, LP; (703)942-6610	Y	80	80	3/31/2018	10/3/2018	N	
17 Coady School Residences/Bourne, MA	Coady School Residences LP; (978)535-5600	Y	58	58	8/25/2017	5/8/2018	N	
18 Page Woodson/Oklahoma City, OK	Page Woodson Development LLC; (703)942-6610	Y	128	128	7/14/2017	11/26/2018	N	
19 Park Heights/Baltimore, MD	New Park Heights LLC; (703)942-6610	Y	100	100	6/30/2017	4/17/2018	N	
20 Residences at Govt Center I/Fairfax, VA	Fairfax Corner Partners LLC; (703)942-6610	Y	150	150	2/28/2017	9/27/2017	N	
21 Residences at Govt Center II/Fairfax, VA	Fairfax Corner Partners II LLC; (703)942-6610	Y	120	120	2/28/2017	10/19/2017	N	
22 Southfork/Camilla, GA	Southfork Apartments LP; (703)942-6610	Y	96	96	8/25/2016	3/14/2017	N	
23 Parkside at Boulevard/Orangeburg, SC	Parkside at Boulevard LP; (703)942-6610	Y	44	44	7/29/2016	1/27/2017	N	
24 Cypress Parc/New Orleans, LA	FBI Community Development Corp., LLC; (703)942-6610	Y	62	62	5/31/2016	3/10/2017	N	
25 Chelmsford Woods Residences/Chelmsford, MA	Chelmsford Woods Residences, LP; (978)535-5300	Y	58	58	2/26/2016	10/5/2016	N	
26 Eureka Heights/Ashburn, GA	Eureka Heights, LP; (703) 942-6610	Y	56	56	6/30/2015	3/3/2016	N	
27 Tangi Village/Hammond, LA	Quick Blvd. Apartments LP; (703) 942-6610	Y	61	61	11/30/2014	11/6/2015	N	
28 Simpkins School/Yarmouth, MA	Simpkins School Residences, LP; (978) 535-5600	Y	65	58	9/29/2014	5/18/2015	N	
29 Ashley House/Valdosta, GA	Ashley House Apartments, LP; (703) 942-6610	Y	61	61	8/1/2014	6/2/2015	N	
30 Elm Drive Senior Apts./Baton Rouge, LA	Elm Drive Senior Apartments, LP; (703) 942-6610	Y	60	60	5/1/2014	11/6/2015	N	
31 The Reserve at Sugar Mill/St. Marys, GA	Ashton Pines Apartments, LP; (703) 942-6610	Y	70	70	10/26/2012	10/17/2013	N	
32 Griffin Heights/Tallahassee, FL	New Griffin Apartments, LP; (703) 942-6610	Y	100	100	2/23/2012	1/11/2013	N	
33 Pine Meadow/Gainesville, FL	Pine Meadow Redevelopment, Ltd.; (703) 942-6610	Y	78	78	12/7/2011	6/14/2013	N	
34 Sand Dunes/Panama City Beach, FL	Sand Dunes Redevelopment, Ltd.; (703) 942-6610	Y	104	104	12/7/2011	6/14/2013	N	
35 Cypress Place/Marrero, LA	1500 Westwood, LP; (703) 942-6610	Y	132	132	11/7/2011	11/8/2013	N	
36 Three Tree Flats/Washington, DC	3910 Georgia Avenue Associates, LP; (703) 942-6610	Y	130	119	2/25/2011	1/24/2012	N	
37 Lakeside/Columbia, SC	New Lakeside Apartments, LP; (703) 942-6610	Y	110	109	12/2/2010	2/24/2011	N	
38 School Street Residences/Athol, MA	School Street Residences, LP; (978) 535-5600	Y	50	50	12/1/2010	12/30/2011	N	
39 Fulton School/Weymouth, MA	Fulton School Residences, LP; (978) 535-5600	Y	63	63	11/2/2009	12/31/2010	N	
40 Appian Way/N. Charleston, SC	8465 Patriot Boulevard, LP; (703) 942-6610	N	204	204	6/1/2009	6/12/2009	N	
* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for			TOTAL:	3,400	3,351		99%	Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB



List of LIHTC Developments (Schedule A)

Development Name: Arrowbrook Apartments

Name of Applicant: Arrowbrook Apartments II, LLC

INSTRUCTIONS:

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

Principal's Name: Benjamin D. Mottola Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member of the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Parkside at Main/Simpsonville, SC	Parkside at Main, LP; (703) 942-6610	Y	42	42	TBD	TBD	N
2	Parkside at Hudson/Gastonia, NC	Parkside at Hudson, LP; (703)942-6610	Y	80	80	TBD	TBD	N
3	Dogwood Trail/Albany, GA	Dogwood Trail Apartments, LP; (703)942-6610	Y	64	61	TBD	TBD	N
4	Springhill Apartments/Madison, FL	Springhill Apartments, LLC; (703)942-6610	Y	76	76	TBD	TBD	N
5	Parkside at Drayton/Spartanburg, SC	Parkside at Drayton, LP; (703)942-6610	Y	41	41	TBD	1/27/2020	N
6	Perrytown Apartments/Perry, FL	Perrytown Apartments, LLC; (703)942-6610	Y	100	100	8/31/2019	TBD	N
7	Momentum at Shady Grove/Derwood, MD	Momentum Apartments, LLC; (703)942-6610	Y	110	110	10/17/2019	TBD	N
8	Douglass Village/Douglassville, GA	Douglass Village Apartments, LP; (703)942-6610	Y	88	88	TBD	TBD	N
9	Hand Trading Company Apartments/Pelham, GA	Hand TC Restoration, LP; (703)942-6610	Y	54	44	12/31/2019	TBD	N
10	The Forge on Broadway/Buffalo, NY	SAAKC Buffalo Forge, LLC; (978)535-5600	Y	158	141	TBD	TBD	N
11	Castle Creek/Aspen, CO	488 Castle Creek, LLC; (703)942-6610	Y	24	24	TBD	TBD	N
12	Ashton Cove/Kingsland, GA	Kingsland Cove, LP; (703)942-6610	Y	72	72	9/27/2018	6/17/2019	N
13	St. James Terrace/Baltimore, MD	St. James Apartments LP; (703)942-6610	Y	151	151	7/20/2018	3/13/2019	N
14	Chelmsford Woods Residences II/Chelmsford, MA	Chelmsford Woods Residences II LP; (978)535-5600	Y	58	58	7/6/2018	3/19/2019	N
15	Parkside at Bethel/Clover, SC	Parkside at Bethel LP; (703)942-6610	Y	42	42	5/11/2018	2/25/2019	N
16	Market Station/Thomasville, GA	Market Station Apartments, LP;(703)942-6610	Y	80	80	3/31/2018	10/3/2018	N
17	Coady School Residences/Bourne, MA	Coady School Residences LP; (978)535-5600	Y	58	58	8/25/2017	5/8/2018	N
18	Page Woodson/Oklahoma City, OK	Page Woodson Development LLC; (703)942-6610	Y	128	128	7/14/2017	11/26/2018	N
19	Park Heights/Baltimore, MD	New Park Heights LLC; (703)942-6610	Y	100	100	6/30/2017	4/17/2018	N
20	Residences at Govt Center I/Fairfax, VA	Fairfax Corner Partners LLC; (703)942-6610	Y	150	150	2/28/2017	9/27/2017	N
21	Residences at Govt Center II/Fairfax, VA	Fairfax Corner Partners II LLC; (703)942-6610	Y	120	120	2/28/2017	10/19/2017	N
22	Southfork/Camilla, GA	Southfork Apartments LP; (703)942-6610	Y	96	96	8/25/2016	3/14/2017	N
23	Parkside at Boulevard/Orangeburg, SC	Parkside at Boulevard LP; (703)942-6610	Y	44	44	7/29/2016	1/27/2017	N
24	Cypress Parc/New Orleans, LA	FBT Community Development Corp., LLC; (703)942-6610	Y	62	62	5/31/2016	3/10/2017	N
25	Chelmsford Woods Residences/Chelmsford, MA	Chelmsford Woods Residences, LP; (978)535-5300	Y	58	58	2/26/2016	10/5/2016	N
26	Eureka Heights/Ashburn, GA	Eureka Heights, LP; (703) 942-6610	Y	56	56	6/30/2015	3/3/2016	N
27	Tangai Village/Hammond, LA	Quick Blvd. Apartments LP; (703) 942-6610	Y	61	61	11/30/2014	11/6/2015	N
28	Simpkins School/Yarmouth, MA	Simpkins School Residences, LP; (978) 535-5600	Y	65	58	9/29/2014	5/18/2015	N
29	Ashley House/Valdosta, GA	Ashley House Apartments, LP; (703) 942-6610	Y	61	61	8/1/2014	6/2/2015	N
30	Elm Drive Senior Apts./Baton Rouge, LA	Elm Drive Senior Apartments, LP; (703) 942-6610	Y	60	60	5/1/2014	11/6/2015	N
31	The Reserve at Suagar Mill/St. Marys, GA	Ashton Pines Apartments, LP; (703) 942-6610	Y	70	70	10/26/2012	10/17/2013	N
32	Griffin Heights/Tallahassee, FL	New Griffin Apartments, LP; (703) 942-6610	Y	100	100	2/23/2012	1/11/2013	N
33	Pine Meadow/Gainesville, FL	Pine Meadow Redevelopment, Ltd.; (703) 942-6610	Y	78	78	12/7/2011	6/14/2013	N
34	Sand Dunes/Panama City Beach, FL	Sand Dunes Redevelopment, Ltd.; (703) 942-6610	Y	104	104	12/7/2011	6/14/2013	N
35	Cypress Place/Marrero, LA	1500 Westwood, LP; (703) 942-6610	Y	132	132	11/7/2011	11/8/2013	N
36	Three Tree Flats/Washington, DC	3910 Georgia Avenue Associates, LP; (703) 942-6610	Y	130	119	2/25/2011	1/24/2012	N
37	Lakeside/Columbia, SC	New Lakeside Apartments, LP; (703) 942-6610	Y	110	109	12/2/2010	2/24/2011	N
38	School Street Residences/Athol, MA	School Street Residences, LP; (978) 535-5600	Y	50	50	12/1/2010	12/30/2011	N
39	Fulton School/Weymouth, MA	Fulton School Residences, LP; (978) 535-5600	Y	63	63	11/2/2009	12/31/2010	N
40	Appian Way/N. Charleston, SC	8465 Patriot Boulevard, LP; (703) 942-6610	N	204	204	6/1/2009	6/12/2009	N
* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a				TOTAL:	3,400	3,351	99%	Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Arrowbrook Apartments
 Name of Applicant: Arrowbrook Apartments II, LLC

INSTRUCTIONS:

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

Principal's Name: <u>Kyle F. Wolff</u>		Controlling GP (CGP) or 'Named' Managing Member of Proposed property?*		Y				
				Y or N				
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.?(Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"	
1	Parkside at Main/Simpsonville, SC	Parkside at Main, LP: (703) 942-6610	Y	42	42	TBD	TBD	N
2	Parkside at Hudson/Gastonia, NC	Parkside at Hudson, LP: (703)942-6610	Y	80	80	TBD	TBD	N
3	Dogwood Trail/Albany, GA	Dogwood Trail Apartments, LP: (703)942-6610	Y	64	61	TBD	TBD	N
4	Springhill Apartments/Madison, FL	Springhill Apartments, LLC: (703)942-6610	Y	76	76	TBD	TBD	N
5	Parkside at Drayton/Spartanburg, SC	Parkside at Drayton, LP: (703)942-6610	Y	41	41	TBD	1/27/2020	N
6	Perrytown Apartments/Perry, FL	Perrytown Apartments, LLC: (703)942-6610	Y	100	100	8/31/2019	TBD	N
7	Momentum at Shady Grove/Derwood, MD	Momentum Apartments, LLC: (703)942-6610	Y	110	110	10/17/2019	TBD	N
8	Douglass Village/Douglasville, GA	Douglass Village Apartments, LP: (703)942-6610	Y	88	88	TBD	TBD	N
9	Hand Trading Company Apartments/Pelham, GA	Hand TC Restoration, LP: (703)942-6610	Y	54	44	12/31/2019	TBD	N
10	The Forge on Broadway/Buffalo, NY	SAAC Buffalo Forge, LLC: (978)535-5600	Y	158	141	TBD	TBD	N
11	Castle Creek/Aspen, CO	488 Castle Creek, LLC: (703)942-6610	Y	24	24	TBD	TBD	N
12	Ashton Cove/Kinsland, GA	Kingsland Cove, LP: (703)942-6610	Y	72	72	9/27/2018	6/17/2019	N
13	St. James Terrace/Baltimore, MD	St. James Apartments LP: (703)942-6610	Y	151	151	7/20/2018	3/13/2019	N
14	Chelmsford Woods Residences II/Chelmsford, MA	Chelmsford Woods Residences II LP: (978)535-5600	Y	58	58	7/6/2018	3/19/2019	N
15	Parkside at Bethel/Clover, SC	Parkside at Bethel LP: (703)942-6610	Y	42	42	5/11/2018	2/25/2019	N
16	Market Station/Thomasville, GA	Market Station Apartments, LP:(703)942-6610	Y	80	80	3/31/2018	10/3/2018	N
17	Coady School Residences/Bourne, MA	Coady School Residences LP: (978)535-5600	Y	58	58	8/25/2017	5/8/2018	N
18	Page Woodson/Oklahoma City, OK	Page Woodson Development LLC: (703)942-6610	Y	128	128	7/14/2017	11/26/2018	N
19	Park Heights/Baltimore, MD	New Park Heights LLC: (703)942-6610	Y	100	100	6/30/2017	4/17/2018	N
20	Residences at Govt Center I/Fairfax, VA	Fairfax Corner Partners LLC: (703)942-6610	Y	150	150	2/28/2017	9/27/2017	N
21	Residences at Govt Center II/Fairfax, VA	Fairfax Corner Partners II LLC: (703)942-6610	Y	120	120	2/28/2017	10/19/2017	N
22	Southfork/Camilla, GA	Southfork Apartments LP: (703)942-6610	Y	96	96	8/25/2016	3/14/2017	N
23	Parkside at Boulevard/Orangeburg, SC	Parkside at Boulevard LP: (703)942-6610	Y	44	44	7/29/2016	1/27/2017	N
24	Cypress Parc/New Orleans, LA	FBT Community Development Corp., LLC: (703)942-6610	Y	62	62	5/31/2016	3/10/2017	N
25	Chelmsford Woods Residences/Chelmsford, MA	Chelmsford Woods Residences, LP: (978)535-5300	Y	58	58	2/26/2016	10/5/2016	N
26	Eureka Heights/Ashburn, GA	Eureka Heights, LP: (703) 942-6610	Y	56	56	6/30/2015	3/3/2016	N
27	Tangi Village/Hammond, LA	Quick Blvd. Apartments LP: (703) 942-6610	Y	61	61	11/30/2015	11/16/2015	N
28	Simpkins School/Yarmouth, MA	Simpkins School Residences, LP: (978) 535-5600	Y	65	58	9/29/2014	5/18/2015	N
29	Ashley House/Valdosta, GA	Ashley House Apartments, LP: (703) 942-6610	Y	61	61	8/1/2014	6/2/2015	N
30	Elm Drive Senior Apts./Baton Rouge, LA	Elm Drive Senior Apartments, LP: (703) 942-6610	Y	60	60	5/1/2014	11/6/2015	N
31	The Reserve at Sugar Mill/St. Marys, GA	Ashton Pines Apartments, LP: (703) 942-6610	Y	70	70	10/26/2012	10/17/2013	N
32	Griffin Heights/Tallahassee, FL	New Griffin Apartments, LP: (703) 942-6610	Y	100	100	2/23/2012	1/11/2013	N
33	Pine Meadow/Gainesville, FL	Pine Meadow Redevelopment, Ltd., (703) 942-6610	Y	78	78	12/7/2011	6/14/2013	N
34	Sand Dunes/Panama City Beach, FL	Sand Dunes Redevelopment, Ltd.: (703) 942-6610	Y	104	104	12/7/2011	6/14/2013	N
35	Cypress Place/Mariner, LA	1500 Westwood, LP: (703) 942-6610	Y	132	132	11/7/2011	11/8/2013	N
36	Three Tree Flats/Washington, DC	3910 Georgia Avenue Associates, LP: (703) 942-6610	Y	130	119	2/25/2011	1/24/2012	N
37	Lakeside/Columbia, SC	New Lakeside Apartments, LP: (703) 942-6610	Y	110	109	12/2/2010	2/24/2011	N
38	School Street Residences/Athol, MA	School Street Residences, LP: (978) 535-5600	Y	50	50	12/1/2010	12/30/2011	N
39	Fulton School/Weymouth, MA	Fulton School Residences, LP: (978) 535-5600	Y	63	63	11/2/2009	12/31/2010	N
40	Applan Way/N. Charleston, SC	8465 Patriot Boulevard, LP: (703) 942-6610	N	204	204	6/1/2009	6/12/2009	N

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

1st PAGE
 TOTAL: 3,400 3,351 LIHTC as % of Total Units 99%

List of LIHTC Developments (Schedule A)



Development Name: Arrowbrook Apartments

Name of Applicant: Arrowbrook Apartments II, LLC

INSTRUCTIONS:

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

Principal's Name: SCG Capital Corp. Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Parkside at Main/Simpsonville, SC	Parkside at Main, LP: (703) 942-6610	Y	42	42	TBD	TBD	N
2	Parkside at Hudson/Gastonia, NC	Parkside at Hudson, LP: (703)942-6610	Y	80	80	TBD	TBD	N
3	Dogwood Trail/Albany, GA	Dogwood Trail Apartments, LP: (703)942-6610	Y	64	61	TBD	TBD	N
4	Springhill Apartments/Madison, FL	Springhill Apartments, LLC: (703)942-6610	Y	76	76	TBD	TBD	N
5	Parkside at Drayton/Spartanburg, SC	Parkside at Drayton, LP: (703)942-6610	Y	41	41	TBD	1/27/2020	N
6	Perrytown Apartments/Perry, FL	Perrytown Apartments, LLC: (703)942-6610	Y	100	100	8/31/2019	TBD	N
7	Momentum at Shady Grove/Derwood, MD	Momentum Apartments, LLC: (703)942-6610	Y	110	110	10/17/2019	TBD	N
8	Douglass Village/Douglasville, GA	Douglass Village Apartments, LP: (703)942-6610	Y	88	88	TBD	TBD	N
9	Hand Trading Company Apartments/Pelham, GA	Hand TC Restoration, LP: (703)942-6610	Y	54	44	12/31/2019	TBD	N
10	The Forge on Broadway/Buffalo, NY	SAKC Buffalo Forge, LLC: (978)535-5600	Y	158	141	TBD	TBD	N
11	Castle Creek/Aspen, CO	488 Castle Creek, LLC: (703)942-6610	Y	24	24	TBD	TBD	N
12	Ashton Cove/Kinasland, GA	Kingsland Cove, LP: (703)942-6610	Y	72	72	9/27/2018	6/17/2019	N
13	St. James Terrace/Baltimore, MD	St. James Apartments LP: (703)942-6610	Y	151	151	7/20/2018	3/13/2019	N
14	Chelmsford Woods Residences II/Chelmsford, MA	Chelmsford Woods Residences II LP: (978)535-5600	Y	58	58	7/6/2018	3/19/2019	N
15	Parkside at Bethel/Clover, SC	Parkside at Bethel LP: (703)942-6610	Y	42	42	5/11/2018	2/25/2019	N
16	Market Station/Thomasville, GA	Market Station Apartments, LP:(703)942-6610	Y	80	80	3/31/2018	10/3/2018	N
17	Coady School Residences/Bourne, MA	Coady School Residences LP: (978)535-5600	Y	58	58	8/25/2017	5/8/2018	N
18	Page Woodson/Oklahoma City, OK	Page Woodson Development LLC: (703)942-6610	Y	128	128	7/14/2017	11/26/2018	N
19	Park Heights/Baltimore, MD	New Park Heights LLC: (703)942-6610	Y	100	100	6/30/2017	4/17/2018	N
20	Residences at Govt Center I/Fairfax, VA	Fairfax Corner Partners LLC: (703)942-6610	Y	150	150	2/28/2017	9/27/2017	N
21	Residences at Govt Center II/Fairfax, VA	Fairfax Corner Partners II LLC: (703)942-6610	Y	120	120	2/28/2017	10/19/2017	N
22	Southfork/Camilla, GA	Southfork Apartments LP: (703)942-6610	Y	96	96	8/25/2016	3/14/2017	N
23	Parkside at Boulevard/Orangeburg, SC	Parkside at Boulevard LP: (703)942-6610	Y	44	44	7/29/2016	1/27/2017	N
24	Cypress Parc/New Orleans, LA	FBT Community Development Corp., LLC: (703)942-6610	Y	62	62	5/31/2016	3/10/2017	N
25	Chelmsford Woods Residences/Chelmsford, MA	Chelmsford Woods Residences, LP: (978)535-5300	Y	58	58	2/26/2016	10/5/2016	N
26	Eureka Heights/Ashburn, VA	Eureka Heights, LP: (703) 942-6610	Y	56	56	6/30/2015	3/3/2016	N
27	Tangi Village/Hammond, LA	Quick Blvd. Apartments LP: (703) 942-6610	Y	61	61	11/30/2014	11/6/2015	N
28	Simpkins School/Yarmouth, MA	Simpkins School Residences, LP: (978) 535-5600	Y	65	58	9/29/2014	5/18/2015	N
29	Ashley House/Valdosta, GA	Ashley House Apartments, LP: (703) 942-6610	Y	61	61	8/1/2014	6/2/2015	N
30	Elm Drive Senior Apts./Baton Rouge, LA	Elm Drive Senior Apartments, LP: (703) 942-6610	Y	60	60	5/1/2014	11/6/2015	N
31	The Reserve at Sugar Mill/St. Marys, GA	Ashton Pines Apartments, LP: (703) 942-6610	Y	70	70	10/26/2012	10/17/2013	N
32	Griffin Heights/Tallahassee, FL	New Griffin Apartments, LP: (703) 942-6610	Y	100	100	2/23/2012	1/11/2013	N
33	Pine Meadow/Gainesville, FL	Pine Meadow Redevelopment, Ltd., (703) 942-6610	Y	78	78	12/7/2011	6/14/2013	N
34	Sand Dunes/Panama City Beach, FL	Sand Dunes Redevelopment, Ltd.: (703) 942-6610	Y	104	104	12/7/2011	6/14/2013	N
35	Cypress Place/Marrero, LA	1500 Westwood, LP: (703) 942-6610	Y	132	132	11/7/2011	11/8/2013	N
36	Three Tree Flats/Washington, DC	3910 Georgia Avenue Associates, LP: (703) 942-6610	Y	130	119	2/25/2011	1/24/2012	N
37	Lakeside/Columbia, SC	New Lakeside Apartments, LP: (703) 942-6610	Y	110	109	12/2/2010	2/24/2011	N
38	School Street Residences/Athol, MA	School Street Residences, LP: (978) 535-5600	Y	50	50	12/1/2010	12/30/2011	N
39	Fulton School/Weymouth, MA	Fulton School Residences, LP: (978) 535-5600	Y	63	63	11/2/2009	12/31/2010	N
40	Appian Way/N. Charleston, SC	8465 Patriot Boulevard, LP: (703) 942-6610	N	204	204	6/11/2009	6/12/2009	N

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

1st PAGE TOTAL: 3,400 3,351 LIHTC as % of Total Units 99%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Arrowbrook Apartments
 Name of Applicant: Arrowbrook Apartments II, LLC

INSTRUCTIONS:

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

Principal's Name: Stratford Capital Group Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev. (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's (Y/N) Explain "Y"
1	Parkside at Main/Simpsonville, SC	Parkside at Main, LP: (703) 942-6610	Y	42	42	TBD	TBD	N
2	Parkside at Hudson/Gastonia, NC	Parkside at Hudson, LP: (703)942-6610	Y	80	80	TBD	TBD	N
3	Dogwood Trail/Albany, GA	Dogwood Trail Apartments, LP: (703)942-6610	Y	64	61	TBD	TBD	N
4	Springhill Apartments/Madison, FL	Springhill Apartments, LLC: (703)942-6610	Y	76	76	TBD	TBD	N
5	Parkside at Drayton/Spartanburg, SC	Parkside at Drayton, LP: (703)942-6610	Y	41	41	TBD	1/27/2020	N
6	Perrytown Apartments/Perry, FL	Perrytown Apartments, LLC: (703)942-6610	Y	100	100	8/31/2019	TBD	N
7	Momentum at Shady Grove/Derwood, MD	Momentum Apartments, LLC: (703)942-6610	Y	110	110	10/17/2019	TBD	N
8	Douglass Village/Douglasville, GA	Douglass Village Apartments, LP: (703)942-6610	Y	88	88	TBD	TBD	N
9	Hand Trading Company Apartments/Pelham, GA	Hand TC Restoration, LP: (703)942-6610	Y	54	44	12/31/2019	TBD	N
10	The Forge on Broadway/Buffalo, NY	SAAC Buffalo Forge, LLC: (978)535-5600	Y	158	141	TBD	TBD	N
11	Castle Creek/Aspen, CO	488 Castle Creek, LLC: (703)942-6610	Y	24	24	TBD	TBD	N
12	Ashton Cove/Kingsland, GA	Kingsland Cove, LP: (703)942-6610	Y	72	72	9/27/2018	6/17/2019	N
13	St. James Terrace/Baltimore, MD	St. James Apartments LP: (703)942-6610	Y	151	151	7/20/2018	3/13/2019	N
14	Chelmsford Woods Residences II/Chelmsford, MA	Chelmsford Woods Residences II LP: (978)535-5600	Y	58	58	7/6/2018	3/19/2019	N
15	Parkside at Bethel/Clover, SC	Parkside at Bethel LP: (703)942-6610	Y	42	42	5/11/2018	2/25/2019	N
16	Market Station/Thomasville, GA	Market Station Apartments, LP:(703)942-6610	Y	80	80	3/31/2018	10/3/2018	N
17	Coady School Residences/Bourne, MA	Coady School Residences LP: (978)535-5600	Y	58	58	8/25/2017	5/8/2018	N
18	Page Woodson/Oklahoma City, OK	Page Woodson Development LLC: (703)942-6610	Y	128	128	7/14/2017	11/26/2018	N
19	Park Heights/Baltimore, MD	New Park Heights LLC: (703)942-6610	Y	100	100	6/30/2017	4/17/2018	N
20	Residences at Govt Center I/Fairfax, VA	Fairfax Corner Partners LLC: (703)942-6610	Y	150	150	2/28/2017	9/27/2017	N
21	Residences at Govt Center II/Fairfax, VA	Fairfax Corner Partners II LLC: (703)942-6610	Y	120	120	2/28/2017	10/19/2017	N
22	Southfork/Camilla, GA	Southfork Apartments LP: (703)942-6610	Y	96	96	8/25/2016	3/14/2017	N
23	Parkside at Boulevard/Orangeburg, SC	Parkside at Boulevard LP: (703)942-6610	Y	44	44	7/29/2016	1/27/2017	N
24	Cypress Parc/New Orleans, LA	FBT Community Development Corp., LLC: (703)942-6610	Y	62	62	5/31/2016	3/10/2017	N
25	Chelmsford Woods Residences/Chelmsford, MA	Chelmsford Woods Residences, LP: (978)535-5300	Y	58	58	2/26/2016	10/5/2016	N
26	Eureka Heights/Ashburn, GA	Eureka Heights, LP: (703) 942-6610	Y	56	56	6/30/2015	3/3/2016	N
27	Tangi Village/Hammond, LA	Quick Blvd. Apartments LP: (703) 942-6610	Y	61	61	11/30/2014	11/6/2015	N
28	Simpkins School/Yarmouth, MA	Simpkins School Residences, LP: (978) 535-5600	Y	65	58	9/29/2014	5/18/2015	N
29	Ashley House/Valdosta, GA	Ashley House Apartments, LP: (703) 942-6610	Y	61	61	8/1/2014	6/2/2015	N
30	Elm Drive Senior Apts./Baton Rouge, LA	Elm Drive Senior Apartments, LP: (703) 942-6610	Y	60	60	5/1/2014	11/6/2015	N
31	The Reserve at Sugar Mill/St. Marys, GA	Ashton Pines Apartments, LP: (703) 942-6610	Y	70	70	10/26/2012	10/17/2013	N
32	Griffin Heights/Tallahassee, FL	New Griffin Apartments, LP: (703) 942-6610	Y	100	100	2/23/2012	1/11/2013	N
33	Pine Meadow/Gainesville, FL	Pine Meadow Redevelopment, Ltd.: (703) 942-6610	Y	78	78	12/7/2011	6/14/2013	N
34	Sand Dunes/Panama City Beach, FL	Sand Dunes Redevelopment, Ltd.: (703) 942-6610	Y	104	104	12/7/2011	6/14/2013	N
35	Cypress Place/Marrero, LA	1500 Westwood, LP: (703) 942-6610	Y	132	132	11/7/2011	11/8/2013	N
36	Three Tree Flats/Washington, DC	3910 Georgia Avenue Associates, LP: (703) 942-6610	Y	130	119	2/25/2011	1/24/2012	N
37	Lakeside/Columbia, SC	New Lakeside Apartments, LP: (703) 942-6610	Y	110	109	12/2/2010	2/24/2011	N
38	School Street Residences/Athol, MA	School Street Residences, LP: (978) 535-5600	Y	50	50	12/1/2010	12/30/2011	N
39	Fulton School/Weymouth, MA	Fulton School Residences, LP: (978) 535-5600	Y	63	63	11/2/2009	12/31/2010	N
40	Appian Way/N. Charleston, SC	8465 Patriot Boulevard, LP: (703) 942-6610	N	204	204	6/1/2009	6/12/2009	N

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

1st PAGE
 TOTAL: 3,400 3,351 LIHTC as % of 99% Total Units

Previous Participation Certification continued

Stephen P. Wilson, Benjamin Mottola, Kyle Wolff
 SCG Capital Corp., Stratford Capital Group

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Ridgewood Senior/Radford, VA	Ridgewood Senior MCF-SCG, LP; (703) 942-6610	N	40	40	7/30/2003	12/12/2003	N
47	Arrington Place/Columbia, SC	Arrington Place MCF-SCG, LP; (703) 942-6610	N	68	68	1/9/2003	12/1/2004	N
48	Ridgewood Family/Radford, VA	Ridgewood Family MCF-SCG, LP; (703) 942-6610	N	32	32	12/16/2002	5/7/2003	N
49	Cedar Forest/Covington, VA	Sterling MCF-SCG, LP; (703) 942-6610	N	40	40	8/29/2002	5/12/2003	N
50	Thomas Jefferson/Bristol, VA	Jefferson MCF-SCG, LP; (703) 942-6610	N	30	30	5/1/2002	2/5/2004	N
51	Sterling Trace/Danville, VA	Sterling MCF-SCG, LP; (703) 942-6610	N	48	48	2/6/2002	5/31/2002	N
52	Concord Chase/Concord, NC	Concord Chase MCF-SCG, LP; (703) 942-6610	N	124	124	1/31/2002	3/3/2003	N
53	Forest Village/Fredericksburg, VA	Forest Village MCF-SCG, LP; (703) 942-6610	N	192	192	12/31/2001	5/16/2003	N
54	Marsh Landing/Portsmouth, VA	Marsh Landings MCF-SCG, LP; (703) 942-6610	N	250	250	1/1/2001	5/16/2003	N
55	Mallard Cove/Portsmouth, VA	Mallard Cove MCF-SCG, LP; (703) 942-6610	N	160	160	9/12/2000	7/1/2002	N
56	Holly Brook/Edgefield, SC	Sterling MCF-SCG, LP; (703) 942-6610	N	32	32	2/16/2004	1/31/2005	N
57	Rose Hill/Rose Hill, VA	Rose Hill MCF-SCG, LP; (703) 942-6610	N	32	32	12/22/2003	5/12/2004	N
58	Harbor Landing/Bristol, VA	Sterling MCF-SCG, LP; (703) 942-6610	N	32	32	11/25/2003	5/12/2004	N
59	Sycamore Run/Lancaster, SC	Sterling MCF-SCG, LP; (703) 942-6610	N	48	48	10/15/2003	2/24/2004	N
60								
61								
62								
63								
64								
65								
66								
67								
68								
69								
70								
71								
72								
73								
74								
75								
76								
77								
78								
79								
80								
81								
82								
83								
84								
85								
86								
87								
88								
89								
90								
91								
92								
93								
94								
95								
96								
97								
98								
99								
100								

2nd PAGE TOTAL: 1,128 1,128

GRAND TOTAL: 4,528 4,479

LIHTC as % of
 99% Total Unit



List of LIHTC Developments (Schedule A)

Development Name: Arrowbrook Apartments
 Name of Applicant: Arrowbrook Apartments II, LLC

INSTRUCTIONS:

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

Principal's Name: John M. Nelson, IV Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Y or N

Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? Explain "Y"
1 Parkside at Main/Simpsonville, SC	Parkside at Main, LP; (703) 942-6610	Y	42	42	TBD	TBD	N
2 Parkside at Hudson/Gastonia, NC	Parkside at Hudson, LP; (703)942-6610	Y	80	80	TBD	TBD	N
3 Dogwood Trail/Albany, GA	Dogwood Trail Apartments, LP; (703)942-6610	Y	64	61	TBD	TBD	N
4 Springhill Apartments/Madison, FL	Springhill Apartments, LLC; (703)942-6610	Y	76	76	TBD	TBD	N
5 Parkside at Drayton/Spartanburg, SC	Parkside at Drayton, LP; (703)942-6610	Y	41	41	TBD	1/27/2020	N
6 Perrytown Apartments/Perry, FL	Perrytown Apartments, LLC; (703)942-6610	Y	100	100	8/31/2019	TBD	N
7 Momentum at Shady Grove/Derwood, MD	Momentum Apartments, LLC; (703)942-6610	Y	110	110	10/17/2019	TBD	N
8 Douglass Village/Douglassville, GA	Douglass Village Apartments, LP; (703)942-6610	Y	88	88	TBD	TBD	N
9 Hand Trading Company Apartments/Pelham, GA	Hand TC Restoration, LP; (703)942-6610	Y	54	44	12/31/2019	TBD	N
10 The Forge on Broadway/Buffalo, NY	SAAKC Buffalo Forge, LLC; (978)535-5600	Y	158	141	TBD	TBD	N
11 Castle Creek/Aspen, CO	488 Castle Creek, LLC; (703)942-6610	Y	24	24	TBD	TBD	N
12 Ashton Cove/Kingsland, GA	Kingsland Cove, LP; (703)942-6610	Y	72	72	9/27/2018	6/17/2019	N
13 St. James Terrace/Baltimore, MD	St. James Apartments LP; (703)942-6610	Y	151	151	7/20/2018	3/13/2019	N
14 Chelmsford Woods Residences II/Chelmsford, MA	Chelmsford Woods Residences II LP; (978)535-5600	Y	58	58	7/6/2018	3/19/2019	N
15 Parkside at Bethel/Clover, SC	Parkside at Bethel LP; (703)942-6610	Y	42	42	5/11/2018	2/25/2019	N
16 Market Station/Thomasville, GA	Market Station Apartments, LP; (703)942-6610	Y	80	80	3/31/2018	10/3/2018	N
17 Coady School Residences/Bourne, MA	Coady School Residences LP; (978)535-5600	Y	58	58	8/25/2017	5/8/2018	N
18 Page Woodson/Oklahoma City, OK	Page Woodson Development LLC; (703)942-6610	Y	128	128	7/14/2017	11/26/2018	N
19 Park Heights/Baltimore, MD	New Park Heights LLC; (703)942-6610	Y	100	100	6/30/2017	4/17/2018	N
20 Residences at Govt Center I/Fairfax, VA	Fairfax Corner Partners LLC; (703)942-6610	Y	150	150	2/28/2017	9/27/2017	N
21 Residences at Govt Center II/Fairfax, VA	Fairfax Corner Partners II LLC; (703)942-6610	Y	120	120	2/28/2017	10/19/2017	N
22 Southfork/Camilla, GA	Southfork Apartments LP; (703)942-6610	Y	96	96	8/25/2016	3/14/2017	N
23 Parkside at Boulevard/Orangeburg, SC	Parkside at Boulevard LP; (703)942-6610	Y	44	44	7/29/2016	1/27/2017	N
24 Cypress Parc/New Orleans, LA	FBT Community Development Corp., LLC; (703)942-6610	Y	62	62	5/31/2016	3/10/2017	N
25 Chelmsford Woods Residences/Chelmsford, MA	Chelmsford Woods Residences, LP; (978)535-5300	Y	58	58	2/26/2016	10/5/2016	N
26 Eureka Heights/Ashburn, GA	Eureka Heights, LP; (703) 942-6610	Y	56	56	6/30/2015	3/3/2016	N
27 Tanai Village/Hammond, LA	Quick Blvd. Apartments LP; (703) 942-6610	Y	61	61	11/30/2014	11/6/2015	N
28 Simpkins School/Yarmouth, MA	Simpkins School Residences, LP; (978) 535-5600	Y	65	58	9/29/2014	5/18/2015	N
29 Ashley House/Valdosta, GA	Ashley House Apartments, LP; (703) 942-6610	Y	61	61	8/1/2014	6/2/2015	N
30 Elm Drive Senior Apts./Baton Rouge, LA	Elm Drive Senior Apartments, LP; (703) 942-6610	Y	60	60	5/1/2014	11/6/2015	N
31 The Reserve at Sugar Mill/St. Marys, GA	Ashton Pines Apartments, LP; (703) 942-6610	Y	70	70	10/26/2012	10/17/2013	N
32 Griffin Heights/Tallahassee, FL	New Griffin Apartments, LP; (703) 942-6610	Y	100	100	2/23/2012	1/11/2013	N
33 Pine Meadow/Gainesville, FL	Pine Meadow Redevelopment, Ltd.; (703) 942-6610	Y	78	78	12/7/2011	6/14/2013	N
34 Sand Dunes/Panama City Beach, FL	Sand Dunes Redevelopment, Ltd.; (703) 942-6610	Y	104	104	12/7/2011	6/14/2013	N
35 Cypress Place/Marrero, LA	1500 Westwood, LP; (703) 942-6610	Y	132	132	11/7/2011	11/8/2013	N
36 Greentree North/N. Charleston, SC	Greentree North Apartments 2, LP; (978) 535-5600	Y	96	96	11/1/2011	12/1/2012	N
37 Three Tree Flats/Washington, DC	3910 Georgia Avenue Associates, LP; (703) 942-6610	Y	130	119	2/25/2011	1/24/2012	N
38 Lakeside/Columbia, SC	New Lakeside Apartments, LP; (703) 942-6610	Y	110	109	12/2/2010	2/24/2011	N
39 School Street Residences/Athol, MA	School Street Residences, LP; (978) 535-5600	Y	50	50	12/1/2010	12/30/2011	N
40 Fulton School/Weymouth, MA	Fulton School Residences, LP; (978) 535-5600	Y	63	63	11/2/2009	12/31/2010	N

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

1st PAGE TOTAL: 3,292 3,243 LIHTC as % of Total Units 99%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

Previous Participation Certification continued

John M. Nelson, IV

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Haven Oaks/Summerville, SC	Haven Oaks Apartments 2, LP; (978) 535-5600	Y	104	104	7/1/2010	12/1/2010	N
47	River Oaks/Columbia, SC	River Oaks Apartments 2, LP; (978) 535-5600	Y	100	100	7/1/2010	12/1/2010	N
48	Applan Way/N. Charleston, SC	8465 Patriot Boulevard, LP; (703) 942-6610	N	204	204	6/1/2009	6/12/2009	N
49	Brown School Residences/Peabody,	Brown School Residences, LP; (978) 535-5600	Y	61	61	8/15/2007	6/1/2008	N
50	Warren Street Ph. III/Trenton, NJ	Warren Street Urban Renewal Partners LP III; (978) 535- 5600	Y	9	9	12/1/2005	8/1/2007	N
51	Holly Brook/Edgefield, SC	Sterling MCF-SCG, LP; (703) 942-6610	N	32	32	2/16/2004	1/31/2005	N
52	Rose Hill/Rose Hill, VA	Rose Hill MCF-SCG, LP; (703) 942-6610	N	32	32	12/22/2003	5/12/2004	N
53	Harbor Landing/Bristol, VA	Sterling MCF-SCG, LP; (703) 942-6610	N	32	32	11/25/2003	5/12/2004	N
54	Sycamore Run/Lancaster, SC	Sterling MCF-SCG, LP; (703) 942-6610	N	48	48	10/15/2003	2/24/2004	N
55	Ridgewood Senior/Radford, VA	Ridgewood Senior MCF-SCG, LP; (703) 942-6610	N	40	40	7/30/2003	12/12/2003	N
56	Arrington Place/Columbia, SC	Arrington Place MCF-SCG, LP; (703) 942-6610	N	68	68	1/9/2003	12/1/2004	N
57	Ridgewood Family/Radford, VA	Ridgewood Family MCF-SCG, LP; (703) 942-6610	N	32	32	12/16/2002	5/7/2003	N
58	Cedar Forest/Covington, VA	Sterling MCF-SCG, LP; (703) 942-6610	N	40	40	8/29/2002	5/12/2003	N
59	Thomas Jefferson/Bristol, VA	Jefferson MCF-SCG, LP; (703) 942-6610	N	30	30	5/1/2002	2/5/2004	N
60	Parkway Gardens/Hillcrest Heights, MD	New Parkway Apartments LP; (978) 535-5600	Y	159	143	4/1/2002	6/1/2004	N
61	Sterling Trace/Danville, VA	Sterling MCF-SCG, LP; (703) 942-6610	N	48	48	2/6/2002	5/31/2002	N
62	Concord Chase/Concord, NC	Concord Chase MCF-SCG, LP; (703) 942-6610	N	124	124	1/31/2002	3/3/2003	N
63	Forest Village/Fredericksburg, VA	Forest Village MCF-SCG, LP; (703) 942-6610	N	192	192	12/31/2001	5/16/2003	N
64	Marsh Landing/ Portsmouth, VA	Marsh Landings MCF-SCG, LP; (703) 942-6610	N	250	250	1/1/2001	5/16/2003	N
65	Grace Place/Richmond, VA	400 East Grace Street LP; (978) 535-5600	Y	58	52	1/1/2001	4/1/2002	N
66	Mallard Cove/Portsmouth, VA	Mallard Cove MCF-SCG, LP; (703) 942-6610	N	160	160	9/12/2000	7/1/2002	N
67								
68								
69								
70								
71								
72								
73								
74								
75								
76								
77								
78								
79								
80								
81								
82								
83								
84								
85								
86								
87								
88								
89								
90								
91								
92								
93								
94								
95								
96								
97								
98								
99								
100								

2nd PAGE TOTAL: 1,823 1,801
 GRAND TOTAL: 5,115 5,044
 LHIC as % of 99% Total Unit

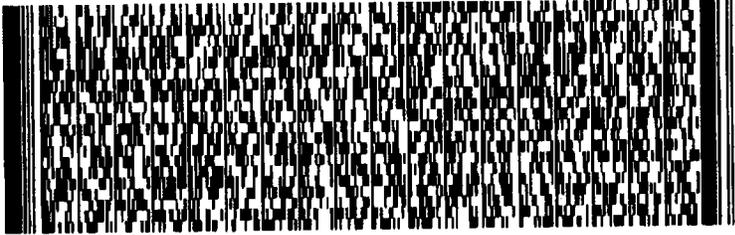
E

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

3

Fairfax Circuit Court Coversheet Generator

Cover Sheet Page 1 of 1



Consideration	\$1,000.00	Consideration/Actual Value %	100
Actual/Assessed	\$0.00	Tax Exemption	NONE
Code Section		Amount Not Taxed	
DEM Number			
Original Book	24884	Original Page	837
Title Company	STEWART	Title Case	
Property Descr.	PART OF PARCEL 1A	Multiple Lots?	NO
Return To Party Name:		Address:	
No. of Certified Copies	0	No. of Non-certified Copies	0
		Page Range	

Document Type(s)

LEASE

Grantor(s)

ARROWBROOK CENTER, LLC_F_N

Grantee(s)

ARROWBROOK APARTMENTS II, LLC_F_N

Tax Map Number

016-3--20--0001- A

(3)

LEASE CONSIDERATION: \$1,000

DEED OF GROUND LEASE - 4%

DATED AS OF December 17, 2020

BETWEEN

ARROWBROOK CENTRE, LLC,
a Virginia limited liability company

Landlord

AND

ARROWBROOK APARTMENTS II, LLC,
a Virginia limited liability company

Tenant

Tax ID part of 016-3-20-0001 A

AM

Stewart Title & Escrow, Inc
10505 Judicial Drive, Suite 300
Fairfax, VA 22030

(+

THIS DEED OF GROUND LEASE (this "*Lease*"), effective December 17, 2020, is made by and between Arrowbrook Centre, LLC, a Virginia limited liability company ("*Landlord*"), and Arrowbrook Apartments II, LLC, a Virginia limited liability company ("*Tenant*").

