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# 2024 Federal Low Income Housing Tax Credit Program

## Application For Reservation

### Deadline for Submission

#### 9% Competitive Credits

Applications Must Be Received At Virginia Housing No Later Than **12:00 PM** Richmond, VA Time On **March 14, 2024**

#### Tax Exempt Bonds

Applications must be received at Virginia Housing No Later Than 12:00 PM Richmond, VA Time for one of the two available 4% credit rounds- January 25, 2024 or July 18, 2024.



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

## INSTRUCTIONS FOR THE VIRGINIA 2024 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 14, 2024**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

### **Please Note:**

Applicants should submit all application materials in electronic format only via your specific Procorem workcenter.

There should be distinct files which should include the following:

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

### **IMPORTANT:**

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

### Disclaimer:

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

### Entering Data:

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

### **Please Note:**

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

### Assistance:

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

### Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
Stephanie Flanders	<a href="mailto:stephanie.flanders@virginiahousing.com">stephanie.flanders@virginiahousing.com</a>	(804) 343-5939
Jonathan Kinsey	<a href="mailto:jonathan.kinsey@virginiahousing.com">jonathan.kinsey@virginiahousing.com</a>	(804) 584-4717
Phil Cunningham	<a href="mailto:phillip.cunningham@virginiahousing.com">phillip.cunningham@virginiahousing.com</a>	(804) 343-5514
Lauren Dillard	<a href="mailto:lauren.dillard@virginiahousing.com">lauren.dillard@virginiahousing.com</a>	(804) 584-4729
Jaki Whitehead	<a href="mailto:jaki.whitehead@virginiahousing.com">jaki.whitehead@virginiahousing.com</a>	(804) 343-5861
Hadia Ali	<a href="mailto:hadia.ali@virginiahousing.com">hadia.ali@virginiahousing.com</a>	(804) 343-5873

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## 24 Low-Income Housing Tax Credit Application For Reservation

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

<input checked="" type="checkbox"/>	\$1,000 Application Fee <b>(MANDATORY)</b> - Invoice information will be provided in your Procorem Workcenter
<input checked="" type="checkbox"/>	Electronic Copy of the Microsoft Excel Based Application <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Scanned Copy of the <u>Signed</u> Tax Credit Application with Attachments (excluding market study, 8609s and plans & specifications) <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Electronic Copy of the Market Study <b>(MANDATORY - Application will be disqualified if study is not submitted with application)</b>
<input checked="" type="checkbox"/>	Electronic Copy of the Plans <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Electronic Copy of the Specifications <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Electronic Copy of the Existing Condition questionnaire <b>(MANDATORY if Rehab)</b>
<input checked="" type="checkbox"/>	Electronic Copy of Unit by Unit Matrix and Scope of Work narrative <b>(MANDATORY if Rehab)</b>
<input checked="" type="checkbox"/>	Electronic Copy of the Physical Needs Assessment <b>(MANDATORY at reservation for a 4% rehab request)</b>
<input checked="" type="checkbox"/>	Electronic Copy of Appraisal <b>(MANDATORY if acquisition credits requested)</b>
<input checked="" type="checkbox"/>	Electronic Copy of Environmental Site Assessment (Phase I) <b>(MANDATORY if 4% credits requested)</b>
<input checked="" type="checkbox"/>	Electronic Copy of Development Experience and Partnership or Operating Agreement, including chart of ownership structure with percentage of interests <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests (see manual for details) <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab B: Virginia State Corporation Commission Certification <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab C: Principal's Previous Participation Certification <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab D: List of LIHTC Developments (Schedule A) <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab F: Third Party RESNET Rater Certification <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab G: Zoning Certification Letter <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab H: Attorney's Opinion using Virginia Housing template <b>(MANDATORY)</b>
<input checked="" type="checkbox"/>	Tab I: Nonprofit Questionnaire <b>(MANDATORY for points or pool)</b>
	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 <b>(MANDATORY if Rehab)</b>
	Tab K: Documentation of Development Location:
<input checked="" type="checkbox"/>	K.1 Revitalization Area Certification
<input checked="" type="checkbox"/>	K.2 Surveyor's Certification of Proximity To Public Transportation using Virginia Housing template
<input checked="" type="checkbox"/>	Tab L: PHA / Section 8 Notification Letter
<input checked="" type="checkbox"/>	Tab M: <i>(left intentionally blank)</i>
<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: Zero Energy or Passive House documentation for prior allocation by this developer
<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 Utility Allowance Calculation
<input checked="" type="checkbox"/>	Tab S: Supportive Housing Certification and/or Resident Well-being MOU
<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
<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



A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 10/1/2024

1.

Development Name:

Delmont Plaza

2.

Address (line 1):

3800 Delmont Street

Address (line 2):

City:

Richmond

State:

▶ VA

Zip:

23222

3.

If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate.

Longitude:

00.00000

Latitude:

00.00000

(Only necessary if street address or street intersections are not available.)

4.

The Circuit Court Clerk's office in which the deed to the development is or will be recorded:

City/County of

▶ Henrico County

5.

The site overlaps one or more jurisdictional boundaries.....

FALSE

If true, what other City/County is the site located in besides response to #4?.....▶

6.

Development is located in the census tract of:

2008.05

7.

Development is located in a **Qualified Census Tract**.....

TRUE

Note regarding DDA and QCT

8.

Development is located in a **Difficult Development Area**.....

FALSE

9.

Development is located in a **Revitalization Area based on QCT** .....

FALSE

10.

Development is located in a **Revitalization Area designated by resolution** .....

FALSE

11.

Development is located in an **Opportunity Zone** (with a binding commitment for funding).....

FALSE

(If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)

12.

Development is located in a census tract with a household poverty rate of.....

3%	10%	12%
FALSE	FALSE	FALSE

Enter only Numeric Values below:

13.

Congressional District:

4

Planning District:

15

State Senate District:

14

State House District:

80

14.

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

The Applicant proposes the acquisition and rehabilitation of Delmont Plaza Apartments to revitalize a struggling property that serves the lowest-income community members. The renovation will encompass comprehensive repairs to both the building's interior and exterior, significantly enhancing its energy efficiency. As part of this initiative, a solar array will be installed, moving the property closer to achieving zero emissions. Construction is slated to commence in early Q2 2025, with an anticipated completion within 16 months.

15. 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:	John A. Vithoulkas		
Chief Executive Officer's Title:	County Manager	Phone:	
Street Address:	P.O. Box 90775		
City:	Henrico	State:	VA Zip: 23273

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

Eric Leabough, Director of Community Revitalization

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

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

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

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

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

or

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

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, 2024.

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, 2024, 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 2024 credits pursuant to Section 42(h)(1)(E).**3. Select Building Allocation type:****Note** regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

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

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

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

If true, provide name of companion development:

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

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

Total Units within 9% allocation request? 0

Total Units within 4% Tax Exempt allocation Request? 0

Total Units: 0

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

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

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

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

*In 2023, Virginia Housing began using a new Rental Housing Invoicing Portal to allow easy payments via secure ACH transactions.**An invoice for your application fee along with access information was provided in your development's assigned Procorem work center.*

## C. OWNERSHIP INFORMATION

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

## 1. Owner Information:

*Must be an individual or legally formed entity.*

a. Owner Name: Delmont Plaza 2024 L.L.C.

Developer Name: American Community Developers Inc.

Contact: M/M First: Gerald MI: A Last: Krueger

Address: 20250 Harper Ave

City: Detroit St: MI Zip: 48225

Phone: (313) 881-8150 Ext. Fax:

Email address: Jerry@acdmail.com

Federal I.D. No. 991392732 (If not available, obtain prior to Carryover Allocation.)

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

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

Jeffrey LoDuca, Jeffrey@acdmail.com, 248-229-8733

- ACTION:**
- a. Provide Owner's organizational documents (e.g. Partnership agreements and Developer Fee agreement) **(Mandatory TAB A)**
  - b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**
  - c. Provide Principals' Previous Participation Certification **(Mandatory TAB C)**
  - d. 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. **FALSE** Indicate if at least one principal listed within Org Chart 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.

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

## 2. Developer Experience:

*May select one or more of the following choices:*

- FALSE** a. 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.

- TRUE** b. 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.

- FALSE** c. 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.

**D. SITE CONTROL**

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

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

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

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

**1. Type of Site Control by Owner:**

Applicant controls site by (select one):

Select Type: ☒ Purchase Contract

Expiration Date: 2/6/2025

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

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

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

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

**2. Timing of Acquisition by Owner:**

Only one of the following statement should be True.

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

b. ☒ TRUE ..... Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 2/6/2025 .

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:

Moshe Eichler

Address:

86 NY-59

City:

Spring Valley

St.:

NY

Zip:

10977

Contact Person:

Moshe Eichler

Phone:

(845) 356-7773

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**

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:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:			
Email:		Phone:	
2. Tax Accountant:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:			
Email:		Phone:	
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	
4. Management Entity:	Independent Management Services	This is a Related Entity.	FALSE
Firm Name:	Jim Harrigan	DEI Designation?	FALSE
Address:	14381 North Rd, Fenton, MI 48430		
Email:	Jharrigan@imsteam.net	Phone:	(810) 750-7000
5. Contractor:	Nathan Hindle	This is a Related Entity.	TRUE
Firm Name:	St. Clair Construction	DEI Designation?	FALSE
Address:	20250 Harper Ave, Detroit, MI 48225		
Email:	Nathan@acdmail.com	Phone:	(313) 432-7860
6. Architect:	Paul Weber, AIA, CDT, LEED AP	This is a Related Entity.	TRUE
Firm Name:	DesignWerks Architecture, LLC	DEI Designation?	FALSE
Address:	1310 E Sherwood Rd, Williamston, MI 48895		
Email:	Paul@acdmail.com	Phone:	(313) 432-7860
7. Real Estate Attorney:	Jeffrey Sternberg	This is a Related Entity.	FALSE
Firm Name:	Kotz Sangster	DEI Designation?	FALSE
Address:	36700 Woodward Ave, Suite 202, Bloomfield Hills, MI 48304		
Email:	Jsternberg@Kotzsangster.com	Phone:	(248) 646-1050
8. Mortgage Banker:	Costa Canavos	This is a Related Entity.	FALSE
Firm Name:	Berkadia Commerical Mortgage	DEI Designation?	FALSE
Address:	3206 W. Broad Street, Richmond, VA 23230		
Email:	Costa.Canavos@berkadia.com	Phone:	(804) 347-7161
9. Other:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	

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

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

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

- b. This development has received a previous allocation of credits..... **TRUE**  
If so, when was the most recent year that this development received credits? .... **2008**

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

- d. This development is an existing RD or HUD S8/236 development..... **TRUE**  
**Action:** (If True, provide required form in **TAB Q**)

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

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

**2. Ten-Year Rule For Acquisition Credits**

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

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

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section 1 must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section 2 must be completed to obtain points for nonprofit involvement.

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

FALSE

FALSE

FALSE

FALSE

FALSE

FALSE

a. Be authorized to do business in Virginia.

b. Be substantially based or active in the community of the development.

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.

d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.

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

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

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, skip 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: ▶
- Name:
- Contact Person:
- Street Address:
- City: State: ▶ Zip:
- Phone: Contact Email:

G. NONPROFIT INVOLVEMENT

D. Percentage of Nonprofit Ownership (All nonprofit applicants):  
Specify the nonprofit entity's percentage ownership of the general partnership interest: 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 using Virginia Housing's template. (TAB V)  
Provide Nonprofit Questionnaire (if applicable) (TAB I)

Name of qualified nonprofit:

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

Name of Local Housing Authority

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

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

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

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 <b>all</b> units in development  | 41      | bedrooms  | 100       |
| Total number of <b>rental</b> units in development  | 41      | bedrooms  | 100       |
| Number of low-income rental units   | 41      | bedrooms  | 100       |
| Percentage of rental units designated low-income  | 100.00% |           |           |
| b. Number of new units:.....  | 0       | bedrooms  | 0         |
| Number of adaptive reuse units: .....   | 0       | bedrooms  | 0         |
| Number of rehab units:.....   | 41      | bedrooms  | 100       |
| c. If any, indicate number of planned exempt units (included in total of all units in development)..... |         |           | 0         |
| d. Total Floor Area For The Entire Development.....   |         | 45,376.00 | (Sq. ft.) |
| e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....                                       |         | 2,315.00  | (Sq. ft.) |
| f. Nonresidential Commercial Floor Area (Not eligible for funding).....                                 |         | 1,810.00  |           |
| g. Total Usable Residential Heated Area.....  |         | 41,251.00 | (Sq. ft.) |
| h. Percentage of Net Rentable Square Feet Deemed To Be <b>New Rental Space</b> .....                    |         | 0.00%     |           |
| i. Exact area of site in acres .....  | 2.522   |           |           |
| j. Locality has approved a final site plan or plan of development.....                                  |         | FALSE     |           |
| If <b>True</b> , Provide required documentation ( <b>TAB O</b> ).                                       |         |           |           |
| k. Requirement as of 2016: Site must be properly zoned for proposed development.                        |         |           |           |
| <b>ACTION:</b> Provide required zoning documentation ( <b>MANDATORY TAB G</b> )                         |         |           |           |
| l. Development is eligible for Historic Rehab credits.....  |         | FALSE     |           |

**Definition:**

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

**H. STRUCTURE AND UNITS INFORMATION****2. UNIT MIX**

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	786.00	SF	23	23
2+ Story 3BR Townhouse	1742.00	SF	18	18
2+ Story 4BR Townhouse	0.00	SF	0	0
			41	41

**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)..... **5**
- b. Age of Structure:..... **43** years
- c. Maximum Number of stories:..... **2**

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

e. Commercial Area Intended Use: **N/A**

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

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

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

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

h. Development contains an elevator(s). **FALSE**

If true, # of Elevators. **0**

Elevator Type (if known)

**H. STRUCTURE AND UNITS INFORMATION**

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

**4. Site Amenities (indicate all proposed)**

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

l. Describe Community Facilities:	Project includes a 1,810sqft Community Room and Laundry Facility		
m. Number of Proposed Parking Spaces	56		
Parking is shared with another entity	FALSE		
n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop.	TRUE		

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

J. ENHANCEMENTS

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

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

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater. The HERS re[prt should be completed for the whole development and not an individual unit.

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

- ACTION:** Provide RESNET rater certification of Development Plans **(TAB F)**
- ACTION:** Provide Internet Safety Plan and Resident Information Form **(Tab W)** if corresponding options selected below.

REQUIRED:

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

TRUE	a. A community/meeting room with a minimum of 749 square feet is provided with free WIFI access restricted to residents only.
0.00%	b1. Percentage of brick covering the exterior walls.
0.00%	b2. Percentage of Fiber Cement Board or other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations.
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 2024 Cycles</i>
FALSE	g. Each unit is provided free individual broadband/high speed internet access.
or	<i>(both access point categories have a minimum upload/download speed per manual.)</i>
FALSE	h. Each unit is provided free individual WiFi access.
FALSE	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 as defined in the manual
or	
FALSE	l. Cooking surfaces are equipped with fire suppression features as defined in the manual
FALSE	m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
or	
FALSE	n. All Construction types: each unit is equipped with a permanent dehumidification system.
FALSE	o. All interior doors within units are solid core.
FALSE	p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
TRUE	q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
0%	r. Percentage of development's on-site electrical load that can be met by a renewable energy electric system (for the benefit of the tenants) - Provide documentation at <b>Tab F</b> .

J. ENHANCEMENTS

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

- FALSE

a. All cooking ranges have front controls.
- FALSE

b. Bathrooms have an independent or supplemental heat source.
- FALSE

c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.
- FALSE

d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

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

The applicant will also obtain one of the following:

- FALSE

Earthcraft Gold or higher certification
- FALSE

National Green Building Standard (NGBS) certification of Silver or higher.
- FALSE

LEED Certification
- FALSE

Enterprise Green Communities (EGC) Certification

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

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

- FALSE

Zero Energy Ready Home Requirements
- FALSE

Passive House Standards
- FALSE

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

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

- FALSE

a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- 0

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

4. 

FALSE

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

If not, please explain:

FW

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



I. UTILITIES

1. Utilities Types:

- a. Heating Type

Heat Pump
- b. Cooking Type

Electric
- c. AC Type

Central Air
- d. Hot Water Type

Electric

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

- Water?

FALSE

Heat?

FALSE
- Hot Water?

FALSE

AC?

FALSE
- Lighting/ Electric?

FALSE

Sewer?

TRUE
- Cooking?

FALSE

Trash Removal?

FALSE

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	0	0	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	0	0	0	0
Hot Water	0	0	0	0	0
Water	0	0	48	53	0
Sewer	0	0	48	53	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$96	\$106	\$0

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

- a. TRUE

HUD

d. FALSE

Local PHA
- b. FALSE

Utility Company (Estimate)

e. FALSE

Other:
- c. FALSE

Utility Company (Actual Survey)

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

K. SPECIAL HOUSING NEEDS

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

1. **Accessibility:** Indicate **True** for the following point categories, as appropriate.  
**Action:** Provide appropriate documentation (**Tab X**)

FALSE

a. Any development in which (i) the greater of 5 units or 10% of total 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.

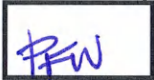
Documentation from source of assistance must be provided with the application.

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

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)

FALSE

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

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

K. SPECIAL HOUSING NEEDS

K. SPECIAL HOUSING NEEDS

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

TRUE

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

**Action:** Provide Relocation Plan, Budget 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:      No

Organization which holds waiting list:

Contact person:

Title:

Phone Number:

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

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

TRUE

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

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms:      18

% of total Low Income Units      44%

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

[Download Current CMA List from VirginiaHousing.com](#)

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

4. Target Population Leasing Preference

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

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

First Name:      Jim

Last Name:      Harrigan

K. SPECIAL HOUSING NEEDS

Phone Number: (810) 750-7000 Email: jharrigan@imsteam.net

K. SPECIAL HOUSING NEEDS

5. Resident Well-Being (as defined in the manual)

Action: Provide appropriate documentation for any selection below (Tab S)

- FALSE

a. Development has entered into a memorandum of understanding (approved by DBHDS) with a resident service provider for the provision of resident services.
- FALSE

b. Development will provide licensed childcare on-site with a preference and discount to residents or an equivalent subsidy for tenants to utilize licensed childcare of tenant's choice.
- FALSE

c. Development will provide tenants with free on-call, telephonic or virtual healthcare services with a licensed provider.

6. Rental Assistance

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

TRUE

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

- FALSE

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

Section 8 New Construction Substantial Rehabilitation
- FALSE

Section 8 Moderate Rehabilitation
- FALSE

Section 811 Certificates
- TRUE

Section 8 Project Based Assistance
- FALSE

RD 515 Rental Assistance
- FALSE

Section 8 Vouchers

\*Administering Organization:
- FALSE

State Assistance

\*Administering Organization:
- FALSE

Other:

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

FALSE

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

0

d. Number of units receiving assistance:

41

How many years in rental assistance contract?

20.00

Expiration date of contract:

3/1/2041

There is an Option to Renew.....

TRUE

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

7. Public Housing Revitalization

Is this development replacing or revitalizing Public Housing Units?

FALSE

K. SPECIAL HOUSING NEEDS

If so, how many existing Public Housing units?

0



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

Note: In order to qualify for any tax credits, a development must meet one of three minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test), (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), or (iii) 40% or more of the units are both rent-restricted and occupied by persons whose income does not exceed the imputed income limitation designated in 10% increments between 20% to 80% of the AMI, and the average of the imputed income limitations collectively does not exceed 60% of the AMI (this is called the Average Income Test (AIT)). All occupancy tests are described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

**a. Units Provided Per Household Type:**

Income Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
41	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
41	100.00%	<b>Total</b>

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
41	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
41	100.00%	<b>Total</b>

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

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

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

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	2 BR - 1 Bath	60% AMI	23		785.00	\$1,581.00	\$36,363
Mix 2	3 BR - 1 Bath	60% AMI	16		1272.00	\$1,894.00	\$30,304
Mix 3	3 BR - 1 Bath	60% AMI	2		1800.00	\$1,918.00	\$3,836
Mix 4							\$0
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0



L. UNIT DETAILS

Mix 10								\$0
Mix 11								\$0
Mix 12								\$0
Mix 13								\$0
Mix 14								\$0
Mix 15								\$0
Mix 16								\$0
Mix 17								\$0
Mix 18								\$0
Mix 19								\$0
Mix 20								\$0
Mix 21								\$0
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Mix 38								\$0
Mix 39								\$0
Mix 40								\$0
Mix 41								\$0
Mix 42								\$0
Mix 43								\$0
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Mix 60								\$0
Mix 61								\$0
Mix 62								\$0
Mix 63								\$0
Mix 64								\$0
Mix 65								\$0
Mix 66								\$0

L. UNIT DETAILS

Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0
Mix 74								\$0
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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			41	0				\$70,503

Total Units	41	Net Rentable SF:	TC Units	42,007.00
			MKT Units	0.00
			Total NR SF:	42,007.00

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

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

1. Advertising/Marketing				\$1,000
2. Office Salaries				\$50,000
3. Office Supplies				\$6,600
4. Office/Model Apartment	(type		)	\$0
5. Management Fee				\$25,092
<u>3.19% of EGI</u>		<u>\$612.00</u>	Per Unit	
6. Manager Salaries				\$0
7. Staff Unit (s)	(type		)	\$0
8. Legal				\$3,000
9. Auditing				\$8,000
10. Bookkeeping/Accounting Fees				\$3,444
11. Telephone & Answering Service				\$0
12. Tax Credit Monitoring Fee				\$0
13. Miscellaneous Administrative				\$2,435
<b>Total Administrative</b>				<b>\$99,571</b>

**Utilities**

14. Fuel Oil				\$0
15. Electricity				\$5,398
16. Water				\$19,143
17. Gas				\$0
18. Sewer				\$20,304
<b>Total Utility</b>				<b>\$44,845</b>

**Operating:**

19. Janitor/Cleaning Payroll				\$0
20. Janitor/Cleaning Supplies				\$0
21. Janitor/Cleaning Contract				\$0
22. Exterminating				\$0
23. Trash Removal				\$4,000
24. Security Payroll/Contract				\$10,000
25. Grounds Payroll				\$50,000
26. Grounds Supplies				\$0
27. Grounds Contract				\$15,000
28. Maintenance/Repairs Payroll				\$0
29. Repairs/Material				\$0
30. Repairs Contract				\$0
31. Elevator Maintenance/Contract				\$0
32. Heating/Cooling Repairs & Maintenance				\$2,000
33. Pool Maintenance/Contract/Staff				\$0
34. Snow Removal				\$0
35. Decorating/Payroll/Contract				\$0
36. Decorating Supplies				\$0
37. Miscellaneous				\$0
<b>Totals Operating &amp; Maintenance</b>				<b>\$81,000</b>

M. OPERATING EXPENSES

<b>Taxes &amp; Insurance</b>			
38. Real Estate Taxes			\$36,032
39. Payroll Taxes			\$12,500
40. Miscellaneous Taxes/Licenses/Permits			\$4,700
41. Property & Liability Insurance	\$600	per unit	\$24,600
42. Fidelity Bond			\$250
43. Workman's Compensation			\$1,390
44. Health Insurance & Employee Benefits			\$13,344
45. Other Insurance			
<b>Total Taxes &amp; Insurance</b>			<b>\$92,816</b>
<b>Total Operating Expense</b>			<b>\$318,232</b>
<b>Total Operating Expenses Per Unit</b>	<b>\$7,762</b>	<b>C. Total Operating Expenses as % of EGI</b>	<b>40.40%</b>
<b>Replacement Reserves (Total # Units X \$300 or \$250 New Const./Elderly Minimum)</b>			<b>\$12,300</b>
<b>Total Expenses</b>			<b>\$330,532</b>

**N. PROJECT SCHEDULE**

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
<b>1. SITE</b>		
a. Option/Contract	2/6/2024	Developer
b. Site Acquisition	4/31/2024	Developer
c. Zoning Approval		
d. Site Plan Approval		
<b>2. Financing</b>		
<b>a. Construction Loan</b>		
i. Loan Application	10/1/2024	Berkadia/VH
ii. Conditional Commitment		
iii. Firm Commitment	1/31/2024	VH
<b>b. Permanent Loan - First Lien</b>		
i. Loan Application	10/1/2024	Berkadia/VH
ii. Conditional Commitment		
iii. Firm Commitment	1/31/2024	VH
<b>c. Permanent Loan-Second Lien</b>		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
<b>d. Other Loans &amp; Grants</b>		
i. Type & Source, List		
ii. Application		
iii. Award/Commitment		
<b>2. Formation of Owner</b>	2/15/2024	Developer
<b>3. IRS Approval of Nonprofit Status</b>		
<b>4. Closing and Transfer of Property to Owner</b>	4/31/2024	Developer
<b>5. Plans and Specifications, Working Drawings</b>	10/1/2024	Architect
<b>6. Building Permit Issued by Local Government</b>	5/31/2024	GC
<b>7. Start Construction</b>	6/15/2025	Developer
<b>8. Begin Lease-up</b>		
<b>9. Complete Construction</b>	6/15/2026	Developer
<b>10. Complete Lease-Up</b>		
<b>11. Credit Placed in Service Date</b>	11/15/2026	Developer

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

Complete cost column and basis column(s) as appropriate

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

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

<b>Must Use Whole Numbers Only!</b>		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
Item	(A) Cost	"30% Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
<b>1. Contractor Cost</b>				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	3,927,114	0	3,927,114	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
<input type="checkbox"/> e. Structured Parking Garage	0	0	0	0
<b>Total Structure</b>	3,927,114	0	3,927,114	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	0	0	0	0
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
<b>Total Land Improvements</b>	0	0	0	0
<b>Total Structure and Land</b>	3,927,114	0	3,927,114	0
r. General Requirements	235,627	0	235,627	0
s. Builder's Overhead ( 2.0% Contract)	78,542	0	78,542	0
t. Builder's Profit ( 6.0% Contract)	235,627	0	235,627	0
u. Bonds	0	0	0	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: Contingency	447,691	0	447,691	0
z. Other 2:	0	0	0	0
aa. Other 3:	0	0	0	0
<b>Contractor Costs</b>	\$4,924,601	\$0	\$4,924,601	\$0

**Construction cost per unit: \$120,112.22**

**MAXIMUM COMBINED GR, OVERHEAD & PROFIT =**

**\$549,796**

**ACTUAL COMBINED GR, OVERHEAD & PROFIT =**

**\$549,796**

## O. PROJECT BUDGET - OWNER COSTS

		To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left.		
MUST USE WHOLE NUMBERS ONLY!  Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>2. Owner Costs</b>				
a. Building Permit	39,271	0	39,271	0
b. Architecture/Engineering Design Fee \$3,659 /Unit)	150,000	0	150,000	0
c. Architecture Supervision Fee \$1,220 /Unit)	50,000	0	50,000	0
d. Tap Fees	0	0	0	0
e. Environmental	4,600	0	4,600	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	5,500	0	5,500	0
i. Market Study	10,000	0	10,000	0
j. Site Engineering / Survey	33,600	0	33,600	0
k. Construction/Development Mgt	0	0	0	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest ( 0.0% for 0 months)	500,000	0	385,000	0
o. Taxes During Construction	36,032	0	36,032	0
p. Insurance During Construction	24,600	0	24,600	0
q. Permanent Loan Fee ( 0.0% )	98,745			
r. Other Permanent Loan Fees	151,660			
s. Letter of Credit	15,000	0	15,000	0
t. Cost Certification Fee	13,000	0	13,000	0
u. Accounting	6,600	0	6,600	0
v. Title and Recording	40,000	0	40,000	0
w. Legal Fees for Closing	40,000	0	40,000	0
x. Mortgage Banker	65,830	0	0	0
y. Tax Credit Fee	40,066			
z. Tenant Relocation	102,500			
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	0			
ac. Operating Reserve	357,921			
ad. Contingency	0			
ae. Security	0	0	0	0
af. Utilities	2,500	0	2,500	0
ag. Supportive Service Reserves	0			

**O. PROJECT BUDGET - OWNER COSTS**

(1) Other* specify:	Tax and Insurance Escrow	30,316	0	0	0
(2) Other* specify:	R&R Reserve Initial Deposit	12,300	0	0	0
(3) Other* specify:	Consultants	46,000	0	46,000	0
(4) Other* specify:	Other LIHTC Fees	7,935	0	0	0
(5) Other* specify:		0	0	0	0
(6) Other* specify:		0	0	0	0
(7) Other* specify:		0	0	0	0
(8) Other* specify:		0	0	0	0
(9) Other* specify:		0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))		\$1,883,976	\$0	\$901,703	\$0
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)		\$6,808,577	\$0	\$5,826,304	\$0
<b>3. Developer's Fees</b>		1,394,686	0	1,394,686	0
<b>4. Owner's Acquisition Costs</b>					
Land		328,000			
Existing Improvements		4,922,000	4,922,000		
Subtotal 4:		\$5,250,000	\$4,922,000		
<b>5. Total Development Costs</b>					
Subtotal 1+2+3+4:		\$13,453,263	\$4,922,000	\$7,220,990	\$0

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

(Provide documentation at **Tab E**)

\$0	Land
\$0	Building

**Maximum Developer Fee:**

**\$1,394,686**

Proposed Development's Cost per Sq Foot  
Applicable Cost Limit by Square Foot:

\$181 **Meets Limits**  
\$253

Proposed Development's Cost per Unit  
Applicable Cost Limit per Unit:

\$200,080 **Meets Limits**  
\$246,756



P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	13,453,263	4,922,000	7,220,990	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)		4,922,000	7,220,990	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) State Designated Basis Boosts:			2,166,297	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			9,387,287	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		4,922,000	9,387,287	0
7. Applicable Percentage		4.00%	4.00%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$196,880	\$375,491	\$0
			\$572,371 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.	Virginia Housing	10/02/24		\$4,283,000		
2.	REACH	10/02/24		\$2,300,000		
3.	GRRP	07/31/24		\$750,000		
Total Construction Funding:				\$7,333,000		

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

Source of Funds		Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
				(Whole Numbers only)				
1.	Virginia Housing	10/2/2024		\$4,283,000	\$276,005	5.50%	35	15
2.	REACH	10/2/2024		\$2,300,000	\$121,379	3.95%	35	15
3.	GRRP	7/31/2024		\$750,000			Coterminous Excess Cash Fl	
4.								
5.								
6.								
7.								
8.								
9.								
10.								
Total Permanent Funding:				\$7,333,000	\$397,384			

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..... FALSE

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$6,583,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	Virginia Housing REACH Funds	\$2,300,000
g.	HOME Funds	\$0
h.	Choice Neighborhood	\$0
i.	National Housing Trust Fund	\$0
j.	Virginia Housing Trust Fund	\$0
k.	Other:	\$750,000
	GRRP	
l.	Other:	\$0

Market-Rate Loans

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

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:

52.79%

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. Housing Opportunity Tax Credit Request (paired with 4% credit requests only)					
Amount of State HOTC	\$0	x Equity \$	\$0.000	=	\$0
c. Equity that Sponsor will Fund:					
i. Cash Investment	\$0				
ii. Contributed Land/Building	\$0				
iii. Deferred Developer Fee	\$799,012	(Note: Deferred Developer Fee cannot be negative.)			
iv. 45L Credit Equity	\$0				
v. Other: 48 E Solar Credit	\$342,171				

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

**Equity Total** \$1,141,183

**2. Equity Gap Calculation**

a. Total Development Cost		\$13,453,263
b. Total of Permanent Funding, Grants and Equity	-	\$8,474,183
c. Equity Gap		\$4,979,080
d. Developer Equity	-	\$0
e. Equity gap to be funded with low-income tax credit proceeds		\$4,979,080

**3. Syndication Information (If Applicable)**

a. Actual or Anticipated Name of Syndicator:	▶ Richman Group		
Contact Person:	Rich McCauley	Phone:	(203) 413-0336
Street Address:	777 West Putnam Avenue		
City:	Greenwich	State:	CT
		Zip:	6830
b. Syndication Equity			
i. Anticipated Annual Credits		\$572,371.00	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		\$0.870	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		99.98900%	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		\$0	
v. Net credit amount anticipated by user of credits		\$572,308	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		\$4,979,080	
c. Syndication:	Private		
d. Investors:	Select?		

**4. Net Syndication Amount**

\$4,979,080

Which will be used to pay for Total Development Costs

**5. Net Equity Factor**

87.0000010317%

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			\$13,453,263
2. Less Total of Permanent Funding, Grants and Equity	-		\$8,474,183
3. Equals Equity Gap			\$4,979,080
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)			87.0000010317%
5. Equals Ten-Year Credit Amount Needed to Fund Gap			\$5,723,080
Divided by ten years			10
6. Equals Annual Tax Credit Required to Fund the Equity Gap			\$572,308
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)			\$572,371
8. Requested Credit Amount		For 30% PV Credit:	\$572,371
		For 70% PV Credit:	\$0
Credit per LI Units	\$13,960.2683	<b>Combined 30% &amp; 70% PV Credit Requested</b>	
Credit per LI Bedroom	\$5,723.7100		
			\$572,371

ERROR - EQUITY GAP AMOUNT NOT EQUAL TO RESERVATION AMOUNT

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

T. CASH FLOW

1. Revenue

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

Total Monthly Rental Income for LIHTC Units	\$70,503
Plus Other Income Source (list): <u>tenant charges, misc</u>	<u>\$84</u>
Equals Total Monthly Income:	<u>\$70,587</u>
Twelve Months	x12
Equals Annual Gross Potential Income	\$847,044
Less Vacancy Allowance <u>7.0%</u>	<u>\$59,293</u>
<b>Equals Annual Effective Gross Income (EGI) - Low Income Units</b>	<b><u>\$787,751</u></b>

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>	<u></u>
Equals Total Monthly Income:	<u>\$0</u>
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <u>7.0%</u>	<u>\$0</u>
<b>Equals Annual Effective Gross Income (EGI) - Market Rate Units</b>	<b><u>\$0</u></b>

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

3. Cash Flow (First Year)

a.	Annual EGI Low-Income Units	\$787,751
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$787,751
d.	Total Expenses	\$330,532
e.	Net Operating Income	\$457,219
f.	Total Annual Debt Service	\$397,384
g.	Cash Flow Available for Distribution	\$59,835

**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	787,751	803,506	819,576	835,968	852,687
Less Oper. Expenses	330,532	340,448	350,661	361,181	372,017
Net Income	457,219	463,058	468,915	474,786	480,670
Less Debt Service	397,384	397,384	397,384	397,384	397,384
Cash Flow	59,835	65,674	71,531	77,402	83,286
Debt Coverage Ratio	1.15	1.17	1.18	1.19	1.21

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	869,741	887,135	904,878	922,976	941,435
Less Oper. Expenses	383,177	394,672	406,513	418,708	431,269
Net Income	486,563	492,463	498,366	504,268	510,166
Less Debt Service	397,384	397,384	397,384	397,384	397,384
Cash Flow	89,179	95,079	100,982	106,884	112,782
Debt Coverage Ratio	1.22	1.24	1.25	1.27	1.28

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	960,264	979,469	999,059	1,019,040	1,039,421
Less Oper. Expenses	444,207	457,534	471,260	485,397	499,959
Net Income	516,057	521,936	527,799	533,642	539,461
Less Debt Service	397,384	397,384	397,384	397,384	397,384
Cash Flow	118,673	124,552	130,415	136,258	142,077
Debt Coverage Ratio	1.30	1.31	1.33	1.34	1.36

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: 5

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

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit			
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		8		3800 Delmont St		Richmond	VA	23222	\$960,390		4.00%	\$38,416	\$1,831,665		4.00%	\$73,267				\$0
2.		9		3802 Delmont St		Richmond	VA	23222	\$1,080,440		4.00%	\$43,218	\$2,060,627		4.00%	\$82,425				\$0
3.		8		3804 Delmont St		Richmond	VA	23222	\$960,390		4.00%	\$38,416	\$1,831,665		4.00%	\$73,267				\$0
4.		8		3806 Delmont St		Richmond	VA	23222	\$960,390		4.00%	\$38,416	\$1,831,665		4.00%	\$73,267				\$0
5.		8		3808 Delmont St		Richmond	VA	23222	\$960,390		4.00%	\$38,416	\$1,831,665		4.00%	\$73,267				\$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
41		0 If development has more than 35 buildings, contact Virginia Housing.																		
Totals from all buildings									\$4,922,000				\$9,387,287			\$0				
												\$196,880				\$375,491				\$0

Number of BINS: 5

**V. STATEMENT OF OWNER**

The undersigned hereby acknowledges the following:

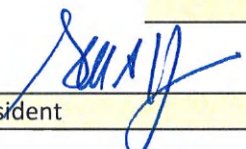
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: Delmont Plaza 2024 L.L.C.

By:  GERALD A. KRUEGER  
Its: President (Title) 10/1/24

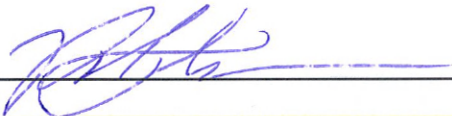


V. STATEMENT OF ARCHITECT

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:	Paul F. Weber, AIA, CDT, LEED AP
Virginia License#:	#020570
Architecture Firm or Company:	DesignWerks Architecture, LLC

By:	
Its:	Principal
	(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:

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

## 1. READINESS:

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

## 2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	N	0 or up to 5	0.00
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	N	Up to 20	0.00
Total:			20.00

## 3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			14.00
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. Provides approved resident services or eligible childcare services	N	0 or 15	0.00
e. Provides telephonic or virtual health services	N	0 or 15	0.00
f. Proximity to public transportation	Y10	0, 10 or 20	10.00
g. Development will be Green Certified	N	0 or 10	0.00
h. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
i. Developments with less than 100 low income units	Y	up to 20	20.00
j. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			44.00

## 4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$109,400	\$73,800

a. Less than or equal to 20% of units having 1 or less bedrooms	Y	0 or 15	15.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	43.90%	Up to 15	15.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units in Higher Income Jurisdictions with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units in Higher Income Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			30.00

## 5. SPONSOR CHARACTERISTICS:

a. Experienced Sponsor - 1 development in Virginia	N	0 or 5	0.00
b. Experienced Sponsor - 3 developments in any state	Y	0 or 15	15.00
c. Developer experience - uncorrected life threatening hazard	N	0 or -50	0.00
d. Developer experience - noncompliance	N	0 or -15	0.00
e. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
f. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
g. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
h. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
i. Developer experience - more than 2 requests for Final Inspection	0	0 or -5 per item	0.00
j. Socially Disadvantaged Principal owner 25% or greater	N	0 or 5	0.00
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:			15.00

## 6. EFFICIENT USE OF RESOURCES:

a. Credit per unit	Up to 200	89.00
b. Cost per unit	Up to 100	57.08
Total:		146.08

## 7. BONUS POINTS:

a. Extended Use Restriction	35 Years	40 or 50	50.00
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
h. Zero Ready or Passive House certification from prior allocation	N	0 or 20	0.00
Total:			55.00

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

**TOTAL SCORE:** **310.08**

**Enhancements:**

All units have:

	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	40	0.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
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	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	4.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. % of renewable energy electric systems	10	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>14.00</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: 14.00**

X.

Development Summary

Summary Information

2024 Low-Income Housing Tax Credit Application For Reservation

Deal Name:	Delmont Plaza			
Cycle Type:	4% Tax Exempt Bonds Credits	Requested Credit Amount:	\$572,371	
Allocation Type:	0	Jurisdiction:	Henrico County	
Total Units	41	Population Target:	General	
Total LI Units	41			
Project Gross Sq Ft:	45,376.00	Owner Contact:	Gerald	Krueger
Green Certified?	FALSE			

Total Score  
310.08

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$7,333,000	\$178,854	\$162	\$397,384
Grants	\$0	\$0		
Subsidized Funding	\$0	\$0		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$3,927,114	\$95,783	\$87	29.19%
General Req/Overhead/Profit	\$549,796	\$13,410	\$12	4.09%
Other Contract Costs	\$447,691	\$10,919	\$10	3.33%
Owner Costs	\$1,883,976	\$45,951	\$42	14.00%
Acquisition	\$5,250,000	\$128,049	\$116	39.02%
Developer Fee	\$1,394,686	\$34,017	\$31	10.37%
Total Uses	\$13,453,263	\$328,128		

Income		
Gross Potential Income - LI Units		
		\$847,044
Gross Potential Income - Mkt Units		
		\$0
Subtotal		\$847,044
Less Vacancy %	7.00%	\$59,293
Effective Gross Income		\$787,751

Rental Assistance?

TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$99,571	\$2,429
Utilities	\$44,845	\$1,094
Operating & Maintenance	\$81,000	\$1,976
Taxes & Insurance	\$92,816	\$2,264
Total Operating Expenses	\$318,232	\$7,762
Replacement Reserves	\$12,300	\$300
Total Expenses	\$330,532	\$8,062

Cash Flow	
EGI	\$787,751
Total Expenses	\$330,532
Net Income	\$457,219
Debt Service	\$397,384
Debt Coverage Ratio (YR1):	1.15

Total Development Costs	
Total Improvements	\$6,808,577
Land Acquisition	\$5,250,000
Developer Fee	\$1,394,686
Total Development Costs	\$13,453,263

Proposed Cost Limit/Sq Ft:

\$181

Applicable Cost Limit/Sq Ft:

\$253

Proposed Cost Limit/Unit:

\$200,080

Applicable Cost Limit/Unit:

\$246,756

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	0
# of 2BR	23
# of 3BR	18
# of 4+ BR	0
Total Units	41

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	41	41
>60% AMI	0	0
Market	0	0

Income Averaging?

FALSE

Extended Use Restriction?

50



## Y. Efficient Use of Resources

### Credit Points for 9% Credits:

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.

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

Combined Max	\$572,371
Credit Requested	\$572,371
% of Savings	0.00%
Sliding Scale Points	89

### 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	\$8,203,263	
Total Square Feet	45,376.00	
Proposed Cost per SqFt	\$180.78	
Applicable Cost Limit per Sq Ft	\$253.00	
% of Savings	28.54%	
Total Units	41	
Proposed Cost per Unit	\$200,080	
Applicable Cost Limit per Unit	\$246,756	
% of Savings	18.92%	
Max % of Savings	28.54% Sliding Scale Points	57.08

# Tab A:

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

## Delmont Plaza

Richmond, VA

Richmond, VA

<p><b>Delmont Plaza 2024 L.L.C.</b>  a Michigan limited liability company  EIN: 99-1392732  100% Owner</p>
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EIN: 99-1392732

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**American Community  
Developers, Inc.**  
a Michigan Corporation  
EIN: 38-2338848  
Managing Member  
0.1% Owner

Executive Management Team:  
Gerald A. Krueger - President  
J. Chad Krueger - Treasurer & COO

0.1% Owner

J. Chad Krueger - Treasurer & COO

J. Chad Krueger - Treasurer & COO

**ACD Partners XLII L.L.C.**  
a Michigan limited liability Company  
EIN: 87-3795447  
Member  
99.9% Owner

Executive Management Team:  
Gerald A. Krueger - President of Manager  
J. Chad Krueger - Treas. & COO of Mgr.