RECITALS

- A. Landlord and SCG Development Partners, LLC, a Delaware limited liability company holding a certificate of registration in the Commonwealth of Virginia ("*SCG*"), entered into that certain Memorandum of Agreement and Option to Ground Lease dated September 13, 2018 as amended by a First Amendment dated October 25, 2018, a Second Amendment dated March 13, 2019, a Third Amendment dated April 26, 2019, a Fourth Amendment dated April 1, 2020, a Fifth Amendment dated September 28, 2020, and a Sixth Amendment dated October 16, 2020 (collectively, the "*MOA*") pursuant to which Tenant was granted the option to lease, subject to conditions, that certain parcel of land located in Dranesville Magisterial District, in the County of Fairfax, Virginia formerly denoted as Parcel 1A, Arrowbrook Centre, and recently re-subdivided into Parcels 1A-1 and 1A-2, Arrowbrook Centre, as more fully described in Schedule A attached to this Lease, and containing 4.61334 acres, more or less ("*Parcel 1A*"). The portion of Parcel 1A being subjected to this Lease is Parcel 1A-2 of Arrowbrook Centre comprised of 1.67603 acres, more or less (the "*Site*"). The portion of Parcel 1A comprising Parcel 1A-1 and containing 2.9373 acres, more or less (the "*Site Adjacent*"), is concurrently leased to Arrowbrook Apartments I, LLC a Virginia limited liability company by a separate ground lease with Arrowbrook Centre, LLC, a Virginia limited liability company acting as the landlord under such ground lease ("*Ground Lease A1*").
- B. SCG assigned its rights and delegated its obligations under the MOA to Tenant 1 and notified Landlord of such assignment in the manner required by the MOA.
- C. Tenant has secured from the Virginia Housing Development Authority ("*VHDA*") an allocation of low-income housing tax credits and other financing to assist in the development of a multifamily rental housing development (the "*Project*") on the Premises, as more particularly described in Exhibit A. Tenant, will construct on the Premises (as hereinafter defined), pursuant to a certain contractual agreements, including, without limitation, that certain Development Agreement of even date herewith between Landlord and SCG, a Building Structure (as hereinafter defined) to accomplish the Project.
- D. Tenant intends to own, lease, and manage a portion of the Project using the 4% credits allocated by VHDA as referenced in the preceding recital paragraph C.

Therefore, the parties agree as follows:

AGREEMENT

**ARTICLE I.
REFERENCE DATA**

- 1.1. Definitions. In addition to the terms defined elsewhere in this Lease, the following terms will have the definitions set forth below:

1.1.1. "**Applicable Laws**" means all federal, state and local laws, ordinances, codes orders, rules and regulations applicable to all or any portion of the Development and or the transactions contemplated by the terms of this Lease and all requirements of site plans applicable to the Premises.

1.1.2. "**Base Interest Rate**" means the "prime" interest rate announced from time to time in the Wall Street Journal, plus [four percent (4%)] per annum, but in no event greater than the legal rate of interest.

1.1.3. "**Base Rent**" has the meaning set forth in Section 3.1 hereof.

1.1.4. "**Building**" means the portion of the Building Structure (as hereinafter defined) constructed on the Premises containing the Project, and the Building Parking, and has the same meaning as used in Section 42 of the Revenue Code.

1.1.5. "**Building Parking**" means 227 parking spaces related to the Project and constructed as an integral part of the Building

1.1.6. "**Building Structure**" means the entire vertical structure constructed on the Site.

1.1.7. "**Closing**" refers to the date when this Lease, the Development Agreement, and the Governing Documents are executed by each of the parties thereto and deposited with the Escrow Agent.

1.1.8. "**Closing of the Financing**" refers to the date when all of the necessary documents to contract and perfect the Permitted Leasehold Mortgages listed on the attached **Exhibit B.2**, other than those to be executed in connection with the Permanent Senior Mortgage and other supplemental financing that does not change the total indebtedness and deferred developer fee sources of financing for the Project, in addition to funds sufficient to pay the Rent due pursuant to the following Article III, have been executed and deposited with the Escrow Agent.

1.1.9. "**Commencement Date**" means the first day on which all of the necessary Residential Occupancy Permit(s) (RUPs) have been issued by the County for the lawful occupancy of the Residential Condominium.

1.1.10. "**Common Area Site Plan Improvements**" means those Improvements which are not part of the Building Structure or contained within the footprint of the Building Structure, all as shown in **Exhibit A-1**;

1.1.11. "**County**" refers to the County of Fairfax, Virginia.

1.1.12. "**County Clerk**" refers to the Clerk, Circuit Court of Fairfax County, Virginia.

1.1.13. "**Development**" refers to the actions of the Tenant in accomplishing the development of the Improvements, and is subject to the limitations set forth in Section 5.2.1.

1.1.14. "**Development Agreement**" refers to a certain Development Agreement of even date by and among Landlord, Landlord's affiliate, Arrowbrook Retail, LLC, a Virginia limited liability company, ("**ABR**"), and SCG.

1.1.15. "**Developer**" means SCG.

1.1.16. "**Dry Utilities**" mean the equipment, facilities and components, including transformers, switches, conduits, duct banks, lines, and pipes required to be installed above grade and below grade to provide electrical power, natural gas, and telecommunications utility services for occupants of the Building.

1.1.17. "**Environmental Laws**" means any and all federal, state or local statutes, laws, rules, regulations, ordinances, orders, codes, determinations, decrees, permits, licenses, binding guidance from regulatory authorities, policy statements, standards, determinations of any governmental authority or rules of common law pertaining to protections of land, water, air, health, safety, or the environment now or at any time hereafter in effect and any judicial or administrative interpretation thereof (including, but not limited to, any judicial or administrative order, consent decree or judgment relating to the environment or Hazardous Substances, or exposure to Hazardous Substances) including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, the Resource, Conservation and Recovery Act of 1976, as amended, the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, the Oil Pollution Act of 1990, as amended, the Safe Drinking Water Act, as amended, the Hazardous Materials Transportation Act, as amended, the Federal Insecticide, Fungicide and Rodenticide Act, as amended, and the Toxic Substances Control Act, as amended.

1.1.18. "**Escrow Agent**" refers to "Title Company" as defined in section 1.1.63.

1.1.19. "**Event of Default**" has the meaning set forth in Section 12.1 of this Lease.

1.1.20. "**FCRHA ROFR**" means that certain Right of First Refusal Agreement between the Tenant and the Fairfax County Redevelopment and Housing Authority of even date herewith.

1.1.21. "**Ground Lease A1**" refers to the separate ground lease between Landlord and Arrowbrook Apartments I, LLC.

1.1.22. "**Ground Lease A2**" refers to the ground lease between Landlord and Tenant. As used in this Lease, the terms "Lease" and "Ground Lease A2" are the same.

1.1.23. "**Hazardous Substances**" means any substances, chemicals, materials or elements that are prohibited, limited or regulated by any and all Environmental Laws, or any other substances, chemicals, materials or elements that are defined as "hazardous" or "toxic," or otherwise regulated under the Environmental Laws, or that are known or considered to be harmful to the health or safety of occupants or users of the Premises. The term Hazardous Substances will also include, without limitation, any substance, chemical, material, or element (i) defined as a hazardous substance under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 USC §§ 9601, et seq.), as amended by the Superfund Amendment and Reauthorization Act of 1986, and as further amended from time to time and regulations promulgated thereunder; (ii) defined as a "regulated substance" within the meaning of Subtitle I of the Resource Conservation and Recovery Act (42 USC §6991-6991 i), as amended from time to time and regulations promulgated thereunder; (iii) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 USC §1321), or listed pursuant to Section 307 of the Clean Water Act (33 USC §1317); (iv) defined as "hazardous," "toxic," or otherwise regulated under any Environmental Laws adopted by the state in which the Premises are located, or its agencies or political subdivisions; (v) which is petroleum, petroleum products or derivatives or constituents thereof; (vi) which is asbestos or asbestos-containing materials; (vii) the presence of which requires notification, investigation or remediation under any Environmental Laws or common laws; (viii) the presence of which on the Premises causes or threatens to cause a nuisance upon the Premises or to

adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; (ix) the presence of which on adjacent properties would constitute a trespass by the owner; (x) which is urea formaldehyde foam insulation or urea formaldehyde foam insulation-containing materials; (xi) which is lead-based paint or lead-based paint-containing materials; (xii) which are polychlorinated biphenyls or polychlorinated biphenyl-containing materials; (xiii) which is radon or radon-containing or producing materials; or (xiv) which by any laws of any governmental authority requires special handling in its collection, storage, treatment or disposal. Notwithstanding any contrary provision of this Section 1.1.23, the term Hazardous Substances will not apply to such substances that would otherwise meet such definition as long as (x) the use of such substance in, on or under the Premises is in compliance with all Environmental Laws and (y) such substance is used in de minimis quantities incidental to the construction, rehabilitation or operation of the Premises.

1.1.24. "**Improvements**" means all repairs, betterments, buildings, and improvements now or hereafter existing, constructed or rehabilitated on the Premises, including without limitation the Building Structure including all of the rental dwelling units in the Project, the Parking, and all walkways, landscaping, fencing or other amenities on the Premises, plus the Site Plan Improvements (which includes the Surface Parking Lot), and the Dry Utilities, whether located on the Premises or outside the boundaries of the Premises subject to the limitations set forth in Section 5.2.1.

1.1.25. "**Institutional Lender**" means a savings bank, commercial bank, trust company, savings and loan association, insurance company, real estate investment trust, pension trust or fund established for a corporation listed on the New York or American Stock Exchange, for state or municipal employees or for a national trade union, an agency or authority of any federal, state, or local government, any quasi-public entity, and any private or nonprofit entity that regularly provides financing for affordable housing.

1.1.26. "**Land Bay D2 Site Plan**" means the Site Plan, including any revisions, as finally approved in Fairfax County Site Plan Application 1504-SP-009.

1.1.27. "**Landlord**" means Arrowbrook Centre, LLC, a Virginia limited liability company.

1.1.28. "**Lease**" means this Ground Lease as the same may be amended from time to time. As used in this Lease, the terms "Lease" and "Ground Lease A1" are the same.

1.1.29. "**Lease Year**" means, in the case of the first lease year, the period from the Commencement Date through December 31st of that year; thereafter, each successive twelve-calendar month period following the expiration of the first lease year of the Term; except that in the event of the termination of this Lease on any day other than the last day of a Lease Year, then the last Lease Year of the Term will be the period from the end of the preceding Lease Year to such date of termination.

1.1.30. "**Net Insurance Proceeds**" is defined in Section 10.3 hereof.

1.1.31. "**Notice**" means notice given in accordance with Section 16.12 hereof.

1.1.32. "**Parking**" refers to the Building Parking together with the on-street surface parking spaces which are part of the Site Plan Improvements and in addition to the Surface Parking Lot.

1.1.33. "**Permitted Encumbrances**" is defined in Section 11.1 hereof.

1.1.34. "**Permitted Leasehold Encumbrances**" means Permitted Leasehold Mortgages together with other encumbrances recorded against Tenant's leasehold interest in the Premises, with Landlord's approval, including without limitation those matters shown on the attached **Exhibit B.1**.

1.1.35. "**Permitted Leasehold Mortgages**" means liens approved by Landlord, in writing, or liens securing loans made for the purchase or financing for the Project held by any lender other than Landlord. Permitted Leasehold Mortgages as of the Commencement Date are identified on the attached **Exhibit B.2**.

1.1.36. "**Permitted Leasehold Mortgagee**" means the holder of a Permitted Leasehold Mortgage.

1.1.37. "**Plans and Specifications**" means the written plans and specifications, including but not limited to construction drawings, site plan drawings, shop drawings, material specifications and related documents, adequate and sufficient for the construction of the Improvements, attached hereto as **Exhibit I**

1.1.38. "**Premises**" means initially the Site. Landlord and Tenant will amend the definition of Premises subject and pursuant to Section 7.1 of this Lease at which time and thereafter Premises shall mean and refer to Residential Condominium Unit (R-2).

1.1.39. "**Project**" has the meaning set forth in the Recitals above and includes all of the 148 residential units of the Building receiving the so-called 4% Tax Credit financing in addition to all of the Building Parking required to serve the residential portion of the Building, and the associated common areas and amenity spaces of the residential portion of the Building and all premises of the same necessary for the convenient use, operation, and enjoyment of the Project.

1.1.40. "**Rent**" means the Rent to be paid in accordance with Section 3.1.

1.1.41. "**Residential Condominium Unit (R-1)**" has the meaning ascribed to such term in section 7.1

1.1.42. "**Residential Condominium Unit (R-2)**" has the meaning ascribed to such term in section 7.1.

1.1.43. "**Residential Condominium Units**" has the meaning ascribed to such term in section 7.1.

1.1.44. **Reserved.**

1.1.45. "**Recitals**" means the Recitals to this Lease set forth above.

1.1.46. **Reserved.**

1.1.47. "**Revenue Code**" refers to the Internal Revenue Code of 1986, as amended.

1.1.48. "**Right of First Refusal and Option**" or "**ROFR**" are interchangeable terms and have the meaning stated in section 2.2

1.1.49. "**ROFR Period**" refers to the period of time in which the ROFR may be exercised as stated in section 13.10

1.1.50. "**Site**" refers to Parcel 1A-2 as more fully described in Schedule A attached to this Lease

1.1.51. "**Site Adjacent**" refers to Parcel 1A-1 as more fully described in Schedule A attached to Ground Lease A1.

1.1.52. "**Site Plan**" refers to the definition in section 20-300 of the Zoning Ordinance.

1.1.53. "**Site Plan Improvements**" means all of the improvements required by the conditions of the Land Bay D2 Site Plan.

1.1.54. "**Surface Parking Lot**" means the surface parking lot containing approximately 121 parking spaces located on Parcel 6, Arrowbrook Centre, outside the boundaries of the Site but which are part of the Site Plan Improvements.

1.1.55. "**Taking**" means any taking of the title to, access to, or use of the Premises or any portion thereof by any governmental authority through the use of eminent domain, or any conveyance under the threat thereof, for any public or quasi-public use or purpose. Takings may be total or partial, permanent or temporary.

1.1.56. "**Tax Credits**" means the Low-Income Housing Tax Credit.

1.1.57. "**Tax Credit Investor**" means Stratford Arrowbrook II Investors Limited Partnership, a Massachusetts limited partnership, or its successor, affiliate or assign.

1.1.58. "**Tenant**" means Arrowbrook Apartments II, LLC, a Virginia limited liability company, or its successor, affiliate, or assign

1.1.59. "**Tenant Costs**" has the meaning set forth in Section 3.2 hereof.

1.1.60. "**Tenant Fiscal Year**" means Tenant's fiscal year, which is the calendar year.

1.1.61. "**Tenant's Personal Property**" means any personal property of Tenant located upon or used by Tenant in connection with the Development, including without limitation:

1.1.61.1. all fixtures and other tangible personal property located at or on or intended to be used in connection with the Development or the operation of the Project; all articles of personal property now or hereafter attached to or intended to be used in or about or in connection with the Development or the operation of the Project; or the Development and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or will be attached to the Improvements;

1.1.61.2. all contracts, contract rights, accounts, warranties, and agreements, including rights to return of deposits, prepaid premiums or other payments; receivables, rents, chattel paper and instruments, development rights, trade names, plans and specifications, permits, approvals and general intangibles and all other choses in action now or hereafter existing with respect to the Development or the Project, and all proceeds from the foregoing;

1.1.61.3. all insurance proceeds, including interest, payable in connection with any damage or loss to the Development or the Project; all eminent domain awards made with respect to Tenant's interest in the Development or the Project; and

1.1.61.4. all books and records relating to the Development or the operation of the Project.

1.1.62. "**Term**" means the period commencing with the date on which this Lease is executed and delivered to Tenant and ending on the ninety-ninth (99th) anniversary of the Commencement Date.

1.1.63. "**Title Company**" means Stewart Title Guaranty Company.

1.1.64. "**Work**" means the construction of the Improvements.

1.1.65. "**Zoning Ordinance**" means the Zoning Ordinance of the County, as amended from time to time.

1.2. **Interpretation.** The words "hereof," "herein," "hereunder," and other words of similar import refer to this Lease as a whole and not to any particular Section, subsection or subdivision. Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number will include the plural and vice versa unless the context will otherwise indicate.

1.3. **Exhibits.** Exhibits attached to this Lease are incorporated by this reference and are to be construed as a part hereof.

**ARTICLE II.
PREMISES AND TERM**

2.1. **Premises.** Landlord hereby grants, leases and demises the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, subject to and with the benefit of the terms, covenants, conditions and provisions of this Lease.

2.2. **Term.** The Premises are hereby leased unto Tenant and its successors and assigns for the Term unless sooner terminated, in whole or in part, in all cases in accordance with the provisions herein contained, the Common Area Site Plan Improvements, until assigned or otherwise conveyed, as the case may be, in accord with the terms of this Lease.

**ARTICLE III.
RENT**

3.1. **Ground Lease Payment.**

- 3.1.1. At the Closing of the Financing, Tenant will pay Landlord the following sums as rent in the total amount of One Thousand Dollars (\$1,000.00) ("**Rent**").
- 3.1.2. All Rent will be paid by Tenant in cash to the Escrow Agent, which will disburse the Rent in accordance with this Section 3.1 as soon as all conditions to the Closing of the Financing have been satisfied.
- 3.1.3. If the Closing of the Financing does not occur within five (5) business days after the Closing such that the Escrow Agent has received and is able to disburse to Landlord the Rent, then the Escrow Agent shall immediately cause to be recorded in the office of the County Clerk the Deed of Relinquishment (as defined in Section 7.1) executed and deposited with the Escrow Agent at the Closing pursuant to Section 3.1.4. In addition, concurrently with such recordation, the Escrow Agent will disburse directly to Landlord all recordation taxes and other closing costs charged to Landlord at the Closing, as the sole property of the Landlord, free and liberated from any claim of or by Tenant, and as the agreed compensation to Landlord for

the damages it incurred due to the failure of the Closing of the Financing to occur within five (5) business dates after the Closing. Tenant will deposit with the Escrow Agent at Closing a sum equal to the recordation taxes and other closing costs charged to Landlord at the Closing. Tenant will have no other liability to Landlord other than its forfeiture of the above-referenced recordation taxes and other closing costs. Otherwise, Escrow Agent will destroy the Deed of Relinquishment after its disbursement of the Rent in accord with this Article III.

3.1.4. At Closing, Tenant will execute and deliver to the Escrow Agent the Deed of Relinquishment.

3.1.5 Tenant does not owe any sums pursuant to the MOA, nor does it have any obligations under the MOA.

3.2. Tenant Costs.

3.2.1. In order that this Lease will be absolutely net to Landlord, except as otherwise expressly set forth herein, Tenant covenants and agrees to pay or cause to be paid, without notice or demand and without set-off, abatement, suspension or deduction, all taxes, payment in lieu of taxes, betterment assessments levied by the County any charges, fees, expenses, or annual assessments of any type levied or charged by Arrowbrook Management Corporation to the extent required shall be subject to the limitations imposed, by the provisions of the following section 7.4, such that the AMC Annual Assessment (as defined in Section 7.4) levied for the first calendar year following the end of the Construction Period, as defined in Section 3.2.1.1, does not exceed \$78,952 and is calculated on a rate of assessment not in excess of Forty-One Cents (\$0.41) per square foot of Development Rights and that in any subsequent calendar year the amount of the AMC Annual Assessment shall not be greater than the AMC Annual Assessment in the immediately preceding calendar year increased by the greater of (i) two percent (2%), or (ii) the rate of price inflation, such amount being a "**Maximum Annual Assessment Increase**", water and sewer rents and charges, liens, utilities charges, insurance and all other costs, general and special, ordinary and extraordinary, foreseen and unforeseen, that are due and payable during the Term hereof and are at any time imposed or levied against the Project, in accordance with the limitations of Section 5.2.1. For purposes of this Lease, the "rate of price inflation" will be fixed by the most recently available increase in the Consumer Price Index, All Urban Consumers (CPI-U) Washington-Arlington-Alexandria, for the trailing twelve (12) month period and as published by the United States Bureau of Labor Statistics of the United States Department of Labor, or any successor price index. Notwithstanding anything to the contrary in the foregoing sentence, Tenant will only be responsible for paying the above-referenced amounts of this Paragraph 3.2 with respect to the AMC Annual Assessments (which amounts are based on a rate of assessment against each square foot of Development Rights, as such term is defined in the Master Declaration, held by Tenant which does not exceed Forty-One Cents (\$0.41). The period between the Closing and the day on which all of the necessary Residential Occupancy Permit(s) ("**RUP(s)**") have been issued by the County of Fairfax, Virginia for the lawful occupancy of the Residential Condominium is the "**Construction Period**".

3.2.2. In the event Tenant fails to make any such payment when due, Landlord may in its sole discretion pay the same on behalf of Tenant, and the same will be due to Landlord as repayment ("**Tenant Costs**") in which event Landlord will have the right, after ten (10) days' Notice to Tenant, to charge Tenant interest thereon beginning ten (10) days from the date of such Notice at the Base Interest Rate in effect on such day.

3.2.3. Tenant will furnish to Landlord, upon request once per year concurrently with Landlord's annual review of Tenant's financial statements, a proof of payment of all items referred to in Section 3.2 paid by Tenant, provided that, Tenant will in addition furnish to Landlord proof of payment of any taxes or payments in lieu thereof and proof of payment of insurance premiums promptly after demand therefor.

3.2.4. Tenant's obligations under this Section 3.2 include:

3.2.4.1. Real Estate Impositions.

3.2.4.1.1. Tenant will pay or cause to be paid, directly to the authority charged with the collection thereof, all taxes, or payments in lieu thereof, and each installment of all public, special or betterment assessments levied or assessed by or becoming payable to the County or any governmental authority having jurisdiction over the Premises, for or in respect of the Project and all Improvements constructed thereon (such taxes and installments of assessments being hereinafter together referred to as "*Real Estate Impositions*") for each tax or installment period wholly included in the Term, all such payments to be made not less than five (5) days prior to the last date on which the same may be paid without interest or penalty; and for any fraction of a tax or installment period included in the Term at the beginning or end thereof, Tenant will pay to Landlord, within fifteen (15) days after receipt of invoice therefor, the fraction of such taxes or installment which is allocable to such included period, provided in the case of any special or betterment assessment that Landlord will have elected to pay such assessment in installments, over the longest period permitted by law.

3.2.4.1.2. If Tenant will deem itself aggrieved by any Real Estate Impositions and will elect to contest the payment thereof, Tenant may make such payment under protest or, if postponement of such payment will not jeopardize Landlord's reversionary interest in the Project, or subject Landlord to the risk of any criminal liability or civil liability or penalty, Tenant may postpone the same provided that it will secure such payment and the interest and penalties thereon and the costs of the contest on the determination or the proceedings or suit in which such contest may be had, by causing to be delivered to Landlord cash or other security reasonably satisfactory to Landlord, or a bond of indemnity of a good and solvent surety company, in form and amount reasonably satisfactory to Landlord. Either party paying any Real Estate Impositions will be entitled to recover, receive and retain for its own benefit all abatements and refunds of such Real Estate Impositions, unless it has previously been reimbursed by the other party, in which case an equitable distribution will be made. Tenant agrees to save Landlord harmless from all costs and expenses incurred on account of Tenant's participation in such proceedings or as a result of Tenant's failure to pay Real Estate Impositions and other related charges with respect to the Project. Landlord, without obligating itself to incur any costs or expenses in connection with such proceedings, will cooperate with Tenant with respect to such proceedings so far as reasonably necessary. Neither party will discontinue any abatement proceedings begun by it without first giving the other party written Notice of its intent so to do and reasonable opportunity to be substituted in such proceedings. Landlord will within five (5) business days furnish to Tenant a copy of any notice of any Real Estate Impositions received by Landlord.

3.2.4.1.3. If federal, state, or local law now or hereafter imposes any tax, assessment, levy or other charge (other than income tax) directly or indirectly upon (i) Landlord with respect to this Lease or the value thereof, (ii) Tenant's use or occupancy of the Premises, (iii) the Base Rent, Tenant Costs or any other sum payable under this Lease, or (iv) this transaction, Tenant will pay the amount thereof as Tenant Costs to Landlord upon demand unless Tenant is prohibited by law from doing so, and Landlord covenants to pay such tax, assessment, levy or other charge before it becomes overdue.

3.2.3.1.4 If at any time the remainder of the Term is less than fifty (50) years or such shorter period as may be prescribed by statute, and which period requires an allocation of

the assessment against the Project between the Tenant's leasehold interest and the Landlord's reversionary interest, Tenant shall nevertheless pay all of the Real Estate Impositions levied against the Project notwithstanding any such allocation of the assessment against the Project which may be mandated by §58.1-3203.A. of the 1950 Code of Virginia, as amended, or any successor provision subsequently enacted or re-codified.

3.2.4.2. Utilities. Tenant will pay or cause to be paid all charges for water, gas, sewer, electricity, light, heat, other energy sources or power, telephone or other service used, rendered or supplied to Tenant in connection with Project. Other than any liability arising from the Governing Documents of the Condominium Regime, as defined in section 7.1 of this Lease, Landlord shall not have any liability to Tenant or to any other Person for the interruption of any utility service to the Project or the failure of water supply, gas or electric current, telecommunications services, or other utility services.

3.2.4.3. Other. Tenant covenants to pay and discharge or cause to be paid and discharged, when the same will become due, as Tenant Costs, all other amounts, liabilities, and obligations that Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with every fine, penalty, interest and cost which may be added by the applicable governmental authority for nonpayment or late payment thereof (provided that Tenant will not be liable for any payment or portion thereof which Landlord is obligated to pay and which payment Landlord has failed to make when due); and, in the event of any failure by Tenant to pay or discharge the foregoing, Landlord will have all the rights, powers and remedies provided herein, by law or otherwise in the case of nonpayment of rent

3.2.5. Limitations. All of the foregoing provisions of Section 3.2 are subject to the limitations of Section 5.2.1.

ARTICLE IV.
INDEMNITY, LIENS, AND INSURANCE

4.1. Indemnification by Tenant.

4.1.1. Unless due to the gross negligence or substantial misconduct of Landlord, in its capacity as landlord hereunder, its agents, contractors, servants or employees, and subject to the limitations set forth in Section 5.2.1, Tenant will defend, indemnify and hold Landlord harmless against and from any and all liability, claim of liability or expense incurred, including, without limitation, reasonable attorney's fees, arising out of or in any way connected with (i) any work done in connection with the Development by Tenant during the Term and prior to the conveyance of the Withdrawable Land (as hereinafter defined) to Landlord, (ii) any work done on the Project during the Term, (iii) any Event of Default pursuant to Article XII, (iv) any negligent or intentionally tortious act or omission of Tenant or any of its agents, contractors, servants, employees or subtenants, during the Term, or (v) any injury to or death of any person, or damage to any property, occurring on the Project. Subject to Section 4.1.3, Tenant hereby also agrees to indemnify Landlord and hold Landlord harmless from and against any and all loss, damages, liabilities, expense and cost including, without limitation, reasonable attorney's fees, paid, incurred or suffered by Landlord as a direct or indirect result of the escape, seepage, leakage, spillage, emission, discharge, migration or release or threatened release from the Premises of any Hazardous Substance.

4.1.2. Without limiting the generality of the indemnification set forth in Section 4.1.1 and subject to Section 4.1.3, Tenant hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Landlord) Landlord, its officers and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable

attorney's fees and expenses), arising directly out of any claim by a third party concerning: (i) the failure of Tenant or any employee, agent, contractor, subcontractor, sub-tenant or licensee of Tenant during the Term of this Lease to comply with any Environmental Laws relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Substances in the course of the Development; (ii) [reserved], or (iii) any activity carried on or undertaken on the Project, or any negligent or intentional act or omission, taken or committed by Tenant, its employees, agents, contractors, sub-contractors, sub-tenants, and licensees.

4.1.3. The indemnity obligation set forth in the foregoing Sections 4.1.1 and 4.1.2 will not extend to any claim to the extent same arises from Landlord's activity, nor to any claim arising to the extent the same arises from conditions existing on or under the Premises prior to the first day of the Term, except to the extent such claim may be increased by Tenant's negligent actions with regard to such condition or Tenant's failure to respond to the condition in the manner required by law or with due care under the circumstances.

4.1.4. Landlord will give Tenant prompt and timely Notice (with diligent efforts to do so within five (5) business days) of any claim made or suit instituted against it or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 4.1. The obligations of Tenant under this Section 4.1 will survive the expiration or any earlier termination of the Term of this Lease.

4.1.5. The foregoing obligations in this Section 4.1 are subject to the limitations set forth in Section 5.2.1.

4.2. Indemnification by Landlord.

4.2.1. Landlord will defend, indemnify, and hold Tenant harmless against and from any and all liability for real estate taxes, water and sewer charges and any other governmental levies assessed and due the County of Fairfax, Virginia for any period prior to the Closing Date and which are, or through an act of perfection, be secured by a lien against the Premises.

4.2.2. Unless due to the gross negligence or substantial misconduct of Tenant, in its capacity as tenant hereunder, its agents, contractors, servants or employees, Landlord will defend, indemnify and hold Tenant harmless against and from any and all liability, claim of liability or expense arising out of or in any way connected with (i) [reserved], (ii) any default by Landlord in performing any of its obligations under this Lease or applicable law, (iii) any failure of AMC to abide by or respect the cap on AMC Annual Assessments pursuant to section 3.2.1. and 7.4(a) of this Lease in addition to the commitments expressed in the AMC Letter described in section 7.4(a) of this Lease, or (iv) any negligent or intentionally tortious act or omission of Landlord or any of its agents, contractors, servants, employees or subtenants, during the Term. Subject to Section 4.2.3, Landlord hereby also agrees to indemnify Tenant and hold Tenant harmless from and against any and all loss, damages, liabilities, expense and cost including, without limitation, reasonable attorney's fees, paid, incurred or suffered by Tenant as a direct or indirect result of the escape, seepage, leakage, spillage, emission, discharge, migration or release or threatened release any Hazardous Substance.

4.2.3. Without limiting the generality of the indemnification set forth in Section 4.1.1 and subject to Section 4.1.3, Landlord hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Tenant) Tenant, its commissioners, officers, and employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to,

reasonable attorney's fees and expenses), arising directly out of any claim by a third party concerning: (i) the failure of Landlord or any employee, agent, contractor or subcontractor of Landlord during the Term of this Lease to comply with any Environmental Laws relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Substances; or (ii) any activity carried on or undertaken by Landlord or any employees, agents, contractors or subcontractors of Landlord during the Term of this Lease, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Substances at any time located or present on or under the Development.

4.2.4. The indemnity obligation set forth in the foregoing Sections 4.2.1 and 4.2.2 will not extend to any claim to the extent the same arises from Tenant's activity, nor any claim arising to the extent the same arises from the failure of Tenant to perform its obligations under the Lease or to comply with the Environmental Laws except to the extent such claim may be increased by Landlord's negligent actions with regard to such condition or Landlord's failure to respond to the condition in the manner required by law or with due care under the circumstances.

4.2.5. Tenant will give Landlord prompt and timely Notice (with diligent efforts to do so within five (5) business days) of any claim made or suit instituted against it or any other party of which it has knowledge, relating to any matter which in any way may result in indemnification pursuant to this Section 4.2. The obligations of Landlord under this Section 4.2 will survive the expiration or any earlier termination of the Term of this Lease.

4.3. Liens.

4.3.1. Tenant will make, or cause to be made, prompt payment of all monies due and legally owing to all persons, firms, and corporations doing any work, furnishing any materials or supplies or renting any equipment to Tenant or any of its contractors or subcontractors in connection with the Development, and in all events will bond or cause to be bonded, with surety companies reasonably satisfactory to Landlord. Tenant will use its best efforts throughout the Term hereof to prevent any mechanic's liens or other liens for work, labor, services or materials from being filed or recorded against the Improvements or any portion thereof; in the event that any such lien will be filed, Tenant will procure the release or discharge thereof within sixty (60) days either by payment or in such other manner as may be prescribed by law, and will hold Landlord harmless from and indemnified against any loss or damage related thereto.

4.3.2. Tenant will have the right to contest any such lien or encumbrance by appropriate proceedings which will prevent the collection of or other realization upon such lien or encumbrance so contested, and the sale, forfeiture or loss of the Project or the Improvements to satisfy the same, provided that such contest will not subject Landlord to the risk of any criminal liability or civil penalty, and provided further that Tenant will give such reasonable security as may be requested by Landlord to ensure payment of such lien or encumbrance and to prevent any sale or forfeiture of the Improvements or any portion thereof by reason of such nonpayment, and Tenant hereby indemnifies Landlord for any such liability or penalty. Upon the termination after final appeal of any proceeding relating to any amount contested by Tenant pursuant to this Section 4.3.2, Tenant will promptly pay any amount determined in such proceeding to be due, and in the event Tenant fails to make such payment, Landlord will have the right after five (5) days written Notice to Tenant to make any such payment on behalf of Tenant and charge Tenant therefor, together with interest thereon from the date of payment at the Base Interest Rate.

4.3.3. Nothing contained in this Lease will be construed as constituting the consent or request of Landlord, expressed or implied, to or for the performance of any labor or services or the furnishing of any materials in connection with the Development or the construction, alteration, addition, repair or

demolition of the Improvements or of any part thereof. Notice is hereby given that Landlord will not be liable for any labor, services, or materials furnished or to be furnished to Tenant, or to anyone holding the Improvements or any part thereof through or under Tenant, and that Tenant will not have any right, authority or power to bind Landlord, the Improvements or any interest of Landlord in the Improvements or any portion thereof.

4.4 Insurance Requirements. At all times during the Term, Tenant will carry such liability, worker's compensation, property and other insurance coverage with respect to the Project and the Improvements in accord with the insurance requirements set forth in the Governing Documents.

**ARTICLE V.
USE OF PREMISES; MAINTENANCE AND REPAIRS**

5.1. Permitted Use. Tenant covenants, promises and agrees that during the Term of this Lease, Tenant will own, manage and operate the Project as a multifamily apartment building. Tenant may operate and lease the Project solely for a residential use and subject to such requirements and rental rates as necessary to qualify the Project as an affordable or workforce housing development which meets the definition of a "qualified low-income housing project" under § 42 of the Revenue Code, as amended, or any successor provision subsequently enacted or re-codified, during the term of, pursuant to, and in accordance with, the terms of a certain Extended Use Agreement dated 15 July 2019 by and between Tenant and the Virginia Housing Development Authority ("the EUA"), which EUA appears of record after this Lease, in addition to any other recorded covenants which substantially conform to the EUA, including without limitation that certain Land Use Restriction Agreement or Agreements of even date by and between Tenant and the Fairfax County Redevelopment and Housing Authority, (collectively "the Use Restrictions"), which restrictions and requirements may or may not terminate on a foreclosure or similar proceeding as specified in any applicable provision of the Use Restrictions or by operation of law. Tenant may operate the Project in conformity with such restrictions or requirements, including any agreed set asides or percentages prescribed by the Use Restrictions, but only as is necessary and sufficient to comply with the aforesaid requirements and restrictions of the Use Restrictions. To facilitate any future financings or re-financings, the Tenant may agree to and record any additional restrictive covenants provided they are in substantial conformance with the Use Restrictions.

5.2. Tenant Maintenance Obligations. Subject to the limitations of the following Section 5.2.1, in addition to the following Section 7.2 respecting the allocation of maintenance responsibility for the Building in accord with the Condominium Regime (as hereinafter defined), Tenant will, at its sole cost and expense, maintain the Building and the Building Parking, reasonable wear and tear excepted, and make repairs, restorations, and replacements to the Building, including without limitation the landscaping, heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, structural roof, walls, and foundations, and the fixtures and appurtenances to the Improvements as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations, and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of Tenant, its agents, employees, invitees, visitors, and contractors. All such repairs, restorations, and replacements will be in quality and class, as elected by Tenant, either equal to or better than the original work or installations, or otherwise consistent with the standard then applicable to similar residential apartment projects within the geographical area of the Improvements at such time and will be in accordance with all applicable building codes.

5.2.1. Common Area Site Plan Improvements. Notwithstanding anything in this Lease to the contrary, with respect to the Common Area Site Plan Improvements, Tenant shall have no ongoing obligations whatsoever under this Lease, including without limitation such obligations for taxes,

maintenance, and insurance, after conveyance of the Common Area Site Plan Improvements to Landlord or its designee, as the case may be, in accord with the following Section 7.3 of this Lease. As of the time of such conveyances, such obligations for the Common Area Site Plan Improvements, as the case may be, shall become the responsibility of Landlord or the Landlord's designee, pursuant to the applicable provisions of this Lease. As of the time of such conveyances, Tenant shall only be responsible for such obligations with respect to the Project only pursuant to this Lease.

5.3. Compliance with Law.

5.3.1. Landlord and Tenant agree that the Work and all its activities will be performed in compliance with all applicable law, and they will use reasonable efforts to cause all occupants of any portion thereof to comply, with all provisions of the Zoning Ordinance and the Applicable Laws; and Tenant will procure, or cause to be procured, any and all necessary permits, licenses, or other authorizations required for the laying out, installation, maintenance and replacing of the heating, ventilating, air conditioning, mechanical, electrical, elevator, and plumbing systems, fixtures, wires, pipes, conduits, equipment and appliances and water, gas, electric, telephone, drain and other utilities that are customary in projects of this type for use in supplying any such service to and upon the Premises. Landlord will, albeit without expense to Landlord absent its consent therefor, cooperate with Tenant and assist Tenant in obtaining all required licenses, permits, authorizations, and the like, and will sign all papers and documents at any time needed in connection therewith, including without limitation, such instruments as may be required for the laying out, maintaining, repairing, replacing and using such services or utilities.

ARTICLE VI.

CONSTRUCTION OF THE IMPROVEMENTS; THE WORK

6.1. Tenant to Construct the Improvements. Tenant and Landlord agree that SCG Development Partners, LLC, a Delaware limited liability company ("*Developer*"), will perform, and diligently prosecute to completion, the Work, and construct the Improvements in accordance with the requirements of the Plans and Specifications, and pursuant to the Development Agreement, to which reference is made. Notwithstanding anything in this Lease to the contrary, the failure of Developer and/or Tenant to perform its obligations under the Development Agreement shall not be an Event of Default under this Lease, and Landlord may not terminate the Tenant's rights or assert that an Event of Default exists under this Lease because of any such failure by Developer, Tenant, or any other entity to perform pursuant to the Development Agreement, except as expressly set forth in Section 12.2 of this Lease.

ARTICLE VII.

DISPOSITION OF THE IMPROVEMENTS; CREATION OF A CONDOMINIUM

7.1. Building To Be Subjected to a Condominium. After the recordation of this Lease but prior to closing on all Permitted Leasehold Mortgages, Tenant and Arrowbrook Apartments I, LLC as co-declarants will declare and subject the Site and the Site Adjacent to a leasehold condominium regime ("*the Condominium Regime*") pursuant to the Condominium Act codified in chapter 19.2 of title 55.1 of the 1950 Code of Virginia, as amended, Virginia Code §§ 55-1-1900 et seq. (the "*Condominium Act*"). The Condominium Regime shall create certain withdrawable land on the Site Adjacent ("*Withdrawable Land*"), which shall initially be a common element of the Condominium Regime, and condominium units to be comprised of, in the aggregate, the Retail Space of not less than 36,000 gross rentable square feet, constructed and delivered as a cold dark shell (the "*Retail Condominium Units*"). The Condominium

Regime will also create one residential leasehold condominium unit expected to be designated as Unit R-1 ("**Residential Condominium Unit (R-1)**"), and another residential leasehold condominium unit expected to be designated as Unit R-2 ("**Residential Condominium Unit (R-2)**"), collectively with Residential Condominium Unit (R-1), the "**Residential Condominium Units**". At the time the instruments governing the Condominium Regime are recorded Landlord and Tenant shall also record the REA (defined below). Tenant and Arrowbrook Apartments I, LLC, as the co-declarants of the Condominium Regime, will cause Tenant to own Residential Condominium Unit (R-2) and at the same time they will cause Arrowbrook Apartments I, LLC to be the owner of Residential Condominium Unit (R-1) and the Retail Condominium Units, and Landlord and Tenant will promptly execute and cause to be recorded among the Land Records an amendment to the Lease to identify and describe the Premises as Residential Condominium Unit (R-2), and any apportioned unit interests in the Condominium Regime, in the form attached to this Lease as **Exhibit L** ("**First Amendment to Ground Lease**"). Landlord will execute and deliver to the Escrow Agent such amendment to the Lease at the Closing. Notwithstanding anything in this Lease to the contrary, Tenant will have no liability whatsoever to Landlord or Landlord's assignee(s) with respect to or in connection with the Retail Condominium Units or Residential Condominium Unit (R-1).

If within five (5) business days after the Closing, Tenant is unable to proceed to closing on all Permitted Leasehold Mortgages and the payment to Landlord of such amounts specified in Section 3.1 of this Lease, Tenant or an escrow agent designated by Tenant and Landlord shall deliver to Landlord the Deed of Relinquishment and Assignment of Deed of Ground Lease in the form attached hereto and made a part hereof as **Exhibit K** ("**Deed of Relinquishment**").

7.2 Condominium Regime Governing Documents. The declaration of the Condominium Regime will be effected by the execution and recordation of the documents entitled "Declaration of Condominium Ovation at Arrowbrook Condominium" ("**Declaration**") and "By-Laws of Ovation at Arrowbrook Condominium Unit Owners Association" ("**Bylaws**"), and a true and complete copy of which are attached to this Lease as **Exhibits F** and **G**, respectively. Furthermore, operation and management of the Condominium Regime will occur in accord with the provisions of a document entitled "Declaration of Covenants, Conditions, Restrictions, and Easements for Ovation at Arrowbrook Condominium", also sometimes referred to as the "REA" (the "**REA**", and together with the Declaration and the Bylaws, collectively, the "**Governing Documents**"), a true and complete copy of which is attached to this Lease as **Exhibit H**. Landlord agrees to execute the Governing Documents as an owner for purposes of compliance with section 55.1-1910 of the Condominium Act. In addition, Landlord agrees to not unreasonably withhold, condition, or delay its consent to, and execution of, any amendments to these Governing Documents required in connection with the operation of the Project for purposes of compliance with the aforesaid Code section. Notwithstanding the foregoing sentence, the Landlord shall be obligated to sign all such amendments to the extent required by the Condominium Act as may be required to update the condominium plats and plans to reflect the as-built final condition of the Building and withdraw any Withdrawable Land from the Condominium Regime.

7.3 Contraction of the Condominium. At the time, and in the manner, prescribed by the Development Agreement, Tenant will cause the Condominium Regime to be contracted through the withdrawal of the Withdrawable Land from the scope of the Condominium Regime. Landlord and Tenant agree to amend the Governing Documents in the forms attached to this Lease as **Exhibit J** ("**First Amendment to Condominium Regime**") subject to the approval of any Permitted Leasehold Mortgagee, including the legal descriptions and plats contained in each document, as applicable, to reflect such withdrawal, with such amendments to be recorded among the land records of the County, within the time period required under the Development Agreement.

7.4 Jurisdiction of Arrowbrook Management Corporation; Collection of AMC Annual Assessments. Tenant acknowledges that prior to the execution of this Lease, it has received a copy of the recorded document entitled "First Amendment and Complete Restatement of the Declaration of Covenants, Rights, and Restrictions for the Development, Management, Operation of Arrowbrook Centre" dated 27 October 2016 and which was recorded on 4 November 2016 in Deed Book 24825 at Page 543 among the land records of the County (the "**Master Declaration**"). Tenant further acknowledges and agrees that the Premises and the Lease are subject to the provisions of the Master Declaration including the use restrictions and regulatory overlay of exterior architectural regulatory control administered by the Design Review Board of Arrowbrook Management Corporation ("**AMC**"), the property owners' association for Arrowbrook Centre, which has the authority to levy an annual assessment pursuant to the Master Declaration against Owners as such term is defined in the Master Declaration (the "**AMC Annual Assessment**").

7.4.1 By no later than the Closing of the Financing, Landlord will deliver a recordable instrument in the form attached to this Lease as Exhibit N, signed by both Landlord and AMC, stating that AMC (i) recognizes Tenant as the "Owner" (as defined in the Master Declaration) of 189,672 square feet of Development Rights (as defined in the Master Declaration) in connection with Residential Condominium Unit (R-2) (ii) acknowledges and agrees with the provisions of the foregoing section 3.2.1. respecting the maximum amount of the AMC Annual Assessment, (iii) disclaims and releases any right or prerogative to govern, control, or regulate the Building Parking as a Common Area or a Common Facility as such terms are defined in the Master Declaration, (iv) represents and warrants that the annual assessment levied by AMC on residential Development Rights for the calendar year 2021 will not exceed thirty cents (\$0.30) per square foot of Development Rights, and that the annual assessment for the calendar year 2022 will not exceed one hundred five per cent (105.00%) of the annual assessment levied for the immediately preceding calendar year, (v) committing to expand the number of its directors during the calendar year 2021 to allow Tenant, in conjunction with Arrowbrook Apartments I, LLC, to elect one (1) AMC director pursuant to the applicable provisions of the Master Declaration, and (vi) confirming the existence of, and providing the recordation references for, public ingress and egress easements granting the Owners and their Permittees free and unrestricted access to and from the public right of way known as Centreville Road (Virginia Route # 657) and the Premises. (the "**AMC Letter**"). Landlord and Tenant acknowledge that AMC will, from year to year, levy an AMC Annual Assessment and allocate it among the Owners in accordance with the Master Declaration and the AMC Letter. Tenant will pay and discharge solely any AMC Annual Assessments levied by AMC against Residential Condominium Unit (R-2) in accordance with the foregoing Section 3.2.1. AMC will provide notice of such assessments to Tenant for so long as it owns all or some portion of the Development Rights described in the AMC Letter. After Tenant's receipt of such notice, Tenant will make payment for its share of the assessment (pursuant to Section 3.2.1) to AMC. Landlord will indemnify and hold Tenant harmless against any loss, damage or liability resulting from any assessment levied by, or otherwise due to, AMC in excess of the maximum assessment permitted under this section or section 3.2.1.

7.5 Status and Disposition of Tenant Improvements. Such part of the Improvements, including fixtures, trade fixtures and equipment, which are placed in, on or upon the Project by Tenant for the convenient use and enjoyment of the Project by its tenants, residents, invitees, or agents, (collectively, the "**Tenant Improvements**"), will be or become part of the Project, but such Tenant Improvements will be owned by Tenant until the expiration or earlier termination of the Term of this Lease, and during the Term, the Tenant alone shall be entitled to all of the federal tax attributes of ownership of the Improvements, including, without limitation, the right to claim depreciation or cost recovery deductions and the right to claim the low-income housing tax credit described in Section 42 of the Revenue Code; and that the Tenant shall have the right to amortize capital costs and to claim any other federal tax benefits attributable to the Improvements. At the expiration or earlier termination of the Term of this Lease or any portion thereof, subject to Section 13.7, Tenant will peaceably leave, quit and surrender the

Project and the Tenant Improvements thereon, subject to the rights of tenants in possession of residential units under leases with Tenant, provided that such tenants are not in default thereunder and attorn to Landlord as their lessor. Upon such expiration or termination, subject to Section 13.7, the Project and the Tenant Improvements thereon will become the sole property of, and title to such Tenant Improvements will vest with Landlord at no cost to Landlord and will be free of all unpermitted liens and encumbrances and in good condition, subject only to reasonable wear and tear (consistent with prudent and appropriate property management and maintenance during the Term) and, in the event of a casualty, to the provisions of Article X hereof.

7.6 No Ongoing Tenant Liability for Withdrawable Land. Once Tenant removes the Withdrawable Land, using the form of Exhibit L to this Lease, (a) Tenant shall have no further liability in connection with the Withdrawable Land, and (b) Landlord shall be deemed to have waived any and all present and future claims it may have against Tenant (or Tenant's successors and assigns) in connection with any of (x) any construction, by or on behalf of Tenant, on the Withdrawable Land, (y) the condition of the Withdrawable Land, and (z) the conveyance by Tenant of its interests in the Withdrawable Land, including any warranties of title. Landlord acknowledges that it has a separate agreement with SCG, regarding any such claims that Landlord may have as described in this Section 7.6, but in no event may Landlord pursue any such claim against Tenant after the recordation of the First Amendment to the Condominium Regime.

ARTICLE VIII.
COMPLIANCE WITH ENVIRONMENTAL LAWS

8.1 Tenant will operate the Project, in compliance with all Environmental Laws and will identify, secure and maintain all required governmental permits and licenses as may be necessary for the prosecution and completion of the Work. All required governmental permits and licenses issued to Tenant and associated with the Development will remain in effect or will be renewed in a timely manner, and Tenant will comply and use reasonable efforts to cause all third parties to comply therewith. All Hazardous Substances handled, generated or used in the course of the Development or in connection with the operation of the Project will be managed, transported and disposed of in a lawful manner. Tenant will not knowingly permit the Premises or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Substances, except in such amounts as are ordinarily used, stored or generated in similar projects, or otherwise knowingly permit the presence of Hazardous Substances in, on or under the Premises in violation of any applicable law.

8.2. Tenant will promptly provide Landlord with copies of all forms, notices and other information received by or on behalf of Tenant concerning any releases, spills or other incidents relating to the Development, the Project, or which may occur at any time during the prosecution of the Work, of Hazardous Substances or any violations of Environmental Laws at or relating to the same upon discovery of such releases, spills or other incidents, when received by Tenant from any government agency or other third party or when and as supplied to any government agency or other third party. Prior to undertaking any actions or remediation relating to or concerning any matter or incident set forth in the preceding sentence, Tenant will provide Landlord with its remediation or other plan of action to remedy such matter or incident and obtain Landlord's written consent, which consent will not be unreasonably withheld so long as such actions or remediation by Tenant would not potentially have a material adverse long-term or short-term effect on the Project, the Premises, or the Building.

**ARTICLE IX.
ASSIGNMENT**

9.1 Landlord Consent Required for Lease Assignment. This Lease will be binding upon and inure to the benefit of the successors and assigns of Landlord and Tenant, except that Tenant may not assign or sublet its interest in this Lease (other than through individual apartment leases in the ordinary course of business of a multifamily residential rental property and as otherwise permitted in this Lease, including without limitation Article XIII hereof) without the prior written consent of Landlord. Any attempted transfer without such consents will be null and void. Notwithstanding anything herein to the contrary, Tenant may assign, sell, or convey this Lease without Landlord's prior written consent to any assignee, purchaser, or recipient meeting any one of the following conditions: the assignee is approved by all of the Permitted Leasehold Mortgagees; or the assignee is an entity owned or controlled by the managing member of the Tenant or its affiliates.

9.2 Prohibited Transfers. Tenant agrees for itself and its successors and assigns in interest hereunder that it will not, other than by a Permitted Leasehold Encumbrance, by an individual apartment lease in the ordinary course of business of a multifamily residential rental property or pursuant to the exercise of any remedies of any Permitted Leasehold Mortgagee: (a) assign this Lease or any of its rights under this Lease as to all or any portion of the Premises except as otherwise permitted or contemplated by this Lease, or (b) except as otherwise permitted or contemplated in this Lease, make or permit any voluntary or involuntary total or partial sale, lease, assignment, conveyance, mortgage, pledge, encumbrance or other transfer of all or any portion of the Premises or the Project or the occupancy or use thereof, other than in accordance with this Lease (including but not limited to (x) any sale at foreclosure or by the execution of any judgment of any or all of Tenant's rights hereunder, (y) any transfer by operation of law, without first obtaining Landlord's express written consent thereto, or (z) required by a Permitted Leasehold Mortgagee or otherwise in accordance with Article XIII hereof).

9.3 Certain Transfers Permitted Without Landlord Consent. Except as otherwise provided in the following section 13.6, the consent of the Landlord will not be required for any transfer of any membership interest in Tenant. In addition, a transfer made in connection with the Right of First Refusal and Option or the FCRHA ROFR is expressly permitted hereunder.

9.4. Prohibited Transfers Are Void. Any person to whom any assignment or transfer of this Lease, or any interest of the Tenant in this Lease, in contravention of the restrictions imposed by this article, shall be void, and no such person shall have any claim, right or remedy whatsoever hereunder against Landlord, and Landlord will have no duty to recognize any person claiming under or through the same.

**ARTICLE X.
CASUALTY AND TAKING**

10.1 Use and Allocation of Insurance Proceeds Due to a Casualty Loss. The requirements set forth in the Governing Documents will govern the manner of the use and allocation of proceeds of insurance received as compensation for a partial or total loss due to damage resulting from a fire or other casualty including the share and distribution of such proceeds among the owners of the Retail Condominium Units and the Residential Condominium Units.

10.2 Use and Allocation of Condemnation Proceeds for a Taking. The requirements set forth in the Governing Documents will govern the manner of the use and allocation of proceeds received as compensation for a Taking, whether in whole or in part, including the share and distribution of such proceeds among the owners of the Retail Condominium Units and the Residential Condominium Units.

ARTICLE XI
CONDITION OF PREMISES

11.1 **Condition; Title.** The Premises is demised and let in an "as is" condition, provided that Tenant shall not be responsible for any liens on the Premises or the Site existing prior to the Commencement Date. In accordance with the foregoing sentence, the Premises is demised and let to Tenant subject to the following (collectively, the "***Permitted Encumbrances***");

11.1.1. zoning regulations, restrictions, rules, laws and ordinances now in effect or hereafter adopted by any governmental authority;

11.1.2. unpaid real estate taxes for the current fiscal tax year which are not yet due and payable; and

11.1.3. all matters of record as of or concurrent with the first day of the Term as evidenced by a title insurance policy obtained by Tenant from Title Company in conjunction with its entering into this Lease, which shall be insurable at standard rates without special policy exceptions.

11.2 **Landlord's Encumbrance or Transfer.**

11.2.1 Landlord agrees not to encumber all or any portion of its interest in the Premises or the Project, with any lien, deed of trust or other instrument in the nature thereof as security for any debt which is not expressly subordinate to the Permitted Leasehold Mortgages, and to this Lease, any subleases and any new lease entered into pursuant to Section 13.7 hereof, without the prior written consent of the Tenant and the Permitted Leasehold Mortgagees to the extent that any Permitted Leasehold Mortgage is outstanding. Landlord warrants and represents that there is no deed of trust lien or similar encumbrance against the Site at the time of its execution of this Lease.

11.2.2. Landlord will not transfer all or any portion of its interest in the Premises (i) without the prior written consent of the Tax Credit Investor and the Permitted Leasehold Mortgagees to the extent that any Permitted Leasehold Mortgage is outstanding, or (ii) if the same would cause a violation of any of the Applicable Laws, this Lease or any agreement or contract to which Landlord is a party or by which Landlord is bound. Any such transfer will be subject in all respects to the terms and conditions of this Lease.

11.3 **Quiet Enjoyment.** Landlord covenants and agrees with Tenant that upon Tenant paying all Rent and all impositions under this Lease and performing and fulfilling all covenants, agreements and conditions herein, Tenant will and may, at all times during the Term and all extended terms, if any, peaceably and quietly have, hold and enjoy the Premises and all rights, appurtenances and privileges belonging or in any way appertaining thereto without hindrance or molestation, provided that, Landlord and its agents may enter upon and examine the Project as provided herein. Tenant's right of quiet enjoyment is subject however to the applicable provisions of the Governing Documents.

ARTICLE XII
DEFAULTS

12.1 **Default.** The occurrence of any of the following events will constitute an event of default ("***Event of Default***") hereunder:

12.1.1. if Tenant fails to pay when due any Rent or other Real Estate Impositions due hereunder pursuant to this Lease (except where such failure is addressed by another event described in this Section

12.1 as to which lesser notice and grace periods are provided), and any such default will continue for thirty (30) days after the receipt by Tenant of written Notice thereof from Landlord; or

12.1.2 if Tenant defaults in its performance of any contract with a third party for the performance of any portion of the Work or fails in any material respect to observe or perform any covenant, condition, agreement or obligation hereunder not addressed by any other event described in this Section, 12.1 and fails to cure, correct or remedy such failure within thirty (30) days after the receipt of written Notice thereof from Landlord, unless such failure cannot be cured by the payment of money and cannot with due diligence be cured within a period of thirty (30) days, in which case such failure will not be deemed to continue if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within a reasonable period of time, not to exceed one hundred eighty (180) days; or

12.1.3 if any representation or warranty of Tenant set forth in this Lease, in any certificate delivered pursuant hereto, or in any notice, certificate, demand, submittal or request delivered to Landlord by Tenant pursuant to this Lease will prove to be incorrect in any material and adverse respect as of the time when the same will have been made and the same will not have been remedied to the reasonable satisfaction of Landlord within thirty (30) days after Notice from Landlord; or

12.1.4. if Tenant will be adjudicated bankrupt or be declared insolvent under the Federal Bankruptcy Code or any other federal or state law (as now or hereafter in effect) relating to bankruptcy, insolvency, reorganization, winding-up or adjustment of debts (hereinafter collectively called "**Bankruptcy Laws**"), or if Tenant will (i) apply for or consent to the appointment of, or the taking of possession by, any receiver, custodian, trustee, United States Trustee or liquidator (or other similar official) of Tenant or of any substantial portion of Tenant's property; (ii) admit in writing its inability to pay its debts generally as they become due; (iii) make a general assignment for the benefit of its creditors; (iv) file a petition commencing a voluntary case under or seeking to take advantage of a bankruptcy law; or (v) fail to controvert in a timely and appropriate manner, or in writing acquiesce to, any petition commencing an involuntary case against Tenant pursuant to any bankruptcy law; or

12.1.5. if an order for relief against Tenant will be entered in any involuntary case under the Federal Bankruptcy Code or any similar order against Tenant will be entered pursuant to any other bankruptcy law, or if a petition commencing an involuntary case against Tenant or proposing the reorganization of Tenant under the Federal Bankruptcy Code will be filed in and approved by any court of competent jurisdiction and not be discharged or denied within ninety (90) days after such filing, or if a proceeding or case will be commenced in any court of competent jurisdiction seeking (i) the liquidation, reorganization, dissolution, winding-up or adjustment of debts of Tenant, (ii) the appointment of a receiver, custodian, trustee, United States Trustee or liquidator (or other similar official of Tenant) of any substantial portion of Tenant's property, or (iii) any similar relief as to Tenant pursuant to Bankruptcy Laws, and any such proceeding or case will continue undismissed, or any order, judgment or decree approving or ordering any of the foregoing will be entered and continued unstayed and in effect for ninety (90) days; or

12.1.6. if Tenant voluntarily vacates or abandons the Premises or any substantial part thereof for a period of more than sixty (60) consecutive days; or

12.1.7. if this Lease, the Premises, or the Project, or any part thereof are taken upon execution or by other process of law directed against Tenant, or are taken upon or subjected to any attachment by any creditor of Tenant or claimant against Tenant, and such attachment is not discharged within ninety (90) days after its levy, but subject to the notice and cure rights provided to Permitted Leasehold Mortgagees pursuant to Article XIII; or

12.1.8. if Tenant makes any sale, conveyance, assignment or transfer in violation of this Lease, but subject to the notice and cure rights provided to Permitted Leasehold Mortgagees pursuant to Article XIII.

12.1.9 if the Initial Period, as defined in the following Section 12.2, does not commence on or before December 31, 2024.

12.2. Remedies; Termination of Lease for Tenant's Default. Upon or after the occurrence of any Event of Default, and so long as same remains uncured, Landlord must commence the ADR Process and may exercise one or more of the remedies pursuant to ARTICLE XV of this Lease except as otherwise expressly permitted by this section. Except as otherwise restricted or conditioned by the provisions of Article XIII hereof, and in particular section 13.5, Landlord may, after an Event of Default and the expiration of all applicable rights of Permitted Leasehold Mortgagees under this Lease, and after the conclusion of the required ADR Process pursuant to Article XV hereof, terminate this Lease by providing not less than thirty (30) days' written Notice (after the expiration of all applicable notice and cure periods pursuant to Section 12.1) to Tenant and all Permitted Leasehold Mortgagees and Tax Credit Investors of which it has notice pursuant to Article XIII, setting forth Tenant's uncured, continuing default and Landlord's intent to exercise its rights to terminate under this Section 12.2, whereupon this Lease will terminate on the termination date therein set forth unless Tenant's default has been cured before such termination date; subject however to the rights of any Permitted Leasehold Mortgagee or Tax Credit Investor pursuant to Article XIII. Upon such termination, and except as otherwise provided in Article XIII, Tenant's interest in the Premises, the Project, and the Improvements will automatically revert to Landlord, Tenant will promptly quit and surrender the Project and the Improvements to Landlord, without cost to Landlord, and Landlord may, without demand and further notice, re-enter and take possession of the Project and the Improvements, or any part thereof, and repossess the same as Landlord's former estate by summary proceedings, ejectment or otherwise without being deemed guilty of any manner of trespass and without prejudice to any remedies which Landlord might otherwise have for arrearages of Rent or other impositions due Landlord pursuant to this Lease or for a prior breach of the provisions of this Lease. The obligations of Tenant under this Lease which arose prior to termination will survive such termination. Notwithstanding anything to the contrary contained in this Lease, Landlord will not terminate this Lease during the "Initial Period". The Initial Period (a) will begin after both (i) the issuance of the first temporary or final certificate of occupancy for the Project and (ii) Developer and/or Tenant fulfill their obligation under the Development Agreement to cause DCS or Pennoni (each as defined in the Development Agreement), or other architect or engineer for the Project selected in accordance with Section 4(B) of the Development Agreement, to execute and issue its certificate stating that the Work is substantially complete, and (b) will end at the termination of any applicable Compliance Period (as such term is defined in § 42(i)(1) of the Revenue Code).

12.3. Rights Upon Termination. Subject to the provisions of Article XIII, upon termination of this Lease pursuant to Section 12.2, Landlord may:

12.3.1 retain, at the time of such termination, any Rent or other Real Estate Impositions paid hereunder, without any deduction, offset or recoupment whatsoever; and

12.3.2 enforce its rights under any bond outstanding at the time of such termination; and

12.3.3. require Tenant to deliver to Landlord, or otherwise effectively transfer to Landlord any and all governmental approvals and permits, and any and all rights of possession, ownership or control Tenant may have in and to, any and all financing arrangements, plans, specifications, and other technical documents or materials related to the Project.

In addition to the above remedies of Landlord, Tenant agrees to reimburse Landlord for any and all actual expenditures incurred and for any and all actual damages suffered by Landlord by reason of such Event of Default or such termination, however caused, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by Landlord as a result thereof, but excluding any and all punitive, special, and consequential damages.

12.4 Performance by Landlord. If Tenant will fail to make any payment or perform any act required under this Lease, Landlord may (but need not) after giving not less than thirty (30) (except in case of emergencies and except where a shorter time period is specified elsewhere in this Lease) days' written Notice to Tenant and without waiving any default or releasing Tenant from any obligations, cure such default for the account of Tenant. Tenant will promptly pay Landlord the amount of such charges, costs and expenses as Landlord will have incurred in curing such default, together with interest at the Base Interest Rate from the date of Landlord's payment thereof. Landlord will also be entitled to a restraint by injunction of the violation or attempted violation of any of the covenants, conditions, obligations or provisions of this Lease or to a decree compelling specific performance of any such covenants, conditions, obligations or provisions.

12.5 Legal Costs. Tenant will be liable to, and will reimburse, Landlord for any and all actual expenditures incurred and for any and all actual damages (except punitive, special, and/or consequential damages) suffered by Landlord in connection with any Event of Default, collection of Rent or other impositions owed under this Lease, the remedying of any default under this Lease or any termination of this Lease, unless such termination is caused by the default of Landlord, including all costs, claims, losses, liabilities, damages and expenses (including without limitation, reasonable attorneys' fees and costs) incurred by Landlord as a result thereof.

12.6 Remedies Cumulative. Unless otherwise specifically provided in this Lease, no remedy herein will be exclusive of any other remedy or remedies, and each such remedy will be cumulative and in addition to every other remedy; and every power and remedy given by this Lease may be exercised from time to time and as often as may be deemed expedient by either party. No delay or omission by Landlord to exercise any right or power accruing upon any Event of Default will impair any such right or power or will be construed to be a waiver of any such Event of Default or an acquiescence therein. The absence in this Lease of any enumeration of events of default by Landlord or remedies of either party with respect to money damages or specific performance will not constitute a waiver by either party of its right to assert any claim or remedy available to it under law or in equity for the redress of a claim arising under this Lease.

ARTICLE XIII.
LEASEHOLD MORTGAGEE'S AND INVESTOR'S RIGHTS; LANDLORD OPTION

13.1 Right to Mortgage.

13.1.1 Tenant will have the right from time to time to encumber its leasehold interest in the Premises, the Project, and the Improvements with one or more mortgages in favor of Permitted Leasehold Mortgagees in accordance with this Section 13.1 and other applicable provisions of this Lease. Each such mortgage will be expressly subject to the terms and conditions of this Lease, provided, however, that nothing herein will reduce the obligations of Tenant to any Permitted Leasehold Mortgagee as stated in a Permitted Leasehold Mortgage or related document, it being understood that where provisions of this Lease and any Permitted Leasehold Mortgage impose different requirements as to a particular subject, Tenant will comply with both requirements, and therefore of necessity the stricter. Tenant will give prior Notice to Landlord of its intent to enter into a Permitted Leasehold Mortgage other than those set forth on

Exhibit B-2. Such Notice will be made to Landlord in writing and will be accompanied by such information as is reasonably requested by Landlord. Landlord is entitled to request the following information from Tenant which the parties stipulate is a reasonable request: (1) the name or other identity of the lender under the proposed Permitted Leasehold Mortgage, and (2) the material business terms and conditions of the proposed Permitted Leasehold Mortgage, including the original principal amount, the rate of interest, the maturity date, the amortization term of the loan principal, and the amount of any prepayment penalty. Tenant will also provide Landlord with a summary written explanation of the proposed use and application of the loan proceeds derived by the proposed Permitted Leasehold Mortgage.

13.1.2 Upon request by Landlord, Tenant will furnish Landlord with a copy of the instrument evidencing the indebtedness secured by a Permitted Leasehold Mortgage and of the related Permitted Leasehold Mortgage itself.

13.1.3 Any indebtedness contracted for the purpose of the construction, development, leasing, or operation of the Project, whether secured by a mortgage or not, and whether for construction or permanent financing, shall be secured, if at all, solely by the leasehold interest Tenant holds in the Premises and/or Project. The Tenant will provide prompt notice of any such default to the Landlord including written explanation of its plan to cure such default. Landlord has no consent rights with respect to new, additional, or supplemental mortgage financing, whether by way of refinancing of the then-existing mortgage indebtedness or contracting of new mortgage indebtedness; however, after the thirty-first (31st) anniversary of the date of the issuance of the last RUP for any dwelling unit within Residential Condominium Unit (R-2), no new, additional, or supplemental mortgage financing, whether by way of a refinancing of the then-existing mortgage indebtedness or the contracting of new mortgage indebtedness, may be contracted by Tenant or secured by the Project without the prior written consent of Landlord unless any such new, additional or supplemental mortgage financing is:

(i) contracted by an entity (a) which acquires ownership of Residential Condominium Unit (R-2) through or from a subsequent assignment, sale or transfers after the foreclosure, deed in lieu of foreclosure or similar disposition of the lien of a mortgage perfected against Residential Condominium Unit (R-2) and (b) of which no member of Tenant, or a Related Party (as hereinafter defined) of Tenant, is a member or equity owner of such entity;

(ii) used for retiring one or more Permitted Leasehold Mortgagees, paying for any rehabilitation costs for or related to the Residential Condominium Unit (R-2), and/or remitting for reasonable transaction costs and expenses related thereto, however, not including any "cash out" financing to the Tenant other than reimbursements for reasonable transaction costs and expenses; or

(iii) not in excess of a maximum Loan-to-Value fractional ratio of seventy-five per cent (75.00%) where the numerator of such fraction is the total dollar amount of all mortgage indebtedness secured by the Project, including any such new, additional, or supplemental mortgage financing, and the denominator is the value of the Project as determined by the appraisal, prepared by a third party certified professional appraiser, upon which the lender of any such new, additional, or supplemental mortgage financing is relying in the course of its loan underwriting process.

Upon the request of the Landlord, the Tenant shall provide notice of and reasonable documentation with respect to any of the above financings the Landlord, including any term sheets, and will provide annual audited financial statements of the Tenant after the thirtieth (30th) anniversary of the Commencement Date.

13.1.4 Notwithstanding anything to the contrary herein, nothing herein shall be construed to prohibit or restrict, and the consent of Landlord will not be required for, any transfer in connection with a

foreclosure of a Permitted Leasehold Mortgage or conveyance in lieu thereof, or any transfer and/or assignment subsequent thereto.

13.2 Non-Subordination. Without the consent of both Landlord and Tenant, this Lease shall at all times have first priority position, and shall not be subordinate in any respect, to the interests of any mortgagee, including any Permitted Leasehold Mortgagee, except as expressly set forth herein. In no event shall Landlord be obligated or required to subordinate its reversionary interest in the Premises, the Project, or the Improvements to the lien of any mortgage including any lien granted a Permitted Leasehold Mortgagee.

13.3 Notice to Leasehold Mortgagee. So long as any Permitted Leasehold Mortgage will remain on Tenant's leasehold estate hereunder and the holder thereof will have complied with the provisions of Section 13.9 hereof, Landlord agrees, simultaneously with the giving of each Notice hereunder, to give a duplicate copy thereof to the holder of such leasehold mortgage, provided that Landlord will not exercise any remedy hereunder until and unless such Notice has been provided to any and all holders of such leasehold mortgages. Each holder of a leasehold mortgage will have the same period after the giving of the notice aforesaid to it for remedying the default or causing the same to be remedied as is given Tenant after Notice to it (pursuant to Article XII) plus an additional ninety (90) days during which period Landlord will not exercise any remedy hereunder (including, without limitation, any action intended to terminate, rescind, or avoid this Lease or Tenant's tenancy or possession thereunder, for such period after the holder's receipt of such written notice), and Landlord agrees to accept such performance on the part of such holder as though the same had been done or performed by Tenant. Notwithstanding the foregoing, if such default is a non-monetary default and is not capable of being cured within such additional 90-day period and the Permitted Leasehold Mortgagee has commenced and is diligently pursuing such cure to completion, such Permitted Leasehold Mortgagee will have such additional period of time as may be reasonably necessary to cure such default.

13.4 Notice to Tax Credit Investor. So long as any Tax Credit Investor or the successor, affiliate or assign is a member of Tenant, Landlord agrees, simultaneously with the giving of each Notice hereunder, to give a duplicate copy thereof to such Tax Credit Investor or the successor, affiliate or assign, provided that a failure on the part of Landlord to give such notice to such Tax Credit Investor will not affect the effectiveness of the notice to Tenant. Each Tax Credit Investor will have the right, but not the obligation, to cure any defaults hereunder and will have the same period after the giving of the notice aforesaid to it for remedying the default or causing the same to be remedied as is given Tenant after notice to it (pursuant to Article XII) and Landlord agrees to accept such performance on the part of such Tax Credit Investor as though the same had been done or performed by Tenant. In the absence of written notice to the contrary given in accord with the following section 16.12, notice to the Tenant at the address and to the individual named in Section 16.12 shall constitute sufficient and adequate notice to the Tax Credit Investor.

13.5 Leasehold Mortgagee's Opportunity to Foreclose Prior to Lease Termination. Landlord will not take any action to effect a termination of the Lease by reason of the occurrence of any default or an Event of Default, other than to give notice of an Event of Default to such parties entitled to such notice, without first giving to each holder of a leasehold mortgage who has complied with the provisions of Section 13.9, or its nominee, a period of ninety (90) days beyond the cure period afforded to Tenant within which either (i) to commence and thereafter diligently pursue an action to obtain possession of the Tenant's interest under this Lease, or (ii) to commence and diligently pursue foreclosure proceedings against Tenant, and in any such case Landlord shall not take any action to terminate the Lease for such period as the holder is diligently pursuing any of the foregoing, provided, however, that such holder will not be required to continue such possession or to continue such foreclosure proceedings if the default will be cured by Tenant, and provided, further, that nothing herein will preclude Landlord from exercising any rights or

remedies under the Lease with respect to any other Event of Default by Tenant during any period of such forbearance, but which rights and remedies will be subject to the provisions of this Article XIII. If a Permitted Leasehold Mortgagee timely obtains possession of the Premises under clause (i) above, it shall then have 90 days (or such longer period of time as may reasonably necessary to effectuate such cure, so long as it diligently pursues such cure) to cure the default. If a Permitted Leasehold Mortgagee timely pursues its rights under clause (i) and/or (ii) above, then Landlord will not (a) re-enter or take possession of the Premises, (b) serve any termination Notice, or (c) bring a proceeding on account of such Event of Default to re-enter or take possession of the Premises, serve any termination Notice, or terminate this Lease. Landlord will accept performance by or on behalf of a Permitted Leasehold Mortgagee of any covenant, condition, or agreement on Tenant's part to be performed under this Lease with the same force and effect as if performed by Tenant, so long as such performance is made in accordance with the terms and provisions of this Lease. Landlord will not object to any temporary entry onto the Premises by or on behalf of a Permitted Leasehold Mortgagee to the extent reasonably necessary to effect such Permitted Leasehold Mortgagee's cure rights, provided such entry is in compliance with all Applicable Laws. A Permitted Leasehold Mortgagee that forecloses, or otherwise acquires Tenant's interest under this Lease, and its subsequent assignees, will only be liable for acts or omissions of Tenant taking place after the Permitted Leasehold Mortgagee or assignee, as applicable, foreclosed or acquired Tenant's leasehold estate, and each such Permitted Leasehold Mortgagee and assignee will be automatically released from any and all liability under this Lease for acts or omissions occurring after the time it no longer possesses record title to the Tenant's leasehold estate. Further, Landlord shall not require, and nothing herein shall be construed to require, Permitted Leasehold Mortgagee to perform or otherwise cure a default that is not reasonably capable of being performed or cured by a leasehold mortgagee. The liability of the Permitted Leasehold Mortgagee or assignee, as applicable, to Landlord will be limited to the value of their respective interests in the leasehold estate in the Project and this Lease.

13.6 Tax Credit Investor's Opportunity to Replace Tenant's Managing Member. Landlord will not take any action to effect a termination of this Lease by reason of any default or the occurrence of an Event of Default without first giving to each Tax Credit Investor who has provided Landlord with written notice of its name and address at least ninety (90) days to replace Tenant's managing member(s) and cause the new managing member(s) to cure such default (or otherwise cure such default), provided that, (i) as a condition of such forbearance, Landlord must receive Notice of the substitution of a new managing member of Tenant within thirty (30) days following delivery of notice of such default to the Tax Credit Investor and (ii) Tenant, following such substitution of managing member, will thereupon proceed with due diligence to cure such default on or before ninety (90) days after the delivery of such notice of default to the Tax Credit Investor provided the Tax Credit Investor promptly initiated and is diligently pursuing such cure. Any notice to the Tax Credit Investor pursuant to this section may be accomplished in the manner prescribed by the preceding section 13.4. Notwithstanding anything to the contrary in this Lease, regardless of whether a default exists under this Lease, the Tax Credit Investor or its affiliated "Special Member" may remove and replace the Managing Member of the Tenant for cause under the Amended and Restated Operating Agreement of the Tenant and such removal and replacement shall not constitute a default under this Lease.

13.7 Leasehold Mortgagee's Right to New Lease. In the event of the termination of this Lease prior to its stated expiration date (except pursuant to Article X hereof), Landlord will give each Permitted Leasehold Mortgagee notice of the termination, which notice will include a statement of all amounts due under the Lease at termination and any other defaults then existing under the Lease. Effective as of the date of termination of the Lease, Landlord agrees that it will enter into a new lease of the Premises, with any Permitted Leasehold Mortgagee, at the request of such Permitted Leasehold Mortgagee, or with an entity formed by or on behalf of such Permitted Leasehold Mortgagee, upon the same covenants, agreements, terms, provisions and limitations stated in this Lease (except that no Base Rent will be owed under any such new lease), including without limitation the provisions regarding Real Estate Impositions

and the Right of First Refusal and Option stated herein, provided that such Permitted Leasehold Mortgagee makes written request upon Landlord for such new lease within ninety (90) days from the date of receipt of notice of such termination. If Landlord receives more than one written request for a new lease in accordance with the provisions of this Section 13.7, then such new lease will be entered into pursuant to the request of the Permitted Leasehold Mortgagee whose mortgage is most senior at the time notice of the termination of the Lease is given to the Permitted Leasehold Mortgagees, and the written request and the rights hereunder of any Permitted Leasehold Mortgagee whose leasehold mortgage is subordinate in lien will be null and void and of no further force or effect. Any new lease made pursuant to this Section 13.7 will be and remain an encumbrance on the fee title to the Premises and the Project, and will have and enjoy the same priority thereon as this Lease.

13.8 No Modification without Permitted Leasehold Mortgagee Consent. This Lease will not be amended, modified or supplemented, or surrendered to Landlord or canceled by Tenant, nor will Landlord accept a surrender of this Lease (other than pursuant to its right to terminate under Article XII above) without the prior written consent of the Tax Credit Investor and each and any holder of a Permitted Leasehold Mortgage, provided that the conditions of Section 13.9 will have previously been complied with.

13.9 Notice to Mortgage Holder. The foregoing provisions of Article XIII will not apply in favor of any mortgage holder unless, before Landlord has mailed a Notice of default under Article XII, such mortgage holder (a) has duly recorded its mortgage or notice thereof in any public office where such recording may be required in order to charge third persons with knowledge thereof; (b) has given written Notice to Landlord accompanied by a copy of such mortgage and stating the name of such holder and the address to which notices to such holder are to be mailed by Landlord, and (c) . Notwithstanding the foregoing, the prerequisites to notice from Landlord in this Section 13.9 (other than the recording requirement) do not apply to the mortgage holders listed in Exhibit B-2; such holders are deemed in compliance with this Section 13.9.

13.10 Landlord Right of First Refusal and Option.

(a) If, beginning at any time after the fiftieth (50th) anniversary of the Commencement Date and ending five (5) years thereafter, unless delayed pursuant to Section 13.10(c) below (the "ROFR Period"):

(i) the terms of § 42(i)(7) of the Revenue Code, or any successor provision subsequently enacted or re-codified, remain in effect or if not, a right of first refusal executed prior to such date remains effective, and

(ii) Landlord or its successors and assigns is a qualified non-profit organization as defined in § 42(h)(5)(C) of the Revenue Code, and

(iii) Residential Condominium Unit (R-2) constitutes a qualified low-income building for purposes of Section 42(i)(7) of the Code, and

(iv) (a) the Tenant determines to sell, transfer, or assign all or substantially all of the Tenant's interest in the Project or (b) Tenant receives an Offer (as defined below) at any time within 6 months prior to the commencement of the ROFR Period or during the ROFR Period, as the case may be,

then Landlord shall have the right, at any time during the ROFR Period, to purchase from Tenant the Premises, for a purchase price (but in no event less than the minimum purchase price permitted by §

42(i)(7)(B) of the Revenue Code) equal to all debt secured by the Residential Condominium Unit (R-2), including principal and any then-accrued interest plus all Federal, State, and local taxes attributable to such sale (the "**ROFR Price**"). For all purposes of this section, an offer to purchase the Premises is an offer ("**Offer**"), as defined herein, only if it constitutes a "bona fide" offer (the acceptance or rejection of which shall not be required for the Tenant, including any members of the Tenant), includes commercially reasonable terms including, at a minimum, the purchase price and basic terms of sale, and is made by a third-party which does not bear a relationship to the Landlord that would be deemed a "related party" within the meaning of Sections 267 or 707 of the Revenue Code (a "**Related Party**"). Subject to Landlord obtaining any required prior consent of the respective lender or lenders, Landlord may pay all or a portion of the ROFR Price by assuming all or any portion of the existing indebtedness secured by Residential Condominium Unit (R-2). Tenant will, upon request of Landlord, use commercially reasonable efforts to assist the Landlord to obtain such required consents.

(b) At the written request of the Landlord made at any time during the period beginning six (6) months prior to the commencement of the ROFR Period and ending six (6) months prior to the end of the ROFR Period, Tenant will affirmatively market the Project to solicit offers at Tenant's expense. Such marketing will require offers to be submitted within three (3) months of the request of the Landlord. Tenant will promptly provide Landlord with documentation of all marketing materials, confirmation of solicitation of offers, and copies of such offers.