99.9% Owner

J. Chad Krueger - Treas. & COO of Mgr.

J. Chad Krueger - Treas. & COO of Mgr.

**Gerald A. Krueger**  
an individual  
President  
100% Owner of Class A (Voting) Stock

**100% Owner of Class A (Voting) Stock**

**American Community  
Developers, Inc.**  
a Michigan Corporation  
EIN: 38-2338848  
Managing Member  
71.1% Owner

71.1% Owner

**Gerald A. Krueger**  
an individual  
President  
100% Owner of Class A (Voting) Stock

er of Class A

**Christopher P. Young**  
an individual  
10.0% Owner

10.0% Owner

**7 Entities**  
(No Entity with 10%  
or more Ownership)  
Members  
18.9% Owner

18.9% Owner

7.9% Frank D. Carswell, Jr., Trustee of the Frank D. Carswell, Jr. Trust u/a/d August 18, 1993
2.0% Thomas Lacey, Trustee of the Trust Agreement of Thomas R. Lacey, dated April 1, 2004
2.0% John A. Williamson, Trustee of the John A. Williamson Revocable Living Trust u/a/d February 23, 2001
2.0% Michael D. Essian II
2.0% Derek M. Skrzynski
2.0% James M. Harrigan
1.0% The Ross and Jessica Pysh Revocable Trust dated April 13, 2022

**DELMONT PLAZA 2024 L.L.C.  
OPERATING AGREEMENT**

THIS OPERATING AGREEMENT (the "Agreement") of Delmont Plaza L.L.C. (the "Company") is made and entered into as of July 16, 2024, by and among American Community Developers, Inc., a Michigan corporation as Manager and a member, and ACD Partners XLII L.L.C., a Michigan limited liability company as a member.

**BACKGROUND STATEMENT**

On February 15, 2024, the Manager formed a limited liability company known as Delmont Plaza 2024 L.L.C. (the "Company") on behalf of the Members pursuant to the Michigan Limited Liability Company Act (the "Act").

The Members desire to enter into this Agreement and agree to be bound by the terms and conditions set forth herein.

**AGREEMENT**

**1. Formation; Name.**

In accordance with the terms and conditions hereof, the parties agree that the Company shall continue its existence without interruption or dissolution as a Limited Liability Company under the provisions of the Act, and pursuant to the provisions of the Agreement. The name of the Company shall be Delmont Plaza 2024 L.L.C., and its office shall be located at 20250 Harper Avenue, Detroit, Michigan 48225, or may be relocated to such other place as the Manager may determine from time to time.

**2. Definitions.**

As used in this Agreement, the following terms shall have the following meanings:

"Act" means the Michigan Limited Liability Company Act, being Act No. 23 of the Public Acts of 1993, as amended.

"Affiliate" means any person which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with a Member, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a person whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Operating Agreement of the Company.

"Articles" means the Articles of Organization, including all restatements and amendments, which are filed with the appropriate authorities under the law pursuant to the Act.

"Borrower" has the meaning set forth in Section 13.

"Cash Flow" of the Company has the meaning set forth in Subsection 7.5.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means Delmont Plaza 2024 L.L.C.

"Company Percentage" means, with respect to each Member, the percentage set forth opposite such Member's name under the heading "Company Percentage" on Exhibit A.

"Excess Capital Account Deficit" has the meaning set forth in Subsection 7.3(b).

"Exhibit A" means Exhibit A attached hereto and hereby made a part hereof.

"Fiscal Year" shall be determined by the Manager, and may be changed from time to time, subject to applicable Code provisions. Initially, the Fiscal Year shall be the calendar year.

"Good Cause" has the meaning set forth in Subsection 5.5.

"HUD" means the United States Department of Housing and Urban Development or successor agency.

"Interest" means the interest of a Member in the capital and property of the Company and the right to share in distributions and allocations in accordance with the terms of this Agreement.

"Majority in Interest of the Members" means those Members holding more than fifty (50%) percent of the Company Percentages held by the Members.

"Manager" has the meaning set forth in Subsection 5.2.

"Members" means American Community Developers, Inc., and ACD Partners XLII L.L.C., and shall include, unless the context clearly requires otherwise, a predecessor and successor (other than a mere unadmitted assignee) in interest. The Members are listed on Exhibit A.

"Organizational Documents" means the Articles and the Agreement.

"person" or "persons" means an individual, a partnership (general and limited), corporation, joint stock company, limited liability company, joint venture, business trust, cooperative association, or other form of business organization, whether or not regarded as a legal entity under applicable law, trust (inter vivos or testamentary) or governmental authority.

"Project" means Delmont Plaza Apartments, a 41 unit apartment complex located in Richmond, Henrico County, Virginia.

"Regulations" means Treasury Regulations issued under the Code.

"Residual Proceeds" has the meaning set forth in Subsection 7.6(a).

"Tax Matters Member" means (i) the "tax matters partner" of the Company within the meaning of Code Section 6231(a) (7) as in effect prior to the Bipartisan Budget Act of 2015, and (ii) the "partnership representative" of the Company within the meaning of Section 6223 of the Code as amended by the Bipartisan Budget Act of 2015. Subject to the Code and applicable Regulations, the Manager may designate the Tax Matters Member from time to time. Initially, the Manager shall be the Tax Matters Member.

"Taxable Year" means the Fiscal Year.

"Trustee" has the meaning set forth in Section 9.

All references to statutory provisions shall be deemed to include reference to corresponding provisions of subsequent law.

### **3. Purpose and Scope of Activities.**

**3.1 Purposes.** The Company has been organized for the purpose of any activity for which limited liability companies may be formed under Act, including acquiring real and personal property, constructing, rehabilitating, owning, holding, selling, assigning, transferring, leasing, managing, mortgaging and otherwise dealing with the Project.

**3.2 Limitations on Activities.** Notwithstanding anything to the contrary in the Articles, the Company's business will be limited to the purposes set forth in Section 3.1, and the Company will not engage in any other business activity. No Member or Manager need afford the Company or any Member the opportunity of acquiring or investing in any other business or enterprise, regardless of whether such business or enterprise would, but for this sentence, be deemed an opportunity for the Company. Moreover, nothing in this Agreement shall restrict a Member or Manager from engaging in any other business activity without any obligation to account to the Company or an Member, whether or not such activity is similar to, within the scope of or competitive with the activities of the Company.

### **4. Capital Contributions; Borrowing.**

#### **4.1 Contributions of Members.**

(a) Each Member has contributed to the capital of the Company the amount set forth opposite his name in Exhibit A.

(b) In addition, if the Manager determines at any time or from time to time that the Company requires additional funds in order to provide for the needs of the Project or for any other Company purpose, it may call for the additional capital by written notice to all other Members; in which event the Members shall contribute the required capital in proportion to their respective Company Percentages. Such contributions shall be due when so called for. In the event that a Member fails to contribute his share of the additional capital within thirty (30) days after the call therefor, the Member shall be in default of its obligations under this Subsection 4.1. In such event, in addition to any other remedies available to the Manager and the Company at law or in equity, and at any time before payment or collection of the defaulted contribution and the interest thereon:

(1) The Manager may lend an amount equal to the defaulted contribution to the Company, or obtain such a loan to the Company from one or more Members or third parties selected by the Manager, in which event the loan shall bear interest at the rate of twelve per cent (12%) per annum and the interest and principal thereof shall be repaid from the first funds that would otherwise be available to the Members; in that event, any distributions that would otherwise be paid to the defaulting Member shall be withheld from the defaulting Member and shall be retained by the Company to reimburse it for all principal and interest paid by the Company in respect of the loan, and the amount retained shall then be distributed to the other Members (but not the defaulting Member) in the proportions and amounts that distributions to such Members were reduced on account of the amounts paid by the Company in respect of the loan.

(2) Regardless of whether the Manager has made or obtained a loan pursuant to Section (1) above, the Manager may obtain a capital contribution from one or more of the other Members selected by it in an amount equal to the defaulted contribution, and in such event (i) the contributing Member or Members shall pay to the Company the amount of the defaulted contribution and the unpaid interest accrued on any loan made to cover such defaulted contribution under the preceding Section (1), (ii) the defaulted capital contribution payment from each contributing Member shall be credited such Member's capital account as a capital contribution, (iii) the Company Percentages of the Members shall be adjusted so that such Company Percentages are proportionate to the relative capital contributions made by them, and (iv) if a loan was made or obtained to cover the defaulted contribution pursuant to the Section (1) above, the Company shall apply the amounts received from the contributing Member or Members to the repayment of such loan and the interest thereon.

#### **4.2     Reserved.**

**4.3     Use of Members' Contributions.** The capital contributions of the Members and the proceeds of any borrowings by the Company shall be applied to such Company purposes, or retained by the Company or distributed to the Members, as the Manager may determine.

**4.4     Withdrawals.** No Member shall be entitled to withdraw any portion of its capital account until termination of the Company.

**4.5     Borrowing.** The Company may borrow money for Company purposes from any source, including a Member, provided that such borrowing is not prohibited by any applicable law, regulation or agreement and, in the case of a borrowing from the Manager, a Member or an

Affiliate of any of them, that the interest rate on such borrowing does not exceed 100 basis points (one percentage point) over the prime rate of Comerica Bank as in effect from time to time, unless either the Majority in Interest of the Members have consented to a greater rate of interest or such loan is made in accordance with Subsection 4.1.

## **5. Rights and Obligations of Members.**

**5.1 Members.** Except as provided in this Agreement, the Members shall not be bound by the obligations of the Company, and shall not be obligated to make contributions to the Company in excess of the amounts provided for in Subsection 4.1. Except as provided in this Agreement, no Member shall be entitled to participate in the management or control of the Company and no Member shall have authority to act for or bind the Company. The Manager may act for the Company without the consent or approval of the Members, so long as the Members' interest are not negatively impacted by the Manager's decisions, except in cases where all Member's interest are impacted ratably (all as the Manager may determine in the Manager's reasonable judgment). In any case where, in the Manager's reasonable judgment, the Members' interests are negatively impacted, but not ratably, by the Manager's decision, the decision will be subject to the approval of a Majority in Interest of the Members. The respective interests of the Members may, under certain circumstances, be reduced as provided in this Agreement.

**5.2 Manager.** The Company shall be managed by a manager within the meaning of the Act (the "Manager"). The initial Manager shall be American Community Developers, Inc. Nothing in this Agreement shall prohibit the Manager from engaging in any other business activity, whether or not similar to, within the scope of, or competitive with the activities conducted by or on behalf of the Company.

**5.3 Additional Members.** The names and addresses of all the Members are set forth in Exhibit A. Additional Members may be admitted to the Company subject to the following conditions: (1) the admission of an additional Member (and the terms of the admission) shall be approved in writing by the Manager (which approval shall be given or withheld in its sole and absolute discretion); and (2) the additional Member shall execute a counterpart of, and agree to be bound by, this Agreement. Assignees of Company interests may be admitted to the Company as Member(s) pursuant to Section 10 of this Agreement. Exhibit A shall be amended and replaced by the Manager to reflect the names and addresses of all of the Members at any time without any other amendment to this Agreement, without any signature, and without any other document.

**5.4 Meetings of the Company.** Meetings of the Members may be called by any Manager or by those Members who collectively own ten (10%) percent or more of the Company Percentage for informational purposes and for any matters upon which the Members may vote. The Manager shall give all Members not less than fifteen (15) nor more than sixty (60) days written notice of any such meeting, specifying the time, place and purpose of the meeting, which shall be held at a time and place convenient to the Members. Such notice is not necessary if all Members consent in writing to the meeting.



**5.5 Termination of Manager.** The Manager may be removed by the Majority in Interest of the Members for good cause. "Good Cause" is defined for the purposes of this Agreement as the following:

- (a) Bankruptcy or dissolution of the Manager; or
- (b) The Manager commits an act of fraud that has a material adverse effect on the Company.

In the event of such a removal, or in the event that the Manager resigns, the Majority in Interest of the Members shall appoint a successor to act as Manager. Neither the removal nor resignation of the Manager shall affect such Manager's Interest in the Company or other rights as a Member.

**6. Administrative Powers, Obligations, Compensation, Etc., of Manager.**

**6.1 Powers.**

(a) The Manager shall manage, and shall have complete control over the conduct of Company affairs. Subject to the other provisions of this Section 6, the Manager shall have the authority, on behalf of the Company, to do all things appropriate to the accomplishment of the purposes of the Company, including (but not limited to) (1) purchasing the Project, (2) developing the Project, (3) managing and leasing the Project, (4) obtaining financing and refinancing for, pledging, and mortgaging all or part of a project or any other Company property, incurring indebtedness on behalf of the Company, and paying and prepaying part or all of any indebtedness of the Company or any indebtedness upon a project or any other Company property, (5) employing architects, contractors, subcontractors, attorneys, accountants, managing or other agents, including Affiliates, (6) investing and reinvesting Company funds (except for Residual Proceeds as provided in Subsection 7.6), (7) executing contracts, notes, mortgages and other writings, (8) transacting the Company's business under an assumed name or name other than its name as set forth in the Articles and filing a Certificate of Assumed Name with the Michigan Department of Licensing and Regulatory Affairs, (9) appointing another Manager or other person as agent for service of process on the Company as required by law of any state in which the Company transacts business, (10) forming one or more subsidiaries of the Company or becoming a member of or investor in affiliated entities for the purposes of carrying out any or all of the purposes of the Company, and (11) doing such other acts as may facilitate the Manager's exercise of its powers.

- (b) In furtherance and not in limitation of the foregoing, the Manager is authorized to:
  - (1) Negotiate the terms of the purchase of land and execute all documents the Manager deems necessary in order to acquire the Project;
  - (2) Negotiate the terms of any mortgage loan and any related transaction and execute all documents the Manager deems necessary in order to obtain financing;

- (3) Negotiate and enter into a construction contract and development services agreement relating to the development of the Project;
- (4) Enter into a management agreement with the management agent for the Project, if any; and
- (5) Enter into an operating agreement with affiliated entities for the purposes of having ownership interests in various projects.
- (6) The Manager shall not, without the unanimous consent in writing of the Members change the Company Percentage of any Member except as provided in this Agreement.

**6.2 Management of Company.** The Manager shall have full power to act for and to bind the Company to the extent provided by Michigan law, except as may be expressly provided to the contrary in this Agreement.

**6.3 Self-Dealing.** The Manager, any Member and any Affiliate of the Manager or a Member may deal with the Company, directly or indirectly, as vendor, purchaser, employee, and agent or otherwise. No contract or other act of the Company shall be voidable or affected in any manner by the fact that the Manager, a Member or his Affiliate is directly or indirectly interested in such contract or other act apart from his interest as Member. Neither the Manager, a Member nor any Affiliate shall be accountable to the Company or the other Members in respect of any profits directly or indirectly realized by it by reason of a contract or other act. The interested Member shall be eligible to vote or take any other action as a Member in respect of a contract or other act as it would be entitled were it not an interested Member. The Company may use St. Clair Construction Company (including any of its subsidiaries and/or affiliates) for construction services, Independent Management Services for management services at such rates as the Manager and the Majority in Interest of the Members mutually deem appropriate.

## **7. Capital Account's Profits and Losses; Cash Flow; Distributions.**

### **7.1 Capital Accounts.**

(a) **Establishment and Maintenance of Account.** An individual capital account shall be established and maintained for each Member. Each Member's capital account (a) shall be increased by (i) the amount of money and fair market value of property contributed by the Member to the Company, (ii) the Member's allocable share of Company profits and any item of income or gain specially allocated to the Member pursuant to this Agreement, and (iii) the amount of any liabilities of the Company assumed by the Member (or which are secured by property distributed by the Company to the Member), and (b) shall be decreased by (i) the amount of money and fair market value of property distributed to that Member, (ii) that Member's allocable share of any Company loss and any item of deduction or loss specially allocated to the Member pursuant to this Agreement and (iii) the amount of any liabilities of the Member assumed by the Company (or which are secured by the property contributed to the Company by the Member),. This Section is

intended to comply with Treasury Regulations Section 1.704-1(b)(2)(iv) and shall be interpreted and applied consistent therewith. The Members further agree to make any adjustments to their capital accounts that may be necessary or appropriate to comply with such regulations. No Member is entitled to receive any interest or return on any contributions to the Company or on the Member's capital account, nor does any Member have any interest, right or claim in or to any of the Company's assets unless expressly provided in this Agreement or under the Act.

(b) Transferees. If all or a portion of a membership interest is transferred, the transferee shall succeed to the capital account of the transferring Member, to the extent of the interest transferred.

(c) Optional Revaluation of Assets. The Company may revalue its assets and increase or decrease the Members' capital accounts under Treasury Regulations Section 1.704-1(b)(2)(iv)(f) in connection with any of the following:

- (1) The contribution of money or other property to the Company by a new or existing Member as consideration for an interest in the Company;
- (2) The distribution of money or other property to a terminating or continuing Member as consideration for an interest in the Company;
- (3) The liquidation of the Company, or
- (4) The happening of any other event specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f).

Without limiting the foregoing, if the Company distributes property other than cash to the Members, then the Members' capital accounts shall be adjusted as provided in Treasury Regulations Section 1.704-1(b)(2)(iv)(e) for unrealized income, gain, loss and deduction inherent in such property and not already been reflected in the Members' capital accounts, as if there were a taxable disposition of the property for its fair market value on the date of distribution. In connection with any revaluation under this Section 7.1(c), the fair market value of the Company's assets shall be reasonably determined by the Manager.

**7.2 Allocation of Profits and Losses.** The profits and losses of the Company shall be determined in accordance with the accounting methods followed by the Company for federal income tax purposes, as determined by the Manager, but shall (i) be increased by tax-exempt income described in Section 705(a)(1)(B) of the Code, (ii) be decreased by non-deductible, non-capitalizable expenditures described in Section 705(a)(2)(B) of the Code, (iii) exclude those items of income or loss specially allocated pursuant to Section 7.3 or allocated for tax purposes under Sections 7.4 and 7.7 below and (iv) if any non-cash property has been contributed to the Company or, pursuant to Section 7.1(c), revalued, then take into account depreciation or amortization, and gain or loss on sale or other disposition, of such property determined by reference to the fair market value of the property on the date of contribution or revaluation (in lieu of depreciation or amortization, and gain or loss on sale or other disposition, of such property as determined for income tax purposes) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g). The

profits and losses of the Company shall be determined as of the end of each Fiscal Year of the Company and, except as otherwise required under the Code or Regulations, shall be allocated among the Members so as to make their capital accounts, increased by their respective shares of “partnership minimum gain” and “partner nonrecourse debt minimum gain” of the Company (determined in accordance with Treasury Regulations Section 1.704-2), to be in proportion to their Company Percentages; provided, however, that no loss or item of loss or deduction shall be allocated to any Member to the extent such allocation would create or increase an Excess Capital Account Deficit (as defined in Section 7.3(b) below).

**7.3 Special Allocations.** The following special allocation rules are intended to comply with the requirements of the regulations issued under Code Section 704, and should be construed in a manner consistent with those regulations.

(a) **Qualified Income Offset.** If a Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain shall be specially allocated to the Member as necessary to eliminate any “Excess Capital Account Deficit” (as defined below) as soon as possible, to the extent required by the Regulations.

An “Excess Capital Account Deficit” means the amount of a Member's negative capital account balance in excess of the following, determined as of the end of the Company's fiscal year after making all other allocations under this Section 7.3 ignoring this Subsection 7.3(a):

- (1) The Member's “share of partnership minimum gain” of the Company (within the meaning of Regulations Sections 1.704-2(g)(2)), if any;
- (2) The Member's “share of partner nonrecourse debt minimum gain” of the Company (within the meaning of Regulations Section 1.704-2(i)(5)), if any;
- (3) The amount of the adjustments, allocations and distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6); and
- (4) Any amount the Member is required to restore or is deemed to be required to restore to the Company upon liquidation under Treasury Regulations Section 1.704-1(b)(2)(ii)(c).

This Subsection is intended to comply with the qualified income offset requirements of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted accordingly.

(b) **Minimum Gain Chargeback.** Except as otherwise provided in Treasury Regulations Section 1.704-2(f), and despite any other provision of this Agreement, if there is a net decrease in “partnership minimum gain” of the Company for a taxable year, each Member shall be allocated items of income and gain (for that year and if necessary for subsequent years) in proportion to and to the extent of the Member's share of the net decrease in partnership minimum gain. The income and gain items shall be allocated according to the provisions of Treasury

Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Subsection is intended to comply with the minimum gain chargeback requirements of Treasury Regulations Section 1.704-2(f).

(c) Member Minimum Gain Chargeback. To the extent and in the manner required by Treasury Regulations Section 1.704-2(i) (4), if there is a net decrease in “partner nonrecourse debt minimum gain” of the Company, each Member with a share of such “partner nonrecourse minimum gain” shall be allocated items of income and gain for such fiscal year (and, if necessary, succeeding fiscal years) in an amount equal to the Member's share of the net decrease in partner nonrecourse debt minimum gain. The items to be allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6). This Section 7.3(c) shall be interpreted and applied in a manner consistent with the minimum-gain chargeback requirement of Treasury Regulations Section 1.704-2(i)(4).

(d) Nonrecourse Deductions. Any “nonrecourse deductions” of the Company shall be allocated among the Members in accordance with their Company Percentages. Any “partner nonrecourse deductions” of the Company shall be allocated to the Members bearing the “economic risk of loss” for the “partner nonrecourse debt” to which such “partner nonrecourse deductions” are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(e) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset is required to be taken into account in determining capital accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in the Company pursuant to Section 734(b) or Section 743(b) of the Code or Treasury Regulations Sections 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4), the amount of such adjustment to capital accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Members in accordance with their interests in the Company in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(f) Varying Interests. If there is an addition, withdrawal or substitution of, or any other change in the Interest of, any Member during the period covered by an allocation, then the profits and losses for the period shall be allocated among the varying interests in one of the following alternative manners, which must be consistent with applicable provisions of the Code and valid regulations promulgated under the Code:

- (1) In the manner described in any written agreement between the persons affected which is presented to the Company; or
- (2) In the event the persons affected present no written agreement to the Company, the Company's books may be closed at the time of the change in interest, and the profits and losses for the segment of the period prior to the change and the segment after the change shall be separately allocated among the Interests as they stood during each segment.