(c) Landlord will notify Tenant of its intent to exercise its purchase right under this section at least six (6) months prior to its purchase of the Tenant's leasehold estate in Residential Condominium Unit (R-2). Landlord may give such notice at any time following its receipt of documentation from Tenant which constitutes an Offer but not later than six (6) months prior to the end of the ROFR Period. Such notice will specify a date by which Landlord will complete and close on its purchase of Tenant's leasehold estate in Residential Condominium Unit (R-2). Within sixty (60) days after its receipt of any such notice from Landlord, Tenant will deliver to Landlord a statement or provide an estimate of the ROFR Price including, without limitation, the then remaining unpaid principal balance of any mortgage indebtedness secured by Residential Condominium Unit (R-2), an estimate of the projected remaining unpaid principal balance of such indebtedness on the date Landlord will purchase Tenant's leasehold estate in Residential Condominium Unit (R-2), an accounting of the tax basis of the Tax Credit Investors, and an estimate of all federal, state, and local taxes attributable to such purchase and sale.

(d) If the Revenue Code is amended to permit the owner of a low-income housing tax credit project to grant a (i) "purchase option to purchase the Project" pursuant to Section 42(i)(7) of the Revenue Code (or other applicable provision) as opposed to a "right of first refusal to purchase the Project" without adversely affecting the status of such Tenant as owner of its project for federal income tax purposes, then the parties shall amend this Lease and the Tenant shall grant the Landlord an option to purchase the Project during the ROFR Period at the ROFR Price and that meets the requirements of Section 42(i)(7) of the Revenue Code.

(e) If any Permitted Leasehold Mortgagee forecloses on the lien of a mortgage perfected against Residential Condominium Unit (R-2) and (b) no member of Tenant, or a Related Party of Tenant, is a member or equity owner of such entity taking title to such Unit, then the ROFR Period will be tolled and will commence on the later of (i) the fiftieth (50th) anniversary of the Commencement Date or (ii) twenty-five (25) years after the date of such foreclosure sale.

13.11. Tenant to Provide Landlord with Financial Statements. Beginning with the first full tax year following the commencement of the Credit Period, as such term is defined in section 42(f)(1) of the Revenue Code, and continuing in each successive tax year during the Term, Tenant will provide Landlord written,

audited, property level, financial statements for the Project including a summary of the capital accounts of the Tax Credit Investors.

ARTICLE XIV.
TAX CREDIT SYNDICATION

14.1 Agreement of Landlord to Cooperate with Syndication of Tax Credits. Landlord hereby acknowledges that the right to syndicate the low-income housing tax credits (the "LIHTCs") allocated to the Project is a material benefit bargained for by Tenant. Therefore, Landlord agrees that notwithstanding anything else in this Lease to the contrary, Tenant shall have the right to syndicate the LIHTCs allocated to the Project and Landlord shall cooperate with Tenant in connection with any syndication of the LIHTCs. To effectuate any such syndication, Tenant may elect to enter into a master sublease, or one (1) or more sub-leases, whereby all or some of the dwelling units in the Building are subleased to one (1) or more syndication companies. Furthermore, Tenant shall not be charged any fee by Landlord in connection with a syndication of the LIHTCs allocated to the Project.

ARTICLE XV.
ADR PROCESS

15.1 Upon the occurrence of an Event of Default, and except as otherwise provided in section 12.2 of this Lease or the following paragraphs of this Section 15.1, any party to this Agreement aggrieved by, or who alleges, the occurrence of an Event of Default must first pursue the remedies and procedures afforded by the Alternative Dispute Resolution procedures set forth in this Article XV. (the "*ADR Process*") prior to commencing any civil action

(a) To commence and invoke the ADR Process for purposes of this Agreement, a party alleging an Event of Default shall deliver to the other party a notice of its intention to invoke the ADR Process accompanied by its sworn statement of the facts and occurrences which form the basis for such party's allegation that the other party has committed an Event of Default. Such sworn statement shall also include a description of the damages or injury such party alleges it has sustained in addition to the specific redress or remedy such party is seeking. The sworn statement referred to in the preceding sentence shall include a statement identifying an individual to serve on behalf of the party seeking to invoke and commence the ADR Process to serve as its dispute resolution representative (the "*ADR Representative*"). Any such sworn statement when delivered with a notice to invoke the ADR Process shall be binding and conclusive as to the issue of whether the ADR Process is available to adjudicate and resolve the Event of Default and all of the underlying facts, occurrences, circumstances and consequences including the redress or remedy sought as are set forth in such sworn statement (hereafter "the ADR Claim") unless the party to whom such notice and sworn statement has been delivered applies to a court of competent jurisdiction to stay the ADR Process on the grounds that there is no agreement to arbitrate and thereafter obtains an order staying such arbitration in accordance with § 8.01-581.02 of the Virginia Code. Any petition by a party seeking an order to stay the ADR Process must be filed with the Circuit Court of Fairfax County, Virginia no later than thirty (30) days after the delivery of the foregoing notice and sworn statement to such party.

(b) Following delivery of the notice and sworn statement referred to in the preceding Section 15.1(a), the ADR Representative shall communicate with the party upon whom such notice and statement was delivered and attempt to resolve the ADR Claim via informal communication with a representative of the party to whom the notice and sworn statement was delivered. If a resolution of the ADR Claim is not

accomplished through informal communication within twenty (20) days after delivery of such notice and statement, then the parties agree to enter into mediation in accord with the following Section 15.1(c).

(c) If the ADR Claim is not resolved within the twenty (20) day period prescribed in the preceding Section 15.1(b), then the ADR Claim shall be submitted to a mediation procedure as described in this Section 15.1(c). Not more than thirty (30) days after the delivery of the notice and statement referenced in the preceding Section 15.1(a), the aggrieved party and the other party shall identify, select, and engage the services of a mediator certified under guidelines promulgated by the Judicial Council of Virginia, who meets the standards required by § 8.01-576.8 of the Virginia Code, or any successor statute subsequently enacted or re-codified, who has demonstrable experience in mediating disputes involving real property and contract law. The mediator so engaged shall promptly, and not more than thirty (30) business days after his engagement, conduct a mediation as such term is defined in § 8.01-581.21 of the Virginia Code, or any successor statute subsequently enacted or re-codified, pursuant to the standards and requirements set forth for mediation proceedings under the applicable provisions of chapters 20.2 and 21.2 of title 8.01 of the Virginia Code. If the aggrieved parties are unable to agree upon the selection of a mediator, then each shall recommend one (1) individual to serve as such mediator who meets and satisfies the requirements set forth in this Section 15.1(c), and the mediator shall be selected and determined between these two (2) candidates by the flip of a coin. The rules, standards, and procedures as set forth in chapter 20.2 of title 8.01 of the Virginia Code shall, to the extent applicable, govern the conduct of the mediation unless the parties agree otherwise. The costs of the mediation shall be shared equally by the parties. If the mediator advises the parties in writing of his conclusion that the ADR Claim is not susceptible of resolution through mediation, or if the ADR Dispute remains unresolved for more than forty (40) business days after the commencement of the initial meeting with the mediator selected pursuant to this section, then the aggrieved party may request the dispute be resolved through binding arbitration in accord with the following Section 15.1(d). On the other hand, if the aggrieved party elects not to submit the dispute to binding arbitration and fails to compel binding arbitration within the time period prescribed by and pursuant to the following Section 15.1(d), then the aggrieved party may commence a civil action and pursue any remedy available in law or equity under the laws of the Commonwealth of Virginia. The provisions of the following section 15.2 with respect to the choice of a forum and award of attorney's fees and litigation expenses shall apply to the prosecution of any such civil action.

(d) Upon occurrence of the preconditions to arbitration set forth in the preceding Sections 15.1(a) through 15.1(c), the aggrieved party may, at its sole election, require that the ADR Claim be resolved through binding arbitration. In the event of such an election, which shall be made by the aggrieved party serving written notice upon the other party of its decision to submit the dispute to arbitration, then not later than fifteen (15) business days after delivery of such notice, the parties shall identify, select, and engage a sole arbitrator, who shall be certified as such by the American Arbitration Association, and who shall have demonstrable experience in the arbitration of disputes involving real property and contract law. The arbitrator so engaged shall promptly conduct, not more than sixty (60) days after his engagement, an arbitration proceeding in any available venue located within the County of Fairfax, Virginia, to be held pursuant to, and in accord with, the rules, standards and requirements as set forth in chapter 21, article 2, title 8.01 of the Virginia Code, or any successor statutes subsequently enacted or re-codified. If the parties are unable to agree upon an arbitrator, then each party shall recommend one (1) individual to serve as such arbitrator who meets and satisfies the requirements set forth in this Section 15.1(d), and the parties shall select between these two (2) arbitrators by the flip of a coin. The arbitrator shall render a written decision within forty-five (45) business days after conclusion of the arbitration proceeding. The costs of the arbitration, including the arbitrator's fees and expenses, together with any reasonable attorney's fees incurred by the party who substantially prevails in the arbitration proceeding, shall be assessed in accord with the provisions of chapter 21, article 2 of title 8.01 of the Virginia Code. In addition, any award of arbitration may be confirmed, modified, vacated, and enforced pursuant to the provisions of the aforesaid

chapter, except that for a period of thirty-five (35) calendar days following the date on which an award is first written, signed, and delivered to each of the parties, the arbitrator shall retain sole and exclusive jurisdiction to amend, modify, or vacate the award. Any award may grant and include such legal or equitable relief as may be available under the law of the Commonwealth of Virginia but in no event shall any award of arbitration include, grant, or make a monetary award for punitive damages, or for consequential or special damages. All of the time limitations and deadlines prescribed by this article may be extended by agreement in a writing signed by the parties.

15.2 Notwithstanding, however, any provision of this article to the contrary, either Landlord or Tenant if aggrieved by the action or omission of the other party to this Agreement may commence and pursue a civil action for injunctive relief, without the prior satisfaction of the conditions precedent set forth in preceding section 15.1, if such relief (i) lies and is available under the law of the Commonwealth of Virginia and (ii) is necessary to prevent the occurrence or infliction of any irreparable loss, damage, or injury which such aggrieved party may sustain in the absence of such injunctive relief. Landlord and Tenant each agree to file and prosecute any such civil action, or petition for specific performance, an injunction, or other equitable relief, as the case may be, with the Circuit Court of Fairfax County, Virginia, and such court shall be the exclusive venue for the resolution of any such civil action or petition, and each such party, by its execution of this Agreement, consents to the personal jurisdiction of such court and agrees not to challenge or object to venue lying in such court. The party which prevails in any such civil action filed before such court shall be entitled, in addition to any relief granted by such court in accord with this Agreement and applicable law, to an award of its reasonable attorneys' fees and litigation expenses incurred in the course of its prosecution of such civil action. Such award shall be included as ancillary relief in such civil action by means of a money judgment entered against the defaulting party. For purposes of this Section 15.2, a party prevails in a civil action if the trial judge determines that (i) such party has proven, by a preponderance of the evidence, the other party has committed an Event of Default and such party has not committed an Event of Default and (ii) such party which has not committed an Event of Default is entitled to substantially all of the relief it prays for in its affirmative pleading, as may be amended, filed in such civil action. For purposes of this Section 15.2, the term "reasonable attorneys' fees" shall include all legal fees reasonably incurred by a party following the occurrence of an Event of Default through the entry of any final judgment in any subsequent civil action. For purposes of this Section 15.2, the term "litigation expenses" shall mean court costs, expenses for the preparation of depositions of witnesses actually introduced into evidence at trial, and any fees paid to expert witnesses who testify at trial either in person or by admission of all or a portion of a transcript of a deposition of such expert witness.

15.3 If a party is impeded in its effort to cure the default by reason of Force Majeure Events as set forth in Paragraph 16.20, the period of time allowed for an opportunity to cure a default after notice of an Event of Default has been delivered shall be enlarged and extended by the time reasonably required to overcome and abate any cause, event, or circumstance within the scope of the Force Majeure Events plus thirty (30) days.

15.4 Sections 15.1 and 15.2 shall not apply to any Permitted Leasehold Mortgagee, and any such mortgagee shall not be bound or restricted by the provisions of this article. If the Fairfax County Redevelopment and Housing Authority becomes the Tenant, it will not be subject to binding arbitration pursuant to Article 15.

ARTICLE XVI.
MISCELLANEOUS

16.1 VHDA Lease Rider. The parties agree that this Lease will be subject to the provisions of the Virginia Housing Development Authority ("VHDA") Lease Rider attached hereto as Exhibit C so long as any loan from VHDA is secured by the Premises. Landlord and Tenant agree that they will make such reasonable modifications or amendments to this Lease as are required by VHDA, subject to the approval of all other Permitted Leasehold Mortgagees.

16.2 FNMA and FMCC Lease Riders/Addendums. The parties agree that this Lease will be subject to the provisions of the FNMA and FMCC Lease Riders/Addendums attached hereto as Exhibit D, which includes the Multifamily Ground Lease Review Checklist published by Fannie Mae (Form 4665 revised 10-7). Landlord and Tenant agree that they will make such reasonable modifications or amendments to this Lease as are required by any Institutional Lender, or as are required to make the leasehold estate granted hereby financeable, subject to the approval of all other Permitted Leasehold Mortgagees.

16.3 Reserved.

16.4 Standard of Reasonableness for Modifications or Amendments Required By the Lease Riders. For all purposes of the preceding sections 16.1 and 16.2, Landlord may withhold its consent to a modification or amendment to this Lease unless such modification or amendment is (i) requested in writing by VHDA, FNMA, FMCC, or the Tax Credit Investor prior to closing on their respective financing, (ii) modifies or amends a term of this Lease respecting process for the administration and enforcement of the Lease, (iii) does not modify nor restrict the right of the Landlord to terminate the Lease prior to the commencement of the Compliance Period pursuant to section 12.2 of this Lease, and (iv) does not materially alter the economic bargain of the parties in connection with: (a) Article III relating to Rent, (b) Article V relating to the Use of the Premises, Repairs and Maintenance, (c) Article VI relating to Construction of Improvements, the Work, (d) Article VII relating to Disposition of the Improvements, Creation of a Condominium, and (e) section 13.10 relating to the right of the Landlord to purchase Residential Condominium Unit (R-2) after the fiftieth (50th) anniversary of the Commencement Date. Landlord is not required or obligated to subject its reversionary fee interest in the Premises to the lien of any mortgagee of Tenant.

16.5 Construction. Landlord and Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate section thereof.

16.6 Performance Under Protest. In the event of a dispute or difference between Landlord and Tenant as to any obligation which either may assert the other is obligated to perform or do, then the party against whom such obligation is asserted will have the right and privilege to carry out and perform the obligation so asserted against it without being considered a volunteer or deemed to have admitted the correctness of the claim, and will have the right to invoke and pursue the ADR Process pursuant to ARTICLE XV.

16.7 No Waiver. Failure of either party to complain of any act or omission on the part of the other party, no matter how long the same may continue, will not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any other provision of this Lease will be deemed a waiver of a breach of any other provision of this Lease or a consent to any subsequent breach of the same or any other provision. If any action by either party will require the consent or approval of the other party, the other party's consent to or approval of such action

on any one occasion will not be deemed a consent to or approval of said action on any subsequent occasion. The rights of the parties arising under this Lease or applicable law are cumulative.

16.8 Headings. The headings used for the various articles and sections of this Lease are used only as a matter of convenience for reference, and are not to be construed as part of this Lease or to be used in determining the intent of the parties of this Lease.

16.9 Partial Invalidity. If any terms, covenant, provision or condition of this Lease or the application thereof to any person or circumstances will be declared invalid or unenforceable by the final ruling of a court of competent jurisdiction having final review, the remaining terms, covenants, provisions and conditions of this Lease and their application to persons or circumstances will not be affected thereby and will continue to be enforced and recognized as valid agreements of the parties.

16.10 Bind and Inure. Unless repugnant to the context, the words "Landlord" and "Tenant" will be construed to mean the original parties, their respective successors and assigns and those claiming through or under them respectively, but in the case of successors and assigns of Tenant, only if approved by Landlord in accordance with the terms of this Lease. The agreements, covenants, and conditions in this Lease contained on the part of Tenant to be performed and observed will be binding upon Tenant and its successors and assigns, jointly and severally, and will inure to the benefit of Landlord and its successors and assigns, and the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed will be binding upon Landlord and its successors and assigns, jointly and severally, and will inure to the benefit of Tenant and its successors and assigns.

16.11 Estoppel Certificate. Each party agrees from time to time, upon no less than fifteen (15) days' prior written Notice from the other or from any Permitted Leasehold Mortgagee, to execute, acknowledge and deliver to the other or to such Permitted Leasehold Mortgagee, as the case may be a statement certifying that (i) this Lease is unmodified and in full force and effect (or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (ii) the dates to which the rent has been paid, and that no additional rent or other payments are due under this Lease (or if additional rent or other payments are due, the nature and amount of the same), (iii) whether there exists any uncured default by the other party, or any defense, offset, or counterclaim against the other party, and, if so, the nature of such default, defense, offset or counterclaim, and (iv) such other matters as may be reasonably requested by such Permitted Leasehold Mortgagee. Any such statement delivered pursuant to this Section 16.11 may be relied upon by any prospective purchaser or holder of a mortgage of the leasehold interest hereunder or any prospective holder of a sublease from Tenant or any prospective assignee of any such holder of a mortgage or sublease.

16.12 Notice. Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease will be in writing and will be deemed given if (i) delivered by hand, (ii) sent by registered or certified mail, return receipt requested, or (iii) sent by recognized overnight delivery service such as Federal Express, addressed as follows:

If to Landlord, to:

Arrowbrook Centre, LLC
459 Herndon Parkway, Suite 14
Herndon, VA 20170
Attention: Jeffrey J. Fairfield, Manager

and a copy to:

Catherine P. Whelan, Esquire
530 Old Post Road #3
Greenwich, Connecticut 06830

If to Tenant, to: Arrowbrook Apartments II, LLC
c/o SCG Development Partners, LLC
8245 Boone Blvd, Suite 640
Tysons Corner, Virginia 22182
Attention: Stephen P. Wilson, President

and a copy to: Klein Hornig LLP
1325 G Street, NW, Suite 770
Washington, DC 20005
Attention: Erik T. Hoffman

If to Tax Credit Investor, to: Stratford Arrowbrook Investors II Limited Partnership
c/o Stratford Capital Group
100 Corporate Place, Suite 104
Peabody, Massachusetts 01960
Attention: Asset Management (Arrowbrook II)

and a copy to: Holland & Knight LLP
10 St. James Avenue
Boston, Massachusetts 02116
Attention: James E. McDermott, Esq.
Facsimile: (617) 523-6850

All such notices and other communications will be deemed given on the date of personal or local courier delivery, delivery to overnight courier or express delivery service, or deposit in the United States Mail, and will be deemed to have been delivered and received (i) in the case of personal or local courier delivery, on the date of such delivery, (ii) in the case of delivery by overnight courier or express delivery service, on the date following dispatch, and (iii) in the case of mailing, on the date specified in the return receipt therefor, or if the notice is not accepted or is returned, then five (3) business days after its posting with the United States Postal Service. A party may change its address by giving written Notice to the other party as specified herein.

16.13 Entire Agreement. This Lease is the final written expression of the agreement of the parties, and it contains all the agreements made between the parties and may not be modified in any other manner than by an instrument in writing executed by the parties or their respective successors in interest. Every prior oral and written, and contemporaneous written, promise, undertaking, and expression of the parties is recited in full in this agreement. No oral promise, statement, or expression which is in conflict with the terms and conditions of the Agreement shall be binding upon the parties.

16.14 Governing Law, Forum, and Jurisdiction. This Lease will be governed and construed in accordance with the laws of the Commonwealth of Virginia, without regard to conflicts of law principles. Any action or proceeding arising hereunder will be brought in the Circuit Court for Fairfax County, Virginia which is the exclusive forum for the prosecution of any civil action.

16.15 Relationship of Parties. The parties expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a principal/agent relationship exist between them.

16.16 Amendment. This Lease may be amended by mutual agreement of Landlord and Tenant, with consent of Tax Credit Investor and the Permitted Leasehold Mortgagees, provided that all amendments must be in writing and signed by both parties.

16.17 Access. Tenant agrees to grant a right of access, at reasonable times during normal business hours and following reasonable notice (except in the event of an emergency or pursuant to a law enforcement action or investigation), to Landlord with respect to any books, documents, papers, or other records related to this Lease in order to make audits, examinations, excerpts, and transcripts.

16.18 No Merger. Except as otherwise expressly provided by the terms of the Lease, or with the written consent or at the direction of the Permitted Leasehold Mortgagee, no merger of the fee and leasehold estates in the Project under any circumstances (whether voluntary or involuntary or effected by Landlord or Tenant) will result in the termination of this Lease or an extinguishment of any Permitted Leasehold Mortgage, provided that if this section is ineffective to prevent a termination of this Lease or extinguishment of a Permitted Leasehold Mortgage, Landlord will enter into a new Lease with the Permitted Leasehold Mortgagee or its nominee as successor Tenant, but only in accordance with Section 13.7.

16.19 Recordation. Landlord and Tenant will record this Lease (or a memorandum of this Lease) in the appropriate office of the Clerk, Circuit Court of Fairfax County, Virginia. At the expiration or earlier termination of this Lease, the parties will execute, deliver and record an instrument acknowledging such fact and the date of termination of this Lease.

16.20 Force Majeure. All dates in this Lease will be extended for a period of time equal to the period during which any party is prevented or delayed in the performance of an act required by this Lease to be done by a date certain as a result of fire, earthquake or other acts of God, strike, lockout, acts of public enemy, riot, insurrection, pandemic (including COVID-19), work shortages, a presidentially declared disaster area within the meaning of Revenue Procedure 2014-49 or any subsequent rulings or regulations issued by the Internal Revenue Service with respect to force majeure acts, declared state of emergency or public emergency or public health emergency, government mandated quarantine, legally mandated stay-at-home orders or shelter-in-place orders, lockdown or travel ban, government mandated construction freeze, halt or ban, government shutdown, including, without limitation, court systems, public or quasi-public agencies, and registries of deeds, government mandated closure of non-essential businesses, government mandated restrictions, limitations or bans on public gatherings, or governmental regulation, or the closure of public offices access to which is required to perform any such act (collectively, the "*Force Majeure Events*"). All federal, state and/or local extensions permitted due to any pandemic (including COVID-19), declared state of emergency or public emergency, government mandated quarantine or travel ban, or any other similar event, shall also apply to the dates in this Lease. The extension of the period of time required for the performance of any such act will be coterminous with the period of time during which any party is prevented or delayed in the performance of such act despite the exercise of reasonable due diligence. An increase in the economic cost of the performance of an act is not, in and of itself, a justification for delay due to a Force Majeure Event pursuant to this Section 16.20.

16.21. License to Use Landlord's Mark. Tenant acknowledges that Landlord has disclosed to it that Landlord, at its sole cost and expense, and prior to the execution of this Lease, has commissioned the preparation of, and has used in intrastate commerce, a distinctive mark and logo ("the Mark") for use in the branding, promotion, and marketing Arrowbrook Centre. A copy of such mark is attached as Exhibit Q to this Lease. Landlord hereby grants to Tenant and its subsidiaries and affiliates a non-exclusive, revocable license to use and display the Mark and the names "Arrowbrook", "Arrowbrook Apartments", "Ovation Apartments at Arrowbrook", and "Arrowbrook Centre" (collectively, the "Arrowbrook Names") in the course of its marketing, promotion, advertising, or lease of any dwelling unit in the

Premises. Tenant will integrate the use and display of the Mark and either the names "Arrowbrook Centre", "Arrowbrook Apartments", "Ovation Apartments at Arrowbrook", or "Arrowbrook" (collectively "the Arrowbrook Names") in any of its digital or print advertising or marketing materials generated and used in the course of the marketing, promotion, or lease of any dwelling unit in the Premises. The form and manner of such integration of the Mark into its advertising and marketing materials is reserved to the reasonable judgment and discretion of Tenant, including whether or not to use or include the Mark in certain circumstances. Tenant will not use or display the Mark in any altered, modified, or reconfigured image or composition without the prior written approval of Landlord. Nothing in this Section will prevent or preclude Tenant from using or displaying any alternative brand, service mark, or name as a supplemental use to its use of the Mark and the Arrowbrook Names as long as such alternative brand, service mark, or name does not replace or supplant the Mark or the Arrowbrook Names. Landlord retains the right to revoke the license granted by this section, but it agrees not to exercise such right of revocation as long as Tenant does not commit a material breach of its obligations arising under this Agreement. Tenant acknowledges that the Mark and the Arrowbrook Names are the intellectual property of Landlord. Landlord will indemnify Tenant against any loss, liability, or damage, including its reasonable attorney's fees, incurred in the course of defending any action filed against it for its unlawful use of the Mark.

[Signatures on Following Page]

[Signature page to Ground Lease]

Witness the following signatures and seals.

LANDLORD:

ARROWBROOK CENTRE, LLC,
a Virginia limited liability company

By: 
Name: Jeffrey J. Fairfield
Title: Manager

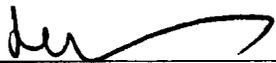
Commonwealth of Virginia
County of Fairfax

)
) TO-WIT
)

The foregoing instrument was acknowledged before me this 17 day of December, 2020 by Jeffrey J. Fairfield who, being by me duly sworn, did say that s/he is the Manager of Arrowbrook Centre, LLC, and that he has the authority to execute under oath and has so executed the above instrument for and on behalf of Arrowbrook Centre, LLC.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year first above written.




Notary Public
Print, Type or Stamp Name

[Signatures Continue on Following Page]

[Signature page to Ground Lease]

TENANT:

ARROWBROOK APARTMENTS II, LLC,
a Virginia limited liability company

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

By: SCG Development Partners, LLC,
a Delaware limited liability company,
its sole member

By: SCG Development Manager, LLC,
a Delaware limited liability company,
its managing member

By: SCG Capital Corp.,
a Delaware corporation
its sole member

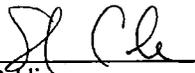
By: 
Name: Stephen P. Wilson
Title: President – Virginia Office

Commonwealth of Virginia)
County of Fairfax) TO-WIT
)

The foregoing instrument was acknowledged before me Sandra Lee Cole this 11 of December, 2020, by Stephen P. Wilson, the President of SCG Capital Corp., a Delaware corporation, the Sole Member of SCG Development Manager, LLC, a Delaware limited liability company, the Managing Member of SCG Development Partners, LLC, a Delaware limited liability company, the Sole Member of Arrowbrook Managing Member, LLC, a Virginia limited liability company, the Managing Member of Arrowbrook Apartments I, LLC.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year first above written.




Notary Public

Print, Type or Stamp Name

EXHIBIT A

Legal Description

Parcel 1A-2, Arrowbrook Centre, as the same is duly dedicated, platted, re-subdivided and recorded in a certain Deed of Subdivision, Easement and Vacation dated November 17, 2020 and appended plat, and recorded on December 7, 2020 in Deed Book 26718 at Page 1734 in the office of the Clerk, Circuit Court of Fairfax County, Virginia containing 1.67603 acres, more or less.

EXHIBIT A-1

Common Area Site Plan Improvements

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

EXHIBIT B-2

Permitted Leasehold Encumbrances

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

EXHIBIT B-2

Permitted Leasehold Mortgages

1. Deed of Trust, securing the Fairfax County Redevelopment and Housing Authority in the amount of \$5,750,000
2. Leasehold Credit Line Deed of Trust, Assignment of Leases and Rents, Security Agreements and Fixture Filing, security TD Bank, N.A., as Administrative Agent in the amount of \$34,050,072.00.
3. Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing for the benefit of The Bank of New York Mellon Trust Company, N.A., as fiscal agent, as the same may be amended, restated and/or supplemented from time to time (the "**Project Loan Mortgage**").
4. Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing for the benefit of M&T Realty Capital Corporation, as assigned to Federal Home Loan Mortgage Corporation, as the same may be amended, restated and/or supplemented from time to time (the "**Permanent Supplemental Mortgage**", and together with the Permanent Project Loan Mortgage, individually and collectively, "**Senior Permanent Mortgage**").
5. Other Indebtedness related to the initial Project Completion approved by the Lenders but in an amount not to exceed \$10,000,000.00.

EXHIBIT C

VHDA Lease Rider

[NOTE: REMAINS SUBJECT TO VHDA REVIEW AND APPROVAL]

1. Leasehold Mortgage Loan Obtained by Tenant. Tenant, at its option and without the consent of Landlord, shall have the unlimited and unrestricted right, at any time and from time to time, at Tenant's own expense, to negotiate and obtain one or more loans secured by deeds of trusts or mortgages (any such deed of trust or mortgage, together with any regulatory agreement or other agreement(s) relating thereto and recorded therewith, is referred to herein as a "Leasehold Mortgage", and each mortgagee secured by any Leasehold Mortgage is referred to herein as the "Leasehold Mortgagee") on all or any part of Tenant's leasehold estate (the "Leasehold Estate") in the Premises. Subject to the approval of any then-existing Leasehold Mortgagees, Landlord agrees to execute and deliver any amendments to this Lease which are required in order for Tenant to obtain a Leasehold Mortgage and which do not materially and adversely affect its rights and interests hereunder.

2. Notice to Landlord of Leasehold Mortgage. Upon the recording of a Leasehold Mortgage, Tenant shall notify Landlord thereof and in such notice shall specify the address of the Leasehold Mortgagee to which notices shall be sent pursuant to this Lease.

3. Foreclosure. In the event of a transfer of the Leasehold Estate to any person (including, without limitation, a Leasehold Mortgagee or its designee or nominee) by trustee's sale or foreclosure pursuant to a Leasehold Mortgage or by other enforcement proceedings or by assignment of this Lease in lieu of trustee's sale or foreclosure through settlement of or arising out of any pending or threatened trustee's sale or foreclosure proceeding (hereafter collectively referred to as "Foreclosure"), the transferee and its successors and assigns shall have no liability for the payment of any sums or the performance of any obligation required by this Lease to be paid or performed by Tenant prior to such transfer. Such transferee and each of its successors and assigns shall become Tenant, shall be the owner and holder of the Leasehold Estate under this Lease for all purposes, shall be responsible for the payment of all sums and the performance of all obligations as Tenant thereafter becoming due or arising under this Lease, and shall be entitled to all of the rights, benefits and privileges of Tenant under this Lease; provided, however, that any Leasehold Mortgagee (or its designee or nominee) who has acquired the Leasehold Estate by such transfer shall have no liability for the payment of any sums or the performance of any obligations to be paid or performed after any subsequent assignment or transfer of the Leasehold Estate to any other party.

4. Notice by Landlord to Leasehold Mortgagee. No later than seven (7) calendar days after delivery of notice to Tenant of any default by Tenant in accordance with the terms and provisions hereof, Landlord will also deliver a copy of such notice to each Leasehold Mortgagee (of whom Landlord has been notified in writing or has actual knowledge) by registered or certified mail, postage prepaid, return receipt requested, addressed to each such Leasehold Mortgagee at its address last given in writing to, or otherwise known by, Landlord. No notice of default to Tenant shall be effective unless such notice to

each such Leasehold Mortgagee shall be given by Landlord in accordance herewith. Each Leasehold Mortgagee will have the right to cure such default during the same period of time as Tenant is provided under this Lease for curing the default, plus an additional period of ninety (90) days, and Landlord shall accept any such cure by any Leasehold Mortgagee as though such cure had been performed by Tenant. In the event of any default by Tenant (other than the payment of money) which cannot reasonably be cured by the Leasehold Mortgagee within the foregoing cure period of the Leasehold Mortgagee, such cure period shall be extended for so long as any Leasehold Mortgagee has initiated and is diligently proceeding to cure such default. If the Leasehold Mortgagee is unable to cure any default (other than the payment of money) for causes beyond its control (regardless of whether such cause were foreseeable or avoidable), such cure period of the Leasehold Mortgagee shall be extended by the period of time during which such cure is beyond the control of the Leasehold Mortgagee. Furthermore, in the case of any default by Tenant other than the payment of money, Landlord will take no action to effect a termination of this Lease for so long as any Leasehold Mortgagee is diligently proceeding to obtain possession of the Premises (by Foreclosure, by taking possession pursuant to the Leasehold Mortgage, by appointment of a receiver, by court order, or by other legally permissible means) and to cure such default; provided, however, that the Leasehold Mortgage shall not be required to continue to seek or maintain such possession if the default shall be cured by Tenant. Anything herein to the contrary notwithstanding, any default by Tenant (other than the payment of money) under any provision of this Lease which is not reasonably susceptible of being cured by a Leasehold Mortgagee (including, without limitation, any default by reason of any bankruptcy, insolvency, actions by or for the benefit of creditors, or indebtedness of Tenant) shall be deemed to have been waived by Landlord upon completion of Foreclosure or when any Leasehold Mortgagee (or its designee or nominee) shall otherwise acquire title to the Leasehold Estate. In addition, any default by reason of any bankruptcy, insolvency, actions by or for the benefit of creditors, or indebtedness of Tenant shall exist only during the period that Tenant is the owner of the Leasehold Estate, and neither the bankruptcy, the insolvency nor any indebtedness of Tenant will operate, or permit Landlord, to terminate this Lease so long as all rent and other payments required to be paid by Tenant continue to be paid in accordance with this Lease.

5. Abevance during Litigation. In the event that, prior to the termination of this Lease, Tenant or any Leasehold Mortgagee commences suit to obtain a judicial determination as to whether Landlord is legally entitled to terminate this Lease for any default by Tenant under this Lease, the Tenant and the Leasehold Mortgagee shall each have an additional cure period for such default (other than the payment of money) commencing on the date on which any and all rights to appeal of the judicial determination have expired and continuing thereafter for such period of time as is provided herein to Tenant and the Leasehold Mortgagee, respectively, to cure such default after notice thereof; provided that Tenant or the Leasehold Mortgagee, as the case may be, shall have commenced such suit in good faith and shall have proceeded with the suit with due diligence; provided, further, that during the pendency of the suit, all rent and other sums due under this Lease shall be paid when due and payable.

6. New Lease. In the event of termination of this Lease for any reason prior to its stated expiration date, Landlord will give the Leasehold Mortgagee notice of such termination within seven (7) calendar days after such termination. If the Leasehold Mortgagee gives notice of its request upon Landlord for the new lease within a period of ninety (90) calendar days from the date such notice of termination is delivered to the Leasehold Mortgagee, Landlord shall, within fourteen (14) calendar days after Landlord's receipt of such Leasehold Mortgagee's notice of a request for a new lease, enter into a new lease of the Premises with the Leasehold Mortgagee (or its designee or nominee) for the remainder of that portion of the term of this Lease which ends on the ninety ninth (99th) anniversary of the Commencement Date, as such term is defined in the Lease, effective immediately upon such termination of such prior Lease, at the rental and upon the covenants, agreements, terms, conditions and limitations (except as may have been previously fulfilled or as may be inapplicable to the Leasehold Mortgagee or its designee or nominee) otherwise herein contained including but not limited to the Landlord's Right of First Refusal and Option; provided that the Leasehold Mortgagee agrees in the new lease to cure, within the applicable cure period commencing on execution of the new lease, the then existing defaults of Tenant other than defaults not reasonable susceptible of being cured by the Leasehold Mortgagee (including, without limitation, any default by reason of any bankruptcy, insolvency, actions by or for the benefit of creditors, or indebtedness of Tenant). If there is more than one Leasehold Mortgagee at the time of such termination, the term "Leasehold Mortgagee" as used herein shall be deemed to refer only to the senior Leasehold Mortgagee; provided that the senior Leasehold Mortgagee may, prior to the expiration of the forty-five (45) day period described above, assign to any other Leasehold Mortgagee (or its designee or nominee) such senior Leasehold Mortgagee's rights hereunder to give notice of the request for a new lease and to enter into a new lease with Landlord as provided above.

7. Rights of Leasehold Mortgagee to Renew and Revoke Notice of Termination. Each Leasehold Mortgagee, at its election at any time prior to termination of this Lease, may exercise any renewal option granted to Tenant and may revoke any notice of Tenant's vacation of the Premises and termination of the Lease or any notice of Tenant's intention to do so. If Tenant fails to exercise any renewal option or gives notice to Landlord of its election not to exercise any renewal option, its vacation of the Premises and termination of the Lease, or its intention to do any of the foregoing, Landlord shall notify, within seven (7) calendar days, each Leasehold Mortgagee (of whom Landlord has been notified in writing or has actual knowledge) by registered or certified mail postage prepaid, return receipt requested in order that each Leasehold Mortgagee, at its election, may exercise any such renewal option and may revoke any such notice to Landlord, on behalf of Tenant, prior to termination of this Lease. 8. Hazard Insurance Policies. Tenant

may include the interest of each Leasehold Mortgagee in all fire and other hazard insurance policies pursuant to a standard mortgagee clause or endorsement, may name each Leasehold Mortgagee as a loss payee, and may deposit an original or copy of such policies with each Leasehold Mortgagee. Tenant may name each Leasehold Mortgagee as an additional insured in all comprehensive general liability insurance policies. Landlord shall not, without the prior written consent of Tenant and each Leasehold Mortgagee, obtain any hazard insurance policies which would, in the event of loss, contribute with the insurance policy or policies required by any Leasehold Mortgagee.

9. Damage or Condemnation. In the event of any damage to or destruction of any of the buildings or improvements on the Premises by fire or other casualty or in the event of any taking or condemnation, in whole or in part, of the Premises or any buildings or improvements thereon (or any conveyance in lieu thereof), the rights of Landlord and obligations of Tenant hereunder shall be subject and subordinate to the rights of each Leasehold Mortgagee and obligations of Tenant under the Leasehold Mortgage as to the repair, demolition or restoration of the Premises and the buildings and improvements thereon and as to the receipt, use, and disbursement of all of the insurance or condemnation proceeds (except such portion of the proceeds as is paid or awarded pursuant to this Lease to Landlord solely for its reversionary interest in the Premises and is not required by any Leasehold Mortgagee to be applied to any repair, demolition or restoration of the Premises or the buildings or improvements thereon); provided that proceeds for loss of rents shall be applied in the following order- first, to any sums then due and payable under this Lease; second, to the payment of any amounts then due and payable under each Leasehold Mortgage in the order of their priority; and third, unless otherwise provided in any Leasehold Mortgage, to the Tenant. Any proceeds to be applied to the repair, demolition or restoration of the Premises and the buildings or improvements thereon shall be held by the Leasehold Mortgagee (if there is then more than one Leasehold Mortgagee, such proceeds shall be held by the senior Leasehold Mortgagee or its designee) and disbursed in the manner provided in its Leasehold Mortgage (or, if not so provided, in such manner as the Leasehold Mortgagee shall determine) for the payment of the costs of such repair or restoration. Any proceeds (other than loss of rent proceeds) remaining after being applied to the payment of indebtedness secured by the Leasehold Mortgage(s) and/or to the payment of the costs of repair, demolition or restoration of the Premises and the buildings and improvements thereon shall be paid to Tenant and Landlord in accordance with the terms of the Lease. If any Leasehold Mortgagee (or its designee or nominee) shall acquire the Leasehold Estate by Foreclosure, such Leasehold Mortgagee (or its designee or nominee) and its successors and assigns shall not be obligated to demolish, repair or restore the buildings or improvements (regardless of whether such damage or destruction or condemnation or conveyance in lieu thereof occurred before or after Foreclosure), except as may be otherwise required by law, and the Leasehold Mortgagee (or its designee or nominee) may apply all or a portion of the insurance or condemnation proceeds to payment of the unpaid indebtedness then or previously secured by its Leasehold Mortgage.

10. Consent of Leasehold Mortgagee. No alteration, amendment or modification of this Lease shall be effective without the prior written consent of each Leasehold Mortgagee; no cancellation or termination of this Lease by Tenant shall be effective without the prior written consent of each Leasehold Mortgagee; and no waiver by Tenant of (i) any provision of this Lease, (ii) the performance by Landlord of any of its duties or obligations hereunder, or (iii) any right, option, election, privilege or benefit of Tenant herein shall be effective without prior written consent of each Leasehold Mortgagee. Landlord shall not accept or agree to

a surrender of the Premises or a cancellation of this Lease from Tenant prior to the expiration or termination of this Lease without the prior written consent of each Leasehold Mortgagee. Landlord warrants that there are no existing mortgages or deeds of trust encumbering its fee title, and Landlord shall not transfer, assign, mortgage or otherwise encumber Landlord's interest in the Premises without the prior written consent of each Leasehold Mortgagee. Without limiting the foregoing, each Leasehold Mortgagee shall have the right to require, as a condition to its consent to any such mortgage or deed of trust, that the secured party under the mortgage or deed of trust subordinate its lien to any new lease thereafter executed by Landlord in accordance with this Lease.

11. Leasehold Mortgagee Liability. Anything in this Lease to the contrary notwithstanding, no Leasehold Mortgagee (or its designee or nominee) shall be liable for any failure by Tenant to pay any amounts or to perform any obligations under this Lease, whether or not Tenant shall be in default hereunder.

12. Payment of Real Estate Taxes. To the extent Landlord is obligated by the terms of the Lease to pay, and fails to promptly pay, any portion of the real estate taxes, assessments or charges on Landlord's interest in the Premises, then Tenant or any Leasehold Mortgagee may pay all or any portion of such real estate taxes, assessments or charges and shall, upon demand, immediately be reimbursed by Landlord therefor.

13. Merger. The interest of Landlord and the interest of Tenant shall not merge without the prior written consent of all Leasehold Mortgagees except that such consent shall not be required for a merger caused by the timely exercise of the Landlord's Right of First Refusal and Option pursuant to sections 2.2 and 13.10 of the Lease if exercised in accordance therewith. The acquisition of all or any portion of the Leasehold Estate by any Leasehold Mortgagee shall not result in a merger thereof with the Leasehold Mortgage held by such Leasehold Mortgagee, unless such Leasehold Mortgagee shall execute a written instrument effecting such merger and shall give notice to Landlord of such merger.

14. Ownership of Buildings and Improvements. All buildings and other improvements now or hereafter constructed in or on the land encumbered by the Lease by or on behalf of Tenant shall remain the property of Tenant for and during the term of this Lease. Upon termination of this Lease, title to all such buildings and improvements remaining on the Premises shall become vested in Landlord free and clear of any liens or encumbrances, including, without limitation, any and all Leasehold Mortgages.

15. Tenant's Assignment or Sublease. (a) Tenant shall have the right during the term hereof to assign this Lease or sublet the Premises, in whole or in part, without obtaining the consent of Landlord; provided, however, that no assignment or sublease by Tenant shall in any way affect the terms, conditions, covenants, agreements and provisions herein set forth, and any and all such assignment shall be at all times subject to the terms of this Lease and to the right, title and interest of Landlord in and to the Premises under this Lease. Any such assignment or sublease shall not relieve or release Tenant of the responsibility for all payments, covenants, duties and obligations imposed by the terms of the Lease. In the event that Tenant shall so assign this Lease or sublet the Premises, the receipt and acceptance of rent from such other party by Landlord or Landlord's consent or acquiescence in the doing of any act or performance of any covenants or conditions by such other party in place or stead of Tenant shall be construed and held to be payments of rent or performance of covenants by such other party on behalf of Tenant.

The conveyance of all of or any part of the Leasehold Estate by execution and delivery of a Leasehold Mortgage or the transfer of all or any part of the Leasehold Estate by foreclosure shall not be deemed to constitute an assignment of this Lease. Furthermore, the transfer of all or any part of the Leasehold Estate by trustee's sale or foreclosure pursuant to the Leasehold Mortgage or by other enforcement proceeding shall not be subject to the consent of Landlord, and Tenant shall have the right, without the consent of Landlord, to assign this Lease to a Leasehold Mortgagee in lieu of trustee's sale or foreclosure through settlement of or arising out of any pending or threatened trustee's sale or foreclosure proceeding. In the event of any such assignment, the Leasehold Mortgagee shall attorn to Landlord as the Tenant, and Landlord shall recognize the Leasehold Mortgagee as the Tenant.

16. Execution of Instruments and Agreements. Landlord agrees to execute and deliver, or cause to be executed and delivered, within a reasonable time, such instruments and agreements as may be reasonably necessary to facilitate the development and construction of such streets, roads, easements, and rights of way for utilities and services, and other facilities reasonably necessary or desirable for the construction, rehabilitation, repair, use, occupancy, or operation of Residential Condominium Unit (R-2), as such term is defined in the Lease and shall join in, and shall otherwise cooperate with and assist Tenant in obtaining, all applications for permits, licenses, approvals and other authorizations required by any governmental entity in connection with the construction, rehabilitation, repair, use, occupancy, or operation of the Building and the prosecution of the Work, as such terms are defined in the Lease.

17. Certificates. Landlord or Tenant agree to execute and deliver, upon the request of the other or of any Leasehold Mortgage, estoppel certificates in accord with section 16.10 of the Lease. In addition, Landlord shall provide any certificate required by any Leasehold Mortgage pursuant to the terms of its Leasehold Mortgage. Tenant agrees to provide Landlord with a true and complete copy of the terms of such Leasehold Mortgage contemporaneously with the conveyance of the lien securing such Leasehold Mortgage. Any such certificate required hereby may be made subject to such exceptions, conditions or limitations as Landlord or Tenant (as the case may be) shall deem necessary to cause the matters set forth therein to be materially correct and complete. Failure to deliver such certificate within fourteen (14) days after delivery of such request, together with the form of such certificate, shall be deemed to be certification of the matters set forth in the form of such certificate so requested.

In addition to the foregoing provisions, the following requirements shall be satisfied:

1. A Memorandum of Lease acceptable to VHDA must be recorded among the land records of the appropriate jurisdiction.

2. The term of the Lease (exclusive of any renewals) shall be at least twice the term of the VHDA mortgage loan.

3. Notices required by the Lease shall be sent by certified mail, return receipt requested, or by hand delivery to the parties' addresses specified in or pursuant to the Lease or at such other addresses as the parties may thereafter designate by notice in writing. Notices shall be deemed to be delivered when received.

4. If Tenant is obligated under the Lease to commence and complete construction or rehabilitation of any buildings or improvements on the land encumbered by the Lease, the Lease shall provide that if VHDA (or its designee or nominee) shall acquire the Premises by Foreclosure, VHDA shall have the right, but shall not be obligated, to commence and complete such construction or rehabilitation; provided, however, that if VHDA (or its designee or nominee) shall not have completed such construction or rehabilitation as of the date that VHDA (or its designee or nominee) assigns this Lease, the assignee shall be obligated under the Lease to complete such construction or rehabilitation within such period of time after such assignment as is reasonable for the completion thereof, as determined by VHDA.

5. The provisions of the Lease governing the use and distribution of insurance and condemnation proceeds shall provide for distributing such proceeds between Landlord and Tenant in accordance with relative values of their interest in the real property and building and improvements thereon damaged or destroyed by casualty or taken by condemnation determined without regard to any termination of this Lease as a result of such damage or destruction or condemnation. The Lease shall expressly provide that any such distribution shall be subject to the provisions set forth in paragraph 9 above. If Landlord, Tenant and all Leasehold Mortgages cannot agree upon such distribution within thirty (30) days after such proceeds are available for distribution, then the matters may be submitted by Landlord, Tenant or any Leasehold Mortgagee to a court of competent jurisdiction for a decision.

6. Any provision requiring Landlord's approval for repairs, alterations, demolition, additions or other changes to Residential Condominium Unit (R-2), as such term is defined in the Lease shall contain an exception for repairs, alterations, demolition, additions or other changes required by any Leasehold Mortgagee pursuant to the terms of its Leasehold Mortgage.

7. If the Lease grants to Tenant an option or right of first refusal to purchase Landlord's fee interest in the Premises, the Lease shall provide for all notices to or from Tenant with respect thereto to be delivered by Landlord to each Leasehold Mortgagee (of whom Landlord has been notified in writing or has actual knowledge) and shall further provide that such option or right of first refusal shall be exercisable by the senior Leasehold Mortgagee or its nominee or designee (or any other Leasehold Mortgagee, or its nominee or designee, to whom such senior Leasehold Mortgagee may assign its right to

exercise such option or right of first refusal), on its own behalf or on behalf of Tenant, within the same time period and on the same terms and conditions as are provided to Tenant under the Lease.

8. The Lease shall not contain any provisions which materially and adversely affect the value or use of the Leasehold Estate or the ability of Leasehold Mortgagees to prevent termination of the Leasehold Estate or to foreclose, possess and sell the Leasehold Estate pursuant to their Leasehold Mortgages.

Exhibit D

FNMA and FMCC Lease Riders/Addendums

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit E

Intentionally Omitted

Exhibit F

Declaration of Condominium for Ovation at Arrowbrook Condominium

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit G

By-Laws of the Ovation at Arrowbrook Condominium Unit Owners Association

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit H

**Declaration of Covenants, Conditions, Restrictions, and Easements for Ovation at Arrowbrook
Condominium**

**This Exhibit has not been included for recording, but that the parties are in possession of
this Exhibit and have agreed to its form and contents.**

Exhibit I

Plans and Specifications

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit J

First Amendment to Ground Lease

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit K

Deed of Relinquishment

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit L

First Amendment to Condominium Declaration

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit M-1

Intentionally Omitted

Exhibit M-2

Intentionally Omitted

Exhibit M-3

Intentionally Omitted

Exhibit N

AMC Letter

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

Exhibit O

Arrowbrook Mark

This Exhibit has not been included for recording, but that the parties are in possession of this Exhibit and have agreed to its form and contents.

KH 603659

63 64

13

MAP #: 0163 20 0001A2
ARROWBROOK CENTRE LLC

13325 FAIRFIELD RDG

Owner

Name	ARROWBROOK CENTRE LLC,
Mailing Address	459 HERNDON PKWY SUITE 14 C/O JEFFREY J FAIRFIELD MANAGER HERNDON VA 20170
Book	26718
Page	1734

Parcel

Property Location	13325 FAIRFIELD RDG HERNDON VA 20171
Map #	0163 20 0001A2
Tax District	2T0D8
District Name	DRANESVILLE RT 28 DULLES RAIL WEST
Land Use Code	Medium rise apartments rental(5to8 stry)
Land Area (acreage)	
Land Area (SQFT)	73,510
Zoning Description	PDC(Planned Dev Commercial)
Utilities	WATER AVAILABLE SEWER AVAILABLE GAS NOT AVAILABLE
County Inventory of Historic Sites	NO
County Historic Overlay District	NO For further information about the Fairfax County Historic Overlay Districts, CLICK HERE For properties within the towns of Herndon, Vienna or Clifton please contact the town to determine if the property is within a town historic district.
Street/Road	PAVED
Site Description	COMMERCIAL RANK #1

Legal Description

Legal Description	ARROWBROOK CENTRE PCL 1A2
-------------------	------------------------------

Sales History

Date	Amount	Seller	Buyer
12/07/2020	\$0	ARROWBROOK CENTRE LLC	ARROWBROOK CENTRE LLC

Sales

Date	12/07/2020
Amount	\$0
Seller	ARROWBROOK CENTRE LLC
Buyer	ARROWBROOK CENTRE LLC
Notes	Resubdivision
Deed Book and Page	26718-1734
Additional Notes	

Values

Tax Year	2022
Current Land	\$7,350
Current Building	\$15,056,570
Current Assessed Total	\$15,063,920
Tax Exempt	NO
Note	

Values History

Tax Year	Land	Building	Assessed Total	Tax Exempt
2021	\$7,350	\$0	\$7,350	NO

Summary datalet error

Printed on Thursday, April 14, 2022, at 4:13:25 PM EST

F

Third-Party RESNET
Rater Certification
(MANDATORY)



Appendix F
RESNET Rater Certification of Development Plans

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

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

In addition provide HERS rating documentation as specified in the manual

TRUE **New Construction - EnergyStar Certification**
The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

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

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

Additional Optional Certifications

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

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

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

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

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

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

Date: 2.28.19

Signed: [Signature]

Printed Name: Matt Waring
RESNET Rater

Resnet Provider Agency
Viridian

Signature [Signature]

Provider Contact and Phone/Email Sean Evanson-Shanley Sean.evanson-shanley@viridian.org

Home Energy Rating Certificate

Projected Report

Rating Date: 2019-02-27
 Registry ID: Unregistered
 Ekotrope ID: ILXRkaMv

HERS® Index Score:

71

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

\$448

*Relative to an average U.S. home

Home:

Arrowbrook Centre Dr., Hunter Mill, VA 20171

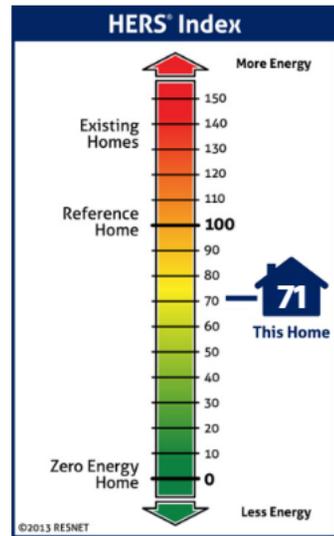
Builder:

Your Home's Estimated Energy Use:

	Use [MBtu]
Heating	2.8
Cooling	0.7
Hot Water	5.4
Lights/Appliances	10.9
Service Charges	
Generation (e.g. Solar)	0.0
Total:	19.9

This home meets or exceeds the criteria of the following:

Energy Star v3



Home Feature Summary:

Home Type:	Apartment, inside unit
Model:	N/A
Community:	Arrobrook Centre
Conditioned Floor Area:	512 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.2 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 14.5 SEER
Primary Water Heating:	Water Heater • Electric • 0.95 Energy Factor
House Tightness:	5 ACH50
Ventilation:	25.0 CFM • 45.0 Watts
Duct Leakage to Outside:	20.5 CFM25 (4 / 100 s.f.)
Above Grade Walls:	R-20
Ceiling:	Vaulted Roof, R-30
Window Type:	U-Value: 0.32, SHGC: 0.27
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Matt Waring
 RESNET ID: 6729287

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

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



Matt Waring, Certified Energy Rater
 Date: 3/1/19 at 3:31 PM



Arrowbrook Centre 2019 LIHTC Pre-Review Comments

Project Address

Arrowbrook Centre Drive
Hunter Mill, VA 20171

Project Summary

Arrowbrook Centre is a new construction mid-rise multifamily development, comprised of 274 units located in Fairfax, VA. Stratford Capital Group Development (SCGD) plans to construct the project utilizing 9% & 4% LIHTC. As part of their funding application the project is seeking ENERGY STAR certification as well as Gold Level certification under the EarthCraft Multifamily Program (ECMF). Depending on the timing of the project, ENERGY STAR has instituted a Multifamily Program that may provide a path outside of the ENERGY STAR Multifamily High-Rise Program. The EarthCraft level of certification requires the project to have a maximum HERS index of 75 and minimum 150 points on the ECMF Workbook Version 5. Steve Saville of Davis, Carter, Scott Ltd. is the primary architect contact for the project.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v3.1.1 based on the proposed scope and plans provided by the project team entitled '2019-02-26 ARROWBROOK PROGRESS SET.' With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 71. The following outlines the scope as it is currently modeled.

Enclosure:

- R-10 Grade II slab edge insulation
- R-20 Grade I cavity insulation in exterior above grade walls and rim & band
- R-13 Grade II cavity insulation in party walls and adiabatic ceilings/floors
- R-30 Continuous Roof Deck insulation
- 0.21 U-Value for opaque doors
- 0.30 U-Value/0.27 SHGC windows & glass doors – see chart below for programmatic window requirements

Window Requirements		
ENERGY STAR	0.30 U-value	0.40 SHGC
EarthCraft Gold	0.32 U-value	0.27 SHGC

Mechanicals:

- SEER 14.5, HSPF 8.5, 18k air source heat pump, programmable thermostat
- 0.95 EF storage electric water heaters, 40 gallon
- 5 ACH₅₀ for infiltration threshold/blower door test
- 5% duct leakage to the outside, 8% total duct leakage
- All ducts within conditioned space and insulated to R-6

Arrowbrook Centre
February 27, 2019



- Dedicated Outdoor Air System for fresh air ventilation

Lights & Appliances:

- ES rated kitchen appliances
 - 616 kWh/yr refrigerator
 - 295 kWh/yr dishwasher
- Advanced lighting 90% LED and 10% CFL

Please let me know if you have any question or if the above information does not accurately capture your current scope.

Sincerely,

A handwritten signature in black ink that reads "Matt Waring".

Matt Waring
Technical Director, Viridiant

G

Zoning Certification Letter
(MANDATORY)

Zoning Certification

DATE:

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

RE: ZONING CERTIFICATION

Name of Development: Arrowbrook Centre Apartments

Name of Owner/Applicant: Arrowbrook Apartments II, LLC

Name of Seller/Current Owner: Arrowbrook Apartments II, LLC

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

DEVELOPMENT DESCRIPTION:

Development Address:

13325 Fairfield Ridge Avenue,
Herndon, VA 20171

Legal Description:

ARROWBROOK CENTRE

LT 1A

RESIDENTIAL COMPONENT OF 0163T20 0001A

(see attached metes and bounds)

Proposed Improvements:

<input checked="" type="checkbox"/> New Construction:	<u>148</u>	# Units	<u>1</u>	# Buildings	<u>270,992.13</u>	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Approx. Total Floor Area Sq. Ft.
<input type="checkbox"/> Rehabilitation:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Approx. Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: PDC allowing a density of
approximately 81 units per acre, and the following other applicable conditions: see below

Other Descriptive Information:

A Fairfax County Final Development Plan Amendment (FDPA 2002-HM-043-05) was approved as part of an overall Conceptual Development Plan.

The approved FDPA for this parcel permits 360 units on a lot of approximately 4.44 acres (approximately 81 units/acre) in addition to up to

38,000 sf of retail space. (The actual area of the parcel is 4.613 acres.)

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

Nisha Cheriathundam

Signature

Printed Name

Project Engineer

Title of Local Official or Civil Engineer

703-449-6700

Phone:

1/27/2020

Date:



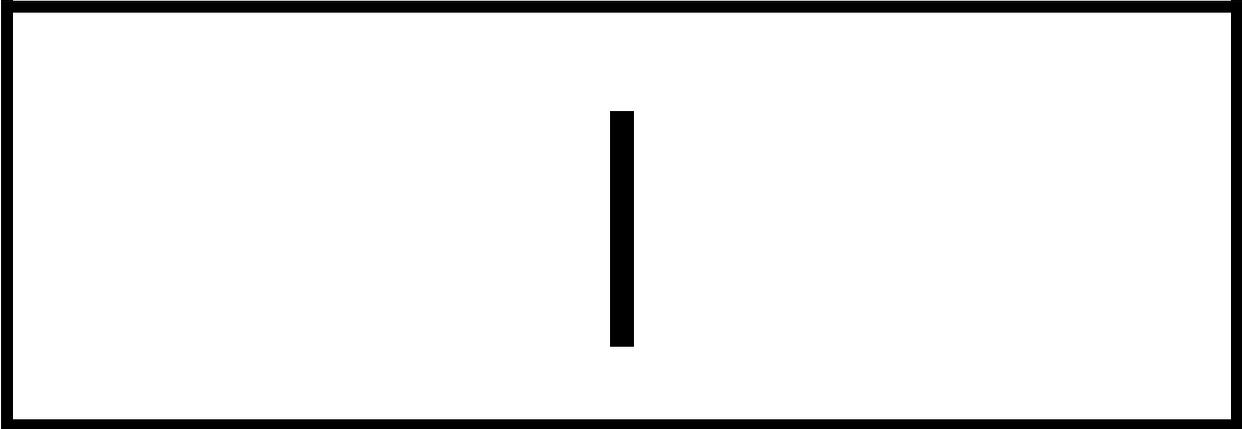
NOTES TO LOCALITY:

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

H

Attorney's Opinion
(MANDATORY)

This deal does not require
information behind this tab.



Nonprofit Questionnaire

(MANDATORY for points or pool)

This deal does not require
information behind this tab.

J

Relocation Plan

(MANDATORY, if tenants are displaced)

This deal does not require
information behind this tab.

K

Documentation of
Development Location:

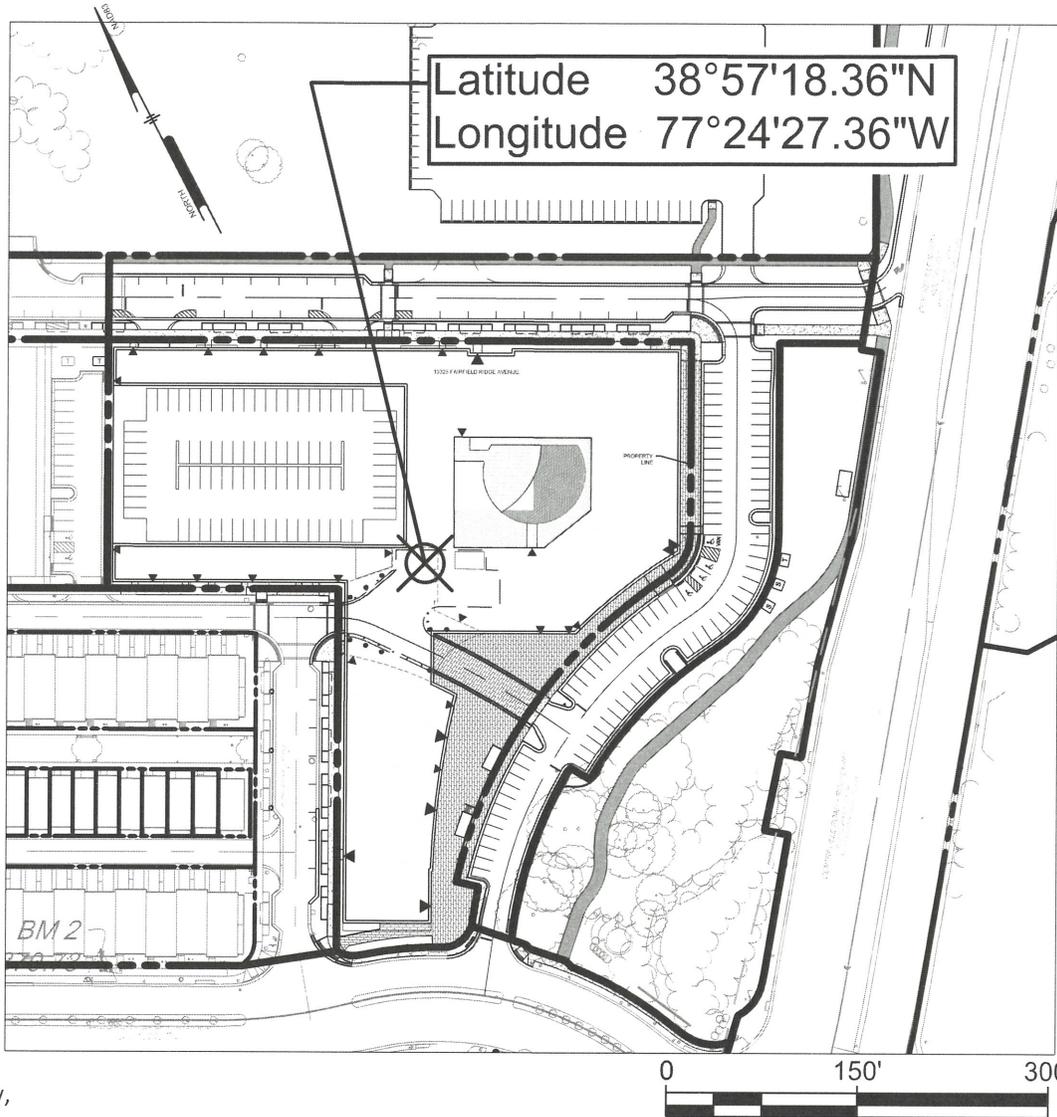
February 28, 2019

Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Culpeper, VA 22701

**RE: VHDA Application for: Arrowbrook Centre Apartments
Latitude and Longitude**

To Whom It May Concern:

As requested, we are providing the latitude and longitude of the center of the subject property. Below is an exhibit of the location of the point provided.



Sincerely,

PENNONI ASSOCIATES INC.

Nisha Cheriathundam

Nisha Cheriathundam, PE

K.1

Revitalization Area
Certification

At a regular meeting of the Board of Supervisors of Fairfax County, held in the Board Auditorium in the Government Center Building, Fairfax, Virginia, on February 19, 2019, at which meeting a quorum was present and voting, the following resolution was adopted:

RESOLUTION OF THE BOARD OF SUPERVISORS
OF FAIRFAX COUNTY, VIRGINIA,
DESIGNATING THE ARROWBROOK APARTMENTS SITE
A REVITALIZATION AREA
PURSUANT TO VIRGINIA CODE § 36-55.30:2

RECITALS

R-1 The Board of Supervisors ("Board") has been requested to authorize the Fairfax County Redevelopment and Housing Authority to make two Housing Blueprint Loans in the aggregate amount of \$7,744,225 to affiliates of SCG Development Partners LLC (collectively, the "Developer"), to assist in the development on a 274-unit multifamily affordable housing project ("Development") on a site in the Dranesville District as depicted on Exhibit A attached hereto ("Development Site").

R-2 The Development will provide critically need affordable housing for low and moderate income residents whose tenancy and local employment is essential to future economic development in Fairfax County.

R-3 The Developer's financing plan for the Development includes, among other things, an application to the Virginia Housing and Development Authority ("VHDA") for competitive nine percent tax credits pertaining to a portion of the 274-unit proposed Development.

R-4 The VHDA tax credit evaluation process provides that 15 additional points may be awarded to projects that meet the definition of a revitalization area pursuant to Virginia Code § 36-55-30:2 ("Revitalization Area") and have been so designated by resolution of the governing body in which the Revitalization Area is located.

R-5 The definition of a Revitalization Area used in Virginia Code § 36-55-30:2 is separate and distinct from terms "Revitalization Area" and "Revitalization District" as used in the various comprehensive plans for Fairfax County, Virginia. Any designation of the Development Site as a Revitalization Area does not in any manner affect any areas of the County that have been, or in the future may be, determined by the Board to be Revitalization Areas or Revitalization Districts.

R-6 The Development Site meets the standards for a Revitalization Area as described in Virginia Code § 36-55-30:2, namely that: (i) the development of the Development Site will benefit Fairfax County, but that such area lacks the housing needed to induce, among other things, the commercial, governmental, educational, entertainment, community development, healthcare, or nonprofit enterprises or undertakings, to locate or remain in such area, and

(ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

NOW, THEREFORE, THE BOARD HEREBY DETERMINES as follows:

The above-referenced proposed Development is located in an area that is hereby designated a Revitalization Area in Fairfax County, Virginia, in accordance with Virginia Code § 36-55-30:2. The Board has determined that: (i) the commercial or other economic development of the Revitalization Area will benefit Fairfax County, but that this area lacks the housing needed to induce, among other things, the commercial, governmental, educational, entertainment, community development, healthcare, or nonprofit enterprises or undertakings, to locate or remain in this area, and (ii) 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 this area and will induce other persons and families to live within this area and thereby create a desirable economic mix of residents in such area.

A Copy – Teste:



Catherine A. Chianese
Clerk to the Board of Supervisors

Arrowbrook Centre Apartments Proposed Revitalization Area - 4.6 Acres

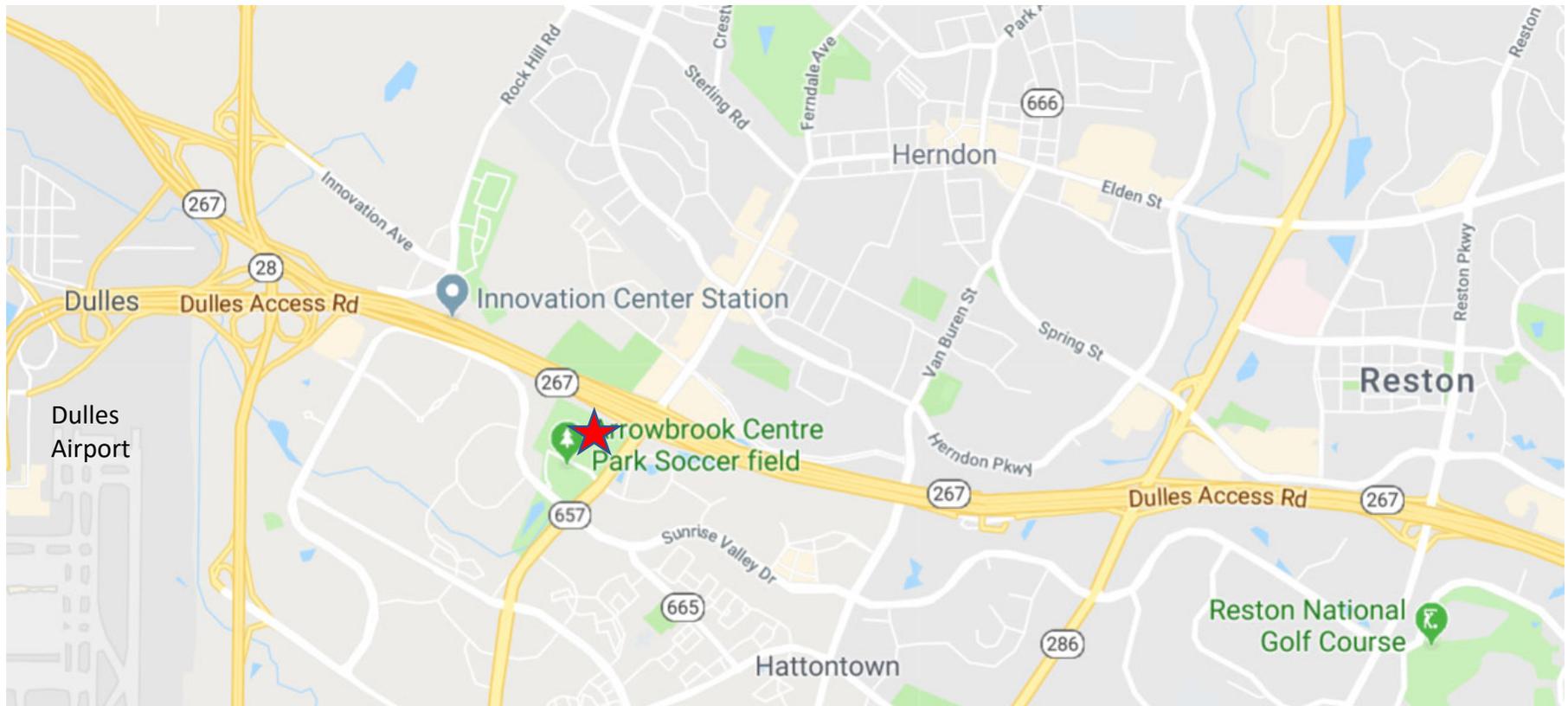
Exhibit A



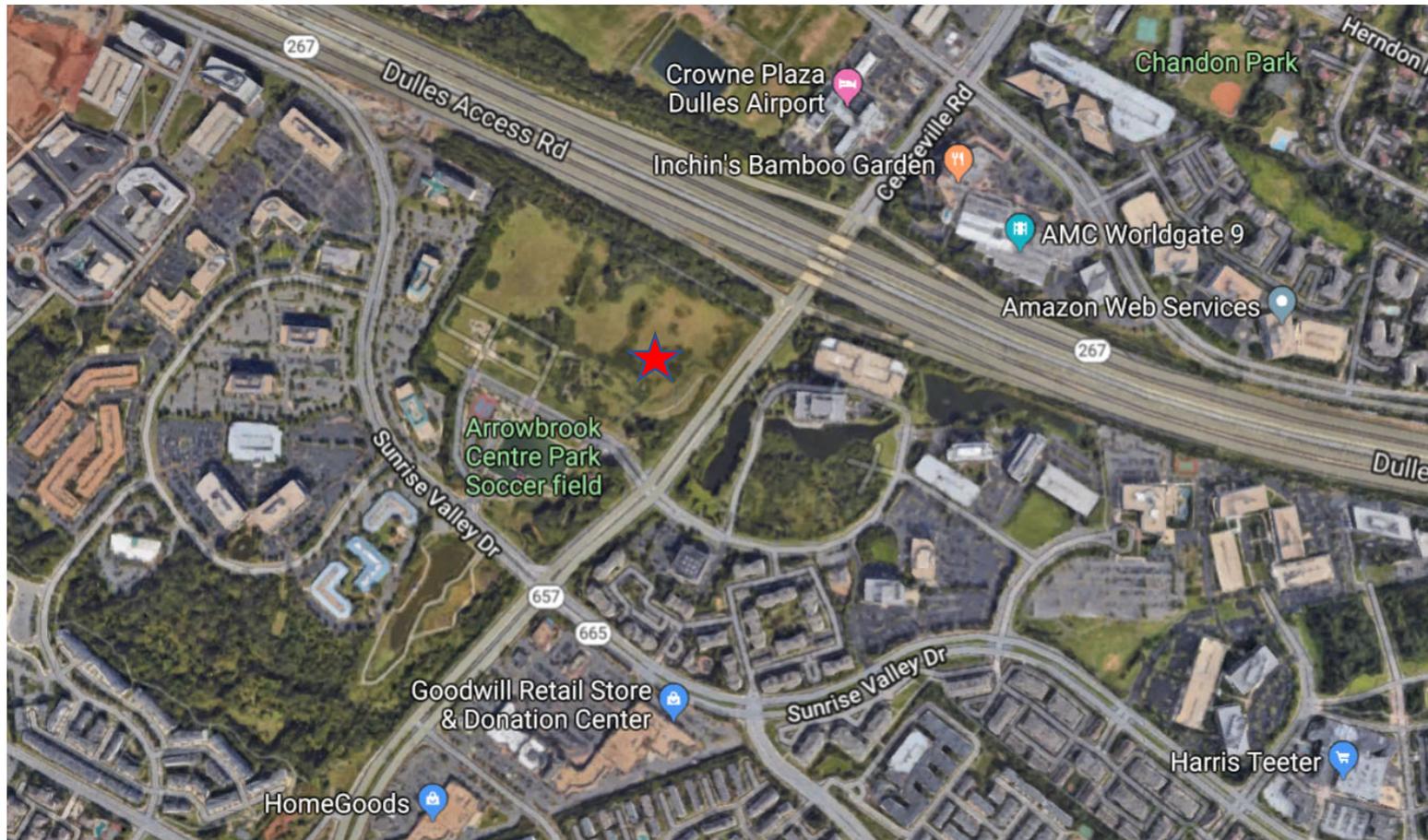
K.2

Location Map

Tab K.2 Location Map



Tab K.2 Location Map



K.3

Surveyor's Certification of
Proximity to Public
Transportation

Surveyor's Certification of Proximity to Transportation

DATE: 1/27/2020

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

RE: 2020 Tax Credit Reservation Request

Name of Development: Arrowbrook Centre Apartments
Name of Owner: Arrowbrook Apartments II, LLC

Gentlemen:

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

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

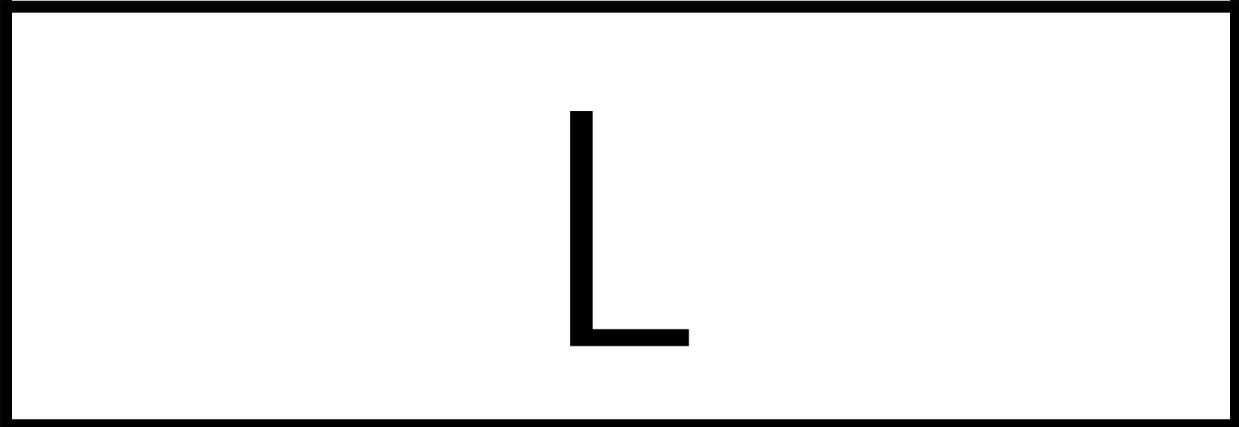
- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.



Pennoni _____
Firm Name

By: Nisha Cheriathundam

Its: Design Engineer
Title



L

PHA/Section 8 Notification
Letter

This deal does not require
information behind this tab.

M

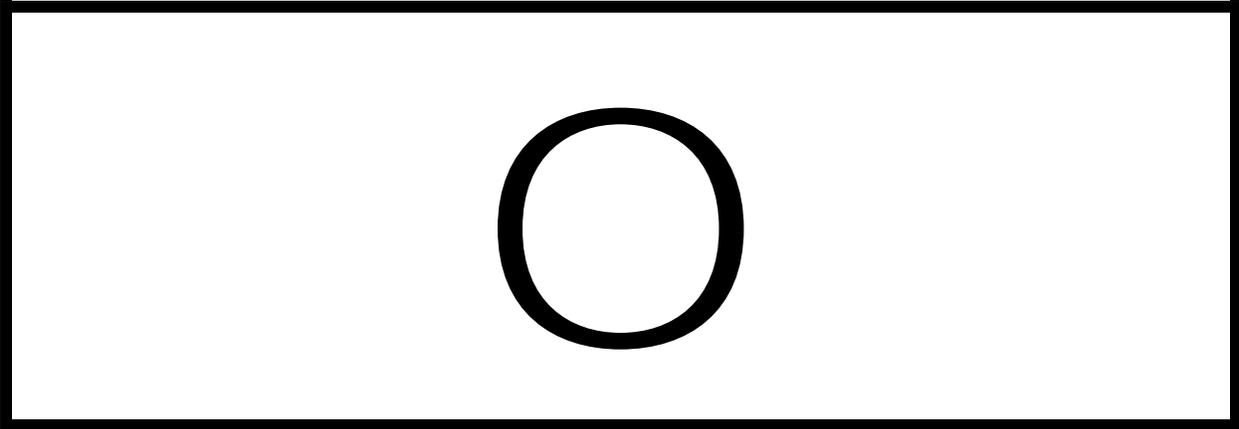
Locality CEO Response
Letter

This deal does not require
information behind this tab.

N

Homeownership Plan

This deal does not require
information behind this tab.



O

Plan of Development
Certification Letter

This deal does not require
information behind this tab.

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated:

1/30/2020

I Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)

I Listed if documentation supported at least 6 LIHTC developments

I Listed if a principal who has developed at least 3 LIHTC deals and has at least \$500,000 in liquid assets

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

1 Alexander, Randall P.	28 Fore, Richard L.	55 Mirmelstein, George
2 Asarch, Chad	29 Franklin, Wendell C.	56 Nelson, IV, John M.
3 Arista, Roberto	30 Friedman, Mitchell M.	57 Orth, Kevin
4 Barnhart, Richard K.	31 Gardner, Mark E.	58 Page, David
5 Baron, Richard	32 Gunderman, Timothy L.	59 Parent, Brian
6 Bennett, Vincent R.	33 Haskins, Robert G.	60 Park, Richard A.
7 Burns, Laura P.	34 Heatwole, F. Andrew	61 Park, William N.
8 Chapman, Tim	35 Honeycutt, Thomas W.	62 Pasquesi, R.J.
9 Cohen, Howard Earl	36 Hunt, Michael C.	63 Pedigo, Gerald K.
10 Connelly, T. Kevin	37 Iglesias, Adrian	64 Poulin, Brian M.
11 Connors, Cathy	38 Jester, M. David	65 Queener, Brad
12 Copeland, M. Scott	39 Johnston, Thomas M.	66 Ripley, F. Scott
13 Copeland, Robert O.	40 Jones Kirkland, Janice	67 Ripley, Ronald C.
14 Copeland, Todd A.	41 Kirkland, Milton L.	68 Ross, Stephen M.
15 Cordingley, Bruce A.	42 Kittle, Jeffery L.	69 Salazar, Tony
16 Counselman, Richard	43 Koogler, David M.	70 Sari, Lisa A.
17 Crosland, Jr., John	44 Koogler, David Mark	71 Sinito, Frank T.
18 Curtis, Lawrence H.	45 Lancaster, Dale	72 Stockmaster, Adam J.
19 Daigle, Marc	46 Lawson, Phillip O.	73 Stoffregen, Phillip J.
20 Dambly, Mark H.	47 Lawson, Steve	74 Surber, Jen
21 Deutch, David O.	48 Leon, Miles B.	75 Valey, Ernst
22 Dischinger, Chris	49 Lewis, David R.	76 Uram, David
23 Douglas, David D.	50 Margolis, Robert B.	77 Wilson, Stephen
24 Edmondson, Jim	51 McCormack, Kevin	78 Woda, Jeffrey J.
25 Ellis, Gary D.	52 McNamara, Michael L.	79 Wohl, Michael D.
26 Fekas, William L.	53 Melton, Melvin B.	80 Wolfson, III, Louis
27 Fitch, Hollis M.	54 Midura, Ronald J.	

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Atlantic Housing Foundation, Inc.
- 5 Better Housing Coalition
- 6 Buckeye Community Hope Foundation
- 7 Community Housing Partners
- 8 Community Housing, Inc.
- 9 ElderHomes (dba Project: Homes)
- 10 Enterprise Homes, Inc
- 11 Fairfax County RHA
- 12 Homes for America, Inc.
- 13 Humanities Foundation, Inc.
- 14 Huntington Housing, Inc.
- 15 Newport News RHA
- 16 NHT Communities
- 17 Norfolk Redevelopment Housing Authority
- 18 People Incorporated
- 19 Piedmont Housing Alliance
- 20 Preserving US, Inc.
- 21 Portsmouth RHA
- 22 RHA/Housing, Inc.
- 23 Rush Homes
- 24 The Community Builders
- 25 Virginia Supportive Housing
- 26 Virginia United Methodist Housing Development Corporation
- 27 Wesley Housing Development Corporation
- 28 LEDIC Realty Company, LLC

**WRITTEN CONSENT
OF
ARROWBROOK APARTMENTS II, LLC and
ARROWBROOK II MANAGING MEMBER LLC
SCG DEVELOPMENT PARTNERS, LLC
SCG DEVELOPMENT MANAGER, LLC &
SCG CAPITAL CORP.
(each a “*Project Entity*” and collectively the “*Project Entities*”)**

The undersigned hereby adopt the following resolutions by written consent:

Definitions:

Development: Construction of a multi-family affordable housing rental apartment project located in Fairfax County, Virginia, and commonly known as Arrowbrook Apartments II.

Owner: Arrowbrook Apartments II, LLC, a Virginia limited liability company.

Ownership Documents: All documents to be executed in connection with the admission of investors, including, without limitation, an amended and restated limited liability company agreement; asset management agreement; development agreement; company management agreement; property management agreement; and guaranty agreement.

Finance Documents: All documents to be executed by any Project Entity in connection with loans and other financing to be secured for the Development “*Development Financing*”.

Real Estate Documents: All documents to be executed or recorded by any Project Entity in connection with the acquisition of the leasehold interest in the real property upon which the Development is constructed (the “*Land*”), including, without limitation: a deed of lease; shared use and maintenance agreement; purchase option and right of first refusal agreement; property management agreement; contribution agreement; condominium documents; and assignment, assumption, and reimbursement agreement.

LIHTC Documents: All documents to be executed or recorded by any Project Entity in connection with the award of low-income housing tax credits (“*Credits*”) by the allocating agency of the Commonwealth of Virginia, including, without limitation a low-income housing tax credit application for reservation, a tax credit reservation letter, and low-income housing tax credit covenant.

Transaction Documents: Collectively, the Ownership Documents, Finance Documents, Real Estate Documents, and LIHTC Documents.

RESOLVED, that the each of the Project Entities (i) in its own capacity, and (ii) in its capacity as the director(s), officer(s), shareholder(s), partners(s), member(s), managing member(s), and/or manager(s) of the other Project Entities, as applicable, are hereby authorized, empowered, and directed to take all actions necessary or desirable to (a) Owner to obtain the Development Financing; (b) acquire an interest

in the Land; (c) cause the Development to be constructed and operated, on such terms and conditions that the Authorized Representative (defined below) deems appropriate; and (d) allow the Owner to become and to remain eligible to claim the Credits in connection with the Development.