**7.4 Allocations Solely for Tax Purposes** The following allocations shall be made solely for tax purposes (and shall not affect the Members' capital accounts):

(a) Section 704(c) Allocations. Any item of income, gain, loss or deduction with respect to property other than cash that has been contributed by a Member to the capital of the Company or that has been revalued in accordance with Section 7.1(c) and which is required or permitted to be allocated to the Members for income tax purposes under Code Section 704(c) so as to account for the variation between its tax basis and fair market value at the time of its contribution or revaluation shall be allocated to the Members solely for income tax purposes in any manner chosen by the Manager and permitted by the Regulations.

(b) Depreciation Recapture. For purposes of determining the character of taxable income of the Company allocated to the Members, any amount treated as ordinary income attributable to depreciation recapture shall, to the extent possible, be allocated among the Members in proportion to the amount of depreciation previously allocated to the Members with respect to the property. This Subsection shall not alter the amount of allocations among the Members but merely the character of the income allocated.

## **7.5 Cash Flow.**

(a) The Cash Flow of the Company for a Fiscal Year shall be determined as of the end of the Fiscal Year, and shall consist of:

- (1) The Company's profits for the Fiscal Year (for this purpose treating a loss as a negative profit amount) determined in accordance with Subsection 7.2;
- (2) Increased by the following:
  - (i) Any receipts during the Fiscal Year which were not included in profits (such as capital contributions, loan proceeds and withdrawals from reserves); and
  - (ii) Any deductions for the Fiscal Year not involving cash expenditures (such as depreciation, amortization and costs for which payment is deferred).
- (3) Decreased by the following:
  - (i) All expenditures during the Fiscal Year which were not deducted in determining profits (such as expenditures for asset acquisition, improvements and replacements, and loan repayments); and
  - (ii) Contributions during the Fiscal Year to any reserve account required by the Manager or any lender.

Notwithstanding the foregoing, however, Residual Proceeds and expenditures from Residual Proceeds and items deductible in determining profits that are paid from Residual Proceeds, shall not be taken into account in determining the Cash Flow of the Company.

(b) The Cash Flow of the Company for the most recent Fiscal Year and the Cash Flow of the Company which has not been distributed in prior years shall within ninety (90) days after the end of each Fiscal Year be used as follows:

- (1) To repay any loans made by a Member or any other lender to the Company in amounts and at times determined by the Manager;
- (2) To the payment of, or to a reserve for the payment of, Company liabilities (including liabilities to Members) and including such provision for contingent liabilities as the Majority in Interest of the Members approves; and
- (3) The balance, if any, shall be distributed to the Members in proportion to their Company Percentages.

(c) The Manager may in its sole discretion distribute Cash Flow more frequently than as required in subparagraph (b) above.

#### **7.6 Residual Proceeds.**

(a) The net cash proceeds resulting from (i) the refinancing of any loan or (ii) the sale, exchange, condemnation, destruction (whether insured or uninsured) or other event resulting in the disposition of all or any part of a project (all of which shall constitute "**Residual Proceeds**") shall be applied in the following order of priority:

- (1) Such proceeds shall first be applied to the payment of, or to a reserve for the payment of, Company liabilities (including liabilities to Members such as the fee due to the Manager under Section 6.4 above) and including such provision for contingent liabilities as the Majority in Interest of the Members approves; and
- (2) The balance, if any, shall be distributed among the Members proportionately to their Company Percentages.

(b) Notwithstanding the provisions of Subsection 7.6(a), in the event of the compulsory or involuntary conversion of all or any part of the project within the meaning of Section 1033(a) of the Code, then if and to the extent determined by the Manager and the Majority in Interest of the Members, the Company shall not apply the net proceeds in accordance with Subsection 7.6(a), but instead shall reinvest the net proceeds in such a manner as to avoid recognition (for federal income tax purposes) of part or all of the gain on such conversion.

## **7.7 Other Allocations.**

(a) Any provision of this Agreement to the contrary notwithstanding, to the extent that any fee or other compensation to a Member is disallowed as a deduction for federal income tax purposes (whether by way of expense, depreciation, amortization, reduction in gain, or otherwise), there shall be allocated to such Member any amount equal to the Company's gross income which would have been reduced by the deduction, in recognition of the fact that the payment was, in fact made to the Member.

(b) Any credit allowable to the Company for federal income tax purposes shall be allocated among the Members in proportion to their Company Percentages. Any increase or decrease in the basis of property owned by the Company due to the allowance or recapture of investment tax credit with respect to the property for federal income tax purposes shall be charged against or credited to the capital accounts of the Members in the proportions that such credit was allocated so as to decrease or increase their capital accounts in an amount equal to the basis adjustment. Upon the sale or other disposition of any property, the gains realized shall, to the extent of any net basis reduction, be allocated to the Member in the proportions that the investment tax credit was allocated, which allocation shall increase their capital accounts.

## **8. Term of Company.**

**8.1 Commencement.** The term of the Company commenced upon the filing of the initial Articles.

**8.2 Termination.** The term of the Company is perpetual, except as limited herein. The term of the Company shall be terminated, solely on the first to occur of the following:

- (a) The decision of the Manager agreed to by the Majority in Interest of the Members;
- (b) One hundred twenty (120) days after the sale or other disposition of the Company's entire interest in the Project and the distribution of net proceeds thereof (unless such sale or other disposition results in the Company's acquisition of a receivable, in which case the term of the Company shall not end until such receivable has been collected, unless the Manager determines otherwise); or
- (c) Any other event causing a dissolution under the Act or this Agreement.

Neither the dissolution, death, insolvency nor substitution of the Manager or a Member nor the admission of a new Manager or Member shall cause a termination of the Company. In the event of the death of a Member neither his estate nor the Company shall have any option to have his interest sold or purchased, by the Company.

## **9. Application of Assets.**

Upon termination of the Company, the Manager shall conclude the affairs of the Company. If there is no Manager, the Company affairs shall be concluded by a trustee (the "**Trustee**")



selected in writing by the Majority in Interest of the Members. The remaining assets of the Company shall be applied or distributed in the following order:

(a) To creditors, including Members who are creditors, to the extent permitted by law, in satisfaction of Company debts, liabilities and obligations; and

(b) Any remaining balance shall be distributed to the Members in proportion to their Company Percentages.

Company assets may be liquidated or distributed in kind, as determined by the Manager or the Trustee. In the event Company assets are distributed in kind, the assets so distributed shall be valued at their current fair market values and the unrealized appreciation or depreciation in value of the assets shall be allocated to the Member's capital accounts in the manner described in Subsections 7.2 and 7.3 as if such assets had been sold, and such assets shall then be distributed to the Members as provided in Subsection 7.6. To the extent that the Company assets cannot either be sold without undue loss or readily divided for distribution in kind to the Members, then the Company may, as determined by the Manager or Trustee, convey those assets to a trust or other suitable holding entity established for the benefit of the Members in order to permit the assets to be sold without undue loss. The sale proceeds shall be distributed to the Members at a future date. The legal form of the holding entity, the identity of the trustee or other fiduciary, and the terms of its governing instrument shall be determined by the Members or the Trustee.

## **10. Assignability of Interests.**

**10.1 In General.** Interests in the Company are not assignable except in compliance with this Agreement. Any purported assignment of an Interest which does not comply with this Agreement shall be void *ab initio*, and the Company shall not be bound to recognize such purported assignment.

**10.2 Members.** Subject to Subsection 10.4, a Member may assign its interest in Company capital, profits and losses, but the assignment shall not of itself substitute the assignee as a Member, and the assignor shall remain a Member.

**10.3 Rights of Assignees.** An assignee of an interest shall not be admitted as a Member unless the Manager consents in writing. An assignee admitted as a Member shall execute a special power of attorney. An assignee who does not become a substitute Member shall be entitled to receive any allocations and distributions which (but for the assignment) would have been made to the assignor, but shall have no other rights and the assignor shall remain a Member. No assignment of a Company interest shall be effective with respect to the Company until written notice to the Company.

**10.4 Restrictions on Transfers.** Notwithstanding the other provisions of Section 10, no Member shall assign its interest in Company capital, profits or losses (1) without the prior written consent of the Manager, which consent shall not be unreasonably withheld, (2) if the effect of the assignment would be to terminate the Company within the meaning of Section 708(b), of the Code, (3) if such assignment would violate any applicable state or federal securities law,

without first offering the Company or the Manager in writing the opportunity to purchase the interest in the Company being assigned on the same terms and conditions as the proposed assignee offered to purchase the interest or (4) unless waived in writing by the Manager, without an opinion of counsel in form and substance satisfactory to counsel for the Company that registration is not required under the Securities Act of 1933. THE MEMBERS ACKNOWLEDGE THAT THEIR INTERESTS IN THE COMPANY HAVE NOT BEEN REGISTERED UNDER ANY STATE OR FEDERAL SECURITIES LAWS OR REGULATIONS AND AGREE THAT SUCH INTERESTS WILL NOT BE TRANSFERRED WITHOUT REGISTRATION UNDER SUCH LAWS OR REGULATIONS OR EXEMPTION THEREFROM AS REQUIRED.

**11. Investment Representation.** The Members represent to each other and to the Company that they are acquiring their respective interests in the Company for their own personal accounts, and without a view to transferring or distributing their interests.

**12. Amendments.** This Agreement may be amended by written agreement of the Manager and the Majority in Interest of the Members except that (1) no amendment shall reduce a Member's interest in distributions of the Company or increase a Member's monetary obligations to the Company unless he consents in writing, (2) no amendment shall effect any change in Sections 6.3 (Self-Dealing) if the change would result in payments of fees to the Manager or its Affiliates that would be treated for income tax purposes as distributions subject to Section 7.7(a), and (3) Exhibit A shall be amended and replaced by the Manager to reflect the names and addresses of all of the Members at any time without any other amendment to this Agreement, without any signature, and without any other document.

**13. Reserved.**

**14. Miscellaneous Provisions.**

**14.1 Books of Account; Reports.**

(a) The Manager shall keep true and complete books of account and records of all Company transactions. The books of account and records shall be kept at the office of the Company designated in Section 1 of this Agreement. The Company shall maintain at the office (i) a list of names and addresses of all Members; (ii) a copy of the Articles together with executed copies of all powers of attorney pursuant to which the has Articles have been executed; (iii) copies of the Company's federal, state and local income tax returns and reports for the three (3) most recent years; (iv) copies of the Company's effective Operating Agreement including all Amendments; and (v) copies of financial statements of the Company for the seven (7) most recent years. The Company records shall be available to any Member or any assignee or his designated representative during ordinary business hours at the reasonable request of the Member.

(b) The Manager will use its best efforts to furnish, or cause to be furnished, to Members the following items on the dates indicated:

(1) Upon the admission of the Members to the Company, each Member shall receive a copy of this Agreement.

- (2) Any annual financial statements provided to HUD or any other mortgage lender to the Company within twenty (20) days after they are provided to HUD or such other mortgage lender. Such statements are not required to be audited or prepared by an independent party unless required by HUD or such other mortgage lender.
- (3) Schedules K-1 by no later than April 1 of each year or as soon thereafter as reasonably practicable.
- (4) Updates on any development as they occur which materially adversely affect the interests of the Members.

**14.2 Bank Accounts and Investment Funds.** Subject to Subsection 4.1(a), all funds of the Company shall be deposited in its name in such checking accounts, savings accounts, money market accounts, time deposits, or certificates of deposit or shall be invested in another manner, as shall be designated by the Manager. Withdrawals shall be made upon signature or signatures as the Manager may designate.

**14.3 Accounting Decisions.** All decisions as to accounting matters, except as specifically provided to the contrary in this Agreement, shall be made by the Manager in accordance with generally accepted accounting principles or (if permitted by HUD) an other comprehensive basis of accounting consistently applied. Such decisions shall be acceptable to the accountants retained by the Company, and the Manager may rely upon the advice of the accountants as to whether such decisions are in accordance with generally accepted accounting principles or (if applicable) another comprehensive method of accounting. In its sole discretion, the Manager may adopt another comprehensive basis of accounting upon the recommendation of the company's accountants.

**14.4 Federal Income Tax Elections.** The Company shall, to the extent permitted by applicable law and regulations and upon obtaining any necessary approval of the Commissioner of Internal Revenue, elect to use such methods of depreciation as, and make all other federal income tax elections in the manner that, the Manager determines to be appropriate.

**14.5 Entire Agreement.** This Agreement constitutes the entire Agreement between the parties and may be modified only as provided in this Agreement. No representations or oral or implied agreements have been made by any party or its agent, and no party relies upon any representation or agreement not set forth in this Agreement.

**14.6 Notices, Etc.** Any notice, writing, or other matter, and any distributions, to be delivered shall be deemed delivered when deposited in the United States mail via Certified Mail with postage prepaid and addressed to the Company at the Company's principal offices, to a Member at its address as set forth in Exhibit A and to an assignee of a Member at their address as set forth in the notice of assignment and receipt is acknowledged by a Member via a written form of receipt. A Member or other person may change its address by written notice to the Company.

**14.7 Consent of Members.** Various provisions of this Agreement require or permit the consent, agreement, approval or disapproval, written or otherwise, of all or some of the Members. In any such case, the Manager may give all the Members written notice of the action, event or agreement and state in the notice that any Member which does not indicate its disapproval by written notice to the Company within a specified period of time (not less than thirty (30) days after mailing of the notice) shall be deemed to have given its consent or approval to the action or event or to have made the agreement referred to in the notice. In such event, any Member who does not indicate its disapproval by written notice to the Company within the time specified shall be deemed to have given its written consent, approval or agreement.

**14.8 Further Execution.** Upon request of the Manager, the Members shall execute and swear to or acknowledge any other writing which may be required by any rule or law or which may be appropriate to the effecting of any action by or on behalf of the Company or the Members which has been taken in accordance with the provisions of this Agreement.

**14.9 Benefits.** This Agreement shall inure to the benefit of and shall bind the parties, their successors and permitted assigns. None of the provisions of this Agreement shall be construed as for the benefit of or as enforceable by any creditor of the Company or the Members or any other person not a party to this Agreement.

**14.10 Severability.** The invalidity or unenforceability of any provision of this Agreement in a particular respect shall not affect the validity and enforceability of any other provision of this Agreement or of the same provision in any other respect.

**14.11 Captions.** All captions are for convenience only, do not form a substantive part of this Agreement and shall not restrict or enlarge any substantive provisions of this Agreement.

**14.12 Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which shall constitute one (1) instrument. The Manager shall have custody of counterparts executed in the aggregate by all Members.

**14.13 Michigan Law to Control.** The validity and interpretation of, and the sufficiency of performance under, this Agreement shall be governed by Michigan law.

## **15. Indemnification.**

**15.1** Subject to Subsections 15.2 and 15.3, the Company, its receiver or its trustee, shall indemnify, save harmless and pay all judgments and claims against the Manager and Members from any liability or damage incurred by reason of any act performed or omitted to be performed by it in connection with the business of the Company, including attorneys' fees incurred by it in connection with the defense of any action based on any such act or omission, which attorneys' fees may be paid as incurred, including all such liabilities under Federal and State Securities Acts (including the Securities Act of 1933) as permitted by law.

**15.2** In the event of any action by a Member or assignee of a Member against the Manager including a Company derivative suit, the Company will indemnify, save harmless and

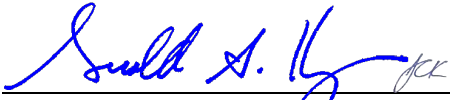
pay all expenses of the Manager including attorneys' fees incurred in the defense of said action, if the Manager is successful in the action.

**15.3** Notwithstanding the provisions of Subsection 15.1 and 15.2, the Manager shall not be relieved from any liability imposed by law for the receipt of a financial benefit to which it is not entitled, a knowing violation of law or making a distribution which renders the Company insolvent,. All judgments against the Company and the Manager, wherein the Manager is entitled to indemnification, must first be satisfied from Company assets before the Manager is responsible for these obligations.

**15.4** The Manager shall have the right and authority to require in all Company contracts that it will not be personally liable and that the person contracting with the Company is to look solely to the Company and its assets for satisfaction.

**MANAGER and MEMBER:**

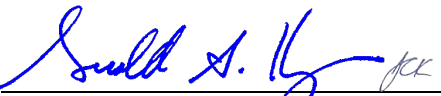
American Community Developers, Inc., a Michigan corporation

By:   
Gerald A. Krueger, President

**MEMBER:**

ACD PARTNERS XLII L.L.C., a Michigan limited liability company

By: American Community Developers, Inc.,  
a Michigan corporation, its Managing Member

By:   
Gerald A. Krueger, President

**EXHIBIT A**

		Capital Contribution	Company Percentage
Manager and Member	American Community Developers, Inc. 20250 Harper Avenue Detroit, MI 48225	\$1	0.1%
Member	ACD Partners XLII L.L.C. 20250 Harper Avenue Detroit, MI 48225	999	99.9%
	Total	\$1000	100%

# American Community Developers, Inc.

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20250 Harper  
Detroit, MI 48225

(313) 881-8150  
Fax (313) 884-0722

October 1, 2024

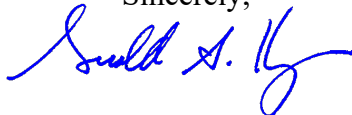
Attn: Delmont Plaza Apartments 2024 L.L.C.  
c/o American Community Developers, Inc.  
20250 Harper Avenue  
Detroit, MI 48225

Re: Deferral of Developer Fee  
Delmont Plaza, Richmond, VA ("Property")

To Whom It May Concern:

American Community Developers, Inc. ("ACD"), a Michigan corporation, hereby agrees to defer up to \$799,012 of the Developer Fee owed by Delmont Plaza 2024 L.L.C. ("SPE") and earned by ACD for service provided in regard to the Property. The deferred Developer Fee is expected to be repaid first, from financing proceeds then from available cash flow in the order and priority set forth in the SPE's Operating Agreement.

Sincerely,



*cy*

Gerald A. Krueger  
President



Delmont Plaza		41 Units	Years 1 - 15														
		Rent Escalation	2.00%														
		Op Ex Escalation	3.00%														
		Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Loan Sizing Info		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Gross Rent Potential	846,036	846,036															
Other Income (Annual)	1,008	1,008															
Vacancy	7%	(59,293)															
Total Revenue		787,751	\$ 803,506	\$ 819,576	\$ 835,968	\$ 852,687	\$ 869,741	\$ 887,135	\$ 904,878	\$ 922,976	\$ 941,435	\$ 960,264	\$ 979,469	\$ 999,059	\$ 1,019,040	\$ 1,039,421	
Operating Exp	7,767	(318,447)	(328,000)	(337,840)	(347,976)	(358,415)	(369,167)	(380,242)	(391,650)	(403,399)	(415,501)	(427,966)	(440,805)	(454,029)	(467,650)	(481,680)	
Net Operating Income		469,304	\$ 475,506	\$ 481,736	\$ 487,992	\$ 494,272	\$ 500,573	\$ 506,893	\$ 513,229	\$ 519,577	\$ 525,934	\$ 532,298	\$ 538,664	\$ 545,029	\$ 551,390	\$ 557,741	
Virginia Housing	276,005	276,005															
Virginia Housing REACH	121,379	121,379															
Total DS		397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	397,384	
Cash Flow after DS		71,920	78,121	84,351	90,608	96,888	103,189	109,509	115,844	122,192	128,550	134,913	141,280	147,645	154,005	160,357	
DSCR		1.18	1.20	1.21	1.23	1.24	1.26	1.28	1.29	1.31	1.32	1.34	1.36	1.37	1.39	1.40	
Deferred Developer Fee Analysis																	
Initial Balance	\$799,012	\$799,012	\$727,092	\$648,971	\$564,620	\$474,012	\$377,124	\$273,935	\$164,427	\$48,582	(\$73,610)	(\$202,160)	(\$337,073)	(\$478,353)	(\$625,998)	(\$780,003)	
Developer Fee Paid		71,920	78,121	84,351	90,608	96,888	103,189	109,509	115,844	122,192	128,550	134,913	141,280	147,645	154,005	160,357	
Ending Balance		\$727,092	\$648,971	\$564,620	\$474,012	\$377,124	\$273,935	\$164,427	\$48,582	(\$73,610)	(\$202,160)	(\$337,073)	(\$478,353)	(\$625,998)	(\$780,003)	(\$940,360)	

# **Tab B:**

Virginia State Corporation Commission Certification  
(MANDATORY)

# Commonwealth of Virginia



## STATE CORPORATION COMMISSION

Richmond, March 28, 2024

This certificate of registration to transact business in Virginia is this day issued for

### **DELMONT PLAZA 2024 L.L.C.**

a limited liability company organized under the laws of Michigan and the said limited liability company is authorized to transact business in Virginia, subject to all Virginia laws applicable to the company and its business.



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in black ink, reading "Bernard J. Hyatt".

Clerk of the Commission



Form Revision Date 02/2017

ARTICLES OF ORGANIZATION  
For use by DOMESTIC LIMITED LIABILITY COMPANY

Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned executes the following Articles:

Article I

The name of the limited liability company is:  
  
DELMONT PLAZA 2024 L.L.C.

Article II

Unless the articles of organization otherwise provide, all limited liability companies formed pursuant to 1993 PA 23 have the purpose of engaging in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan. You may provide a more specific purpose:  
  
The purpose or purposes for which the limited liability company is formed is to engage in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan.