FURTHER RESOLVED, that the each of the Project Entities (i) in its own capacity, and (ii) in its capacity as the director(s), officer(s), shareholder(s), partner(s), member(s), managing member(s), and/or manager(s) of the other Project Entities, as applicable, are hereby authorized, empowered, and directed to execute, deliver, and perform under each of the Transaction Documents to which it is a party, on such terms and conditions that the Authorized Representative deems appropriate, including the inclusion of any provision for confessing judgment against the Owner, which provision for confession of judgment is hereby specifically authorized and approved;

FURTHER RESOLVED, that Stephen P. Wilson as the President – Virginia Office of SCG Capital Corp., and John M. Nelson, IV as the Chief Executive Officer of SCG Capital Corp. (each an “**Authorized Representative**”) are individually authorized and directed on behalf of each of the Project Entities to (i) take all other actions necessary to carry out the intent and purposes of the foregoing resolutions, (ii) enter into, execute, and deliver on behalf of each of the Project Entities, as applicable, the Transaction Documents to which they are a party and any and all other documents that the Authorized Representative deems necessary or appropriate for the consummation of the transactions contemplated herein, and (iii) as may be necessary for the benefit of each of the Project Entities, to supplement, reaffirm, amend or modify the Transaction Documents to which they are a party, at any time;

FURTHER RESOLVED, that all acts, actions, or agreements undertaken prior to the adoption of these resolutions by any of the Project Entities or any of its representatives in connection with matters of the type set forth in the foregoing resolutions are hereby ratified, confirmed, and adopted by each of the Project Entities;

FURTHER RESOLVED, that the foregoing resolutions are intended to be and may be relied upon by any person or entity involved in any one or more of the actions comprising the above-described transactions.

The undersigned hereby adopt the foregoing resolutions and have executed this written consent effective as of May 18, 2020.

[signature pages follow]

[Signature page to Written Consent]

The foregoing resolutions are adopted:

On behalf of **Arrowbrook Apartments II, LLC**, a Virginia limited liability company, by its managing member:

Arrowbrook II Managing Member LLC

By: SCG Development Partners, LLC
its managing member

By: SCG Development Manager, LLC
its managing member

By: SCG Capital Corp.
its sole member

By: 
Name: Stephen P. Wilson
Title: President –Virginia Office

[Signature page to Written Consent]

On behalf of **Arrowbrook II Managing Member LLC**, by its managing member:

SCG Development Partners, LLC

By: SCG Development Manager, LLC
its managing member

By: SCG Capital Corp.
its sole member

By: 
Name: Stephen P. Wilson
Title: President –Virginia Office

[Signature page to Written Consent]

On behalf of **SCG Development Partners, LLC**, by its managing member:

SCG Development Manager, LLC

By: SCG Capital Corp.
its sole member

By: 
Name: Stephen P. Wilson
Title: President –Virginia Office

[Signature page to Written Consent]

On behalf of **SCG Development Manager, LLC**, by its sole member:

SCG Capital Corp.

By: 
Name: Stephen P. Wilson
Title: President –Virginia Office

[Signature page to Written Consent]

On behalf of SCG Capital Corp., by its Board of Directors:



John M. Nelson, Director (Chairman)



Benjamin D. Mottola, Director



Stephen P. Wilson, Director



Kyle F. Wolff, Director

Q

Documentation of Rental
Assistance

This deal does not require
information behind this tab.

Tab R:

Documentation of Operating Budget and Utility Allowances

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$10,479
2. Office Salaries			\$77,946
3. Office Supplies			\$44,104
4. Office/Model Apartment	(type		\$0
5. Management Fee			\$81,241
	3.00% of EGI	\$548.93	Per Unit
6. Manager Salaries			\$0
7. Staff Unit (s)	(type		\$0
8. Legal			\$0
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$0
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$5,196
Total Administrative			\$218,966

Utilities

14. Fuel Oil			\$0
15. Electricity			\$18,095
16. Water			\$12,991
17. Gas			\$0
18. Sewer			\$0
Total Utility			\$31,086

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$25,982
23. Trash Removal			\$32,478
24. Security Payroll/Contract			\$12,991
25. Grounds Payroll			\$0
26. Grounds Supplies			\$7,287
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$77,946
29. Repairs/Material			\$88,837
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$25,982
37. Miscellaneous			\$62,281
Totals Operating & Maintenance			\$333,784

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$337,851
39. Payroll Taxes	\$46,768
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$56,771
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$441,390

Total Operating Expense **\$1,025,226**

Total Operating Expenses Per Unit \$6,927 **C. Total Operating Expenses as % of EGI** 37.86%

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$37,000**

Total Expenses	\$1,062,226
-----------------------	--------------------

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.



viridiant

February 13, 2019

Stephanie Marcus
SCG Development
8245 Boone Boulevard, Suite 640
Tysons Corner, Virginia 22182
smm@scgdevelopment.com

RE: Preliminary Utility Allowance for Arrowbrook Centre Apartments

Dear Ms. Marcus,

Please see the following Preliminary Utility Allowance (UA) for Arrowbrook Centre Apartments located in Herndon, Virginia. The electric projections were generated utilizing Dominion Energy rates. Water projections were generated using Fairfax Water rates. Sewer projections were generated using Fairfax County rates. The utility rates are current within 90 days of the date of this letter. Below is a table depicting the highest UA by each bedroom type. Should you have any questions do not hesitate to contact me.

EARTHCRAFT PRELIMINARY UA*			ALLOWANCES BY BEDROOM SIZE			
Utilities	Type of Utility	Paid by	Studio	1-bdr	2-bdr	3-bdr
Heating	Electric	Tenant	\$11	\$14	\$17	\$20
Air Conditioning	Electric	Tenant	\$5	\$7	\$8	\$9
Cooking	Electric	Tenant	\$4	\$5	\$7	\$8
Lighting	Electric	Tenant	\$18	\$22	\$26	\$30
Hot Water	Electric	Tenant	\$10	\$13	\$15	\$18
Water	-	Tenant	\$10	\$12	\$16	\$19
Sewer	-	Tenant	\$23	\$27	\$35	\$43
Trash	-	Owner	-	-	-	-
Total UA for costs paid by tenant			\$81	\$100	\$124	\$147
<i>*Allowances only for application use for Arrowbrook Centre Apartments as an EarthCraft project.</i>						

Sincerely,

Rob McRaney

Rob McRaney
Business Relations Manager, Viridiant

S

Supportive Housing
Certification

This deal does not require
information behind this tab.

Tab T:

Funding Documentation

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

A Subsidiary of M&T Bank

One Light Street, 12th Floor

Baltimore, MD 21202

DIRECT: (410) 545-2483 EMAIL: rkaplan@mtb.com

September 23, 2020

Mr. Stephen Wilson
SCG Development
8245 Boone Boulevard
Tysons Corner, VA 22182

Re: Ovation at Arrowbrook Condo B Phase II
Herndon, VA 20171
Application for Forward Commitment Freddie Mac Optigo Fixed Rate Loan

Dear Steve:

M&T Realty Capital Corporation (“**Lender**”), as an authorized Seller/Servicer for Freddie Mac, is pleased to issue this Loan Application and Processing Agreement (this “**Application**”) to the undersigned (“**Applicant**”), upon satisfactory completion of construction and stabilization of the Property (“**Conversion**”), to purchase the Funding Loan from **M&T Bank** (the “**Construction Lender**”). Upon the purchase of the Funding Loan at Conversion, the Funding Loan shall be secured by an assignment of the Project Loan, which Project Loan shall be secured by a first lien and security interest on the above-captioned property pursuant to the terms and conditions set forth below. For purposes of this Application, the Funding Loan after Conversion is sometimes hereinafter referred to as the “**Loan.**” Upon Applicant’s return of an executed copy of this Application, along with the Lender Application Fee and the Freddie Mac Application Fee, Lender will underwrite and process this Application pursuant to the requirements of Freddie Mac’s tax exempt loan program for affordable housing Optigo Execution (“**Optigo**”) program. Lender will issue a written commitment (a “**Commitment Letter**”) approving the Loan only if Borrower (defined herein) and the Loan satisfy all terms and conditions of this Application and eligibility under the Freddie Mac Optigo program tax exempt loan program for affordable housing.

This Application is for a Loan under the Freddie Mac Optigo program. By acceptance of this Application, Borrower acknowledges that the Loan will be sold to Freddie Mac and that Freddie Mac intends to sell the Loan into a commercial mortgage-backed securitization or similar capital markets execution.

The terms and conditions set forth in this Application are based on information supplied to Lender by Applicant and are subject to change based on Freddie Mac’s underwriting of the Loan. This Application is an application for financing only and does not constitute a commitment to make or arrange for the Loan.

I. Proposed Financing Terms.

- A. **Funding Loan:** The initial Funding Loan shall be made by the Construction Lender to the Governmental Lender. The Governmental Lender must use the proceeds of the Funding Loan to make a senior construction and permanent loan to the Project Loan Borrower. The Funding Loan shall be secured by a first lien and assignment of the Project Loan. Both the Funding Loan and the Project Loan

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

shall be made in accordance with the requirements of the Freddie Mac TEL Program. The Funding Loan (both the initial Funding Loan and the Funding Loan upon Conversion) must be a tax-exempt loan and must result in an automatic allocation of federal low-income housing tax credits for the Property. All agreements, documents and instruments which evidence, secure, guaranty or otherwise govern the Funding Loan and all agreements, documents and instruments which evidence, secure, guaranty or otherwise govern the Project Loan must be acceptable to Freddie

Mac and Lender. The initial Funding Loan and the Project Loan must close contemporaneously on the same day.

- B. Project Loan: The Project Loan shall be made by the Governmental Lender to the Project Loan Borrower and shall be secured by a first lien and security interest on the above-captioned property pursuant to the terms and conditions set forth below. The Project Loan Borrower must use the proceeds of the Project Loan to finance the acquisition, construction and development of the Property. Upon Conversion, all agreements, documents and instruments which evidence, secure, guaranty or otherwise govern the Project Loan will be amended and restated to reflect the financing terms below and the form of such documents must be acceptable to Freddie Mac and Lender.
- C. Conversion Requirements: The Lender will purchase the initial Funding Loan from the Construction Lender when, among other things, the following items are satisfied: (i) the construction of the Property must be satisfactorily completed in accordance with the Plans & Specifications; (ii) the Property is 90% occupied for a period of 90 consecutive days; (iii) the debt service coverage ratio of the Project Loan is 1.15x based on underwritten NOI at Conversion; and (iv) the satisfaction of those conditions contained in the Commitment and the Construction Phase Financing Agreement to be entered into at the time of the closing of the initial Funding Loan.
- D. Property: Ovation at Arrowbrook Condo B – Phase II
Herndon, VA 20171
148 units
- E. Project Loan Borrower: Arrowbrook Centre Apartments II, LLC
Borrower must be a single purpose bankruptcy-remote entity ("SPE") which satisfies the requirements of the Optigo program. See Exhibit A for program requirements.
- F. Loan Amount: \$29,183,000 (final loan amount subject to final underwriting)
The loan amount may not exceed a combined 90% loan-to-value ratio or a minimum 1.15x debt service coverage ratio. We will initiate the loan processing based on a maximum loan amount as

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

set forth above.

The loan is split as both a tax exempt piece and a “taxable tail”; tax exempt loan amount is \$22,500,000, the “taxable tail component is sized at \$6,683,000.

- G. Forward Period: To the extent a Commitment Letter is issued, it will be effective for a period of 36 months, plus one 6-month extension option at a cost of 65 bps and an additional extension option subject to Freddie Mac approval (any subsequent 6-month extension requires an extension fee to be determined by Freddie Mac).
- H. Term: Eighteen (18) years from Conversion
- I. Interest Rate: **Tax-Exempt: A fixed rate based on an estimated spread of 287 basis points (the “Spread”) over the yield rate on comparable term United States Treasury Securities (the “Index”) plus any Governmental Lender or fiscal agent fees and the bond investor spread. As of the date of this Application, the estimated interest rate is 3.55% per annum.**
Taxable Tail: A fixed rate based on an estimated spread of 327 basis points (the “Spread”) over the yield rate on comparable term United States Treasury Securities (the “Index”) plus any Governmental Lender or fiscal agent fees and the bond investor spread. As of the date of this Application, the estimated interest rate is 3.95% per annum.
- J. Index Rate Floor: 0.50%
The Spread assumes that the yield rate on the Index will not be less than the Index Rate Floor at the time the Commitment Letter is issued. If at the time the Commitment Letter is issued, the yield rate on the Index falls below the Index Rate Floor, the Spread will be increased by a corresponding amount.
- K. K-Series Spread Adjustment: 0.55%
If the spread for Freddie Mac’s K-000 Series 10-year Fixed Rate Class A-2 Certificates (“K-000 Series Class A-2 Spread”) published on the K-Series Spread Reference Page exceeds the K-000 Series Class A-2 Spread stated above by more than 25 basis points (0.25%) at the time the Commitment Letter is issued,, Freddie Mac reserves the right to increase the Spread by an amount to be determined by Freddie Mac in its sole discretion. The K-Series Spread Reference Page can be found at <https://mf.freddiemac.com/lenders/uw/> under the “Quick Links” header, and is designated for K-000 Series Class A-2 Spread publication.

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

- L. Amortization: 40 year amortization
- M. Interest Accrual: Actual/360
- N. Prepayment: Lockout Period: 10 Years. Neither prepayment nor defeasance is permitted during the Lockout Period.
Yield Maintenance: 90 months. Yield maintenance applies if the Loan has not securitized or if the Loan is securitized on or after the 12th payment date.
 - If prepayment occurs during the Yield Maintenance Period, a prepayment premium in the amount of Freddie Mac's standard yield maintenance calculation is due.
 - If prepayment occurs after the Yield Maintenance Period, a prepayment premium in the amount of 1% of the unpaid principal balance of the Loan is due.Window Period: During the last 3 calendar months of the Loan Term, the Loan may be prepaid with no prepayment premium due or defeasance required.
- O. Project Loan Guarantor: SCG Development Partners, LLC
Following completion of underwriting, Lender may designate additional guarantors.
- P. Recourse Liability: Non-recourse, except that Borrower and Guarantor will be personally liable, jointly and severally, for standard exceptions to non-recourse liability and for environmental compliance and violations as set forth in Freddie Mac's form loan documents.
- Q. Escrows: Insurance: Collect
Taxes: Collect
- R. Replacement Reserves: Collect
Monthly funding is estimated at \$300 per unit annually. The funding of any initial deposit and the monthly deposit will be determined based upon Lender's review of the engineering report.
- S. Repairs/Repair Escrow: May be required.
Any required Repairs will be determined based upon Lender's review of the engineering report. A Repair reserve may be required and would be funded at closing generally at 125% of anticipated costs but not to exceed 150% of the estimate.
- T. Required Accounts: Borrower shall be required to maintain the Property's operating accounts at Manufacturers and Traders Trust Company during the loan term. ?
- U. Governmental Lender: Fairfax County Redevelopment and Housing Authority

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

V. Governmental Lender and Fiscal Agent Fees:

Loan sizing must include underwriting of the Governmental Lender and fiscal agent fees; however, such fees will be paid directly by the Borrower and are not enhanced or passed through by Freddie Mac.

W. Project Loan Payments:

Principal and interest payments will be based on a monthly schedule in accordance with the terms of the Project Note and will flow through the fiscal agent for payment to the Governmental Lender.

X. Third-Party Subordinate Financing: Hard subordinate debt (which requires schedule repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.10x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available property cash flow after payment of senior liens and property operating expense.

Y. Project Loan Collateral: First lien mortgage or deed of trust on the Property and the related rents, personal property, and contract rights.

Z. Project Loan Purpose:

<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

Acquisition
Refinance
Other: Forward/Construction Take-Out

Fees:

AA.

1. Lender Application Fee: \$18,000

The Lender Application Fee is non-refundable and is due and payable upon execution of this Application. Lender shall use the fee to pay for third party reports, credit reports, a zoning report, and third party review fees required to process the Loan. The Application Fee also includes a \$5,000 processing fee. Lender will engage appraiser(s), an environmental firm and structural engineer as part of its processing. If extraordinary circumstances in the processing require third party services beyond those normally engaged, any such cost shall be Borrower's

responsibility. If issues arise during the processing of your loan that require third party report provider or legal services beyond the scope normally required, Lender will consult with you and obtain your consent prior to proceeding. If extraordinary third party services are required to complete the processing of the loan an additional Application Fee deposit may be required.

2. Freddie Mac

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

- Application Fee: \$29,183
The Freddie Mac Application Fee is non-refundable and is due and payable upon execution of this Application. Lender Acknowledges Payment.
3. Commitment/Origination Fee:
closing. The greater of .50% or \$150,000, payable at Construction Loan closing.
The Commitment Fee is earned upon Rate Lock and payable at Rate Lock.
4. Good Faith Deposit: 2% of the Loan amount.
The Good Faith Deposit is due and payable upon acceptance of the Commitment Letter. Lender will refund the Good Faith Deposit, at Loan Conversion.
5. Lender's Legal Deposit: \$20,000. The amount of the Lender's Legal Deposit is not a "flat fee" or a representation of the total amount of Lender's legal fees incurred or to be incurred in connection with the Loan. Upon request by the Lender, Borrower shall deposit an additional amount for the Lender's Legal Deposit. The Lender's Legal Deposit shall be applied to the outstanding balance of the Lender's legal fees incurred in connection with the transaction upon the earlier to occur of expiration of this Application or the closing of the construction loan. Notwithstanding anything to the contrary contained herein, Borrower is responsible for all legal fees incurred by Lender in connection with the Loan, both during construction loan closing and at Conversion.
6. Construction Period Monitoring Fee: Estimated -- \$1500 per month covering the period from Rate Lock to Conversion). Any unused funds will be returned to the Borrower at Conversion. Fee will be billed at actual rate and lender will use every effort to use same vendor as construction lender.
7. Conversion Review Fee: \$10,000 non-refundable fee due and payable at the time the Borrower requests Conversion.
8. Closing Costs and Other Expenses: *Borrower is responsible for all closing costs, including all legal fees incurred by Lender and all costs relative to title insurance, survey costs, recording and filing fees, mortgage taxes, flood certifications, and any other out-of-pocket or third party expenses payable in connection with the Loan. All such costs incurred shall be payable by Borrower whether or not the Commitment Letter is issued or the Loan is made.*
9. Standby Fee: 0.15% of loan amount per annum paid at closing.

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

BB. Breakage Fee: After Rate Lock, if the Loan fails to close for any reason other than a willful default by Lender, Borrower will forfeit the Good Faith Deposit. Please see the Additional Terms and Conditions.

CC. Key Dates:

Application Date:	July 28, 2020
Application Expiration Date:	July 31, 2020
Quote Expiration Date:	July 31, 2020
Anticipated Closing Date:	On or before December 31, 2020 with full understanding that borrower intends to close prior to October 31, 2020

DD. Other Conditions:

- Entity guarantor must be 2x the Net Worth and Liquidity requirements if Financial Covenants or Material Adverse Change Clause is not included). Minimum Net Worth \$10,000,000. Minimum liquidity \$2,918,300.
- Sponsor owns majority of voting rights in condominium structure
- Freddie Mac compliant ground lease
- Freddie Mac compliant soft subordinate debt
- Issuer and TEL related fees should be included in Misc Expense
- Restricted rents must be underwritten to the lower of market rents or regulated rents.
- Satisfactory review of construction documents by Freddie Mac
- Quote assumes full escrow \$750,000 total ongoing ground lease payment

II. **Term of Application.** Applicant acknowledges that this Application will be terminated and of no further force and effect unless it is executed and returned to Lender, together with the Lender Application Fee and the Freddie Mac Application Fee, no later than the Application Expiration Date (referenced above). In consideration of Lender's efforts to obtain a Freddie Mac Commitment and to issue a Commitment Letter, Applicant gives Lender the sole and exclusive right to provide a loan commitment for a period of 90 days from the date of Lender's receipt of this signed Application, during which time Applicant agrees it will seek no alternative financing.

III. **Additional Terms and Conditions.** Applicant acknowledges and accepts the Additional Terms and Conditions set forth on Schedule 2 and made a part of this Application. The Loan must satisfy all requirements of the Freddie Mac Optigo program as may be in effect from time to time. Applicant shall provide all supplemental documents and materials requested by Lender from time to time for submission to Freddie Mac.

IV. **Preferred Equity.** See Exhibit B for Freddie Mac's definition of "Preferred Equity." Applicant acknowledges that additional due diligence and underwriting are necessary to underwrite, approve, and rate lock a loan that contains Preferred Equity. Preferred Equity can affect the price and size of the Loan as well.

- By checking here, Applicant certifies it does not have and does not intend to obtain Preferred Equity as part of its organizational or capital structure.
- By checking here, Applicant certifies it has, intends to, or might obtain Preferred Equity as part of its organizational or capital structure. Applicant confirms it has completed the Preferred Equity Questionnaire attached as Exhibit B and has returned it with the signed Application (or will return it as soon as possible).

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

Applicant also acknowledges that the approval of the Loan may be delayed, or any prior approval revoked, if Applicant initially discloses that it does not have or does not intend to obtain Preferred Equity but later decides to obtain or seek it. If there will be a Preferred Equity contribution, Applicant may be required to complete additional analysis and documentation as well.

M&T Realty Capital Corporation

Ovation at Arrowbrook – Condo B – Phase II

THIS APPLICATION SHALL NOT CONSTITUTE THE BINDING OBLIGATION OF LENDER TO MAKE THE LOAN UNTIL LENDER ISSUES, AND BORROWER ACCEPTS, A COMMITMENT LETTER.

Applicant shall indicate its acceptance of the terms and conditions set forth herein by signing in the space indicated below and returning the signed copy of this Application, together with a wire in the amount of \$47,183 (consisting of the \$18,000 Application Fee and the \$29,183 Freddie Mac Application Fee), to Lender by the Application Expiration Date. If Applicant does not return a signed copy of this Application to Lender on or before the Application Expiration Date, this Application will expire.

We look forward to working with you on this transaction.

Very truly yours,

M&T REALTY CAPITAL CORPORATION, a
Maryland corporation



By: _____

Name: Robert N. Kaplan
Title: Group Vice President

THE TERMS AND CONDITIONS OF THIS APPLICATION ARE HEREBY AGREED TO AND ACCEPTED AS OF THE 23 DAY OF September, 2020.

APPLICANT:



By: _____

Name:
Title:

- Schedule 1: Contact Information and Wiring Instructions
- Schedule 2: Additional Terms and Conditions
- Exhibit A: SPE Requirements
- Exhibit B: Preferred Equity Questionnaire

M&T Realty Capital Corporation

SCHEDULE 1

CONTACT INFORMATION

Production:
Robert Kaplan

P: 410-960-7670
Email: rkaplan@mtb.com

Insurance:
Patty Bond

P: 410-545-2380
Email: pabond@mtb.com

Underwriting:
Larry Auber

P: 212-350-2563
Email: lauber@mtb.com

Closing:
Hillary Morrison

P: 410-545-2152
Email: hmorrison1@mtb.com

Please provide the following information to help expedite the processing of the Loan.

Legal Name of Borrower and State of Formation: _____

Borrower Tax ID No.: _____

Borrower's Primary Contact:

P: _____
Email: _____

Borrower's Counsel:

P: _____
Email: _____

Borrower's Property Management Contact:

P: _____
Email: _____

Borrower's Insurance Contact:

P: _____
Email: _____

Borrower's Title Company: *

P: _____
Email: _____

Borrower's Survey Contact:

P: _____
Email: _____

*Lender must pre-approve the Title Company and escrow agent.

M&T Realty Capital Corporation

WIRE INSTRUCTIONS FOR APPLICATION & COMMITMENT FEES:

Account No.: 186-9005-4

Account Title: M&T RCC in trust for various owners of interest

Bank Name: M&T Bank

Address: One Light Street, Baltimore, MD 21202

ABA No.: 052000113

Attention: Patricia White / 410-545-2499

Reference: Ovation at Arrowbrook 4% Freddie TEL

SCHEDULE 2

ADDITIONAL TERMS AND CONDITIONS

I. Loan Terms and Conditions.

- A. Loan Processing Requirements. Lender will process the Loan pursuant to the requirements of Freddie Mac's Optigo program from materials provided by you. From time to time, Freddie Mac modifies its lending criteria, so Lender will necessarily be limited to working within the lending criteria applicable at such time. During the processing of the Loan, Borrower shall provide all supplemental documents and materials requested by Lender from time to time for submission to Freddie Mac, all of which must be in form and substance acceptable to Lender.
- B. Accuracy of Information/No Material Changes. The Commitment Letter, if issued by Lender, will be issued in reliance on the information Borrower provided to Lender and in supporting and related representations, discussions and material. Any misrepresentation or inaccuracy, or failure to supply Lender with any material information, shall entitle Lender to cancel this Application and retain all fees. There shall be no material adverse change in the financial condition or affairs of Borrower.
- C. Commitment Letter. When all due diligence has been submitted and underwriting is complete, and if the Loan and the Project Loan satisfies the Freddie Mac Optigo program requirements, Lender anticipates that Freddie Mac will issue a commitment to Lender (the "**Freddie Mac Commitment**") containing the terms and conditions under which Freddie Mac would purchase the Loan from Lender. Upon receipt of the Freddie Mac Commitment, Lender will issue to Borrower a commitment to make the Loan (the "**Commitment Letter**"). Lender must accept the Freddie Mac Commitment within the time specified therein, and will do so only after Borrower's acceptance of the Commitment Letter and payment to Lender of all amounts required to be paid by Borrower pursuant to the Commitment Letter, including the Good Faith Deposit.
- D. Rate Lock and Closing. The Commitment Letter will require Borrower to lock the interest rate ("**Rate Lock**") prior to a specified deadline ("**Rate Lock Deadline**"). If you do not lock an interest rate within the stated time period, this Application and the Commitment Letter shall expire. Lender has no obligation to extend the Rate Lock Deadline. Upon Rate Lock, Freddie Mac will establish a mandatory delivery deadline for delivering the Loan to Freddie Mac (the "**Delivery Deadline**"). Closing of the Loan must occur no later than seven (7) days prior to the Delivery Deadline.
- E. Obligation to Close. In the event that you (a) insist that changes be made to the terms outlined in Section I of this Application that are unacceptable to Lender or change the pricing of the Loan, (b) elect to withdraw this Application, or (c) obtain and accept a financing commitment from another lender while this Application is in effect, then the Commitment Fee as outlined in Section I shall be deemed earned and shall become immediately due and payable. If you elect to withdraw this Application, no other Freddie Mac Seller/Servicer may consider financing the Property for a period of 90 days from the date that you notify Lender, in writing, that you are withdrawing this Application.
- F. Loan Documents. The Loan will be documented using standard Freddie Mac Optigo form loan documents and will be prepared by Lender and its counsel. Lender will provide the form loan documents to Borrower upon request. The complete library of Freddie Mac Optigo form documents is also available at: <http://www.freddiemac.com/multifamily/sellerservicer/legal/loan documents.html>.

II. Property Terms and Conditions.

M&T Realty Capital Corporation

- A. Title Insurance. Borrower must provide to Lender, at Borrower's expense, a Lender's title insurance commitment and proforma policy, with endorsements, prior to Loan closing that satisfies all of Freddie Mac's requirements. *Lender shall provide Freddie Mac's title requirements to Borrower under separate cover.*

For avoidance of doubt, if a final title policy in compliance with Freddie Mac's requirements cannot be issued for any reason, including because the local recorder's office is closed, such event may result in a forfeiture of the Breakage Fee.

- B. Survey. Borrower must provide to Lender, at Borrower's expense, a current ALTA survey of the Property and a licensed surveyor's certificate, both of which satisfy all of Freddie Mac's requirements. In certain circumstances and only for Loans less than \$25 million, the survey requirement may be waived for properties located in Arizona, California, Nevada, Oregon, Utah, or Washington. *Lender shall provide Freddie Mac's survey requirements to Borrower under separate cover.*
- C. Appraisal. A satisfactory appraisal of the premises by a qualified appraiser engaged by Lender will be required prior to closing.
- D. Property Structure Report. Lender will engage an engineer to conduct an engineering and property condition report for the Property prior to closing.
- E. Environmental Report. Lender will engage an environmental engineer to conduct an environmental site assessment of the Property including a mold and moisture assessment prior to closing. Freddie Mac and Lender shall not be obligated to make the Loan if the environmental report is not satisfactory to Freddie Mac and Lender in their sole discretion or if Borrower does not comply with requirements imposed by Freddie Mac and Lender on the basis of the report.
- F. Operations and Maintenance Plans. Borrower shall be required to provide operations and maintenance plans for hazardous conditions identified at the Property prior to closing. The operations and maintenance plans shall be prepared by an independent consultant selected by Lender and shall be satisfactory to Freddie Mac and Lender. Borrower shall be required to obtain and maintain a moisture management plan for the Property. Borrower shall be responsible for the costs of such plans.
- G. Insurance. Borrower shall provide evidence of insurance coverage on the Property in accordance with Freddie Mac Optigo program requirements prior to closing. Such insurance coverage shall be satisfactory to Freddie Mac and Lender. *Lender shall provide Freddie Mac's insurance requirements to Borrower under separate cover.*
- H. Termite Report. A wood-boring insect inspection report prepared by an independent licensed termite consultant shall be required if the Property contains wood-framed structures. The report shall be provided to Lender prior to closing. It is the Borrower's responsibility to engage a termite consultant to conduct an inspection at Borrower's expense.
- I. Property Management. Management of the Property shall be conducted by an entity acceptable to Lender under a management agreement approved by Lender. The management agreement shall be subordinate to the Loan in all respects.

III. Miscellaneous.

- A. No Assignment. This Application shall not be assigned or transferred by Borrower, voluntarily or involuntarily, and any attempted assignment or transfer shall be null and void.

M&T Realty Capital Corporation

- B. Sale of Loan and Publicity. Lender intends to sell the Loan to Freddie Mac. Borrower shall permit Lender to publicly use the name of the Property, photographs of the Property, basic transaction information and to publicize the fact that Freddie Mac and/or the Lender have provided financing for the Property.
- C. Costs of the Transaction. All costs involved in the transaction, including but not limited to, the fees of Lender's counsel, rate lock breakage fees, issuance fees, the fees of Lender's inspector, appraisal and valuation fees, surveyor's fees, tax service fee and title insurance premiums and costs, and all documentary stamps, transfer taxes, and recordings costs shall be paid by Borrower, so that

the transaction shall be totally cost free to Lender. All such costs and expenses, to the extent actually incurred, shall be paid by Borrower, independent of whether Closing actually occurs. Borrower is not responsible for costs associated with warehousing or securitizing the loan and acknowledges that it is not entitled to any revenue earned by the Lender in connection with these activities.

- D. Release of Information. Borrower and its principals hereby grant Lender their unlimited and unconditional consent to the disclosure to Freddie Mac and its successors and assigns, of all financial records, including without limitation loan application and account information, statements of deposit and share accounts, negotiable instruments, individual, corporate and partnership financial statements, credit references and histories, property appraisals and valuations, surveys, pro forma assumptions, profit and loss statements, resumes, accounting reports, balance sheets, and other financial information provided to Lender by or on behalf of Borrower, for such purposes as Lender, in its sole discretion, from time to time deems necessary or proper.
- E. No Warranties by Lender; Freddie Mac not a Party. Neither the approval by Lender of any aspect of the Property, nor any inspection or approval of the Property shall constitute a warranty or representation by Lender or any of its agents of the technical sufficiency, adequacy or safety of the Property or any part thereof, including without limitation, fixtures, equipment, or furnishings, or of compliance with any laws. All acts and omissions relating to the Property by any agent of Lender are performed solely for the benefit of Lender and are not for Borrower's benefit or for the benefit of any other person. Lender shall not be responsible for or bound by any erroneous quote or commitment given to Lender by Freddie Mac or any other investor. Freddie Mac is not a party to this Application and Freddie Mac makes no representation or warranty concerning the Loan.
- F. Signatory Authorized. The individual signing this Application on behalf of Borrower hereby personally represents and warrants to Lender that he or she is authorized to sign this Application on behalf of Borrower and to bind Borrower to this Application.
- G. Integration; No Oral Modification. This Application (with all attachments) constitutes the entire agreement among Lender and Borrower with respect to the Loan. The terms of this Application may be modified by Lender to the extent necessary to issue the Commitment Letter but may not otherwise be modified except by a writing signed by Lender and Borrower.
- H. Choice of Law. This Application and the Lender's obligations hereunder shall be governed by the laws of the State of Maryland.
- I. Time. Time is of the essence of this Application.

EXHIBIT A

SPE REQUIREMENTS

1. Acceptable Borrowing Entities. Borrower may be formed as a limited partnership, corporation, limited liability company, or Tenancy-in-Common (TIC) provided there are no more than ten (10) tenants-in-common. Other entity types may be acceptable in limited circumstances.
2. Domestic Entities. Borrower must be an entity formed in the United States. Each Borrower Principal must be a United States citizen or a United States entity. However, an entity formed in a foreign country may hold a direct or indirect interest in a United States-chartered Borrower Principal.
3. Single Purpose Entities. Borrower must be a bankruptcy-remote, single purpose entity (“SPE”) which complies with Freddie Mac Optigo program requirements. The Property must be Borrower’s sole asset and its operations must be Borrower’s sole business. Borrower’s organizational documents must contain separateness covenants which are substantively compatible with those in the Loan Documents. If Borrower is comprised of TIC entities, each TIC must be a SPE.
4. Newly-Formed vs. “Recycled” Entities. Borrower must be newly-formed (formed within 90 days of the Loan closing). However, for a loan amount less than \$100,000,000, Freddie Mac may accept a “recycled” entity provided that it can make all of the recycled SPE representations and otherwise satisfy all Freddie Mac Optigo program requirements.
5. SPE Equity Owners. For any loan amount of \$40 million or more, or any loan that is part of a cross-collateralized pool of loans totaling \$40 million or more, Borrower must have a “SPE Equity Owner” unless Borrower is (i) a single-member limited liability company formed in Delaware or (ii) a corporation. A “SPE Equity Owner” means a Delaware single-member limited liability or a corporation that acts as a general partner of a limited partnership borrower or as the managing member of a limited liability company borrower. All borrower SPE and “recycling” requirements also apply to SPE Equity Owners. In addition, for any loan amount of \$40 million or more, or any loan that is part of a cross-collateralized pool of loans totaling \$40 million or more, a non-consolidation legal opinion is required.
6. Single-Member Limited Liability Companies. If Borrower or the SPE Equity Owner, if applicable, is a single-member limited liability company, that entity must be formed in Delaware. It must also have acceptable springing member provisions, and additional Delaware single-member limited liability company legal opinions will be required.
7. Independent Director or Manager. For any loan amount of \$50 million or more, or any loan that is part of a cross-collateralized pool of loans totaling \$50 million or more, Freddie Mac may require Borrower or the SPE Equity Owner, if applicable, to have an independent director or manager.
8. Loan Amount less than \$5 Million. If the loan amount is less than \$5 million, at the request of Borrower (except for TICs), Freddie Mac will not require the Borrower to be a SPE.

EXHIBIT B

PREFERRED EQUITY

Borrower Name: _____

Property Name: _____

BORROWER'S EQUITY QUESTIONNAIRE

(Revised 5-19-2016)

This Borrower's Equity Questionnaire must be completed if an unaffiliated investor ("**Equity Investor**") will make an equity contribution ("**Equity Contribution**") in the Borrower or in any direct or indirect owners of the Borrower ("**Joint Venture**") and the Equity Investor will be entitled to obtain a return on its Equity Contribution that is prior to the return to any other member/partner ("**Preferred Return**").

1. Will the Borrower be required to pay the Preferred Return at a set time without regard to the availability of sufficient net operating income?
 YES NO
2. Is there a portion of the Preferred Return that is deferred to a later date or deferred until some action or inaction by the Borrower?
 YES NO
3. Will the Equity Investor have the ability to take over the management of the Joint Venture if it does not receive the Preferred Return?
 YES NO
4. Will the Equity Investor have the ability to take over the management of the Joint Venture for any reason having to do with the economic performance of the Property, such as a drop in net operating income, a decrease in debt service coverage ratio, or a drop in occupancy?
 YES NO
5. Will the Equity Investor require or have the right to require that the Equity Contribution be paid back by a set date ("**Redemption Date**")?
 YES NO
6. If there is a Redemption Date, does the Redemption Date fall during the loan term or within 1 year after the maturity date of the loan?
 YES NO NOT APPLICABLE
7. Will the Equity Investor have the ability to require a forced sale of the Property or equity interests in the Borrower or Joint Venture?
 YES NO

M&T Realty Capital Corporation

8. Will the Equity Investor have any other remedies for non-payment of the Preferred Return or failure to repay the Equity Contribution?
 YES NO

If applicable, please list the remedies

9. In addition to the Equity Contribution, will the Equity Investor make an equity contribution in any other entity affiliated with the Borrower?
 YES NO

10. Will the Borrower request modification to the loan documents to accommodate a buy/sell transfer? ("**Buy-Sell Transfer**")?
 YES NO

11. If a Buy-Sell Transfer will not be requested, will any preapproved transfer provision for the change of management of the Joint Venture be requested?
 YES NO

12. If known, please provide the following. If not known, please provide an estimate and note that it is an estimate.

Equity Investor: _____

Amount of Equity Contribution: _____

Rate of Return on Equity Contribution: _____

Rate of Deferred Return on Equity Contribution: _____

The undersigned certifies that the information provided in this Questionnaire is true and correct as of the date given and acknowledges that these answers are being used for loan sizing and/or pricing, that Borrower must notify Lender immediately of any change and that any such change may delay the approval of the loan.

By: _____
Its: _____

M&T Realty Capital Corporation

DEFINITION OF PREFERRED EQUITY

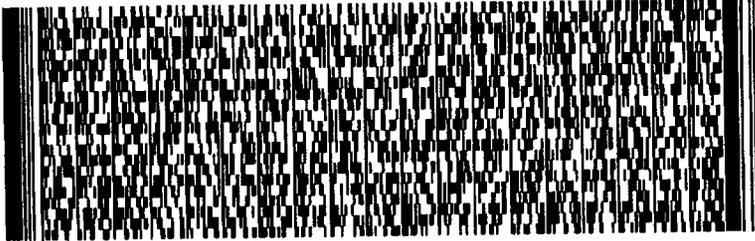
- Preferred Equity is an investment by an Equity Investor (“**Preferred Equity Investor**”) in an entity that has a direct or indirect ownership interest in the Borrower.
- The terms of the Equity Contribution (“**Preferred Equity Contribution**”), including the terms of repayment and return on the Equity Contribution are contained in the operating or partnership agreement of the Joint Venture.
- The Preferred Equity Investor will receive a return on its Preferred Equity Contribution (“**Preferred Equity Return**”) and/or repayment of its Preferred Equity Contribution that is prior to that received by any other common equity investor.
- The Preferred Equity Investor will have certain remedies unique to the Preferred Equity Investor that it may exercise if it does not receive its Preferred Equity Return or the Preferred Equity Contribution is not repaid by a set date.
- Preferred Equity will not include common equity joint ventures in which the member/partners receive payments pari-passu with respect to the rate of return but such returns are at different distribution levels until certain internal rate of return (“**IRR**”) benchmarks are achieved (i.e., 50%/50% until 10% IRR is met, then 60%/40% until 12% IRR is met).

Display Barcodes - Fairfax Circuit Court

Page 1 of 1

Fairfax Circuit Court Coversheet Generator

Cover Sheet Page 1 of 1



Consideration	\$5,750,000.00	Consideration/Actual Value %	100
Actual/Assessed	Tax Exemption	NONE	Amount Not Taxed
Code Section			
DEM Number			
Original Book	Original Page		
Title Company	STEWART TITLE AND ESCROW, INC	Title Case	2000222/MF
Property Descr.	UNIT R-2 OVATION AT ARROWBROOK CONDOMINIUM	Multiple Lots?	NO
Return To Party Name:	STEWART TITLE AND ESCROW, INC	Address:	10505 JUDICIAL DRIVE #300 FAIRFAX, VA 22030
No. of Certified Copies	0	No. of Non-certified Copies	0
		Page Range	

Document Type(s)

TRUST

Grantor(s)

ARROWBROOK APARTMENTS II, LLC_F_N

Grantee(s)

THOMAS E FLEETWOOD_I_T, TERESA G LEPE_I_T

Tax Map Number

016-3- -20- -0001- A

5

Parcel Identification #: Fairfax County Tax Map Nos. 016-3-20-0001A & 016-3-T-20-0001A

After recording return to:
Ryan Wolf, Esq.
Office of the County Attorney
12000 Government Center Parkway
Fairfax, Virginia 22035

DEED OF TRUST AND SECURITY AGREEMENT

THIS DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust") is dated as of the 21st day of December, 2020, by and among ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company, as Grantor, whose address is c/o SCG Development Partners, LLC, Attention: Stephen P. Wilson, 8245 Boone Boulevard, Suite 640, Tysons Corner, VA 22182 (the "Grantor") (GRANTOR for purposes of indexing); Thomas E. Fleetwood and Teresa G. Lepe, whose business address is 3700 Pender Drive, Suite 300, Fairfax, Virginia 22030, as Trustees and grantees (the "Trustees") (GRANTEES for purposes of recording); and the FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, whose address is 3700 Pender Drive, Suite 300, Fairfax, Virginia 22030, as beneficiary and grantee (the "Lender" or "FCRHA") (GRANTEE for purposes of recording).

ARTICLE I

GRANT OF LIENS AND SECURITY INTERESTS

2020222

Stewart Title & Escrow, Inc
10505 Judicial Drive, Suite 300
Fairfax, VA 22030

Section 1.01. Loan. The Grantor is indebted to the Lender in the sum of not to exceed FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND and NO/100 Dollars (\$5,750,000), as evidenced by the Grantor's note entitled "PROMISSORY NOTE SECURED BY DEED OF TRUST" (the "Note") of even date herewith.

Section 1.02. Conveyance. For and in consideration of the provisions of this deed of trust and of ten dollars (\$10.00) cash in hand paid and other valuable consideration, the receipt and sufficiency of which are acknowledged, the Grantor does grant and convey unto the Trustees, with GENERAL WARRANTY AND ENGLISH COVENANTS OF TITLE (but subject to Permitted Encumbrances), Grantor's leasehold condominium interest in the real estate as described on the attached Exhibit A (the "Land"), made a part of and recorded with this Deed of Trust. The Grantor further grants to the Trustees and the Lender a continuing security interest as hereinafter set forth.

TOGETHER with all improvements on, all easements, rights and appurtenances belonging to, all the estate and rights, if any, of the Grantor in and to land lying in public streets and roads abutting the Land, and all fixtures (excluding trade fixtures), building materials and supplies, equipment and other personal property now or hereafter attached to, or used in connection with, or adapted for use in the construction or operation of the Land, (which together with the Land, may be referred to herein as the "Property") including, without limitation, heating, cooking, refrigerating, dishwashing, plumbing, and electrical apparatus and equipment, boilers, engines, motors, dynamos, generating equipment, piping and plumbing fixtures, ventilating and vacuum

cleaning systems, fire extinguishing apparatus, security systems, telephone systems, gas and electric fixtures, elevators, escalators, partitions, mantels, built-in mirrors, furniture, window shades, blinds, screens, storm sashes, awnings, carpeting, underpadding, drapes, emblems, and furnishings of public spaces, halls and lobbies, all of which personal property and all proceeds therefrom shall be deemed part of the realty hereby conveyed; and the Grantor declares such personal property to be part of the Property, whether attached or not, and subject to the lien created by this Deed of Trust; together with all documents, contract rights, accounts, general intangibles and instruments relating to the management of the Property, including, without limitation, any and all permits, licenses, franchises and any other approvals, to the extent the assignment thereof is not prohibited by law or by the express terms thereof, and all proceeds of each of the foregoing (whether cash or otherwise) are specifically covered by the liens and security interests created hereby.

TO HAVE AND TO HOLD the Property unto the Trustees and to their use, in trust, with power of sale; provided however, that the Grantor shall remain in quiet and peaceful possession of the Property so long as there is no default under any of the Obligations or an Event of Default under this Deed of Trust.

Section 1.03. Obligations Secured. In Trust to secure the payment of (a) the Note dated the date hereof made by the Grantor and payable to the order of the Lender in the principal sum of \$5,750,000, or so much as may be advanced and owing thereunder together with interest as therein provided, if not sooner paid, due and payable on the date that is 30 years after the Disbursement Date (as such term is defined in the Loan Agreement, as defined below) (the "Note"), and (b) all of the duties, obligations, debts and liabilities of every kind and description owing by the Grantor to the Lender, under the Note, this Deed of Trust, the Housing Blueprint Fund (FY 2021) Loan Agreement (as may be amended from time to time, the "Loan Agreement"), the Land Use Restriction Agreement (the "LURA"), Loan Monitoring Agreement, and Right of First Refusal Agreement, each between Grantor and Lender and each of even date herewith, or otherwise, whether now existing or hereafter incurred, whether matured or unmatured, direct or indirect, secured or unsecured, original, extended or renewed, absolute or contingent, whether originally contracted with or acquired by the Lender, whether contracted alone or jointly and/or severally with others, whether or not evidenced by negotiable instruments or other writings and any renewals, extensions, or substitutions thereto, and including open lines of credit and obligations with respect to letters of credit or any draft presented in connection therewith, plus without limitation as to amount, (i) interest and charges at the rates provided, (ii) all reasonable costs, expenses and reasonable attorneys' fees incurred by the Lender in connection with the collection of any amounts due or in the protection of the Property or enforcement of the Lender's rights or remedies under the Note, this Deed of Trust, the Loan Agreement, the LURA, the Loan Monitoring Agreement, or any other documents executed and delivered by Grantor in connection therewith (together, the "Loan Documents"), (iii) all sums advanced by the Lender to or for the benefit of the Grantor pursuant to the provisions of this Deed of Trust or the Loan Documents, and (iv) the payment and performance by the Grantor, as applicable, of each and all of the terms and covenants of this Deed of Trust, including but not limited to liabilities relating to Hazardous Materials (as hereinafter defined).

All of the foregoing duties, obligations and liabilities of the Grantor are hereinafter referred to collectively as the "Obligations." The term "Obligations" is used in its broadest sense to

include, but not limited to, extensions of credit, interest, charges, costs, duties or performance and indebtedness of any kind or source in any manner or fashion arising out of or in connection with the Loan Documents.

Section 1.04. Assignment of Rents and Leases. The Grantor also irrevocably and absolutely assigns its respective right, title, and interests in and to all leases now or hereafter existing on any part of the Property and all revenues, royalties, security deposits, rents, issues and profits from the Property to the Lender, and the Grantor irrevocably appoints the Lender through any of its authorized officers as the Grantor's attorney-in-fact to do all things which the Grantor might otherwise do with respect to the Property and the leases thereon in conformance with the requirements of the recorded LURA and the recorded Extended Use Regulatory Agreement and Declaration of Covenants with Virginia Housing ("VHDA") affecting the Property, as applicable, including, without limitation, collecting rents, issues and profits with or without suit and applying the same, less expenses of collection, to cure a default under the Obligations secured hereby or any "Event of Default" (as such term is hereinafter defined), in such manner as the Lender may elect, leasing, in the name of the Grantor, the whole or any part of the Property which may become vacant, and employing agents therefor and paying such agents reasonable compensation for their services. So long as there is no default continuing beyond any applicable notice and cure period under the Obligations secured hereby or no Event of Default, the Grantor shall remain in quiet use, possession and management of the Property, and in the enjoyment of the income, revenue and profits therefrom. If, after a default or Event of Default, Lender exercises its right to collect rents, issues and profits, the curing of said default or Event of Default shall not entitle the Grantor to again collect said rents, issues and profits until Lender consents in writing, such consent not to be unreasonably withheld, conditioned or delayed. The powers and rights granted in this section shall be in addition to the other remedies herein provided for upon the occurrence of an Event of Default and may be exercised independently of or concurrently with any of said remedies.

ARTICLE II
COVENANTS OF GRANTOR

Section 2.01. Warranties. The Grantor warrants that the Grantor is lawfully seized of a condominium leasehold estate in the Property, free from all liens and encumbrances, except for the liens and encumbrances shown in a title insurance policy accepted by the Lender and attached hereto as Exhibit B ("Permitted Encumbrances"), that the Grantor has good right and power to convey the Property, and will execute such further assurances as may be reasonably requisite, that the Property does not constitute any part of the Grantor's homestead and that fair and adequate consideration has been paid.

Section 2.02. Covenants. The Grantor covenants and agrees as follows:

(A) (1) At all times after the Improvements have been constructed on the Land, as such term is defined in the Loan Agreement, at its own cost and expense, Grantor shall keep or cause to be kept on the Improvements, and all Equipment, as such term is defined in the Loan Agreement, including but not limited to, all fixtures, motors and machinery owned or leased by Grantor and installed in or used in connection with the Property or with the Improvements, including all alterations, renovations, replacements, substitutions, changes, and additions thereto, insured against loss or damage by fire, vandalism, malicious mischief, sprinkler leakage (if sprinklered)

and such other hazards, casualties, risks and contingencies now covered by or that may hereafter be considered, as included within the standard form extended coverage endorsement, in an amount equal to the Full Insurable Value thereof, hereinafter defined. The term "Full Insurable Value" shall mean actual replacement cost. Such Full Insurable Value shall be determined from time to time at the request of Lender (no more often than once every two (2) years) but at the expense of Grantor by the fire insurance company carrying the highest amount of fire insurance on the Property or its agent, or by an appraiser selected by Grantor that is experienced in insurance appraisals who is approved in writing by Lender which approval shall not be unreasonably withheld. The failure of Lender to request such appraisal shall not release Grantor from its obligations hereunder.

(2) At all times, at its own cost and expense, Grantor shall provide and keep in force comprehensive general liability insurance in standard form, protecting Grantor and Lender, as an additional insured, against personal injury, including without limitation, bodily injury, death or property damage and elevator and contractual liability on an occurrence basis if available and if not, then on a claims made basis, in either case in an amount not less than One Million Dollars (\$1,000,000) per occurrence and with an annual aggregate limit of not less than Three Million Dollars (\$3,000,000), subject to adjustment to reflect the increase, if any, in the Consumer Price Index for all Urban Consumers (1967-100), Metropolitan Washington, D.C., All Items, published by the United States Department of Labor, Bureau of Labor Statistics, or any substitute or successor index published by any successor governmental agency. All such policies shall cover the entire Property and the Improvements, including parking, common areas, means of access and roadways therein, and streets and sidewalks adjacent thereto.

(3) At all times, at its own cost and expense, Grantor shall provide and keep in force for the benefit of Lender and Grantor, flood insurance in an amount satisfactory to Lender and which otherwise complies with the national flood insurance program as set forth in the "Flood Disaster Protection Act of 1973," as well as subsequent amendments or successors thereto, provided that such insurance shall be required only if and so long as any portion of the Land and /or the Property are or become included in a United States Department of Housing and Urban Development (or successor agency) designated flood prone area.

(4) At all times when Grantor is engaged in the construction or reconstruction of the Improvements, or repairs thereof, at its own cost and expense, Grantor shall provide and keep in force for the benefit of Lender and Grantor, "all risk" builders risk insurance on the Improvements and other improvements on the Property under construction,

(5) At all times, at its own cost and expense, Grantor shall purchase and keep in force worker's compensation insurance and employer's liability insurance for all employees of Grantor in strict compliance with the laws of the Commonwealth of Virginia.

(6) All insurance to be provided by Grantor under this Section 2.02 shall name Grantor and Lender as insureds as their respective interests may appear.

(7) All of the policies of insurance required by this Deed of Trust shall be (i) in form and substance as reasonably approved by Lender, (ii) underwritten only by companies licensed in the Commonwealth of Virginia which have a then current Alfred M. Best Company, Inc. (or if it

no longer exists, a then comparable rating service) general policyholder's rating of B+ or better (or the equivalent thereof) and a financial rating of VII or better (or the equivalent thereof), (iii) accompanied by evidence of payment of premiums thereon to the insurance companies or their agents, including evidence of current annual payment, if on an installment payment basis; (iv) contain standard waiver of subrogation clauses; and (v) provide that they may not be cancelled by the insurer for non-payment of premiums or otherwise until at least thirty (30) days after a receipt of the proposed cancellation, and in any event shall not be invalidated, as to the interests of Grantor therein, by any act, omission or neglect of Grantor (other than nonpayment of premiums), which might otherwise result in a forfeiture or suspension of such insurance, including without limitation, the occupation or use of the Property for purposes more hazardous than those permitted by the terms of the policy, any foreclosure of any deed of trust and any change in title or ownership of the Property. If requested by Lender, copies of all insurance policies required by this Deed of Trust shall be delivered by Grantor to Lender. All insurance policies shall be renewed by Grantor and proof of such renewals, accompanied by evidence of the payment of the premiums thereon to the insurance companies or their agents, shall be delivered to Lender, at least twenty (20) days prior to their respective expiration dates.

(8) If Grantor fails to obtain and maintain insurance as required in this Deed of Trust, Lender may, but shall not be obligated to, effect and maintain any such insurance coverage and pay premiums therefor. As provided in Section 7.3 of the Loan Agreement, all premiums so paid by Lender shall constitute advancements and shall bear interest at the Advance Rate, as such term is defined in Section 7.3 of the Loan Agreement, from the date of such payment by Lender, and shall be payable by Grantor to Lender by the fifteenth day of the month following the month in which payment therefor is made by Lender. In addition, Lender may recover from Grantor, and Grantor covenants and agrees to pay to Lender, any and all damages which Lender may have sustained by reason of the failure of Grantor to obtain and maintain such insurance, it being expressly declared that any damages of Lender shall not be limited to the amount of premiums thereon. Grantor shall make payment to Lender by the fifteenth day of the month following the month in which any payments were made by Lender or in which the amount of such damage was determined. The payment by Lender of premiums for any such insurance policy shall not be, or be deemed to be, a waiver or release of the default of Grantor with respect thereto or the right of Lender to pursue any other remedy permitted hereunder or by law as in the case of any other default hereunder or of default in the payment under the Loan Agreement.

(B) That the Grantor will pay, or cause to be paid, when due, all taxes and assessments, both general and special, now or hereafter assessed against the Property ("Taxes"); all premiums on all types of insurance that the Grantor may be required to obtain pursuant to the Loan Documents; all charges against the Property, which might become a lien thereon prior to the lien of this Deed of Trust ("Liens"); and all other sums which are required to be paid by Grantor under the terms of the Loan Documents. If the Grantor defaults on any payment, the Lender may make such payment or may lend money to Grantor to pay, and all sums advanced for such purposes will bear interest at the highest rate legally chargeable on the date of the advance, will be secured by and subject to the lien of this Deed of Trust from the date of each advance and the advances will be added to the Obligations. The Grantor will repay all advances and accrued interest on such advances upon demand.

(C) If required by the Loan Agreement, that the Grantor will make monthly deposits on the first day of each month of one-twelfth (1/12th) of the taxes, assessments and insurance premiums next to become due on the Property. Unless otherwise required or permitted by the Loan Agreement, such account will be maintained by Grantor at a financial institution acceptable to Lender. Upon the occurrence of an Event of Default, subject to the rights of lenders under the First Trust Loan documents, a Lender representative shall also be an authorized signer on each such account and Grantor shall promptly and fully cooperate to implement all such authorizations. Upon demand, the Grantor agrees to pay any additional sums necessary to make up any deficiencies in order to enable the Grantor to pay such taxes, assessments and insurance premiums. Funds will not be withdrawn from such account for any other purposes than the payment of taxes and insurance.

(D) That the Grantor will keep or will cause the Property and any improvements thereon to be kept in good repair and fully protected from the elements to the reasonable satisfaction of the Trustees and the Lender, will commit or permit no waste thereon, and will (and will use its commercially reasonable efforts to cause others to), use and operate the Property in compliance with all applicable laws, rules and regulations, including, but not limited to all applicable environmental laws, rules or regulations.

(E) That any award of damages or compensation made in connection with any condemnation for public use of or injury to the Property, or any part thereof, and any insurance or other award of damages arising from any cause of action for injury or damages to the Property, or any part thereof, are assigned by the Grantor to the Lender, subject to the rights of senior lienholders. Subject to the rights of senior lienholders, the Lender is authorized and empowered to collect and receive such awards. Subject to the provisions affecting such awards provided under the terms of the First Trust Loan, as such term is defined in the Loan Agreement, the proceeds of such awards (the "Net Proceeds") shall be delivered to the Lender. Subject to the rights of senior lienholders, the Lender shall allow the Grantor to use the Net Proceeds to rebuild, repair or restore the Property provided that (a) such Net Proceeds are sufficient to rebuild, repair or restore the Property in a manner that provides adequate security for repayment of the Loan and, if such Net Proceeds are insufficient for such purpose, the Grantor shall have funded any deficiency by depositing with the Lender or any senior lienholder the amount of such anticipated deficiency, (b) the Lender shall have the right to approve plans and specifications for any repair or restoration of the Property and the right to approve disbursements of the Net Proceeds (which such approval rights shall not be unreasonably withheld, conditioned or delayed) and (c) no Event of Default, as such term is defined in the Loan Agreement, shall have occurred and be continuing under the Loan Agreement, unless the Lender consents in writing to permit the application of the Net Proceeds to the repair and restoration of the Property despite the occurrence of and continuation of an Event of Default under the Loan Agreement. Subject to the rights of senior lienholders, to the extent that any portion of the Net Proceeds is not used for the repair and restoration of the Property, such Net Proceeds shall be used by the Lender to reduce the Obligations, notwithstanding the fact that the Obligations may not be then due and payable. The Grantor agrees to execute such further assignments of any awards, subject to the rights of senior lienholders, as applicable, as Lender may require or request.

(F) That the Grantor will pay, or cause to be paid, upon demand all reasonable expenses incurred or paid by the Lender or the Trustees (including, but not limited to, reasonable attorneys'

fees) because of any litigation, claim, action or proceeding, which may arise in connection with the Loan Documents or the Obligations, or because of any attempt, without litigation, to preserve, protect or enforce the terms of the Loan Documents or the Obligations. If the Property is advertised for sale pursuant to the exercise of the remedies under this Deed of Trust or applicable law, and not sold, the Grantor agrees to pay all reasonable costs, including without limitation, advertising costs and a reasonable trustee's commission.

(G) That the Grantor will not breach or violate or permit or suffer others to breach or violate any of the provisions of any of the Loan Documents, or any amendments thereto. The provisions of the Loan Agreement are incorporated herein and made a part hereof and shall survive the execution of this Deed of Trust and the closing of the transactions contemplated hereby. In the event of a conflict between the terms of this Deed of Trust and the terms of the Loan Agreement, the terms of this Deed of Trust shall control. It is a further condition of this Deed of Trust that the Grantor shall strictly comply with every obligation of the Loan Agreement; and any default in the Loan Agreement shall be deemed a default in this Deed of Trust. The Loan Agreement shall be included in the Loan Documents.

(H) Except as permitted in the Loan Agreement, that the Grantor will not sell, convey or lease the Property or any part of or interest in the Property, directly or indirectly, by operation of law or otherwise (except easements approved by the Lender, and tenant leases in the ordinary course of Grantor's business).

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

(I) That the Grantor will not, without the prior written consent of the Lender, create, suffer or permit to exist any lien or encumbrance on the Property other than: (i) the lien of this Deed of Trust or of a Permitted Refinancing, the Land Use Restriction Agreement, a Right of First Refusal Agreement by and between Lender and Grantor, the First Deed of Trust, and the Taxable Deed of Trust, as provided in the Loan Agreement; (ii) the Permitted Encumbrances, and (iii) such easements as may be required by Fairfax County and title matters approved by the Lender in the title policy delivered by the Title Company after the execution of this Agreement, including but not limited to any land use restriction agreement in connection with the First Trust Loan (as such term is defined in the Loan Agreement) or the Loan and an Extended Use Regulatory Agreement and Declaration of Covenants with VHDA in connection with the grant of federal tax credits for the Property. The Lender further acknowledges and agrees that a deed of trust to secure the First Trust Loan has been recorded or will be recorded among the land records of Fairfax County, Virginia with respect to the Property and that all obligations and the lien of this Deed of Trust are and shall at all times remain subject and subordinate to the lien of any deed of trust securing the First Trust Loan and the duties, covenants, and restrictions imposed by any VHDA Regulatory Agreement, whether the same are recorded prior to or after this Deed of Trust. Notwithstanding the foregoing or anything in this Loan Agreement to the contrary, however, the Land Use Restriction Agreement is not and shall not be subordinate to the First Trust Loan or any deed of trust securing the First Trust Loan.

(J) That, except as specifically provided for in the Loan Agreement or in Sections 2.02(H) or 2.02(I) above and in accordance with all the conditions provided therein, the Grantor shall not convey or transfer the Property or any part of its property, assets or business, nor acquire all or substantially all of the assets of any person, firm, joint venture or corporation without the prior written approval of the Lender.

(K) That the Grantor shall maintain its existence in good standing as a limited liability company, as may be from time to time be required by the laws of the Commonwealth of Virginia. Except as provided for herein, no additional members shall be admitted to the Grantor without the Lender's prior written consent. The Grantor shall not without the Lender's prior written consent (which will be provided if the Lender's interests in the Lender's sole reasonable determination would not be adversely affected): (a) merge, consolidate, or dissolve or change its articles of organization; (b) change the definition of "Net Cash Flow," or any of the defined terms used or sections referenced within such definition (whether in the Operating Agreement or, by reference in the Operating Agreement, in any other agreement) or any of the distribution clauses of Net Cash Flow in Section 5.2(a) of the Amended and Restated Operating Agreement of Grantor ("Operating Agreement"), (c) amend the Development Services Agreement (solely to the extent such amendment would increase the development fee thereunder or accelerate the timing of payment thereunder), or (d) replace any Managing Member of Grantor. Notwithstanding anything to the contrary contained herein, neither (x) the removal and replacement for cause, pursuant to the Operating Agreement, of any member of Borrower with another member of Borrower or any affiliate of any member of Borrower, nor (y) the transfer by the Investment Member and/or the Special Member of its interests in Borrower to the Managing Member after the Compliance Period (as such term is defined in federal low-income housing tax credit regulations) shall require Lender's prior consent. Lender acknowledges the rights of the Investment Member and Special Member to (i) remove the Managing Member pursuant to the terms of the Operating Agreement, and (ii) designate a substitute or replacement managing member of the Borrower in accordance with the terms of the Operating Agreement. Lender's consent shall not be required for the Investment Member and/or the Special Member to remove or substitute the Managing Member in the exercise of the Investment Member's and/or Special Member's rights under the Operating Agreement. The Lender reserves the right to approve all such amendments to the Operating Agreement referenced in (a) and (b) above, and to the Development Services Agreement referenced in (c) above, but further agrees not to unreasonably withhold or delay such approvals in the event that Lender's interests, in Lender's sole reasonable determination, would not be adversely affected by any such amendment for which consent is required.

Section 2.03. Hazardous Material.

(A) Representations and Warranties and Covenants. Grantor represents, warrants and covenants that: (1) to the best of Grantor's knowledge, the Property does not contain any Hazardous Material (as hereinafter defined) or any underground storage tanks; (2) to the best of Grantor's knowledge, Grantor and the Property are in compliance with all applicable federal, state and local laws, regulations, orders, guidelines, and rules pertaining to Hazardous Material or underground storage tanks; (3) Grantor does not know and has no reason to know that any Hazardous Material is present, used, manufactured, handled, generated, stored, treated discharged, buried, or disposed of on or under the Property, or has been transported to or from the Property; (4) Grantor has carried out all appropriate inquiry into the previous ownership and uses

of the Property consistent with good commercial or customary practices in an effort to minimize liability under all statutes relating to Hazardous Material; (5) Grantor has not caused or been legally responsible for, or otherwise permitted, authorized or suffered, and will not undertake, permit, authorize or suffer the presence, use, manufacture, handling, generation, storage, treatment, discharge, release, burial, or disposal of any Hazardous Material, on or under the Property, or the transportation of any Hazardous Material to or from the Property; (6) there is no pending or, to Grantor's best knowledge, threatened litigation, or proceedings before any administrative agency, in which any person or entity alleges the presence, release, threat of release, placement on or under the Property, or the use, manufacture, handling, generation, storage, treatment, discharge, burial, or disposal on or under the Property, or the transportation to or from the Property, of any Hazardous Material; (7) Grantor has not received any notice and has no knowledge or reason to know that any governmental authority or any employee or agent thereof has determined, or threatens to determine, that there is a presence, release, threat of release, or placement of any Hazardous Material on or under the Property, or that the use, manufacture, handling, generation, storage, treatment, discharge, burial, or disposal of any Hazardous Material has occurred on or under the Property, or that any Hazardous Material has been transported to or from the Property; (8) Grantor has had no communications or agreements with any governmental authority or agency (federal, state or local) or any private entity, including, but not limited to, any prior owners of the Property, relating in any way to the presence, release, threat of release, or placement of any Hazardous Material on or under the Property, or the use, manufacture, handling, generation, storage, treatment, discharge, burial, or disposal of any Hazardous Material on or under the Property, or the transportation of any Hazardous Material to or from the Property; (9) the Property does not contain an accumulation of rubbish, debris, or other solid waste, and the Property has not and cannot be classified as an unpermitted solid waste management facility pursuant to Virginia statute or regulations; (10) Grantor shall cause the Property to comply with Environmental Laws (as hereinafter defined) and be free and clear of any liens imposed pursuant to Environmental Laws; (11) all licenses, permits and other governmental or regulatory actions necessary for the Property to comply with Environmental Laws (the "Permits") shall be obtained and maintained and Grantor shall assure compliance therewith; and (12) Grantor shall give the Lender prompt written notice if Grantor receives any notice with regard to Hazardous Material on, from or affecting the Property and shall conduct and complete all investigations and all cleanup actions necessary to remove, in accordance with Environmental Laws, such Hazardous Material from the Property.

(B) Inspections and Audits. The Lender shall have the right at any time during the term of this Deed of Trust, whether before or after default, to conduct or cause to be conducted at its sole cost and expense an environmental inspection or audit of the Property by itself or by a qualified environmental consultant or engineer selected by the Lender; and Grantor hereby grants to the Lender and its employees, agents, and independent contractors (hereinafter collectively called "the Lender and its Representatives"), the right to enter the Property upon reasonable notice for the purpose of conducting, whether before or after default, any inspection, audit, or tests, and making soil borings, extracting samples, installing monitoring wells, and conducting such other procedures as the Lender and its Representatives deem necessary or desirable in connection with such inspection or audit. At any time during the term of this Deed of Trust, provided the Lender has a reasonable basis for believing there is or has been a violation of Environmental Laws, the Lender may require Grantor to cause to be performed, at the expense of Grantor, for the benefit of Grantor, and the Lender, an inspection or audit of the Property by an environmental consultant or

engineer approved by the Lender, and Grantor shall furnish to the Lender, at no cost to the Lender, the written inspection or audit report certifying as to the presence or absence of Hazardous Material on, at, or under the Property. All inspection reports may be submitted to governmental entities or agencies as requested or as may be required by law or regulations.

(C) Indemnification. Grantor shall indemnify and hold harmless the Lender from and against all losses, expenses, (including, without limitation, reasonable attorneys' fees) and claims of every kind suffered by or asserted against the Lender as a direct or indirect result of (i) the presence on or release from the Property of any Hazardous Material whether or not caused by Grantor, (ii) the violation of Environmental Laws (as hereinafter defined) applicable to the Property whether or not caused by Grantor, (iii) the requirement to conduct any remediation of Hazardous Materials from the Property, (iv) the failure by Grantor to comply fully with the terms and provisions of this section, or (v) any warranty or representation made by Grantor in this section being false or untrue in any material respect as of the date made. Nothing contained in this Section will require the Grantor to indemnify the Lender for any claim or liability resulting from Lender's gross negligence or willful and wrongful acts.

(D) Definitions; Survival of Provisions. The term "Hazardous Material" means (i) any substance, product, waste, or other material of any nature whatsoever that is listed, regulated, or addressed pursuant to Environmental Laws (as hereinafter defined) or listed as such by the Environmental Protection Agency, and (ii) any substance, product, waste or other material of any nature whatsoever that gives rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, and (iii) petroleum or crude oil or products thereof, other than petroleum and petroleum products that are contained within regularly-operated motor vehicles; and (iv) asbestos. Hazardous Materials shall not include any such substances as normally and customarily used in the construction or operation of an apartment building similar to the Property, provided that such substances are used in a manner and amount and in all other respects strictly in accordance with, and as allowed for such purposes by, all Environmental Laws. The term "Environmental Laws" means any current or future federal, state or local law, regulation or ruling applicable to environmental conditions on, under or about the Property including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*, the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. § 11001, *et seq.*, and the Virginia State Water Control Law, Va. Code Ann. § 62.1-44.2, *et seq.* Grantor's obligations under this Section shall survive the repayment of the Note and other Obligations, a foreclosure of or exercise of power of sale under this Deed of Trust, a delivery of a deed in lieu of foreclosure, a cancellation or termination of record of this Deed of Trust, and the transfer of the Property.

Section 2.04. Right of Lender to Cure Defaults under Senior Loan Obligations and Agreement to Lender Advancements. Grantor covenants and agrees that in the event of the occurrence of a default under the terms of First Trust Loan, (a) Lender shall have the right, but not the obligation, to cure such default as set forth in the applicable loan documents, and (b) all amounts paid and expenses incurred by Lender in effecting any such cure shall be deemed to be

advancements by Lender as provided for in Section 7.3 of the Loan Agreement and/or as expenditures as provided for by Section 3.02 of this Deed of Trust, and Grantor, among other things, shall be subject with respect to all the terms set forth in Section 7.3 of the Loan Agreement and Section 3.02 of this Deed of Trust with respect to such amounts, all as determined by Lender.

Section 2.05. No Merger. Grantor covenants and agrees that it is the intent of Grantor and Lender that (a) if Lender obtains title to the Property (by virtue of a foreclosure sale, a deed in lieu of foreclosure or otherwise) and Lender is also, or subsequently becomes, the holder of the note for the First Trust Loan and other First Trust Loan documents, including but not limited to a deed of trust, evidencing the First Trust Loan, Lender's title interest and lien interest shall not automatically merge so as to effect an extinguishment of the note for the First Trust Loan or the deed of trust securing the First Trust Loan, or any other loan documents in connection with the First Trust Loan, by operation of the doctrine of merger, and (b) if the Lender obtains title to the Property (by virtue of a foreclosure sale, a deed in lieu of foreclosure, or otherwise) and the Lender is also, or subsequently becomes, the holder of the Note and the Deed of Trust, the Lender's title interest and lien interest shall not automatically merge so as to effect an extinguishment of the Deed of Trust by operation of the doctrine of merger. Grantor acknowledges and agrees that no course of conduct by Grantor or Lender subsequent to the date of the Deed of Trust shall be used to demonstrate any intent contrary to the express intent stated in this Section. Grantor further agrees that the holder of the note evidencing the First Trust Loan is a third party beneficiary of the provisions of this Section and that no amendments, modifications, waivers or other limitations of this Section shall be effective without the prior written agreement of the holder of the note evidencing the First Trust Loan.

ARTICLE III
EVENTS OF DEFAULT AND REMEDIES

Section 3.01.

(A) Events of Default. Any one or more of the following events will constitute an event of default ("Event of Default"), under this Deed of Trust:

(1) Failure to pay or perform any monetary Obligation secured under this Deed of Trust, or any installment thereof, whether related to principal, interest or otherwise, on the date when the same shall become due and payable, and such failure continues for a period of ten (10) days after written notice of such failure, or at maturity;

(2) Failure to observe or perform any of the Obligations, terms, covenants, conditions or agreements under this Deed of Trust or any of the other Loan Documents (other than the Loan Agreement), including, but not limited to, failure to pay any sum necessary to satisfy and discharge taxes and assessments before they become delinquent, or to maintain insurance or repairs, and such failure continues for a period of thirty (30) days after notice of such default is delivered by the Lender to the Grantor; provided, however, that in the event that the failure is of such nature that it can be cured, but not within the applicable cure period, the Grantor shall have an additional thirty (30) days to complete such cure or such longer period as is reasonably necessary to complete such cure in the event that Grantor has promptly commenced efforts to cure such failure within

the initial 30 day period for cure and thereafter diligently uses its best efforts to effect such cure and does pursue such cure to completion;

(3) The occurrence of an "Event of Default" (as defined in the Loan Agreement) under the Loan Agreement;

(4) If the Grantor or any maker, endorser or guarantor of an Obligation ("Party") becomes involved in financial difficulties which are evidenced by: (i) an admission in writing of any Party's inability to pay such Party's debts generally as they become due; (ii) filing a petition in bankruptcy or for the adoption of an arrangement under the United States Bankruptcy Code (as now or in the future amended) or an admission seeking the relief therein provided; (iii) making an assignment for the benefit of creditors; (iv) consenting to the appointment of a receiver, custodian or trustee for all or a substantial part of any Party's assets or to the filing of a petition against such Party under said Bankruptcy Code; (v) being adjudicated a bankrupt; (vi) the entry of a court order appointing a receiver, custodian or trustee for all or a substantial part of the assets of any Party (and, in the event any such appointment is without the consent of such Party, it is not discharged within one hundred twenty (120) days), or approving as filed in good faith a petition filed against any Party under the Bankruptcy Code; (vii) the assumption of custody or sequestration by a court of all or substantially all of the assets of any Party; (viii) an attachment for an amount in excess of \$10,000 on any of the assets of any Party and such attachment is not discharged, bonded over, or stayed within one hundred twenty (120) days from the date of execution; or (ix) a judgment or decree for the payment of money in excess of \$10,000 being entered against any Party or if any execution or levy is made upon any Party's assets and the judgment, execution or levy, as the case may be, is not discharged or stayed within one hundred twenty (120) days from the date of the judgment, execution or levy as the case may be;

(5) If the Grantor defaults under the note evidencing the First Trust Loan, the security instrument securing the First Trust Loan, or any other documents relating to the First Trust Loan, which default remains uncured and is not waived after any applicable cure period.

(6) Failure of any Party to make any payment due on any other indebtedness or other security for borrowed money to any person, or the occurrence of any event (other than the mere passage of time) or condition with respect to any indebtedness or other security for borrowed money or under any agreement securing or relating to such indebtedness or other security for borrowed money, the effect of which is to cause or permit any holder (or trustee) of such indebtedness or other security, or a portion thereof, to accelerate the indebtedness, and such failure has a material adverse effect on the Lender's security for the loan and continues for a period of thirty (30) days; or

(7) If at any time following the Completion Date for any reason whatsoever, the Property or its use and operation does not comply with all applicable land use or subdivision laws, rules and regulations and such failure continues for a period of thirty (30) days; provided, however, that in the event that the failure is of such nature that it can be cured, but not within the applicable cure period, the Grantor shall have an additional thirty (30) days to complete such cure or such longer period as is reasonably necessary to complete such cure in the event that Grantor has promptly commenced efforts to cure such failure within the initial 30 day period for cure and

thereafter diligently uses its best efforts to effect such cure and does pursue such cure to completion.

(B) Notwithstanding anything to the contrary in the Loan Documents, upon the occurrence of an Event of Default under this Deed of Trust or the Loan Documents, the Lender shall not exercise any of its remedies under Section 3.02 of this Deed of Trust or the Loan Documents unless and until: (i) Lender shall have given written notice to the Investment Member of such default pursuant to the applicable Loan Document, and (ii) the Grantor or Investment Member of the Grantor shall have failed to cure the default within the applicable cure period or to pay any amount or do any act or thing required of the Grantor by the terms of this Deed of Trust or the applicable Loan Document. Notwithstanding anything to the contrary in the Loan Documents, all payments made and all acts performed by such Investment Member within such cure period which cure such Event of Default shall be accepted by the Lender as if made by the Grantor and shall restore the Grantor to good standing under this Deed of Trust and the Loan Documents.

Section 3.02. Remedies on Default.

(A) The Lender will have, but will not be limited to, the following remedies on the occurrence of an Event of Default, which remedies are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently, or successively:

(1) The Lender may declare the Obligations secured hereby, and all sums due hereunder, immediately due and payable in full;

(2) The Trustees or the Lender may expend funds and take action as they, or either of them, deem reasonably necessary in order to cure or remove any Event of Default of the Grantor, and may employ agents or attorneys in the execution of this Deed of Trust and for the protection of the Lender's interest. All such reasonable out of pocket expenditures and the reasonable compensation of agents or attorneys, including expenses of litigation, will be added to and deemed a part of the Obligations, will be secured in the same manner as the Obligations are secured, will bear interest from the date of the expenditure at the Advance Rate, and will, together with the interest thereon, be repayable by the Grantor on demand. Nothing contained herein shall require either the Trustees or the Lender to take any action or expend any funds;

(3) The Lender may apply for and obtain the appointment of a receiver for the Property, with the power to collect the rents, issues and profits therefrom, without regard to the value of the Property or of the solvency of any person or persons liable for the payment of the Obligations, and the Grantor waives any and all defenses to the application for appointment of such receiver and further consents to the appointment of such receiver without notice;

(4) If directed by the Lender, the Trustees will execute the trust created by this Deed of Trust and in doing so shall have the rights and may exercise all of the powers set forth in Sections 55.1-320 and 55.1-321 through 55.1-324 of the Code of Virginia (1950), as amended, and in effect on the date of this Deed of Trust;

(5) The Lender may take whatever action at law or in equity may appear necessary or desirable to collect the amounts due under the Obligations or to enforce the observance or performance of the terms, covenants and conditions of the Loan Documents or the Obligations; or

(B) No remedy set forth herein is intended to be exclusive of any other remedy, and every remedy is cumulative and in addition to every other remedy in this Deed of Trust and any other remedy at law or in equity, whether now or later in existence. No delay or failure to exercise any right, power or remedy upon the occurrence of an Event of Default will impair the exercise of any such right, power or remedy, or be construed as a waiver, and any such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. The Lender may liquidate any of the Property for the Obligations in such order as the Lender shall determine.

Section 3.03. Section 55.1-325 of the Code of Virginia (1950), as Amended. This Deed of Trust is construed to impose and confer upon the parties hereto, and the beneficiaries hereunder, all duties, rights and obligations prescribed in Section 55.1-325 of the Code of Virginia (1950), as amended and in effect on the date of this Deed of Trust, and the following provisions of Sections 55.1-322 and 55.1-325 of the Virginia Code are incorporated in this Deed of Trust by short form reference:

Exemptions waived.

Subject to call upon default.

Renewal, extension or reinstatement permitted.

Any Trustee may act.

Substitution of Trustees permitted.

Advertisement required: Once a week for four weeks.

Section 3.04. Foreclosure of Leases. The Trustees, at the request of the Lender, are authorized to foreclose this Deed of Trust subject to the rights of any tenants of the Property, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by the Grantor to be, a defense to any proceedings instituted by the Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Property.

ARTICLE IV GENERAL COVENANTS

Section 4.01. Security Agreement.

(A) This Deed of Trust, to the extent that it relates to fixtures and other personal property, is a security agreement and fixture filing with respect to any fixtures and personal property listed above in Section 1.02 and included in the definition of "Property." Upon the occurrence of an Event of Default under this Deed of Trust, the Lender shall, in addition to all other rights and remedies herein provided, have all rights and remedies accorded a secured party

under the Virginia Uniform Commercial Code, as amended from time to time. Future advances and proceeds (whether cash or otherwise) are specifically included in the security interests granted hereby.

(B) Grantor and any other person who now or hereafter may be bound by this Deed of Trust or may hereafter acquire any of the fixtures or personal property that continues to be subject to the security interest under this Deed of Trust do hereby authorize the Lender to file, from time to time and without any signature or any further act by Grantor or any such persons (i) financing statements covering the fixtures and personal property described herein and proceeds thereof and (ii) continuation statements of, and any amendments to, such financing statements, except amendments that add (a) collateral not subject to the security interest under this Deed of Trust as of the date of filing of such amendment and (b) debtors not bound by this Deed of Trust as of the date of filing of such amendments.

(C) Grantor hereby covenants to take, or cause to be taken, such action as Lender may direct to create a perfected security interest, or to attain priority thereof, in any of the fixtures or personal property described herein. Such action may include, without limitation, providing control to the Lender of investment property, deposit accounts, electronic chattel paper, and letter-of-credit rights and transferring to the Lender possession of tangible chattel paper, negotiable documents, money, and instruments.

Section 4.02. No Duty to Expend Funds. Nothing in this Deed of Trust will be construed to impose any obligation upon either the Lender or the Trustees to expend any money or to take any other discretionary act herein permitted, and neither the Lender nor the Trustees will be liable or obligated for any delay or failure to take any discretionary act.

Section 4.03. Full Release. Upon full payment of all sums due under the Obligations, the Trustees will, upon the request of, and at the cost of the Grantor, execute a proper release of this Deed of Trust. The Lender's obligation to execute and deliver, or cause such execution and delivery of such instruments, shall be subject to fulfillment of one of the following conditions precedent to the satisfaction of the Lender:

(A) The Lender must be fully satisfied that the Grantor and any Party liable on the Obligations is not insolvent as of the time of, and after giving effect to, such payments; or

(B) The Lender must be fully satisfied that, as of the time of such payments, the Grantor and any Party liable on the Obligations, is paying their respective debts generally as such debts become due, and that the funds utilized for such payment were legitimately obtained.

Section 4.04. Indemnification by Grantor. The Grantor will protect, defend, indemnify, and save harmless the Lender and the Trustees under this Deed of Trust from and against all (as to both type and cost) liabilities, obligations, claims, damages, penalties, causes of action, costs, and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by, or asserted against, the Lender or the Trustees on account of (i) any failure of the Grantor to comply with any of the terms, covenants, or representations in the Loan Documents, or (ii) any loss or damage to the Property or any injury to, or death of, any person that may be occasioned by any cause whatsoever pertaining to the Property or the use, occupancy or operation

thereof occurring during the term of this Deed of Trust. Nothing contained herein will require the Grantor to indemnify the Lender or the Trustees for any claim or liability resulting from its or their gross negligence or its or their willful and wrongful acts. This covenant shall survive payment of the Obligations, the release of this Deed of Trust, or the foreclosure of the Property by the Trustees or by a conveyance in lieu of foreclosure. The indemnity provided for herein shall extend to the officers, directors, employees and authorized agents of the Lender.

Section 4.05. ADA Covenant. The Grantor covenants and agrees that, to the extent required by appropriate governmental authorities pursuant to the requirements of Title III of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended, and the rules and regulations promulgated thereunder ("ADA"), the Grantor will remove barriers to access where readily achievable in the Property. The Grantor hereby indemnifies and holds harmless the Lender for any costs, including reasonable attorneys' fees, of complying with ADA requirements imposed and enforced by any governmental authority whatsoever regarding the Property.

Section 4.06. Financial Statements and Information. Until all of the Obligations are paid in full, the Grantor shall furnish, as to itself and the Property, on an annual basis, within 120 days after the end of each calendar year, a current financial statement, including (i) a detailed balance sheet, (ii) a report disclosing in detail income, expenses and net cash flow and (iii) a detailed, comprehensive schedule of all contingent liabilities. Grantor shall also provide the Lender with a true copy of the Grantor's federal income tax return for the preceding year within 15 days following the completion thereof. During the term of the Loan, the Grantor shall furnish, as to itself and the Property, and shall cause each guarantor to also furnish to the Lender, such other financial information as the Lender may from time to time reasonably request.

Section 4.07. Notice of Suits. The Grantor agrees to provide the Lender with notice of any suit, investigation, or proceeding involving any Obligation, the Property, the Grantor, or any Party promptly after the Grantor has notice of such suit, investigation or proceeding.

Section 4.08. Affordability. Grantor shall ensure that the Property complies with the LURA.