Article III

The duration of the limited liability company if other than perpetual is:  
  
PERPETUAL

Article IV

The street address of the registered office of the limited liability company and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name:                      GERALD A. KRUEGER

2. Street Address:                20250 HARPER AVE

    Apt/Suite/Other:

    City:                                DETROIT

    State:                                MI    Zip Code: 48225

3. Registered Office Mailing Address:

    P.O. Box or Street                20250 HARPER AVE

    Address:

    Apt/Suite/Other:

    City:                                DETROIT

    State:                                MI    Zip Code: 48225

Article V


(Insert any desired additional provision authorized by the Act.)  
  
THE COMPANY SHALL BE MANAGED BY ONE OR MORE MANAGERS IN ACCORDANCE WITH THE LIMITED LIABILITY COMPANY ACT.

Signed this 8th Day of February, 2024 by the organizer(s):

Signature	Title	Title if "Other" was selected
Gerald A. Krueger	Organizer	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

 Decline

 Accept

***MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS***  
***FILING ENDORSEMENT***

***This is to Certify that the*** ARTICLES OF ORGANIZATION

***for***

DELMONT PLAZA 2024 L.L.C.

***ID Number:*** 803166274

***received by electronic transmission on*** February 08, 2024 ***, is hereby endorsed.***

***Filed on*** February 15, 2024 ***, by the Administrator.***

***The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.***



***In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 15th day of February, 2024.***

*Linda Clegg*

***Linda Clegg, Director***

***Corporations, Securities & Commercial Licensing Bureau***

# **Tab C:**

**Principal's Previous Participation Certification  
(MANDATORY)**



## Previous Participation Certification & Schedule A Instructions

### Previous Participation Certification Instructions:

The following certification:

- Must be completed, regardless of whether one or more Principals of the Applicant qualifies to receive points as an Experienced Sponsor.
- 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 or operating 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.

### Schedule A Instructions:

- List each Principal of the General Partner or Managing Member of the Owner that is a joint venture, partnership, limited liability company, corporation, nonprofit organization, trust, or any other public or private entity. List all individual Principals with an ownership interest in any entity within the direct chain of Principals maintaining managerial control over the General Partner or Managing Member of the Owner, except as follows:
- For Principals organized as a corporation (public or private), nonprofit organization, or governmental entity, list the names of any officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder holding a 25% or more interest in said Principal.
- For Principals organized as a limited liability company with more than 100 individual members, list the names of any officers and any managing members responsible for managing the affairs of the company, along with the name of any individual member holding 25% or more interest in the Principal.
- For Principals organized as a trust, list the names of all trustees and any individuals possessing a 25% or more beneficial interest in the assets of the trust.

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 contact the Tax Credit Allocation Department at [taxcreditapps@virginiahousing.com](mailto:taxcreditapps@virginiahousing.com).





## Previous Participation Certification

Development Name: Delmont Plaza

Name of Applicant (entity): Delmont Plaza 2024 L.L.C.

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

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

- "Principal" has the same meaning as defined within the QAP, but as applied to each specific property referenced within this Certification.
- "Participant" means the Principals of the Owner who will participate in the ownership of the Development identified above and includes Principals who may not be required to be individually listed within a Schedule A attached hereto.

Accordingly, I **hereby certify the following:**

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

5. There are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the Participants were Principals.
6. During any time that any of the Participants were Principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for such property.
7. None of the Participants has been convicted of a felony and is not presently 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.
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 Virginia Housing employee.
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.~~ see exhibit A
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.~~ see exhibit B
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 of the owner of 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). See exhibit C
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

Gerald A. Krueger, President

Print Name

10/1/2024

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

## Exhibit A

***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, other than the following:***

American Community Developers, Inc. is the Managing Member of the ownership entity for the following properties for which documents have not been submitted to the state agency which are requisite for obtaining the respective 8609's:

Rainbow Terrace Apartment, Cleveland Ohio

Date of Substantial Completion: April 15, 2024

8609 Status: The submission package has been submitted to OHFA with the following deficiencies –

Green Certification: We were waiting for final testing information regarding the HVAC system which has now been received by us. We expect that we will be sending the missing items to Enterprise for Enterprise Green Communities certification by the end of next week (7/26/24).

Recorded Restrictive Covenant: We have received HUD-Detroit approval on 7/17/24 to execute and record. We will send the document for recording on 7/18/24 with delivery to OHFA the week ending 7/26/24.

Recorded Lienholder Consent: The recorded Lienholder was awaiting HUD-Detroit approval to the Restrictive Covenant, and sent us the signed Lienholder Consent on 7/17/24. We will send the lienholder consent for recording on 7/18/24 with delivery to OHFA the week ending 7/26/24.

Final Architectural Review Package: The project architect and OHFA personnel have scheduled to meet on site on Thursday, 7/25/24 for final signoff.

Mt. Vernon Plaza I, Columbus, OH

Date of Substantial Completion: October 30, 2023

8609 Status: The submission package has been submitted to OHFA with the following deficiencies –

Green Certification: We were waiting for final information regarding the HVAC system which has now been received by us. We expect that we will be sending the missing items to Enterprise for Enterprise Green Communities certification by the end of next week (7/26/24).

Certificates of Occupancy: We are awaiting final completion of electrical rewiring and approval by the City of Columbus. Will receive final permit approvals in lieu of Certificates of Occupancy. Expected by August 15, 2024

## Exhibit A

Supportive Services Plan Revisions: We are working with our supportive services provider to address comments OHFA made to the Supportive Services Plan we submitted on May 31, 2024. Will provide a revised Supportive Services Plan by August 15, 2024.

### Brush Apartments, Detroit, MI

Date of Substantial Completion: April 25, 2023

8609 Status: All items have been submitted to and approved by MSHDA with the following deficiencies:

Recorded First Mortgage: The first mortgage loan is currently scheduled to close before July 31, 2024, at which time the recorded documents will be sent to MSHDA.

### Beaubien Apartments, Detroit, MI

Date of Substantial Completion: September 7, 2023

8609 Status: All items have been submitted to and approved by MSHDA with the following deficiencies:

Recorded First Mortgage: The first mortgage loan is also scheduled to close before July 31, 2024, at which time the recorded documents will be sent to MSHDA.

## **Exhibit B**

### ***Section 12 Modified Statement:***

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 that have not been dismissed or amicably resolved.

## Exhibit C

***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):***

American Community Developers, Inc. is named as a defendant in civil lawsuits from time to time in landlord / tenant litigation common to apartment ownership due to its ownership in over 100 multi-family developments. No current litigation has a claim of more than \$1,000,000. Further, all costs of defense and resolution of current cases are expected to be fully covered by insurance.

# **Tab D:**

List of LIHTC Developments (Schedule A)  
(MANDATORY)



# List of LIHTC Developments (Schedule A)



Development Name: Delmont Plaza  
Name of Applicant: Delmont Plaza 2024 LLC.

## INSTRUCTIONS:

1. A Schedule A is required for every individual that makes up the GP or Managing Member, except as follows:
  - For Principals organized as a corporation (public or private), nonprofit organization, or governmental entity, you are only required to list the names of any officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder holding a 25% or more interest in said Principal.
  - For Principals organized as a limited liability company with more than 100 individual members, you are only required to list the names of any officers and any managing members responsible for managing the affairs of the company, along with the name of any individual member holding 25% or more interest in the Principal.
  - For Principals organized as a trust, you are only required to list the names of all trustees and any individuals possessing a 25% or more beneficial interest in the assets of the trust.

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 for the past 15 years.
4. Use separate pages as needed, for each principal.

Principal's Name:	Gerald A. Krueger					Controlling GP (CGP) or Named Managing Member of Proposed property?		Y or N	
	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or Named Managing Member at the time of dev.3 [Y/N]*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823(s) [Y/N] Explain "Y"	
Town Center - Highland Park, MI	Town Center 2006 Limited Dividend Housing Association L.L.C.	Y	63	63	2/28/2009	2/2/2010	N		
Lakewoods 2 - Toledo, OH	Lakewoods II 2006 L.L.C.	Y	48	48	5/13/2009	3/22/2010	N		
Village Park I - Texarkana, AR	Village Park South I 2007 L.L.C.	Y	50	50	12/31/2009	8/6/2010	N		
Village Park II - Texarkana, AR	Village Park South II 2007 L.L.C.	Y	50	50	12/28/2009	8/3/2010	N		
Ginger Square - Owosso, MI	Ginger Square 2009 Limited Dividend Housing Association L.L.C.	Y	108	108	12/31/2010	8/23/2011	N		
Woodside Square - Romulus, MI	Woodside Square 2009 Limited Dividend Housing Association L.L.C.	Y	85	85	12/31/2010	9/9/2011	N		
Silver Maple Village - Lapeer, MI	Silver Maple Village 2009 Limited Dividend Housing Association L.L.C.	Y	175	175	8/31/2010	8/22/2011	N		
Greentree - Kentwood, MI	Greentree 2009 Limited Dividend Housing Association L.L.C.	Y	153	153	12/31/2010	9/2/2011	N		
Quail Meadows - Muskegon, MI	QM 2009 Limited Dividend Housing Association L.L.C.	Y	120	120	10/31/2010	8/23/2011	N		
Sutton Place - Ocala, FL	Sutton Place 2008 L.L.C.	Y	130	130	10/31/2011	9/14/2012	N		
Garden Manor - Jonesboro, AR	Garden Manor 2007 L.L.C.	Y	48	48	5/1/2011	4/17/2012	N		
North Acres - Jonesboro, AR	North Acres 2007 L.L.C.	Y	48	48	5/1/2011	4/17/2012	N		
Lakewoods 3 - Toledo, OH	Lakewoods III 2009 L.L.C.	Y	42	42	5/9/2011	6/18/2012	N		
Across The Park - Detroit, MI	ATP 2008 Limited Dividend Housing Association LLC	Y	201	201	7/31/2011	9/17/2012	N		
Grandview Tower - Port Huron, MI	Grandview Tower 2010 Limited Dividend Housing Association L.L.C.	Y	111	111	7/31/2011	4/17/2012	N		
Spring Lake Village - Pontiac, MI	Spring Lake Village 2008 Limited Dividend Housing L.L.C.	Y	250	250	10/3/2011	9/5/2012	N		
Bishop Moore - Highland Park, MI	BMA 2009 Limited Dividend Housing Association Limited Partnership	Y	103	103	12/28/2011	8/3/2012	N		
Freedom Place - Detroit, MI	Freedom Place Apartments Limited Dividend Housing Association Limited Partnership	Y	352	352	8/31/2011	9/5/2012	N		
Clemens Court - Clinton Twp, MI	CC 2009 Limited Dividend Housing Association L.L.C.	Y	160	160	6/30/2012	6/14/2013	N		
Newport - Clinton Township, MI	Newport 2008 Limited Dividend Housing Association L.L.C.	Y	168	168	12/31/2012	5/14/2013	N		
River Village - Flint, MI	River Village 2010 Limited Dividend Housing Association L.L.C.	Y	340	340	12/31/2012	7/11/2013	N		
Parkview Tower - Detroit, MI	Parkview 2011 Limited Dividend Housing Association L.L.C.	Y	350	350	12/31/2012 & 2/28/13	4/28/2013	N		
Northwind Hilltop - Kalamazoo, MI	Northwind/Hilltop-2006 Limited Dividend Housing Association Limited Partnership	Y	161	161	11/30/2012	4/3/2013	N		
Northfield Center - Bridgeport Township, MI	Northfield Center-2006 Limited Dividend Housing Association Limited Partnership	Y	120	120	12/31/2012	6/10/2013	N		
Bella Vista Glen - Highland Park, MI	Bella Vista 2011 Limited Dividend Housing Association L.L.C.	Y	138	138	10/31/2013	9/15/2014	N		
Elmwood Tower - Detroit, MI	Elmwood Towers 2010 Limited Dividend Housing Association L.L.C.	Y	168	168	10/31/2013	9/15/2014	N		
Bayview Tower - Muskegon, MI	Bayview Tower 2012 Limited Dividend Housing Association L.L.C.	Y	201	201	10/31/2013	9/4/2014	N		
Autumn Woods - Wagoner, OK	Autumn Woods 2012 L.L.C.	Y	100	100	11/30/13 & 1/1/14 & 9/30/14	3/9/2015	N		
Midview Crossing - Elyria, OH	Midview Crossing 2012 L.L.C.	Y	138	138	11/30/13 & 1/31/14	12/31/2014	N		
Taylor Apartments - Apopka, FL	Taylor Apopka 2012 Limited Partnership	Y	101	101	1/1/14 & 10/31/14	9/11/2015	N		
Imperial Homes South - West Memphis, AR	Imperial Homes South 2010 L.L.C.	Y	56	56	10/29/2014	9/15/2015	N		
Joy West Manor - Detroit, MI	Joy West 2012 Limited Dividend Housing Association L.L.C.	Y	78	78	9/30/14 & 1/1/15	9/7/2016	N		
Spring Hill (Phase I) - Akron, OH	Spring Hill I 2014 L.L.C.	Y	70	70	8/1/2015	7/21/2016	N		
Village Manor - Port Huron, MI	Village Manor 2013 LDHA L.L.C.	Y	123	123	8/1/2015	9/13/2016	N		
Meadow Lanes Townhomes - Holland, MI	Meadow Lanes 2014 Limited Dividend Housing Association L.L.C.	Y	118	118	9/2/2015	12/7/2016	N		
River Run - Elkhart, IN	River Run 2013 L.L.C.	Y	120	120	12/31/15 & 3/31/16	3/2/2017	N		
Spring Hill (Phase II) - Akron, OH	Spring Hill II 2015 L.L.C.	Y	209	209	12/31/2016	7/5/2017	N		
Imperial Homes North - West Memphis, AR	Building Blocks of West Memphis L.L.C.	Y	64	64	12/7/2016	9/5/2018	N		
New Zon Manor - San Bernardino, CA	New Zon Manor 2016 Limited Partnership	Y	125	125	7/1/2017	9/14/2018	N		
Oakman Townhomes - Detroit, MI	Ryan Court 2013 Limited Dividend Housing Association L.L.C.	Y	72	72	2/15/18, 4/9/18, 7/11/18, 11/14/18, 12/3/18	5/19/2020	N		

\* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and pgs 8602 (per entity/development) for a total of 6.

1st PAGE  
TOTAL: 5,317 5,317

LIHTC as % of  
Total Units 100%

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
46	Central Towers - Detroit, MI	Central Towers 2016 Limited Dividend Housing Association L.L.C.	Y	232	232	4/30/2018	11/25/2019	N
47	St. Thomas & Worthington - Tulsa, OK	Tulsa 2015 L.L.C.	Y	206	206	6/15/18, 8/10/18, 10/3/18	5/1/2019	N
48	Ryan Court (Phase II)	Ryan Court II 2015 Limited Dividend Housing Association L.L.C.	Y	74	74	7/31/2018	5/14/2020	N
49	Himelhoch - Detroit, MI	Himelhoch 2016 Limited Dividend Housing Association LLC	Y	36	36	11/1/2018	7/14/2020	N
50	Spring Hill (Phase III) - Akron, OH	Spring Hill III 2017 L.L.C.	Y	72	72	12/21/18 & 10/31/19	5/19/2020	N
51	Mount Vernon Plaza 2 Columbus, OH	MVP II 2018 L.L.C.	Y	150	150	12/31/2019	11/17/2020	N
52	Cameron Villa Modesto, CA	Cameron Villa 2018 Limited Partnership	Y	68	67	5/4/2020	3/23/2022	N
53	Reids Valley Cincinnati, OH	Reids Valley 2018 L.L.C.	Y	114	114	12/31/2020	7/21/2022	N
54	Shelton Gardens Cincinnati, OH	Shelton Gardens 2018 L.L.C.	Y	138	138	12/31/2020	5/2/2022	N
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2nd PAGE TOTAL: 1,090 1,089

GRAND TOTAL: 6,407 6,406

LIHTC as % of  
100% Total Unit

List of LIHTC Developments (Schedule A)



Development Name: Delmont Plaza  
Name of Applicant: Delmont Plaza 2024 L.L.C.

INSTRUCTIONS:

- 1 **1. A Schedule A is required for every individual that makes up the GP or Managing Member, except as follows:** •For Principals organized as a corporation (public or private), nonprofit organization, or governmental entity, you are only required to list the names of any officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder holding a 25% or more interest in said Principal.  
•For Principals organized as a limited liability company with more than 100 individual members, you are only required to list the names of any officers and any managing members responsible for managing the affairs of the company, along with the name of any individual member holding 25% or more interest in the Principal.  
•For Principals organized as a trust, you are only required to list the names of all trustees and any individuals possessing a 25% or more beneficial interest in the assets of the trust.
- 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 for the past 15 years.
- 4 Use separate pages as needed, for each principal.

Principal's Name: Christopher P. Young		Controlling GP (CGP) or 'Named' Managing Member of Proposed property?*		N 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"
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# **Tab E:**

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

## PURCHASE AGREEMENT

Delmont Plaza

THIS PURCHASE AGREEMENT (this "Agreement") is hereby entered into effective as of the 6 day of February, 2024 (the "Effective Date") by and between DELMONT PLAZA APARTMENTS LLC, a Virginia limited liability company (the "Seller"), and **American Community Developers, Inc.**, a Michigan Corporation (or its designee, referred to as the "Purchaser").

WITNESSETH:

WHEREAS, Seller is the owner of property known as Delmont Plaza, a 41 unit apartment property in Richmond, Virginia (the "Project") which is located on the land described on **Exhibit A** (the "Land");

WHEREAS, the Property (as herein defined) is the subject of that certain Housing Assistance Payments Contract, most recently renewed pursuant to a Renewal Contract For Mark-Up-To-Market Project, contract number VA36H027164 (the "HAP Contract"), by and among the Seller, the U.S. Department of Housing and Urban Development ("HUD") and the contract administrator.

WHEREAS, the Property is also subject to that certain Extended Use Regulatory Agreement and Declaration of Restrictive Covenants, dated June 1, 2006 (the "LIHTC LURA"), by and between a predecessor in interest to Seller and the Virginia Housing Development Authority (the "VHDA"), recorded in the Official Records ("LIHTC LURA")

WHEREAS, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, upon and subject to the terms and conditions set forth in this Agreement, the Property (as defined in Section 1.1 hereof).

NOW, THEREFORE, in consideration of the premises and other mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Agreement, Seller and Purchaser hereby covenant and agree as follows:

### I. INCLUSIONS IN SALE

1.1 There shall be included in the sale all of the following (collectively, the "Property"):

1.1.1 The Land, together with all rights and appurtenances pertaining thereto, including, without limitation, any and all rights of Seller in and to all: oil, gas and other minerals, air and development rights, roads, alleys, easements, streets and ways adjacent to the Land, rights of ingress and egress thereto, any strips and gores within or bounding the Land, profits or rights or appurtenances pertaining to the Land, and all goodwill, intellectual property, licenses, and permits owned by Seller and used in connection with the Project.

1.1.2 All buildings, and all other improvements, structures and fixtures placed, constructed or installed on the Land (collectively, the “Improvements”).

1.1.3 All right, title and interest of Seller, as the landlord, in and to all residential leases (individually, a “Lease”, collectively, the “Leases”) covering space situated at or within the Land or Improvements and any claim or right to claim against a residential tenant or occupant (individually, a “Tenant”, collectively, the “Tenants”) under any Lease and all security deposits relating to the Leases.

1.1.4 To the extent assignable and accepted by the Purchaser in accordance with this Section 1.1.4, all of Seller’s rights in and to all contractual rights and intangibles with respect to the ownership, operation, maintenance, repair and improvement of the Land and Improvements, service and maintenance agreements, construction, material and labor contracts, utility agreements, laundry leases, telecommunication and/or cable leases and other contractual arrangements (collectively, the “Contracts”) and warranties of any contractor, manufacturer or materialman with respect to the Project. Those Contracts identified on Exhibit C as “non-terminable”, they shall be deemed accepted by Purchaser. To the extent Purchaser has notified Seller, not later than the Due Diligence Expiration Date, with identification of those Contracts Purchaser will assume at Closing, such identified Contracts shall be deemed accepted by the Purchaser. Any contracts not accepted or deemed accepted by Purchaser will be cancelled by the Seller without cost to the Purchaser.

1.1.5 Excluding personal property owned by Tenants, replacement reserve, escrow and operating accounts, but including all other equipment, furnishings, fixtures, supplies, and other tangible personal property owned by Seller (collectively, the “Personal Property”) placed or installed on or about the Land or Improvements now or prior to “Closing” (as such term is defined below in this Agreement) and used by Seller as part of or in connection with the Land or Improvements.

1.1.6 All of Seller’s interest in the right to the use of the trade name “Delmont Plaza” in connection with the Project, and all logos, if any, associated therewith (collectively, the “Trade Name”).

1.1.7 All of Seller’s rights in and to any website, domain names, URL, Facebook pages, Twitter accounts or other social media or internet presence related to the Project or used by Seller in connection with the leasing and/or operation of the Project (the “Domains”).

1.1.8 All rights to any award made or to be made, or settlement in lieu thereof, or any other payment made or to be made for damage or loss to the Land or Improvements by reason of any insured property loss not repaired by Seller prior to the Closing Date (as hereinafter defined), condemnation, eminent domain, exercise of police power or change of grade of any street.

## **II. PURCHASE PRICE**

2.1 The purchase price (the “Purchase Price”) for the Property shall be the sum of Five Million Two Hundred Fifty Thousand and no/100 Dollars (\$5,250,000.00).

Within Three (3) business days after the Effective Date, Purchaser shall deposit into escrow with the Escrow Agent (as hereinafter defined) an amount of One Hundred Thousand and no/100 Dollars (\$100,000.00) as an earnest deposit (the “Earnest Deposit”), which Earnest Deposit shall be non-refundable to Purchaser except as otherwise expressly stated in this Agreement. The Earnest Deposit shall be credited to the Purchaser against the Purchase Price at Closing. The Escrow Agent (as defined herein) shall deposit all Earnest Deposit in a federally insured, interest bearing account in the name of Purchaser with interest thereon accruing for the benefit of Purchaser. The Earnest Deposit shall be held and disbursed in accordance with the terms and conditions of this Agreement.

2.2 The Earnest Deposit shall be refundable to Purchaser only in accordance with Section 3.1, Article XI or Section 12.1 of this Agreement, or as otherwise expressly provided in this Agreement; and shall otherwise be delivered to Seller upon the earlier of termination of this Agreement, default by Purchaser, or Closing.

2.3 If not earlier delivered to Seller or returned to Purchaser in accordance with this Agreement, the Earnest Deposit shall be delivered to Seller at Closing, and the balance of the Purchase Price, subject to adjustment and proration as provided herein, shall be paid by wire transfer, bank, official or certified check, or any combination thereof, to the Escrow Agent no later than 5:00 p.m. eastern time, on the Closing Date.

2.4 As used herein, the term “Escrow Agent” shall mean and refer to Fidelity National Title Insurance Company, having an address of 1050 Wilshire, Ste. 310, Troy, MI 48084 , c/o Ashley Popiel, Esq..

### **III. DUE DILIGENCE, APPROVAL PERIODS AND CONTINGENCIES**

3.1 Commencing on the Effective Date and terminating on the date which is sixty (60) days thereafter (said 60-day period is the “Due Diligence Period”, and the date on which said period ends is the “Due Diligence Period Expiration Date”) Seller shall, to the extent in Purchaser’s possession, deliver to Purchaser documents requested by Purchaser in connection with Purchaser’s due diligence review (the “Due Diligence Records”), and Purchaser shall have the right, during normal business hours, to conduct an inspection of the Improvements, Personal Property and Land, all books and records and financial information concerning the Property to the extent located in the Improvements, and to obtain, perform and/or review a survey and title commitment and reports with respect to the Property (as more specifically described in Section 3.2), and otherwise do that which, in Purchaser’s sole opinion, is necessary or desirable to determine the suitability of the Property for Purchaser’s intended use and operation. During the Due Diligence Period, Seller shall cooperate with Purchaser to facilitate access to the Property during normal business hours and the inspection of the books and records located at the Project and pertaining to the Property. If Purchaser shall find such inspections to be unsatisfactory, as determined by Purchaser in its sole and absolute discretion, Purchaser shall have the right, at its option, to be exercised not later than the Due Diligence Period Expiration Date, to terminate this Agreement by delivering written notice of termination to Seller and Escrow Agent prior to the Due Diligence

Period Expiration Date (“Purchaser Termination Notice”), upon which the Earnest Deposit shall be returned by Escrow Agent to Purchaser.

3.1.1 If Purchaser does not exercise its termination right under this Section 3.1, Purchaser shall have the right until Closing to continue to conduct, during normal business hours, examinations and inspections of the Property deemed reasonably necessary or desirable in Purchaser’s discretion. Seller shall cooperate with Purchaser to facilitate reasonable access to the Property and the inspection of the books and records during normal business hours.

3.1.2 Notwithstanding anything in this Agreement to the contrary, Purchaser shall not permit any mechanic's or materialmen's liens or any other liens to attach to the Property by reason of the performance of any work or the purchase of any materials by Purchaser or any other party in connection with any inspections or activities conducted by or for Purchaser. Purchaser shall give forty-eight (48) hours’ notice to Seller prior to entry onto the Property and shall permit Seller to have a representative present during all inspections or activities conducted at the Property. Purchaser shall take all reasonable actions and implement all protections necessary to ensure that all actions taken in connection with the investigations and inspections of the Property, and all equipment, materials and substances generated, used or brought onto the Property pose no threat to the safety of persons or the environment and cause no damage to the Property or other property of Seller or other persons. All information made available by Seller to Purchaser in accordance with this Agreement or obtained by Purchaser in the course of its inspections shall be treated as confidential information by Purchaser, and, prior to the purchase of the Property by Purchaser, Purchaser shall prevent its agents from divulging such information to any unrelated third parties except as reasonably necessary to third parties engaged by Purchaser for the limited purpose of analyzing and investigating such information for the purpose of consummating the transaction contemplated by this Agreement. Seller acknowledges and agrees that Purchaser will have to make direct contact with lending institutions and various governmental, regulatory and housing agencies and authorities having jurisdiction over the Property or any part thereof in order to effectuate this transaction and such contact shall not constitute a breach of this provision. The provisions of this Section 3.1.2 shall survive the termination of this Agreement for 12 months following termination, and if not so terminated shall survive (except for the confidentiality provisions of this Section 3.1.2) the Closing (as hereinafter defined).

3.1.3 Purchaser shall indemnify, hold harmless and, if requested by Seller (in Seller's sole discretion), defend (with counsel approved by Seller) Seller, together with Seller's affiliates, parent and subsidiary entities, successors, assigns, partners, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, agents, from and against any and all damages, mechanics' liens, liabilities, losses, demands, actions, causes of action, claims, costs and expenses (including reasonable attorneys' fees, including the cost of in-house counsel and appeals) (collectively, “Losses”) arising from or related to activities of Purchaser, its employees, agents or contractors pursuant to the inspection rights granted herein; however, the Purchaser’s indemnity hereunder shall not include any Losses resulting from (x) the acts of Seller, its agents or representatives, or (y) the discovery of any pre-existing conditions on the Property.



3.1.4 Notwithstanding anything in this Agreement to the contrary, Seller shall have the right, without limitation, to disapprove any and all entries, surveys, tests, investigations requested by Purchaser to be performed following end of the Due Diligence Period that, in Seller's reasonable judgment, could result in any injury to the Property or breach of any contract, or expose Seller to any losses or violation of applicable law. No consent by Seller to any such activity shall be deemed to constitute a waiver by Seller or assumption of liability or risk by Seller. Purchaser agrees to restore, at Purchaser's sole cost and expense, the Property to the same condition existing immediately prior to Purchaser's exercise of its rights pursuant to this Article 3. The provisions of this Section 3.1.4 shall survive the termination of this Agreement, and if not so terminated, the Closing.

3.2 Seller shall deliver such title commitments or policies as are in Seller's possession or control. Purchaser shall obtain a title insurance commitment from Fidelity National Title Insurance Company (the "Title Company") for the Property (the "Title Commitment"), at its own cost, not later than fifteen (15) days following the Effective Date ("Title Commitment Period"). On or before the date which is fifteen (15) days before the expiration of the Due Diligence Period, Purchaser shall forward to Seller any written objections ("Title Objections") that Purchaser has to any of the exceptions evidenced by recorded documents contained in the Title Commitment ("Title Disapproval Notice"). Seller shall have until the date which is fifteen (15) days after the date of the Title Disapproval Notice (the "Title Cure Expiration Date"), in Seller's sole discretion, to give Purchaser notice (the "Title Response") of those Title Objections which Seller is willing to cure, if any. Seller shall be entitled to reasonable adjournments of the Closing Date to cure the Title Objections. Seller's failure to deliver a Title Response by the Title Cure Expiration Date shall be deemed a Title Response in which Seller shall have elected not to cure or otherwise resolve any matter set forth in the Title Disapproval Notice. If Purchaser is dissatisfied with the Title Response, Purchaser may, as its exclusive remedy, either (a) accept the Title Objections with resolution, if any, of the Title Objections as set forth in the Title Response and without any reduction or abatement of the Purchase Price, or (b) to terminate this Agreement by delivering Purchaser Termination Notice not later than the earlier of (i) the Due Diligence Expiration Date and (ii) the date which is (10) days following Purchaser's receipt of Title Response from the Seller, upon which termination the Earnest Deposit shall be delivered by Escrow Agent to Purchaser. If Purchaser fails to give timely Purchaser Termination Notice on or before the later of (x) the Due Diligence Expiration Date or (y) ten (10) days following the receipt of the Title Response, Purchaser shall be deemed to have elected to approve and to have irrevocably waived any objections to any matters covered by the Title Commitment or contained in the Title Disapproval Notice, subject only to resolution of such Title Objections which Seller is willing to cure pursuant to its Title Response, if any. To the extent Purchaser deems it necessary, in Purchaser's discretion, Purchaser shall order a survey of the Land and Improvements, it being acknowledged that Seller makes no representation with respect to any survey that may be delivered to Purchaser by Seller. If Purchaser fails to give timely Title Disapproval Notice, Purchaser shall be deemed to have elected to approve and irrevocably waive any objections to any matters covered by the Title Commitment.

3.3 Notwithstanding anything in this Agreement to the contrary, Seller covenants and agrees that all judgment liens, mechanics' liens and delinquent taxes or taxes which are otherwise due and payable on or before Closing, and the Mortgage (collectively, "Monetary Liens"), shall be removed by Seller at or before Closing, whether or not Purchaser has designated or objected to such Monetary Liens in the Title Disapproval Notice. All matters, excluding Monetary Liens, shown on the Title Commitment to which Purchaser has not objected as provided herein (or if objected to, as to which Purchaser has waived or been deemed, in accordance with Section 3.2, to have waived its objection), shall be referred to collectively herein as the "Permitted Exceptions." Notwithstanding the foregoing, Permitted Exceptions shall include the LIHTC LURA.

#### 3.4 HUD and VHDA Submissions.

3.4.1 Within 45 days following the Due Diligence Period Expiration Date, Purchaser shall apply for approval by HUD for Purchaser to assume the HAP Contract ("HUD Approval"), which application shall include, but not be limited to, (i) a draft assignment, assumption and amendment agreement for Purchaser to assume, and Seller to assign, the HAP Contract, substantially in the form attached hereto as Exhibit H, as same may be modified by HUD ("HAP Assignment Agreement"); and, (ii) submission of Previous Participation Certification, form HUD-2530 for Purchaser and such other proposed Project participants as may be required to be disclosed to HUD by applicable federal regulations ("2530 Certification"). Seller acknowledges that Purchaser may pursue a rent increase under the HAP Contract (a "Rent Change") and shall use reasonable efforts to cooperate, at no cost to Seller, with Purchaser to achieve the Rent Change; provided, however, the parties acknowledge and agree that approval by HUD of said Rent Change shall not be a condition to HUD Approval and that Closing shall not be conditioned upon a Rent Change.

3.4.2 Within 45 days following the Due Diligence Period Expiration Date, Purchaser shall, if required by the LIHTC LURA, notify VHDA of Purchaser's intent to acquire the Project, and to the extent required by VHDA submit such applications, documents and/or agreements and information as may be or otherwise requested by VHDA or required by the LIHTC LURA.

3.4.3 Purchaser agrees to diligently pursue HUD Approval and any approval of VHDA required by the LIHTC LURA and/or VHDA in connection with Purchaser's acquisition of the Project (collectively, "VHDA Approval", and together with HUD Approval, "Agency Approvals"). Seller shall have the right to request, and upon such request Purchaser shall promptly provide to Seller, copies of Purchaser's submittal correspondence to HUD and/or VHDA.

3.4.4 In the event HUD Approval or VHDA Approval requires the maintenance or funding of any reserve account, including without limitation, a replacement reserve, such funding will be provided by Purchaser at Closing, it being agreed that all reserve accounts associated with the Project, including without limitation, tax and insurance escrows and replacement reserves, and operating accounts, shall be the property of Seller following

Closing and shall not transfer with the Property ("Non-Transferring Accounts"). If any Non-Transferring Accounts are required by HUD or VHDA to be conveyed with the Property, Purchaser shall reimburse Seller for said Non-Transferring Accounts at Closing (as hereinafter defined) dollar for dollar and the Non-Transferring Accounts shall belong to the Purchaser post-Closing.

#### IV. REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Seller hereby represents, warrants and covenants to Purchaser, which Seller represents as true and correct in all material respects as of the date hereof, and which shall be true in all material respects as of the Closing Date, subject to Section 4.2, and shall survive the Closing for a period of six (6) months, unless otherwise stated:

4.1.1 The rent roll attached hereto and made a part hereof as Exhibit B (the "Rent Roll") is true and accurate as of its date, and there are no Tenants at the Property except as set forth on such Rent Roll. The Rent Roll shall be updated monthly, at Purchaser's request.

4.1.2 There is no litigation, administrative proceeding, condemnation proceeding, or bankruptcy proceeding (collectively "Litigation") pending or, to Seller's actual knowledge, threatened against Seller or any portion of the Property.

4.1.3 All Contracts are described on Exhibit C attached hereto and made a part hereof (each individually, a "Contract").

4.1.4 Seller and each person executing and delivering this Agreement and all documents to be executed and delivered by Seller at the Closing represents and warrants to Purchaser that he or she has due and proper authority to execute and deliver the same. Provided HUD Approval and any required VHDA Approval has been obtained, the consummation by Seller of the transaction that is the subject of this Agreement will not conflict with or result in a breach of any of the terms of any agreement or instrument to which Seller is a party or by which Seller is bound or constitute a default thereunder, and Seller's members, including without limitation, the board of directors, shareholders, partners or members, as applicable, of Seller's members, have authorized and approved of the execution and delivery of this Agreement, the transaction that is the subject of this Agreement, and all documents to be executed and delivered by Seller at the Closing.

4.1.5 Other than this Agreement, no other party has any right to purchase the Property, or any part thereof, and other than the Leases, commercial leases delivered with Due Diligence Records and this Agreement, there are no leases, options to purchase, purchase agreements, unrecorded easements, rights of first offer, rights of first refusal or similar agreements in effect with respect to the Property or any portion thereof.

4.1.6 The schedule of Personal Property attached hereto and made a part hereof as Exhibit D contains a correct and complete list of all Personal Property owned by Seller and located at the Property. All Personal Property is, and as of the Closing will be, owned by Seller free from encumbrances or liens.

4.1.7 Seller has received no notice from any governmental agency of any violation of any zoning, building, safety, health, environmental, subdivision or other statute, ordinance, regulation, rule, covenant, condition or restriction affecting the Property or the use thereof which remains uncured.

4.1.8 Except as disclosed to Purchaser on Exhibit E (“Environmental Disclosure Schedule”) attached hereto, Seller has received no notice from any governmental agency of any violation of federal, state and/or local environmental laws and regulations.

4.1.9 Seller will not enter into any tenant lease upon terms which differ materially from the terms of existing Leases, without the written consent of Purchaser, which shall not be unreasonably withheld.

4.1.10 The property management agreement between Seller and Seller’s management company, if any, may be and will be terminated by Seller effective no later than the Closing Date.

4.1.11 Seller has received no written notice from HUD of default under the HAP Contract which remains uncured, and the Seller shall not extend the HAP Contract or request a rent increase other than for Operating Cost Adjustment Factor published by HUD on the HAP Contract annual anniversary, without the Purchaser’s consent, which shall not be unreasonably withheld.

4.1.12 Seller is not a foreign person within the meaning of Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

4.2 As a condition precedent to Purchaser’s obligations at Closing, all of Seller’s representations and warranties provided in this Agreement shall be true, accurate and complete in all material respects as of the Closing Date, or Seller shall have given Purchaser written notice of any event, action, fact or circumstances, of which Seller obtains actual knowledge following the Effective Date, that would have constituted a breach of any of Seller’s representations and warranties under this Agreement if Seller had had such awareness when it made the same.

4.3 Purchaser hereby represents, warrants and covenants to Seller, which Purchaser represents as true and correct in all material respects as of the date hereof, and which shall be true in all material respects as of the Closing Date, subject to Section 4.4, and shall survive the Closing for a period of six (6) months, unless otherwise stated:

4.3.1 Purchaser is duly organized, validly existing and in good standing under the laws of the state, county or municipality in which it was organized and is or will be qualified to do business in the jurisdiction in which the Project is located on or before the Closing Date.

4.3.2 Each of the persons executing this Agreement on behalf of Purchaser is duly authorized to do so. Purchaser has full right and authority to enter into this Agreement and to consummate the transaction described in this Agreement. This Agreement constitutes the valid and legally binding obligation of Purchaser and is enforceable against Purchaser

in accordance with its terms. Neither the execution or delivery of this Agreement nor the performance of Purchaser's obligations under this Agreement violates, or will violate, any contract or agreement to which Purchaser is a party or by which Purchaser is otherwise bound.

4.3.3 There is no Litigation pending or, to the best of Purchaser's knowledge, contemplated or threatened against Purchaser that could affect Purchaser's ability to perform its obligations when and as required under the terms of this Agreement.

4.3.4 Purchaser has experience owning and operating projects such as the Project and complying with restrictions such as the LIHTC LURA. To Purchaser's knowledge, Purchaser and its affiliates, officers and directors are in good standing with HUD and VHDA, and Purchaser is not aware of any fact or occurrence that would limit or prevent Purchaser from participating in any affordable or low-income housing project, or from obtaining Agency Approvals.

4.3.5 Notwithstanding section 4.5 below, the Seller shall maintain the physical condition of the Property in accordance with past practice, and it shall be in substantially the same physical condition on the Closing Date as on the Effective Date, subject to ordinary wear and tear, casualty as addressed elsewhere in this Agreement, and damages caused by residential tenants.

4.4 As a condition precedent to Seller's obligations at Closing, all of Purchaser's representations and warranties provided in this Agreement shall be true, accurate and complete in all material respects as of the Closing Date, or Purchaser shall have given Seller written notice of any event, action, fact or circumstances, of which Purchaser obtains actual knowledge following the Effective Date, that would have constituted a breach of any of Purchaser's representations and warranties under this Agreement if Purchaser had had such awareness when it made the same.

4.5 **AS-IS.** Except for Seller's representations in this Agreement and in any documents delivered by Seller at Closing, the Property is expressly purchased and sold "AS IS," "WHERE IS," and "WITH ALL FAULTS." The Purchase Price and the terms and conditions set forth herein are the result of arm's-length bargaining between entities familiar with transactions of this kind, and said price, terms and conditions reflect the fact that Purchaser shall have the benefit of, and is not relying upon, any information provided by Seller or any broker or statements, representations or warranties, express or implied, made by or enforceable directly against Seller or any broker, including, without limitation, any relating to the value of the Property, the physical or environmental condition of the Property, any state, federal, county or local law, ordinance, order or permit; or the suitability, compliance or lack of compliance of the Property with any regulation, or any other attribute or matter of or relating to the Property (other than any covenants of title contained in any deed conveying the Property and Seller's express representations contained herein). Purchaser agrees that Seller shall not be responsible or liable to Purchaser for any defects, errors or omissions, or on account of any conditions affecting the Property except as expressly provided herein. Purchaser, its successors and assigns, and anyone claiming by, through or under Purchaser, hereby fully releases Seller and its owners, agents, employees and officers from, and irrevocably waives its right to maintain, any and all claims and causes of action that it or they may now have or hereafter acquire against any of them with respect to any and all Losses arising from

or related to any defects, errors, omissions or other conditions affecting the Property except as expressly provided herein. Purchaser represents and warrants that, prior to the Closing Date, it shall have reviewed and conducted such independent analyses, studies (including, without limitation, environmental studies and analyses concerning the presence of lead, asbestos, PCBs and radon in and about the Property), reports, investigations and inspections as it deems appropriate in connection with the Property. If Seller provides or has provided any documents, summaries, opinions or work product of consultants, surveyors, architects, engineers, title companies, governmental authorities or any other person or entity with respect to the Property, including, without limitation, the offering prepared by any broker, Purchaser and Seller agree that Seller has done so or shall do so only for the convenience of both parties, Purchaser shall not rely thereon and the reliance by Purchaser upon any such documents, summaries, opinions or work product shall not create or give rise to any liability of or against Seller, its owners, employees, agents or officers. Purchaser shall rely only upon any title insurance obtained by Purchaser with respect to title to the Property. Purchaser acknowledges and agrees that except as expressly provided herein, no representation has been made and no responsibility is assumed by Seller with respect to current and future applicable zoning or building code requirements or the compliance of the Property with any other laws, rules, ordinances or regulations, the financial earning capacity or expense history of the Property, the continuation of contracts, continued occupancy levels of the Property, or any part thereof, or the continued occupancy by tenants of any Leases or, without limiting any of the foregoing, occupancy at Closing. The provisions of this Section 4.5 shall survive the Closing and delivery of the Deed (as defined below) to Purchaser.

## **V. OPERATIONS PRIOR TO CLOSING AND AGENCY SUBMISSIONS**

5.1 Between the Effective Date and the Closing Date, Seller shall:

5.1.1 Continue to operate and maintain the Property consistent with Seller's historical operations.

5.1.2 Maintain, at its expense, through the Closing, all insurance on the Property in place on the Effective Date.

5.1.3 Pay or cause to be paid, in the normal course of business and, in any event, prior to Closing, payments on the any mortgage loan(s) that are due and payable, real estate taxes and assessments, utilities, property insurance payments and sums due for work, materials or services furnished or otherwise incurred in the ownership and operation of the Property up to the Closing Date.

5.1.4 Neither sell, grant or transfer, nor permit the sale, grant or transfer of, any interest in the Property other than to Purchaser in accordance with this Agreement.

5.1.5 Comply in all material respects with the HAP Contract.

5.1.6 Not permit any material alteration, structural modification or additions to the Property, except in the nature of ordinary maintenance, repair, or replacement without Purchaser's consent, which consent shall not be unreasonably withheld.

5.1.7 Not create (or agree to create) any exception to or covenant, restriction, easement or other lien on or affecting the Property without Purchaser's consent, which consent shall not be unreasonably withheld.

5.1.8 Not remove from the Improvements any of the Personal Property listed on **Exhibit D** attached hereto unless the same is replaced by Personal Property of a like kind and of equal or higher value.

5.1.9 Pay or cause to be paid on or prior to Closing all pre-Closing trade payables and other pre-Closing obligations related to the Property or disclose to Purchaser for appropriate proration at Closing.