ARTICLE V THE TRUSTEES

Section 5.01. Trustees' Acts. The Trustees will not be required to see that this Deed of Trust is recorded and will not be liable for the default or misconduct of any agent or attorney appointed by them pursuant to this Deed of Trust, or for any action taken in connection with this Deed of Trust, except willful and wrongful misconduct or gross negligence. The Trustees may act upon any instrument or paper believed by them in good faith to be genuine and to be signed by the proper party or parties, and shall be fully protected for any action taken or suffered by them in reliance thereon.

Section 5.02. Substitution of Trustee. The Lender has the power, to be exercised at any time or times, with or without cause and with or without notice, to substitute a trustee or trustees in place of the Trustees, by an instrument in writing duly executed, acknowledged and recorded among the land records of the jurisdiction where the Property is located, and all the right, title and

interest of the Trustees hereunder shall be vested in the trustee named as their successor or successors, who shall have the same powers, rights and duties which the Trustees so superseded had under this Deed of Trust; and the exercise of this right to appoint a successor trustee, no matter how often exercised, will not be deemed an exhaustion of this right.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Severability. If any provision of this Deed of Trust or any Obligation or Loan Document shall be prohibited or held invalid by applicable law, that provision will be ineffective only to the extent of such prohibition or invalidity without invalidating either the remainder of such provision or the remainder of such document.

Section 6.02. Binding Effect. This Deed of Trust will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal and personal representatives, administrators, executors, successors and assigns and any descriptive term used herein shall include such heirs, legal and personal representatives, administrators, executors, successors and assigns.

Section 6.03. Right of Inspection. The Trustees and the Lender have the right to inspect the Property at such reasonable time or times as they may desire (subject to the rights of tenants), either in person or through their duly authorized agents or representatives.

Section 6.04. No Experts. The Grantor acknowledges and agrees that the Lender is not an expert in environmental or construction related matters. All approvals and consents granted by the Lender are solely for its benefit as a lender and may not be relied upon by anyone for any other purpose. Neither the Lender, nor any of its officers, employees or agents shall have any duty to report any condition observed on or about the Property to anyone.

Section 6.05. Notices. Any notice required or permitted by or in connection with this Deed of Trust or any other Loan Documents shall be in writing and shall be made by hand delivery, by Federal Express or other similar overnight delivery service, or by certified mail, unrestricted delivery, return receipt requested, postage prepaid, addressed to the Lender or the Grantor and Investment Member at the appropriate address set forth below or to such other address as may be hereafter specified by written notice by the Lender or the Grantor or the Investor Member, and shall be considered given as of the date of hand delivery, one day after delivery to Federal Express or other similar overnight delivery service, or three (3) days after the date of mailing, independent of the date of mail delivery or whether delivery is in fact made, as the case may be. Lender shall simultaneously deliver to the Investor Member a copy of any notice provided to Grantor under this Deed of Trust or any other Loan Document at the address set forth in the Loan Agreement.

(a) To the FCRHA:

Fairfax County Redevelopment and Housing Authority
3700 Pender Drive, Suite 300
Fairfax, Virginia 22030
Attention: Thomas E. Fleetwood, Assistant Secretary

with a copy, which shall not constitute notice, to:

Office of the County Attorney
12000 Government Center Parkway
Suite 549
Fairfax, Virginia 22035
Attention: Ryan Wolf, Assistant County Attorney

(b) To the Borrower:

Arrowbrook Apartments II, LLC
c/o SCG Development Partners, LLC
Attention: Stephen P. Wilson
8245 Boone Boulevard, Suite 640
Tysons Corner, VA 22182

with a copy, which shall not constitute notice, to:

Klein Hornig LLP
1325 G Street NW, Suite 770
Washington, DC 20005
Attention: Erik T. Hoffman

(c) To the Investment Member:

Stratford Arrowbrook II Investors Limited Partnership
c/o Stratford Capital Group LLC
100 Corporate Place Suite 404
Peabody, MA 01960
Attention: Asset Management
(Arrowbrook Apartments II)

With a copy, which shall not constitute notice:

Holland & Knight, LLP
10 St. James Avenue, 11th Floor
Boston, MA 02116
Attention: Dayna Hutchins

Section 6.06. Governing Law. This Deed of Trust shall be governed by the laws of the Commonwealth of Virginia, without giving effect to principles of conflicts of laws.

Section 6.07. Third Parties. Except as provided in Section 3.01 of this Deed of Trust, the Lender shall not be required to accept performance hereunder from any person or entity other than the Grantor, without the express written consent of the Lender. The rights, liens and remedies granted hereby are for the sole and exclusive benefit of the Lender and are not for the benefit of any other person or entity unless expressly provided herein.

Section 6.08. Resolution of Possible Conflicts In Covenant Obligations. In the event that compliance with any non-monetary covenant or covenants as set forth herein would cause Grantor to be in default of the First Trust Loan, Grantor shall give written notice to Lender of such potential default. In the event that Lender gives its written consent, which consent will not be unreasonably withheld or delayed, Grantor shall thereafter comply to the maximum extent possible with such covenant in such a manner as to permit Grantor to comply with the conflicting covenant under the First Trust Loan. Nothing in this Section shall be deemed to prevent, prohibit, or relieve the full and complete compliance by Grantor with covenants as set forth herein that are more restrictive or stringent than covenants under the First Trust Loan, for such reasons alone.

Section 6.09. Limitations on Personal Liability.

(A) Absent fraud, gross negligence, or willful misconduct by Grantor or any other Obligor (as such term is defined in the Note) in violation of the terms of any of the Loan Documents, and except for the indemnification responsibilities of Grantor set forth in Section 2.03(C) of this Deed of Trust, Lender shall look solely to the Property and other collateral securing the Loan under the Deed of Trust as security for payment of all amounts due under the Note or any of the Loan Documents and neither Grantor nor any of its members or their successors and assigns shall be liable to Lender for any deficiency or other personal money judgments with respect to the payment of such sums.

(B) Notwithstanding the foregoing, each Obligor (as defined in the Note) shall be personally liable to the Lender for any funds or property of the Property misappropriated by any Obligor which, by the provisions of the Loan Documents, such Obligor is not entitled to retain.

(C) To the extent that any Obligor has personal liability under this section, the Lender may exercise its rights against such Obligor personally, without regard to whether the Lender has exercised any rights against the Property or other collateral securing the Loan, or pursued any rights against any other Obligor.

[Signatures begin on next page]

WITNESS the following duly authorized signature(s) and seal(s) as of the date first above written.

ARROWBROOK APARTMENTS II, LLC,
a Virginia limited liability company

By: Arrowbrook II Managing Member, LLC,
a Delaware limited liability company,
its managing member

By: SCG Development Partners, LLC,
a Delaware limited liability company,
its sole member

By: SCG Development Manager, LLC,
a Delaware limited liability company,
its managing member

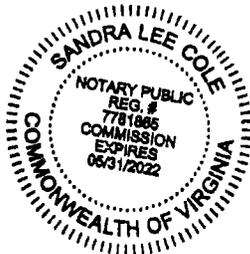
By: SCG Capital Corp.,
a Delaware corporation
its sole member

By: [Signature]
Name: Stephen P. Wilson
Title: President - Virginia Office

State/Commonwealth of Virginia
County of Fairfax

The foregoing instrument was acknowledged before me Sandra Lee Cole this 16 of December, 2020, by Stephen P. Wilson, the President of SCG Capital Corp., a Delaware corporation, the Sole Member SCG Development Manager, LLC, a Delaware limited liability company, the Managing Member of SCG Development Partners, LLC, a Delaware limited liability company, the Sole Member of Arrowbrook II Managing Member, LLC, a Delaware limited liability company, the Managing Member of Arrowbrook Apartments II, LLC.

(seal)



[Signature]
Signature of person taking acknowledgment
(Title or rank)
(Serial number, if any)

BK 26761 0229

EXHIBIT A
LEGAL DESCRIPTION

(see attached)

A-1

21

EXHIBIT A - LEGAL DESCRIPTION

File No.: 2000222

Unit R-2, Ovation at Arrowbrook Condominium, in accordance with the provisions of Chapter 19 of Title 55.1 of the Code of Virginia ("Condominium Act"), and pursuant to the Declaration of Condominium for Ovation at Arrowbrook Condominium, dated December 17, 2020 and recorded December 18, 2020 in Deed Book 26748 at Page 1991, among the land records of Fairfax County, Virginia.

Together With all the appurtenances incident to said Units, and an undivided interest in the common elements of the Condominium, as set forth in said Declaration of Condominium.

Together With all the rights and appurtenances incident to the Declaration of Covenants, Conditions, Restrictions and Easements dated December 17, 2020 and recorded December 18, 2020 in Deed Book 26749 at Page 544.

Said Condominium Property being the Submitted Land known as Parcels 1A-1 and 1A-2, Arrowbrook Centre, a Resubdivision of Parcel 1A, Arrowbrook Centre, by Deed of Subdivision, Easement and Vacation dated November 17, 2020 and recorded in Deed Book 26718 at Page 1734, among the land records of Fairfax County, Virginia.

For Informational Purposes Only: Tax Parcel Map #016-3-20-0001A and Map #016-3-T-20-0001A.

EXHIBIT B

PERMITTED ENCUMBRANCES

1. Terms, provisions, covenants, conditions and restrictions, easements, building setbacks, charges, assessments and liens provided in the Declaration of Covenants, Rights and Restrictions for the Development, Management, and Operation of Arrowbrook Centre recorded in Deed Book 19272 at Page 1907, as amended by First Amendment to and Complete Restatement of the Declaration of Covenants, Rights and Restrictions for the Development, Management, and Operation of Arrowbrook Centre recorded in Deed Book 24825 at Page 543, with Partial Release from First Amendment recorded in Deed Book 24941 at Page 1891 and with Partial Release from First Amendment recorded in Deed Book 25354 at Page 897, and further with Parking Space Release from First Amendment recorded in Deed Book 25581 at Page 1786, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped person.
2. Easement to Virginia Electric and Power Company recorded in Deed Book 960 at Page 219.
3. Easement to Virginia Electric and Power Company recorded in Deed Book 1119 at Page 371.
4. Sanitary Sewer Easement Agreement to The Board of Supervisors of Fairfax County, Virginia, recorded in Deed Book 5134 at Page 602.
5. Right of Way Agreement to Virginia Electric and Power Company recorded in Deed Book 7345 at Page 1448, and as shown on ALTA/NSPS Land Title Survey Parcel 1A Arrowbrook Centre, Property of Arrowbrook Centre LLC, by Gregory S. Edwards, L.S. of Pennoni Associates Inc., dated August 31, 2020, last revised December 15, 2020, hereinafter referred to as "The Survey".
6. Deed of Easement to The Board of Supervisors of Fairfax County, Virginia, recorded in Deed Book 20378 at Page 1181, and as shown on "The Survey".
7. Deed of Easement and Vacation to The Board of Supervisors of Fairfax County, Virginia, recorded in Deed Book 20381 at Page 755, and as shown on "The Survey".
8. Deed of Easement to Fairfax County Water Authority recorded in Deed Book 20721 at Page 1934, and as shown on "The Survey".
9. Deed of Easement to Fairfax County Water Authority recorded in Deed Book 20721 at Page 1942, and as shown on "The Survey".
10. Deed of Dedication, Easement, Vacation and Release to The Board of Supervisors of Fairfax County, Virginia recorded in Deed Book 20938 at Page 1742, and as shown on "The Survey".
11. Agreement Relating to the Arrowbrook Centre Athletic Field, Urban Park and Community Greet recorded in Deed Book 21363 at Page 73 (part 1), in Deed Book 21363 at Page 73 (part 2).
12. Deed of Subdivision and Plat recorded in Deed Book 24884 at Page 837, and as shown on "The Survey".

13. Right of Way to Columbia Gas of Virginia, Inc. recorded in Deed Book 25282 at Page 1777, and as shown on "The Survey".
14. Deed of Easement to The Board of Supervisors of Fairfax County, Virginia, recorded in Deed Book 25363 at Page 1474, and as shown on "The Survey".
15. Deed of Boundary Line Adjustment and Plat recorded in Deed Book 25450 at Page 2162, and as shown on "The Survey".
16. Fairfax County Water Authority Deed of Easement recorded in Deed Book 25562 at Page 1615, and as shown on "The Survey".
17. Deed of Easement and Vacation recorded in Deed Book 25593 at Page 1385, and as shown on "The Survey".
18. Deed of Subdivision, Easement and Vacation with Plat attached dated November 17, 2020 and recorded in Deed Book 26718 at Page 1734, and as shown on "The Survey".
19. Fairfax County Water Authority Deed of Easement and Quitclaim dated November 17, 2020 and recorded in Deed Book 26718 at Page 1746, and as shown on "The Survey".
20. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney and limitations of title created by Chapter 19 of Title 55.1 of the Code of Virginia (1950 as amended), known as the Virginia Condominium Act, and/or as set forth in the Declaration of Condominium for Ovation at Arrowbrook Condominium, signed and recorded contemporaneously with this Deed of Trust, in the Plats and By-Laws attached thereto, and any instrument creating the estate or interest insured by this policy, and in any other allied instrument referred to in any of the foregoing as the foregoing have been amended in any and all amendments subsequent thereto as permitted by said Declaration.
21. Terms, provisions, covenants, conditions and restrictions, easements, charges, assessments and liens provided in the Declaration of Covenants, Conditions, Restrictions and Easements for Ovation at Arrowbrook Condominium signed and recorded contemporaneously with this Deed of Trust, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped person
22. Deed of Ground Lease by and between ARROWBROOK CENTRE, LLC, a Virginia limited liability company (Lessor), and ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company (Lessee), signed and recorded contemporaneously with this Deed of Trust, as amended by First Amendment to Deed of Ground Lease by and between ARROWBROOK CENTRE, LLC, a Virginia limited liability company (Lessor), and ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company (Lessee), thereby amending the leasehold interest in the subject property to Units R-2, signed and recorded contemporaneously with this Deed of Trust.
23. Deed of Easement, by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company; ARROWBROOK APARTMENTS I, LLC, a Virginia limited liability company; ARROWBROOK CENTRE, LLC, a Virginia limited liability company; and SCG DEVELOPMENT PARTNERS, LLC, a Delaware limited liability company, signed and recorded contemporaneously with this Deed of Trust.
24. Deed of Easement, by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company; ARROWBROOK APARTMENTS I, LLC, a Virginia limited liability company; ARROWBROOK CENTRE, LLC, a Virginia limited liability company; and SCG

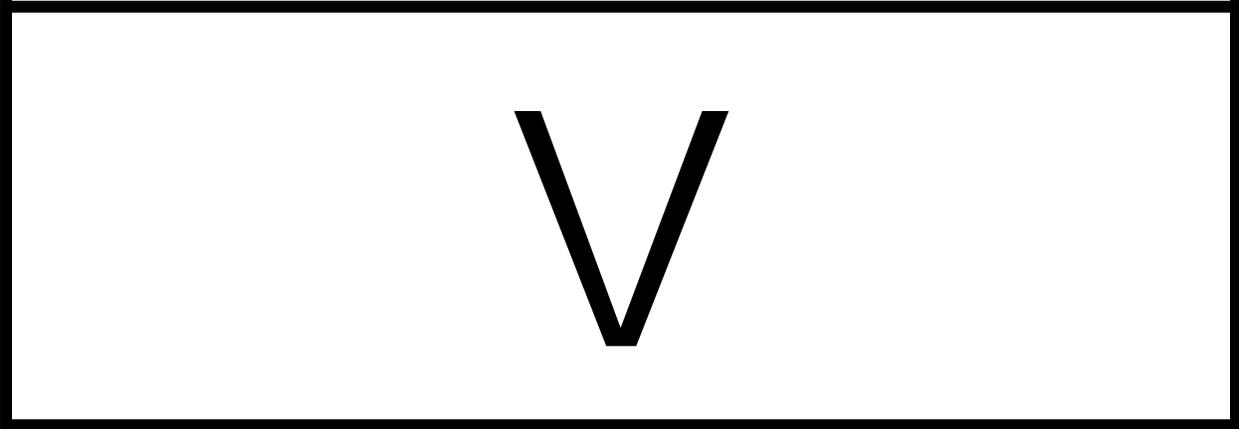
DEVELOPMENT PARTNERS, LLC, a Delaware limited liability company, signed and recorded contemporaneously with this Deed of Trust.

25. Deed of Easement and Cooperation Agreement, by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company; ARROWBROOK APARTMENTS I, LLC, a Virginia limited liability company; and PULTE HOME COMPANY LLC, a Michigan limited liability company, signed and recorded contemporaneously with this Deed of Trust.
26. Extended Use Regulatory Agreement and Declaration of Restrictive Covenants (VHDA) by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company, and Virginia Housing Development Authority, signed and recorded contemporaneously with this Deed of Trust.
27. Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing from ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company, securing TD Bank, N.A. in the principal amount of \$38,509,945.00, signed and recorded contemporaneously with this Deed of Trust.
28. Assignment of Leases and Rents by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company, and TD Bank, N.A., signed and recorded contemporaneously with this Deed of Trust.
29. UCC Financing Statement from ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company (debtor), to TD Bank, N.A. (secured party), filed and recorded contemporaneously with this Deed of Trust. (TD Bank).
30. Land Use Restriction Agreement by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company, and Fairfax County Redevelopment and Housing Authority, signed and recorded contemporaneously with this Deed of Trust.
31. Right of First Refusal Agreement by and between ARROWBROOK APARTMENTS II, LLC, a Virginia limited liability company, and Fairfax County Redevelopment and Housing Authority, signed and recorded contemporaneously with this Deed of Trust.

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

This deal does not require
information behind this tab.



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

This deal does not require
information behind this tab.

W

Internet Safety Plan and
Resident Information
Form

(if internet amenities selected)

DRAFT
INTERNET
USE AGREEMENT

THIS INTERNET USE AGREEMENT represents the complete agreement and understanding between Arrowbrook Centre Apartments, and the tenant, for the use of internet access service provided by Arrowbrook Centre Apartments ("Service"). Tenant's use of Service shall constitute tenant's acceptance of the terms and conditions of this agreement including the Internet Operating Policies. Upon notice published on-line via the Arrowbrook Centre Apartments web site, Arrowbrook Centre Apartments may modify these terms and conditions, and amplify them, as well as discontinue or change the services offered. Tenant's use of Service after modification shall constitute tenant's acceptance of the modifications.

TERMS AND CONDITIONS

PROVISION OF SERVICES. The Service is a service whereby a tenant may gain direct high speed access to the Internet via Wi-Fi, where provided.

SERVICE RATES AND CHARGES. The Service is provided free of charge as a convenience to the tenant and is not provided as a service with economic value.

LIMITATION OF WARRANTIES AND LIABILITY; DISCLAIMER OF WARRANTIES. Your use of the Service is at your own risk. Neither Arrowbrook Centre Apartments nor any of its underlying service providers, information providers, licensors, employees, or agents, warrant that the Service will be uninterrupted or error free; nor does Arrowbrook Centre Apartments or any of its underlying service providers, information providers, licensors, employees, or agents, make any warranty as to the results to be obtained from the use of the Service. THE SERVICE IS DISTRIBUTED ON AN "AS IS", "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, OTHER THAN THOSE WARRANTIES (IF ANY) WHICH ARE IMPLIED BY AND INCAPABLE OF EXCLUSION, RESTRICTION, OR MODIFICATION UNDER THE LAWS APPLICABLE TO THIS USE AGREEMENT, ALL SUCH WARRANTIES BEING EXPRESSLY DISCLAIMED. NEITHER LOOKING GLASS APARTMENTS, LLP NOR ANY OF ITS UNDERLYING SERVICE PROVIDERS, INFORMATION PROVIDERS, LICENSERS, EMPLOYEES, OR AGENTS SHALL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES SUFFERED BY YOU OR ANY OTHER PARTY AS A RESULT OF THE OPERATION OR MALFUNCTION OF THE SERVICE, REGARDLESS OF WHETHER OR NOT SUCH PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

YOU EXPRESSLY ACKNOWLEDGE THAT THE PROVISIONS OF THIS SECTION SHALL ALSO APPLY TO ALL CONTENT OR OTHER SERVICES AVAILABLE THROUGH THE SERVICE. YOU AGREE THAT YOU WILL NOT IN ANY WAY HOLD ARROWBROOK CENTRE APARTMENTS RESPONSIBLE FOR ANY SELECTION OR RETENTION OF, OR THE ACTS OR OMISSIONS OF, THIRD PARTIES IN CONNECTION WITH THE SERVICE (INCLUDING THOSE WITH WHOM ARROWBROOK CENTRE APARTMENTS MAY CONTRACT TO OPERATE VARIOUS AREAS ON THE SERVICE).

You assume total responsibility and risk for your use of the service and the Internet. ARROWBROOK CENTRE APARTMENTS DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS OR ENDORSEMENTS WHATSOEVER (INCLUDING WITHOUT LIMITATION WARRANTIES OF TITLE OR NONINFRINGEMENT, OR THE IMPLIED WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) WITH REGARD TO THE SERVICE, ANY MERCHANDISE, INFORMATION OR SERVICE PROVIDED THROUGH THE SERVICE OR ON THE INTERNET GENERALLY, AND ARROWBROOK CENTRE APARTMENTS SHALL NOT BE LIABLE FOR ANY COST OR DAMAGE ARISING EITHER DIRECTLY OR INDIRECTLY FROM ANY SUCH TRANSACTION. It is solely your responsibility to evaluate the accuracy, completeness and usefulness of all opinions, advice, services, merchandise and other information provided through the service or on the Internet generally. Arrowbrook Centre Apartments does not warrant that the service will be uninterrupted or error-free or that defects in the service will be corrected.

You understand further that the Internet contains unedited materials, some of which are sexually explicit or may be offensive to you. You access such materials at your own risk. Arrowbrook Centre Apartments has no control over and accepts no responsibility whatsoever for such materials.

Your sole and exclusive remedy for any failure or non-performance of the Service (including any associated software or other materials supplied in connection with the Service) shall be for Arrowbrook Centre Apartments to use commercially reasonable efforts to effectuate an adjustment or repair of the Service.

INDEMNIFICATION BY USER. You shall indemnify and hold harmless Arrowbrook Centre Apartments and any of its underlying service providers, information providers, licensors, employees or agents from and against any and all claims, demands, actions, causes of action, suits proceedings, losses, damages, costs, and expenses, including reasonable attorney fees,

arising from or relating to your use of the Service, or any act, error, or omission of you or any user of your account in connection therewith, including, but not limited to, matters relating to incorrect, incomplete, or misleading information; libel; invasion of privacy; infringement of a copyright, trademark, service mark, or other intellectual property; any defective product or any injury or damage to person or property caused by any products sold or otherwise distributed through or in connection with the Service; or violation of any applicable law.

OTHER RESPONSIBILITIES OF USER. You agree that you will be responsible for all usage of the Service and any other services accessed through the Service whether or not authorized by you. You agree to pay any applicable fees or charges by any applicable due date, and to pay any interest or late fees incurred for late payment of the required fees. You agree not to transmit or publish on or over the Service any information, software or other content which violates or infringes upon the rights of any others or to use the facilities and capabilities of the Service to conduct any business or activity or solicit the performance of any activity which is prohibited by law. You agree to comply with all applicable laws, rules and regulations in connection with the Service. You acknowledge that you are aware that certain content, services or locations of the Service or of other parties that may be accessible through the Service may contain materials that are unsuitable for minors (persons under 18 years of age). You agree to supervise usage of the Service by any minors whom you permit to use the Service. You agree to perform independent backup of data stored on your computer as Arrowbrook Centre Apartments is not responsible for personal files residing on your computer.

TERM. This agreement for the use of the Service will be in effect from the date your completed registration is accepted by Arrowbrook Centre Apartments or the time you first access the Service whichever comes first. This agreement and your use of the Service may be terminated by either you or Arrowbrook Centre Apartments at any time by written notice to the other, or by Arrowbrook Centre Apartments at any time with or without notice for your non-payment, other default, or violation of any terms of this Internet Use Agreement or Internet Operating Policy. The provisions of paragraph 4.0 and all other obligations of and restrictions on you and any user of your Service shall survive any termination of this Internet Use Agreement and Internet Operating Policy.

MISCELLANEOUS. This Internet Use Agreement and Internet Operating Policy shall be governed and construed in accordance with the laws of the State of Virginia applicable to agreements made and to be performed in Virginia. You agree that any legal action or proceeding between Arrowbrook Centre Apartments and you for any purpose concerning these

agreements or the parties' obligations hereunder shall be brought exclusively in a federal or state court of competent jurisdiction sitting in Virginia. Any cause of action or claim you may have with respect to the Service must be commenced within one (1) year after the claim or cause of action arises or such claim or cause of action is barred. Arrowbrook Centre Apartments' failure to insist upon or enforce strict performance of any provision of this Agreement shall not be constructed as a waiver of any provision or right. Neither the course of conduct between the parties nor trade practice shall act to modify any provision of this Agreement. Arrowbrook Centre Apartments may assign its rights and duties under this Agreement to any party at any time without notice to you.

SERVICE IS PROVIDED ON THE FOLLOWING TERMS:

1. Arrowbrook Centre Apartments is not responsible for the provision, performance and support of your PC. Arrowbrook Centre Apartments provides support for Service only to the Wi-Fi system. Support for your PC and any connecting Ethernet cables or any other devices to the wall jack is your responsibility.
2. You are solely responsible for keeping your computer secure and free of viruses or other harmful programs that can directly or indirectly interfere with the operations of the Service, and that of third parties connected to its networks. You are solely responsible for guarding against and repairing your computer and other systems from any infection by malicious code or unauthorized use.
3. Arrowbrook Centre Apartments cannot guarantee security and it is essential that you make use of a personal firewall, and anti-virus software due to the "always-on" nature of the Service. In addition, Arrowbrook Centre Apartments strongly recommends you add further security protection by obtaining current updates to your application software.
4. You may not use the Service in any way which, in Arrowbrook Centre Apartments's sole opinion, is, or is likely to be, detrimental to the provision of the Service to any other Arrowbrook Centre Apartments tenant. This includes, but is not limited to, running any application or program that places excessive bandwidth demands on the Service. If Arrowbrook Centre Apartments determines you are using excessive bandwidth, at our discretion we may reduce the bandwidth available, or temporarily suspend or permanently disconnect the Service (with or without notification). Arrowbrook Centre Apartments automatically blocks file sharing usage.
5. Occasionally, we may need to temporarily suspend the Service for repairs or planned maintenance and upgrades. Where this occurs, we will give you as much notice as is reasonably possible under existing circumstances.

6. We cannot guarantee that the Service will never be faulty, however we will respond to all reported faults as soon as is reasonably possible.
7. Arrowbrook Centre Apartments reserves the right to email Service announcements to you as part of the Service. It is the tenant's responsibility to notify the office of a change of email address.
8. You may not use the facilities and capabilities of the Service to conduct any activity or solicit the performance of any illegal or criminal activity.
9. You may not send proactively, receive, upload, download, use or re-use any information or material which is offensive, abusive, indecent, defamatory, obscene or menacing, or in breach of confidence, copyright, privacy or any other rights.
10. You may not do anything which is contrary to the acceptable use policies of any connected networks and Internet standards.
11. You may not post or transmit any file which contains viruses, worms, "Trojan horses" or any other contaminating or destructive features.
12. You may not hack into any aspect of the Service.
13. You may not circumvent, or attempt to seek to circumvent, any of the security safeguards of Arrowbrook Centre Apartments or any of its suppliers or vendors.
14. You may not use the Service to cause annoyance, interference, inconvenience or needless anxiety to tenants or others.
15. You may not send or provide any unsolicited advertising or other promotional material, commonly referred to as "spam" by email or by any other electronic means.
16. You may not send email or any other type of electronic message with the intention or result of affecting the performance or functionality of any computer facility.
17. You may not use the Service other than for your personal use, and you acknowledge that Arrowbrook Centre Apartments shall not in any way whatsoever be liable to you or to any third party for any personal losses (including without limitation any loss of profits, business or anticipated savings or for any destruction of data) suffered in anyway whatsoever by you or any third party.
18. You may not employ a misleading email address or name or falsify information in the header, footer, return path or any part of any communication, including without limitation any email transmitted through the Service.
19. You may not permit any third party to do any of the above.

20. A current copy of the Internet Use Agreement is posted at (TBD). The version of this User Agreement and Operating Policy stored at that URL is considered the current and binding version.

21. If any aspect of these terms and conditions is found to be unenforceable or unlawful, then that provision shall be deemed severable from these terms and conditions and shall not affect the validity and enforceability of any remaining provisions.

22. These Terms and Conditions and the Internet Use Agreement set out the whole of our agreement relating to our supply of the Service. They cannot be varied except in writing by a managing partner of Arrowbrook Centre Apartments. In particular nothing said by any employee or person on behalf of Arrowbrook Centre Apartments should be understood as a variation of these Terms and Conditions or an authorized representation about the Service or the nature and quality of items displayed thereon. Arrowbrook Centre Apartments shall have no liability for any such representation being untrue or misleading.

Signed on _____, 20__.

Tenant Signature _____

DRAFT
INTERNET
SECURITY PLAN

Arrowbrook Centre Apartments

DRAFT Internet Security Plan

Secure wireless networks at Arrowbrook Centre Apartments will provide our residents with a safe and convenient way to have internet access within their apartment homes and in certain common areas throughout the property.

Security is the foundation of every successful Wi-Fi network. Keeping our residents and the property secure will be a top priority for Arrowbrook Centre Apartments. Arrowbrook Centre Apartments will hire a third-party service provider to monitor and maintain the resident Wifi system.

Security infrastructure will need to control where our residents can go on the network and what they can do on the network. Arrowbrook Centre Apartments and their third-party service provider will install:

1. Firewall protections. The Firewall will include integrated security features, including anti-virus protection, spam filtering, DPI, and application filtering. The Firewall will be able to see which devices and applications are being used on the network. The Firewall can scan applications for security threats and only allow approved applications to be used on the network.
2. Intrusion Detection System (IDS). An intrusion detection system monitors the network for malicious activity or policy violations. Any malicious activity or violations typically reported either to the third-party administrator or collected centrally using a security information and event management system.
3. Resident Profiles. Each resident will be required to complete a unique profile to allow Arrowbrook Centre Apartments and the third party service provider to know who is using the WiFi, devices using the WiFi, and potential tampering with the WiFi services.
4. All residents will be required to sign an Internet Service Use Agreement and will receive Internet Education Training from Arrowbrook Centre Apartments and the third party service provider.

DRAFT
INTERNET
SAFETY EDUCATION



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect

yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

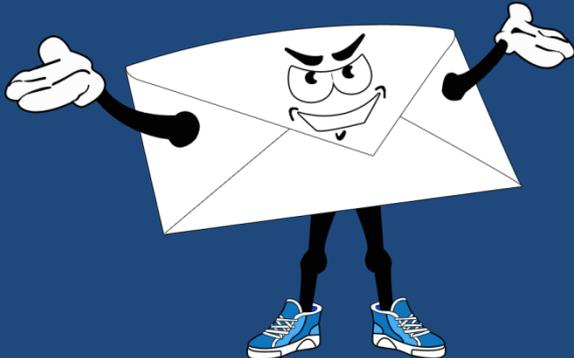
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.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/2010/08/12/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov

If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).

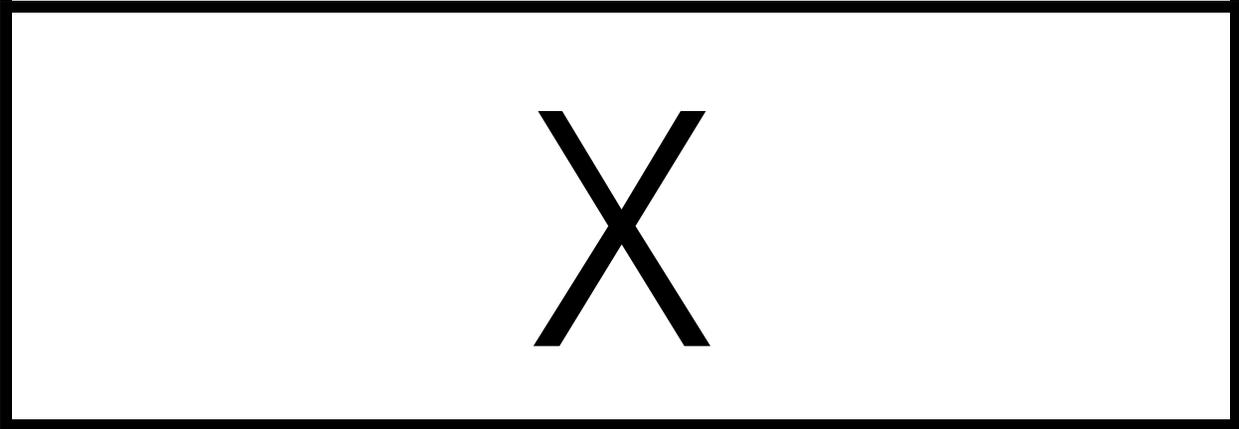


Information Provided By:
Office of the Attorney
General

202 North Ninth Street
Richmond, Virginia 23219

(804) 786-2071

www.ag.virginia.gov



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Arrowbrook Centre Apartments

Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the "Marketing Plan") has been designed to convey to current and potential residents with disabilities that the Arrowbrook Centre Apartments (the "Property") 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 provide effective management and maintenance of the property.

Arrowbrook Apartments I, LLC ("Property Owner"), will engage a VHDA approved and qualified property management firm (the "Property Manager") to manage the operations of Arrowbrook Centre Apartments. The Property Manager will be responsible for all of the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, the Property Owner will be responsible for the development and management of community and resident services programs.

I. Affirmative Marketing

The Property Management company is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the United States of America and will actively promote fair housing in the development and marketing of this project. They will also comply with all provisions of the Fair Housing Act (42 U.S.C 3500, et. Seq.).

The Property Manager will take an affirmative approach toward the marketing of all the accessible units at Arrowbrook Centre Apartments. Of these, fourteen (14) units will receive local project-based rental assistance and County supportive and case management services for the special needs residents for whom these units are designed. Qualified households include persons with mental, cognitive, or physical disability as defined by Section 504. These individuals or families will possess a critical housing need and will work with a Fairfax County Department of Human Services ("DHS") Case Manager.

In the unlikely case that there will not be sufficient need expressed from clients of the County's Permanent Supportive Housing Program to fill the fourteen units, the Property Manager will take an active role in marketing these units to the organizations listed below.

When a Section 504 unit becomes vacant, the Property Manager will work to fill the unit with a qualified household. Marketing will include outreach to partner organizations and advertisement in standard marketing vehicles (e.g. Craigslist). Any unit which is designated as a unit for people with disabilities and that conforms to Section 504 of the Rehabilitation Act will be held vacant for sixty days (60). The Property Manager will document its marketing efforts to find households with qualified disabilities during this time period. If a qualified tenant is not found, the marketing evidence will be submitted to VHDA's Program Compliance Officer and the manager will request approval to rent the unit

to any income-qualified household. If the request is approved, the lease will contain a provision stating that the household must agree to move to a vacant unit at the same property if a household including a person with a disability applies for the unit, and that the move will be paid for by the property owner.

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 Property Manager 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:

Endeppence Center of Northern Virginia
2300 Clarendon Boulevard, Suite 305
Courthouse Plaza II
Arlington, Virginia 22201
(703) 525-3268

Virginia Board for People with Disabilities
1100 Bank Street, 7th Floor
Richmond, Virginia 23219
(804) 786-0016

Disability Services Planning and Development
12011 Government Center Parkway, Suite 708
Fairfax, Virginia 22035
(703) 324-5421

Virginia Department for Aging and Rehabilitative
Services
8004 Franklin Farms Drive
Henrico, Virginia 23229-5019

Virginia Department for Aging and Rehabilitative
Services
5904 Old Richmond Highway Suite 410
Alexandria, VA 22303
(703) 960-3411

Fairfax-Falls Church Community Services Board
8221 Willow Oaks Corporate Drive
Fairfax, VA 22031
(703) 383-8500

Community Services Board
Developmental Disabilities Services
12011 Government Center Parkway, Suite 300
Fairfax, VA 22035
(703) 324-4400

Disability Services Planning and Development
12011 Government Center Parkway, Suite 708
Fairfax, VA 22035
(703) 324-5421

Pathway Homes
10201 Fairfax Blvd., Suite 200
Fairfax, VA 22030-2209
(703) 876-0390

Community Residences 14160
Newbrook Dr.
Chantilly, VA 20151
(703) 842-2300

PRS, Inc.
1761 Old Meadow Rd, Suite 100
McLean, VA 22102
(703) 536-9000

Available Committed Affordable Apartments monthly list:
Fairfax Housing and Community Development
<https://housing.arlingtonva.us/get-help/rental-services/affordable-units/>

Go Section 8: Free Listing Service www.gosection8.com

www.accessva.org
Online housing registry for accessible affordable apartments

Virginia Department of Medical Assistance Services 600
East Broad Street
Richmond, VA 23219
(804) 786-7933

Virginia Department of Behavioral Health and Developmental Services 1220 Bank
Street
Richmond, VA 23219
(804) 786-3921

Disability Resource Center
703-228-1700

Virginia Board for People with Disabilities
www.vaboard.org
804-786-0016

Virginia Department for Aging and Rehabilitative Services 5904
Old Richmond Highway Suite 410
Alexandria, VA 22303
(703) 960-3411

Preference for Persons with Intellectual or Developmental Disability -- Intellectual and Developmental Disability (ID/DD) Units

Subject to appropriate federal approval, first preference to occupy the fourteen (14) accessible units that will have project based rental subsidies will be given to individuals with an intellectual or developmental disability (ID/DD), as determined by the Virginia Department of Medical Assistance Services (DMAS) or the Virginia Department of Behavioral Health and Developmental Services (DBHDS).

- A "first preference" will be given for person with a developmental disability.
- The Property Manager will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS).
- The property manager will retain the tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status.
- Developmental Disability units will be confirmed by VHDA.
- Elizabeth Seward, Director, Statewide Housing Initiatives, (804) 343-5615, elizabeth.seward@vhda.com

2. Internet Search

The Arrowbrook Centre Apartments apartments will also be listed on the following websites:

www.virginiahousingsearch.com

accessva.org
dbhds.virginia.gov

3. Print Media

Print media sources will also be identified in the Arlington 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 Guide*, local newspapers, etc.

4. Resident Referrals

Resident referrals are an additional source of marketing, by word- of- mouth. To advance the goals and objectives of this Marketing Plan, the Property Manager may choose to implement short term referral incentives from time to time.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. 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. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include, by way of example:

- **Brochures** A simple brochure can be produced at low cost which will effectively

sell the apartments and community. This brochure will include the floor plans and a listing of features and amenities. The floor plans should be printed in a format that helps facilitate understanding by prospective residents, of the unit layout. .

- **Flyers** - A flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics and a property description to generate traffic. From time to time as necessary, flyers should include a special offer with a deadline (i.e. "Bring this flyer with you when you visit this weekend and pay no application fee!").

III. Public and Community Relations

The Property Manager will promote Equal Housing Opportunity by ensuring that all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office.

The Property Owner participates in a public and community relations program that boosts the relationship between the property owner and property manager, and local disability organizations, neighborhood civic organizations, social service programs, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with operations is paramount for attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office will be designed to provide a professional leasing atmosphere, with space set aside for resident interviews and application assistance.

The rental office will generally be open Monday through Friday from 10:00am to 6:00pm. After hours inquiries will be received by the answering services which will take messages and forward them to the Management Office to handle on the next business day.

Applicants will meet with the Property Manager or designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low- Income Housing 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 will be applied.

Selection and Qualification Criteria

A third-party credit scoring provider is used to review applicants by means of a credit scoring model to determine an applicant's ability to meet his/her rental obligations. Credit scoring utilizes a statistical model for comparing information on bill paying history, the

number and type of credit accounts, late payments, outstanding debt, rental history and the age of accounts, to the performance of consumers with similar profiles. The scoring system awards points for each factor that helps predict applicant creditworthiness and the likelihood of the applicant to make payments when due. The scoring provider makes a recommendation of accept or decline based on the results.

As part of the credit approval process, each applicant is required to provide income information on the Rental Application. This information is verified via direct written contact by the leasing staff with the employer/source of income and/or written verification such as paystubs, tax returns, etc. If there is more than one applicant, the same credit approval process is performed.

Residents will also have additional qualification criteria as specifically addressed in the Affordable Housing Program.

Criminal Background Check

The Property Manager performs criminal background checks as part of the approval process for prospective residents. The criminal background check is subject to state and local landlord-tenant laws. The requirement is that a criminal background check be done on all adult occupants, as a condition of the application and as a condition of the lease agreement. Felony convictions for violent crimes Against people or property, drug-related activities, weapons related activities, larceny or sex-related crimes render an individual ineligible for occupancy.

A third-party contractor is utilized to perform these background checks, which includes a review of all available criminal records, local sex offender lists, the FBI Most Wanted List and the Office of Foreign Asset Control (OFAC) list.

As a condition of their lease agreement, residents are required to acknowledge that the landlord has the right to terminate a lease or evict a resident in the event that, after the lease has commenced, there is any subsequent discovery of a crime that would have rendered the resident ineligible for occupancy at move-in. The criminal background check policy that is implemented is subject to modification based on the Property Manager's experience with this requirement at the property.

Occupancy Standards

Both maximum and minimum per-unit occupancy standards will be established and maintained.

V. Turnover of Section 504 units

Any unit which is designated as a unit for people with disabilities and that conforms to Section 504 of the Rehabilitation Act will be held vacant for sixty days (60), 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 60-point Units and 30-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 60-point Unit or a 30-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 60-point Unit or 30-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant. However, a DD applicant would have first preference for occupancy from the waiting list over any other prospective tenant if the 25-point category was selected.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

This deal does not require
information behind this tab.

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

This deal does not require
information behind this tab.

Tab AA:

Priority Letter from Rural Development

This deal does not require
information behind this tab.

Tab AB:

Socially Disadvantaged Population
Documentation

This deal does not require
information behind this tab.