5.2 Between the Effective Date and the Closing Date, Purchaser shall:

5.2.1 Pursue HUD Approval diligently.

5.2.2 Pursue VHDA Approval, if required by VHDA or the LIHTC LURA, diligently.

## **VI. CLOSING ADJUSTMENTS**

6.1 The following are to be prorated or adjusted (as appropriate), if feasible, at the Closing, as of 11:59 P.M. on the day immediately preceding the Closing (the "Adjustment Date"):

6.1.1 Rents that have been received by Seller in the month of Closing. For purposes of this Section 6.1.1, the term "Rents" shall include any sums paid to Seller pursuant to either a Lease or Contracts, or the HAP Contract, and the term "tenant" shall include all Tenants as well as the service provider pursuant to any Lease or Contracts.

6.1.2 Real estate taxes and assessments and personal property taxes (if applicable). All prorations shall be based upon the most recent available tax rates, assessments and valuations but shall be subject to adjustment post-Closing in accordance with the following:

To the extent that proration of any taxes is based on the most recent available tax rates, assessments and valuations, such amounts will be readjusted upon final determination of the amounts in question. Any such readjustment shall be completed by Purchaser and Seller following the Closing Date within thirty (30) days after the Purchaser's receipt of the final real estate and personal property tax bill for the tax year in which the Closing Date occurs.

6.1.3 Rents and expenses shall be prorated as of the Closing Date. Real estate taxes shall be prorated in accordance with local custom. All existing escrows, reserves, security deposits and accounts including those for real estate taxes, insurance and MIP shall belong to the Seller. Seller shall pay transfer tax, if any, on the transaction.

6.1.4 [Reserved].

6.1.5 Electric, gas, water, sewer, municipal, garbage and rubbish removal charges on the basis of a reading effective as of the Adjustment Date.

6.1.6 Amounts paid by Seller on behalf of the Property with respect to any Contracts, service arrangements or vendors for the period post-closing.

6.1.7 All Tenant security deposits and accrued interest to which Tenants are entitled pursuant to the Leases or law shall be transferred or credited to Purchaser at the Closing.

6.2 Except as set forth in this Agreement, the customs of the county in which the Property is located shall govern prorations. The provisions of this Article VI shall survive the Closing.

6.3 Seller shall cause all pre-Closing obligations of the Property such as trade payables to be brought current as of Closing, or if they are not current, Purchaser shall receive a credit at Closing to pay such costs.

6.4 If such prorations result in a payment due Purchaser, then the Purchase Price shall be reduced by such sum. If such prorations result in a payment due Seller, then the same shall be paid to Seller in addition to the Purchase Price payable at Closing. The parties hereto shall endeavor to prepare a schedule of prorations no less than two (2) days prior to Closing. The parties hereto shall correct any errors in prorations as soon after the Closing as amounts are finally determined.

## **VII. CLOSING**

7.1 The closing of the transaction that is the subject of this Agreement (the "Closing") shall occur on a date specified by Purchaser and reasonably acceptable to Seller not later than the day that is within three hundred sixty five (365) days following the Effective Date, the "Closing Deadline"), or such other earlier date mutually agreed upon in writing between Purchaser and Seller. The Closing shall be held at the offices of the Title Company or an authorized agent thereof, or at such other location as may be mutually agreed upon between the parties.

7.2 The date on which Closing actually occurs is herein referred to as the "Closing Date".

7.3 If Closing does not occur by the Closing Deadline, Seller may terminate this Agreement by delivering notice to Purchaser, and, the Earnest Deposit shall be immediately delivered to Seller; and thereafter this Agreement shall terminate except with respect to those provisions that expressly survive termination. Agency Approvals shall be a condition to Seller obligations to close hereunder.



## VIII. CLOSING DOCUMENTS

8.1 To the extent applicable to the Closing, Seller shall cause to be delivered to Purchaser at the Closing (or on the date otherwise indicated below), the following documents and instruments, duly executed by Seller and dated as of the Closing Date:

8.1.1 A Special Warranty Deed (the "Deed") in the form of Exhibit F, subject only to Permitted Encumbrances, attached hereto and made a part hereof.

8.1.2 A bill of sale and assignment (the "Bill of Sale and Assignment") in the form of Exhibit G attached hereto and made a part hereof and which shall also convey and assign all the Personal Property, Trade Name, and Contracts.

8.1.3 Ten (10) days prior to the Closing Date, a counterpart HAP Assignment Agreement.

8.1.4 A certificate in the form of Exhibit I attached hereto and made a part hereof (the "FIRPTA Certificate").

8.1.5 A letter to each Tenant in the form of Exhibit J attached hereto and made a part hereof, which letter shall be delivered to the Tenants by Purchaser (the "Tenant Notice Letter").

8.1.6 A rent roll for the Property certified by Seller to be true and correct as of the Closing Date and certifying that there are no Tenants at the Property except as set forth thereon.

8.1.7 All keys and combinations to all locks on the Improvements and all security system passwords and related documentation, which are in Seller's possession, which may be delivered outside of escrow on the Closing Date.

8.1.8 To the extent in Seller's possession, all plans, specifications, mechanical, electrical and plumbing layouts, operating manuals, purchase orders, brochures, marketing materials, advertisements, Tenant lease files, Tenant ledgers, data in the property management database, and other files and records, electronic or hardcopy, in the possession of Seller and its managing agent and utilized in connection with the operation and maintenance of the Land and Improvements, all of which may be delivered outside of escrow on the Closing Date.

8.1.9 Affidavits and certificates, in forms reasonably acceptable to the parties, as to facts within the knowledge of Seller relevant to the determination by the Title Company as to the condition of title or the due performance by Seller of its obligations under this Agreement, and in all events to the extent required by the Title Company for it to issue the title policy without taking exception to the so-called "gap" or "standard" exclusions.

8.1.10 A Closing Statement to be prepared by Escrow Agent and agreed upon by Seller and Purchaser.

8.1.11 [Reserved].

8.1.12 Any other instruments specifically referred to in this Agreement or necessary to carry out Seller's obligations under its provisions.

8.2 At the Closing, Purchaser or its assignee shall cause to be delivered to Escrow Agent the following documents and instruments:

8.2.1 Any funds, in addition to the Earnest Deposit, needed to pay the balance of the Purchase Price and any of Purchaser's closing costs under this Agreement.

8.2.2 Evidence reasonably acceptable to the Title Company authorizing the consummation by Purchaser of the transaction which is the subject of this Agreement and the execution and delivery of documents on behalf of Purchaser.

8.2.3 Any other instruments specifically referred to in this Agreement or necessary to carry out Purchaser's obligations under its provisions.

8.2.4 A counterpart of the Bill of Sale and Assignment.

8.2.5 Ten (10) days prior to the Closing Date, a counterpart of the HAP Assignment Agreement fully executed by Purchaser and HUD.

8.2.6 [Reserved].

8.3 At the Closing, Seller and Purchaser shall cause to be delivered such other instruments and documents as may be required by law in order to complete the Closing of the transaction which is the subject of this Agreement.

8.4 As a simultaneous condition to Purchaser's obligations at the Closing, possession of the Property, in accordance with this Agreement, shall be delivered to Purchaser.

## **IX. COSTS**

At or prior to the Closing, Seller shall pay (i) all fees for obtaining and recording releases of liens and encumbrances which are not Permitted Exceptions; (ii) grantor's transfer tax on the Deed; (iii) Seller's attorneys' fees; (iv) fees of the Broker (as hereinafter defined); and (v) one half of the escrow fee. Purchaser shall pay: (i) the cost and premium of any title commitment, title policy and third party reports or studies obtained by Purchaser; (ii) the cost of any survey obtained by Purchaser; (iii) one half of the escrow fee; (iv) state and local recording taxes and clerk's fee on the Deed; (v) mortgage taxes and recording fees for any financing obtained by Purchaser; and (vi) Purchaser's attorney fees and the costs of preparing any documents prepared by Purchaser or Purchaser's attorney. All other costs, charges, and expenses shall be paid as provided in this Agreement or, in the absence of such provision, in accordance with applicable laws or local customary practice, as the case may be.

## **X. COMMISSIONS**

10.1 Seller has engaged Marcus & Millichap as their real estate broker for this transaction and has agreed to pay the same. Seller shall indemnify and hold Purchaser harmless from any and all real estate commissions, claims for such commissions or similar fees, including attorneys' fees incurred in any lawsuit regarding such commissions or fees arising out of contracts executed by or activities engaged in by Seller. The provisions of this paragraph shall survive the Closing or the earlier termination of this Agreement.

10.2 Purchaser represents that it has not engaged a real estate broker in connection with this transaction. Purchaser shall indemnify and hold Seller harmless from any and all real estate commissions, claims for such commissions or similar fees, including attorneys' fees incurred in any lawsuit regarding such commissions or fees arising out of contracts executed by or activities engaged in by Purchaser. The provisions of this paragraph shall survive the Closing or the earlier termination of this Agreement.

## **XI. RISK OF LOSS**

11.1 The risk of loss or damage to the Property by fire, earthquake, or other casualty shall be borne by Seller until the Closing Date. If damage, loss or destruction of the Property or any part thereof, by fire, earthquake, or other casualty, occurs prior to the Closing, Seller shall promptly notify Purchaser of such damage, loss or destruction.

11.2 If the Property is damaged by fire, earthquake, or other casualty, and the damage, loss or destruction shall cost less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to repair, based upon the determination of a contractor selected by Seller and reasonably acceptable to Purchaser, then Purchaser shall close the transaction which is the subject of this Agreement, provided Seller shall, at Seller's discretion, either (i) have completed repairs prior to the Closing Deadline or (ii) credit to Purchaser, at Closing, an amount equal to the amount of applicable insurance deductibles together with all insurance proceeds attributable to such damage and received by Seller prior to the Closing Date (or to be received by Seller following the Closing Date) less the cost of repairs completed by Seller as of the Closing Date. Notwithstanding anything to the contrary, Purchaser shall have the right, in its sole discretion, to elect to terminate this Agreement if, as a result of such damage by fire, earthquake, or other casualty described in this paragraph: (i) the Property may not, as a matter of applicable law, be rebuilt as it currently exists; or (ii) access to the Property from a publicly dedicated street is permanently prevented; and if Purchaser so elects, the entire Earnest Deposit shall be delivered to Seller and, thereupon this Agreement shall be terminated and the parties hereto shall be relieved of all further obligations and liability under this Agreement, other than those that are expressly stated to survive the termination of this Agreement. Purchaser shall make its determination whether to terminate this Agreement as permitted under this Section 11.2 on or before the date that is not later than thirty (30) days after the fire, earthquake, or other casualty.

11.3 If the Property is damaged by fire, earthquake or other casualty and the damage, loss or destruction shall cost Five Hundred Thousand and 00/100 Dollars (\$500,000.00) or more to repair, based upon the determination of a contractor selected by Seller and reasonably acceptable to Purchaser, then Seller shall, promptly after Purchaser's request therefor, deliver to Purchaser a copy of each of the applicable insurance policies covering such fire, earthquake, or other casualty, and Purchaser shall, in its sole discretion, elect one of the following options:

11.3.1 To terminate this Agreement, in which event, the entire Earnest Deposit shall be immediately refunded to Purchaser, and thereupon, this Agreement shall be terminated, and the parties hereto shall be relieved of all further obligations and liability under this Agreement (other than those that are expressly stated to survive the termination of this Agreement); or

11.3.2 To proceed with the Closing and receive (i) an assignment of Seller's rights to any payments which may be payable subsequent to the Closing Date under any applicable insurance policy or policies in effect with respect to the Property and to all of Seller's rights and interests in and to the corresponding claims, (ii) an assignment of Seller's rights to payments with respect to rents for loss of income subsequent to the Closing Date under any insurance policy or policies with respect to the Property, and (iii) payment by Seller to Purchaser of an amount equal to the aggregate amount of the deductibles with respect to all such insurance policies together with all insurance proceeds attributable to such damage or destruction received by Seller prior to the Closing Date less any amounts used by Seller to pay for the repair of such damage. If Purchaser elects to exercise the option set forth in this Section 11.3.2 hereof, then prior to the Closing, Purchaser and Seller shall cooperate to adjust, compromise and settle with the insurance company(s) with respect to the insurance policies.

11.3.3 Purchaser shall make its determination whether to terminate this Agreement as permitted under this Section 11.3 on or before the date that is the later of: (x) thirty (30) days after the fire, earthquake, or other casualty; or (y) twenty (20) business days after the parties receive the contractor's determination of the cost to repair the damage and the insurer's proposed amount of insurance proceeds to be made available therefore.

11.4 If, prior to Closing, any governmental authority or other entity having condemnation authority shall institute an eminent domain proceeding with regard to the Land or Improvements (a "Condemnation"), and (i) the value of the Land and Improvements subject to said Condemnation exceeds Five Hundred Thousand and 00/100 Dollars (\$500,000.00) and (ii) the same is not dismissed in a final determination for which all appeal periods have passed on or before ten (10) days prior to the Closing Date set forth in this Agreement, then Seller shall promptly notify Purchaser thereof and Purchaser shall, in its sole discretion, elect to terminate this Agreement in which event, the provisions of Section 11.3.1 hereof shall be applicable.

11.5 If Purchaser does not timely elect to terminate this Agreement pursuant to the forgoing Section 11.4, or the value of the Land and Improvements subject to said Condemnation does not exceed Five Hundred Thousand and 00/100 Dollars

(\$500,000.00) Purchaser shall be entitled to participate with Seller in all aspects of the Condemnation proceedings, and upon Closing Seller shall credit to Purchaser any Condemnation award paid to Seller in connection with such Condemnation, and/or assign to Purchaser all of Seller's right, title, and interest in, to, and under any Condemnation award to be paid to Seller in connection with such Condemnation.

11.6 If Purchaser does not make timely election to terminate, or to not terminate and proceed to Closing, in accordance with this Article XI, Purchaser shall be deemed to have elected to waive its rights to terminate thereunder and to proceed to Closing.

## **XII. TERMINATION AND REMEDIES**

12.1 In the event of Seller's failure to perform any of its material obligations hereunder or if any of the representations and warranties made herein by Seller are untrue, in any material respects, and such event is not cured within fifteen (15) days after notice of default given by Purchaser to Seller, and Purchaser is otherwise not in material default under this Agreement (a "Seller Default"), Purchaser shall have the right: (i) to terminate this Agreement by giving notice thereof to Seller and the Escrow Agent in which event Seller shall pay to Purchaser an amount equal to its third party out of pocket costs and expenses incurred in connection with the transaction evidenced by this Agreement, but not exceeding Twenty Five Thousand and no/100s Dollars (\$25,000.00), the entire Earnest Deposit shall be returned to Purchaser, and after such disbursements are made, neither party will have any further rights, obligations or liabilities hereunder other than those that expressly survive termination; (ii) waive such default and proceed to Closing or (iii) seek specific performance.

12.2 In the event of Purchaser's failure to perform any of its material obligations hereunder or any of its representations or warranties made herein by Purchaser are untrue in any material respects and are not cured within fifteen (15) days after notice of default by Seller is delivered to Purchaser (a "Purchaser Default"), Seller, as its sole remedy, shall have the right to terminate this Agreement and, retain the Earnest Deposit as liquidated damages; thereafter, neither party shall have any further rights, obligations, or liabilities hereunder other than those that expressly survive termination. The parties acknowledge and agree that the actual damages in such event are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined.

## **XIII. ESCROW**

The parties hereto have mutually requested that the Escrow Agent act as escrow agent for the purpose of holding the Earnest Deposit in accordance with the terms of this Agreement.

## **XIV. NOTICES**

14.1 Except as otherwise provided in this Agreement, any and all notices, elections, demands, requests and responses thereto permitted or required to be given

under this Agreement shall be in writing, signed by the party giving the same or by its attorneys, and shall be deemed to have been properly given and shall be deemed effective upon being (i) personally delivered, or (ii) delivered to an overnight delivery service with receipt for delivery, or (iii) deposited in the United States mail, postage prepaid, certified with return receipt requested, or (iv) sent via electronic mail, provided that a copy is also sent within one business day thereafter via an overnight delivery service or United States mail, to the other party at the address of such other party set forth below or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any such notice, election, demand or request must be given shall commence on the date of receipt thereof. Personal delivery to a party or to any officer, partner, member, agent or employee of such party, at said address shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Any such notice, election, demand, request or response shall be addressed as follows:

IF TO PURCHASER:

American Community Developers, Inc.  
20250 Harper Ave.  
Detroit, MI 48225  
Attn: Gerald Krueger  
Email: jerry@acdmail.com

With a copy to be given simultaneously to:

American Community Developers, Inc.  
20250 Harper Ave.  
Detroit, MI 48225  
Attn: Chris Young  
Email: chris@acdmail.com

IF TO SELLER:

DELMONT PLAZA APARTMENTS LLC  
c/o Capital Realty Group, Inc.  
Attn: Moshe Eichler  
86 Rt. 59 E  
Spring Valley N.Y. 10977  
Tel: 845/356-7773 ext. 112  
Email: moshe@thecapitalrealty.com

With a copy to be given simultaneously to:

Troutman Pepper Hamilton Sanders LLP  
401 9<sup>th</sup> Street NW, Suite 1000  
Washington, DC, 20004  
Attention: Scott Fireison  
Tel: 202-220-1572

Email: scott.fireison@troutman.com

IF TO THE ESCROW AGENT OR THE TITLE COMPANY:

1050 Wilshire  
Ste. 310  
Troy, MI 48084  
Attention: Ashley Popiel, Esq.

## **XV. BROKERS**

15.1 The sole cooperating broker in this transaction is Affordable Housing Advisors of Marcus & Millichap (the "Broker"). The fees stemming from the Broker's services shall be paid by Seller pursuant to a separate agreement by and between Seller and Broker.

## **XVI. MISCELLANEOUS**

16.1 This Agreement and the Exhibits attached hereto contain the entire agreement between the parties with respect to the subject matter hereof, and no promise, representation, warranty or covenant not included in this Agreement or such Exhibits has been or is relied upon by either party. This Agreement shall supersede all other agreements, written or oral, pertaining to the matters described herein.

16.2 The Article and Exhibit headings herein are for convenience only, and are not to be used in determining the meaning of this Agreement or any part hereof.

16.3 This Agreement and its interpretation and enforcement shall be governed by the laws of the Commonwealth of Virginia.

16.4 This Agreement shall be binding on, and the benefits hereof shall inure to, the successors and assigns of the parties hereto.

16.5 If any term or provision of this Agreement, or any part of such term or provision, or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement or the application of such term or provision or remainder thereof to persons or circumstances other than those as to which it is held invalid and unenforceable shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16.6 All Exhibits which are attached to this Agreement are part of this Agreement and are incorporated herein by reference.

16.7 The provisions of this Agreement are for the sole benefit of the parties to this Agreement and their successors and assigns and shall not give rise to any rights by or on behalf of anyone other than such parties.

16.8 This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

16.9 This Agreement may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument.

16.10 If any litigation arises under this Agreement, the prevailing party (which term shall mean the party which obtains substantially all of the relief sought by such party) shall be entitled to recover, as a part of its judgment, reasonable attorneys' and paralegals' fees, court costs and expert witness fees. The provisions of this Section 16.10 shall survive the Closing or earlier termination of this Agreement.

16.11 Neither party shall assign this Agreement without the other party's consent, which consent shall not be unreasonably withheld or delayed; provided, however, that Seller hereby consents to Purchaser assigning one time its rights but not its obligations under this Agreement to an entity controlling, controlled by or under common control with, or an affiliate of, Purchaser. In the event of any such assignment, Seller agrees to execute any documents specified by Purchaser to or in the name of Purchaser's assignee and agrees that all surviving representations and warranties of Seller hereunder shall be deemed to run in favor of, and be enforceable by said assignee as if it were the Purchaser hereunder. The provisions of this Section 16.11 shall survive the Closing.

16.12 All reference to "days" in this agreement shall mean calendar days. If the date for performance of any act pursuant to this Agreement is specified in terms of "business day" is not a business day (as defined below), then such act shall be performed on the next succeeding business day. In the computation of any period provided for in this Agreement or by law, the day of the act or event from which such period runs shall be excluded, and the last day of such period shall be included, unless it is not a business day, in which case the period shall be deemed to run until the end of the next business day. The term "business day" shall mean all days, except Saturdays, Sundays and all days observed by the Federal Government as legal holidays. Time is of the essence in this Agreement.

16.13 In the event that Seller decides to consummate the sale of any of the Property properties as part of a "like kind" exchange within the meaning of Section 1031 of the Internal Revenue Code of 1986, as amended and the Regulations promulgated thereunder, Seller expressly reserves the right to assign its rights, but not its obligations, hereunder to a Qualified Intermediary as provided in IRC Reg. 1.1031(k)(1)(g)(4) on or before the Closing Date provided that Purchaser shall incur no material costs, expenses or liabilities in connection with Seller's exchange.

16.14 From the Effective Date until the earlier of (i) termination of this Agreement pursuant to the provisions of this Agreement and (ii) Closing, Seller agrees to remove the Property from the market and shall not enter into any negotiations or agreements with third parties regarding sale of the Property or any portion of or right in



the Property. In the event of any breach of this Section 16.14 by Seller, Purchaser shall have all rights and remedies available at law or in equity, including without limitation specific performance by injunction.

[signature page follows]

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

**SELLER:**

DELMONT PLAZA APARTMENTS LLC a  
Virginia limited partnership

By: M. Eichler  
Moshe Eichler  
Manager

**PURCHASER:**

American Community Developers, Inc.,  
a Michigan Corporation

By: Gerald A. Krueger  
Name: Gerald A. Krueger  
Title: President

## LIST OF EXHIBITS AND SCHEDULES

<b><u>Exhibit A</u></b>	Land
<b><u>Exhibit B</u></b>	Rent Roll
<b><u>Exhibit C</u></b>	Contracts
<b><u>Exhibit D</u></b>	Personal Property
<b><u>Exhibit E</u></b>	Environmental Disclosure
<b><u>Exhibit F</u></b>	Deed
<b><u>Exhibit G</u></b>	Bill of Sale and Assignment
<b><u>Exhibit H</u></b>	HAP Assignment Agreement
<b><u>Exhibit I</u></b>	FIRPTA Certificate
<b><u>Exhibit J</u></b>	Notice to Tenants

## Exhibit A

### Land

ALL that certain tract, piece or parcel of land with improvements thereon and appurtenances thereto belonging, lying and being in Henrico County, Virginia, located on the west side of Delmont Street in the Fairfield District and containing 2.522 acres, as shown on a plat of survey dated August 28, 2006, last revised October 27, 2006, entitled "PLAT SHOWING PHYSICAL IMPROVEMENTS ON 'DELMONT PLAZA APARTMENTS' LOCATED ON THE WEST LINE OF DELMONT STREET IN THE FAIRFIELD DISTRICT OF HENRICO COUNTY, VA", prepared by Gene Watson & Associates, P.C., Land Surveyors, and being more particularly described by metes and bounds, as follows:

BEGINNING at a rod set on the west line of Delmont Street at a point approximately 617 feet north of the north line of Ladies Mile Road; thence along a line in common with Delmont Associates, LP, North  $89^{\circ}19'14''$  West 335.26 feet to a stone found; thence along a line in common with D & D, Inc., North  $03^{\circ}11'56''$  West 348.60 feet to a rod set on the south line of an unimproved road being 12 feet in width; thence with the south line of said unimproved road, South  $89^{\circ}19'14''$  East 272.76 feet to a rod found; thence along lines in common with Dorothy Lee Coleman the following two courses, South  $03^{\circ}11'56''$  East 109.79 feet to a rod found; thence South  $89^{\circ}19'14''$  East 63.34 feet to a rod set on the west line of Delmont Street; thence with the west line of Delmont Street South  $02^{\circ}59'50''$  East 238.75 feet to a rod set at the point of beginning.

**Exhibit B**

**Rent Roll**

**ATTACHED**

Parameters: Properties - ALL:Show All Unit Designations or Filter by - ALL:Subjournals - ALL:Exclude Formers? - Yes:Sort by - Unit:Report Type - Details - Summary:Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep balance On Hand
1-3800A	2A	N/A	785	Occupied	Poole, Breanna	11/08/2023	11/08/2023	10/31/2024	1,310.00	RESIDENT UTILREIMB	0.00	(69.00)	(69.00)	25.02 0.00
										SUBSIDY SUBRENT	1,310.00	0.00	1,379.00	0.00 0.00
										SUBSIDY UTAC	0.00	69.00		
1-3800B	2A	N/A	785	Occupied	Johnson, Porschau	07/28/2022	07/28/2022	07/29/2023	1,310.00	RESIDENT RENT	510.00	0.00	510.00	879.39 1,530.00
										SUBSIDY SUBRENT	800.00	0.00	800.00	0.00 0.00
1-3800C	2A	N/A	785	Occupied	Underwood, Amber	09/21/2023	09/21/2023	09/30/2024	1,310.00	RESIDENT RENT	10.00	0.00	10.00	104.27 (21.00)
										SUBSIDY SUBRENT	1,300.00	0.00	1,300.00	0.00 0.00
1-3800D	3B	N/A	1800	Occupied	Campbell, LaTauris	07/12/2018	07/12/2018	07/11/2019	1,658.00	RESIDENT RENT	1,081.00	0.00	1,081.00	80.14 3,405.00
										SUBSIDY SUBRENT	577.00	0.00	577.00	0.00 0.00
1-3800E	3B	N/A	1800	Occupied	Davis, Kaye	11/01/2023	11/01/2023	11/01/2024	1,658.00	RESIDENT UTILREIMB	0.00	(81.00)	(81.00)	884.68 1,390.00
										SUBSIDY SUBRENT	1,658.00	0.00	1,739.00	0.00 0.00
										SUBSIDY UTAC	0.00	81.00		
1-3800F	2A	N/A	785	Occupied	Aston, Dawn	11/12/2004	11/01/2009	10/31/2010	1,310.00	RESIDENT RENT	188.00	0.00	188.00	208.49 0.00
										SUBSIDY SUBRENT	1,122.00	0.00	1,122.00	0.00 0.00
1-3800G	2A	N/A	785	Occupied	Jones, Tainiko	12/08/2023	12/08/2023	11/30/2024	1,310.00	RESIDENT RENT	165.00	0.00	165.00	0.00 (84.00)
										SUBSIDY SUBRENT	1,145.00	0.00	1,145.00	0.00 (1.00)
1-3800H	2A	N/A	785	Occupied	Jefferson, DeJores	03/10/2023	03/10/2023	03/09/2024	1,310.00	RESIDENT RENT	146.00	0.00	146.00	0.00 197.00
										SUBSIDY SUBRENT	1,164.00	0.00	1,164.00	0.00 0.00
2-3802A	3A	N/A	1272	Occupied	Johnson, Fred	08/19/2022	08/19/2022	08/18/2023	1,748.00	RESIDENT RENT	1,749.00	0.00	1,749.00	779.22 1,751.00
										SUBSIDY	0.00	0.00		0.00 (1,806.00)
2-3802B	2A	N/A	785	Occupied	Mines, Jenise	07/25/2016	07/25/2016	07/24/2017	1,310.00	RESIDENT UTILREIMB	0.00	(69.00)	(69.00)	185.22 53.00
										SUBSIDY SUBRENT	1,310.00	0.00	1,379.00	0.00 158.00
										SUBSIDY UTAC	0.00	69.00		
2-3802C	2A	N/A	785	Occupied	Cocquet, Faith	07/26/2022	07/26/2022	07/25/2023	1,310.00	RESIDENT RENT	184.00	0.00	184.00	426.48 70.00
										SUBSIDY SUBRENT	1,126.00	0.00	1,126.00	0.00 0.00
2-3802D	3B	N/A	1800	Occupied	Baker, Tiffany	12/13/2013	12/13/2013	11/30/2014	1,658.00	RESIDENT UTILREIMB	0.00	(81.00)	(81.00)	72.87 4,390.00
										SUBSIDY SUBRENT	1,658.00	0.00	1,739.00	0.00 0.00
										SUBSIDY UTAC	0.00	81.00		

\* indicates amounts not included in detail totals

Capital Realty Group - Delmont Plaza  
RENT ROLL DETAIL

As of 02/12/2024

Parameters: Properties - ALL Show All Unit Designations or Filter by - ALL Subjournals - ALL Exclude Formers? - Yes: Sort by - Unit Report Type - Details + Summary Show Unit Rent as - Market + Addl:  
details

Unit	Floorplan	unit designation	SOFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep balance On Hand
2-3802E	3B	N/A	1800	Occupied	Mills, Lenesa	05/31/2023 05/31/2023	05/31/2023	05/30/2024	1,658.00	RESIDENT UTILREIMB		0.00	(73.00)	(73.00)	0.00 (288.00)
										SUBSIDY SUBRENT		1,658.00	0.00	1,731.00	0.00 0.00
										SUBSIDY UTAC		0.00	73.00		
2-3802F	3B	N/A	1800	Occupied	Hodge, Shakasha	03/26/2003 03/01/2009	03/01/2009	02/28/2010	1,658.00	RESIDENT UTILREIMB		0.00	(81.00)	(81.00)	72.87 (11.13)
										SUBSIDY SUBRENT		1,658.00	0.00	1,739.00	0.00 0.00
										SUBSIDY UTAC		0.00	81.00		
2-3802G	3B	N/A	1800	Occupied	Simpson, Kaleland	11/13/2023 11/13/2023	11/13/2023	10/31/2024	1,658.00	RESIDENT RENT		168.00	0.00	168.00	280.12 1,215.19
										SUBSIDY SUBRENT		1,492.00	0.00	1,492.00	0.00 0.00
2-3802H	2A	N/A	785	Occupied	Ford, Randy	03/19/2020 03/19/2020	03/19/2020	03/18/2021	1,310.00	RESIDENT RENT		369.00	0.00	369.00	365.39 738.00
										SUBSIDY SUBRENT		941.00	0.00	941.00	0.00 0.00
2-3802I	2A	N/A	785	Occupied	Hendrick, LaKasha	12/08/2023 12/08/2023	12/08/2023	11/30/2024	1,310.00	RESIDENT RENT		287.00	0.00	287.00	0.00 (38.00)
										SUBSIDY SUBRENT		1,043.00	0.00	1,043.00	0.00 (1.00)
3-3804A	2A	N/A	785	Occupied	Muse, Iyana	02/02/2024 02/02/2024	02/02/2024	01/31/2025	1,310.00	RESIDENT UTILREIMB		0.00	(21.00)	(21.00)	0.00 (20.00)
										SUBSIDY SUBRENT		1,310.00	0.00	1,331.00	0.00 1,285.00
										SUBSIDY UTAC		0.00	21.00		
3-3804B	2A	N/A	785	Occupied	James, Constance	05/23/2023 05/23/2023	05/23/2023	05/22/2024	1,310.00	RESIDENT RENT		170.00	0.00	170.00	285.59 338.00
										SUBSIDY SUBRENT		1,140.00	0.00	1,140.00	0.00 0.00
3-3804C	2A	N/A	785	Occupied	Ford, Felcia	02/17/2017 02/17/2017	02/17/2017	02/16/2018	1,310.00	RESIDENT RENT		179.00	0.00	179.00	412.82 219.27
										SUBSIDY SUBRENT		1,131.00	0.00	1,131.00	0.00 (9.00)
3-3804D	3B	N/A	1800	Occupied	Wyatt, Acheense	04/05/2019 04/05/2019	04/05/2019	04/03/2020	1,658.00	RESIDENT RENT		31.00	0.00	31.00	289.47 285.49
										SUBSIDY SUBRENT		1,627.00	0.00	1,627.00	0.00 0.00
3-3804E	3B	N/A	1800	Occupied	Johnson, Samantha	03/26/2014 03/26/2014	03/26/2014	02/28/2015	1,658.00	RESIDENT RENT		648.00	0.00	648.00	305.67 3,978.48
										SUBSIDY SUBRENT		1,010.00	0.00	1,010.00	0.00 0.00
3-3804F	2A	N/A	785	Occupied	Scott, Ashley	01/26/2024 01/26/2024	01/26/2024	01/31/2025	1,310.00	RESIDENT RENT		68.00	0.00	68.00	0.00 81.00
										SUBSIDY SUBRENT		1,242.00	0.00	1,242.00	0.00 1,482.00
3-3804G	2A	N/A	785	Vacant	VACANT				1,310.00			0.00	0.00 *		
3-3804H	2A	N/A	785	Occupied-NTV	Johnson, Nastasia	09/11/2015 09/11/2015	09/11/2015	08/31/2016	1,310.00	RESIDENT RENT		525.00	0.00	525.00	345.39 1,543.81
						03/02/2024	03/02/2024					785.00	0.00	785.00	0.00 0.00

\* indicates amounts not included in detail totals

Capital Realty Group - Delmont Plaza  
RENT ROLL DETAIL

As of 02/12/2024

Parameters: Properties - ALL; Show All Unit Designations or Filter by - ALL; Subjournals - ALL; Exclude Formers? - Yes; Sort by - Unit; Report Type - Details + Summary; Show Unit Rent as - Market + Addl.; details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep balance On Hand
4-3806A	2A	N/A	785	Occupied	Jefferson, Tarkasha	03/18/2010 03/18/2010	02/28/2011		1,310.00	RESIDENT RENT		647.00	0.00	647.00	506.07 1,869.00
										SUBSIDY SUBRENT		663.00	0.00	663.00	0.00 3,978.00
4-3806B	2A	N/A	785	Occupied	Jones, Jasmine	09/05/2018 09/05/2018	09/04/2019		1,310.00	RESIDENT UTILREIMB		0.00	(69.00)	(69.00)	248.96 625.36
										SUBSIDY SUBRENT		1,310.00	0.00	1,379.00	0.00 0.00
										SUBSIDY UTAC		0.00	69.00		
4-3806C	2A	N/A	785	Occupied	Morgan, Felicia	09/05/2014 09/05/2014	08/31/2015		1,310.00	RESIDENT RENT		438.00	0.00	438.00	206.47 3,448.85
										SUBSIDY SUBRENT		872.00	0.00	872.00	0.00 3,426.00
4-3806D	3B	N/A	1800	Occupied	Taylor, Danielle	11/03/2021 11/03/2021	11/09/2022		1,658.00	RESIDENT UTILREIMB		0.00	(81.00)	(81.00)	532.39 (59.95)
										SUBSIDY SUBRENT		1,658.00	0.00	1,739.00	0.00 0.00
										SUBSIDY UTAC		0.00	81.00		
4-3806E	3B	N/A	1800	Occupied	Morlon, Branna	05/31/2019 05/31/2019	05/30/2020		1,658.00	RESIDENT RENT		420.00	0.00	420.00	50.61 4,260.91
										SUBSIDY SUBRENT		1,238.00	0.00	1,238.00	0.00 0.00
4-3806F	2A	N/A	785	Occupied	Smathers, Shannqua	01/16/2015 01/16/2015	12/31/2015		1,310.00	RESIDENT UTILREIMB		0.00	(69.00)	(69.00)	50.61 (47.09)
										SUBSIDY SUBRENT		1,310.00	0.00	1,379.00	0.00 0.00
										SUBSIDY UTAC		0.00	69.00		
4-3806G	2A	N/A	785	Occupied	Turner, Gail	04/30/2023 04/30/2023	04/29/2024		1,310.00	RESIDENT RENT		164.00	0.00	164.00	170.11 255.00
										SUBSIDY		0.00	0.00		0.00 (3,438.00)
4-3806H	2A	N/A	785	Occupied	Emanuel, Tifanie	07/15/2021 07/15/2021	06/30/2022		1,310.00	RESIDENT UTILREIMB		0.00	(69.00)	(69.00)	50.60 1,763.91
										SUBSIDY SUBRENT		1,310.00	0.00	1,379.00	0.00 0.00
										SUBSIDY UTAC		0.00	69.00		
5-3808A	2A	N/A	785	Occupied	Morre, Chameque	07/29/2022 07/29/2022	07/28/2023		1,310.00	RESIDENT RENT		472.00	0.00	472.00	590.29 497.00
										SUBSIDY SUBRENT		838.00	0.00	838.00	0.00 0.00
5-3808B	3B	N/A	1800	Occupied	Boston, Porsha	07/09/2021 07/09/2021	06/30/2022		1,658.00	RESIDENT UTILREIMB		0.00	(12.00)	(12.00)	517.14 0.65
										SUBSIDY SUBRENT		1,658.00	0.00	1,670.00	0.00 0.00
										SUBSIDY UTAC		0.00	12.00		
5-3808C	3B	N/A	1800	Occupied	Watson-Bey, Gail	04/09/2019 04/09/2019	04/08/2020		1,658.00	RESIDENT UTILREIMB		0.00	(81.00)	(81.00)	520.24 1,117.98
										SUBSIDY SUBRENT		1,658.00	0.00	1,739.00	0.00 0.00
										SUBSIDY UTAC		0.00	81.00		

\* indicates amounts not included in detail totals



As of 02/12/2024

Parameters: Properties - ALL; Show All Unit Designations or Filter by - ALL; Subjournals - ALL; Exclude Formers? - Yes; Sort by - Unit; Report Type - Details + Summary; Show Unit Rent as - Market + Addl.; details

Unit	Floorplan	unit designation	unit/lease status	Unit/Lease Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep balance On Hand
5-3808D	3B	N/A	1800	Occupied	Jones, Juanita	10/30/2020	10/30/2020	10/29/2021	1,658.00	RESIDENT UTILREIMB	0.00	(81.00)	(81.00)	50.61
										SUBSIDY SUBRENT	1,658.00	0.00	1,739.00	0.00
										SUBSIDY UTAC	0.00	81.00		0.00
5-3808E	3B	N/A	1800	Occupied	Jones, Angel	10/14/2011	10/14/2011	09/30/2012	1,658.00	RESIDENT RENT	51.00	0.00	51.00	25.30
										SUBSIDY SUBRENT	1,607.00	0.00	1,607.00	0.00
5-3808F	3B	N/A	1800	Occupied	Washington, Shaquanna	08/11/2019	08/11/2019	08/10/2020	1,658.00	RESIDENT UTILREIMB	0.00	(81.00)	(81.00)	50.61
										SUBSIDY SUBRENT	1,658.00	0.00	1,739.00	0.00
										SUBSIDY UTAC	0.00	81.00		0.00
5-3808G	3B	N/A	1800	Occupied	Morris, Dakota	07/13/2018	07/13/2018	07/12/2019	1,658.00	RESIDENT RENT	617.00	0.00	617.00	599.19
										SUBSIDY SUBRENT	1,041.00	0.00	1,041.00	0.00
5-3808H	3A	N/A	1272	Occupied	Cohen, Melissa	11/05/2019	11/05/2019	11/04/2020	1,749.00	RESIDENT RENT	893.00	0.00	893.00	678.12
										SUBSIDY SUBRENT	856.00	0.00	856.00	0.00
Totals:									60,156.00		57,700.00	0.00	57,700.00	10,802.42

\* Indicates amounts not included in detail totals

Parameters: Properties - ALL>Show All Unit Designations or Filter by - ALL:Subjournals - ALL:Exclude Formers?- Yes:Sort by - Unit:Report Type - Details + Summary:Show Unit Rent as - Market + Addl.;  
As of 02/12/2024

Amt / SOFT: Market = 49,399 SOFT: Leased = 48,614 SOFT:

Floorplan	# Units	Average SOFT	Average Market + Addl.	Market + Addl.	Average Leased	Leased Amt / SOFT	Units Occupied	Occupancy %	Units Available
2A	23	765	1,310.00	1,67	1,257.91	1.60	22	95.65	2
3A	2	1,272	1,749.00	1.38	1,749.00	1.38	2	100.00	0
3B	16	1,800	1,658.00	0.92	1,658.00	0.92	16	100.00	0
<b>totals / averages:</b>	<b>41</b>	<b>1,205</b>	<b>1,467.22</b>	<b>1.22</b>	<b>1,442.50</b>	<b>1.19</b>	<b>40</b>	<b>97.56</b>	<b>2</b>

occupancy and rents summary for current date

unit status	Market + Addl.	# units	potential rent
Occupied, no NTV	57,536.00	39	56,390.00
Occupied, NTV	1,310.00	1	1,310.00
Occupied NTV Leased		0	-
Vacant Leased		0	-
Admin/Down		0	-
Vacant Not Leased	1,310.00	1	1,310.00
<b>totals:</b>	<b>60,156.00</b>	<b>41</b>	<b>59,010.00</b>

summary billing by sub journal for current date

sub journal	amount
RESIDENT	9,140.00
SUBSIDY	48,560.00
<b>total:</b>	<b>57,700.00</b>

summary billing by transaction code for current date

code	amount
RENT	10,158.00
SUBRENT	47,542.00
UTAC	1,018.00
UTILREIMB	(1,018.00)
<b>total:</b>	<b>57,700.00</b>

**Exhibit C**

**Contracts**

**ATTACHED**

<b>County Waste – 4/12/2021</b>	<b>– Non-Terminable</b>
<b>Youth Life Foundation of Richmond MOU – 11/15/2022</b>	
<b>Service Agreement (Comcast of MA/VA, Inc.) – 11/1/2017</b>	<b>- Non-Terminable</b>
<b>Automatic Laundry Services of VA, Inc. – 11/29/2007</b>	<b>- Non-Terminable</b>
<b>Landscape Maintenance Services (Chapel Valley) - 4/27/22</b>	
<b>Home Paramount Pest Control (Mice, Roaches, Ants) - 8/3/2023</b>	
<b>Home Paramount Pest Control (German Roaches) - 8/3/2023</b>	

**Exhibit D**

**Personal Property**

All personal property, furniture and fixtures owned by Seller and located on and used in connection with the operation of the Property.

**Exhibit E**

**Environmental Disclosure**

None.

**Exhibit F**

**Form of Deed**

Prepared by:

\_\_\_\_\_, Esq. (VSB # \_\_\_\_\_)

\_\_\_\_\_

\_\_\_\_\_

Tax Map No.:

Consideration: \$ \_\_\_\_\_

Assessed Value: \$ \_\_\_\_\_

**SPECIAL WARRANTY DEED**

THIS SPECIAL WARRANTY DEED (this "Deed") is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between **DELMONT PLAZA APARTMENTRS LLC**, a Virginia limited liability company ("Grantor"), and \_\_\_\_\_ ("Grantee"), with an address of \_\_\_\_\_

**W I T N E S E T H:**

THAT FOR AND IN CONSIDERATION of the sum of TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable consideration not set forth herein, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby GRANT, BARGAIN, SELL AND CONVEY unto Grantee, in fee simple WITH SPECIAL WARRANTY OF TITLE, the following described real estate, to-wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

The conveyance of the real estate described in Exhibit A is made expressly subject to conditions and easements as may lawfully apply to the real estate or any part thereof, leases of residential tenants, taxes not yet due and payable, and Permitted Encumbrances described in Exhibit B hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has executed this Deed as of the day, month, and year first above written, with the intention of creating an instrument under seal.

**GRANTOR:**

STATE OF \_\_\_\_\_  
CITY/COUNTY OF \_\_\_\_\_, to-wit:

The foregoing instrument was acknowledged before me in the city/county and state aforesaid this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, who is personally known to me, as the Manager of **DELMONT PLAZA APARTMENTRS LLC**, a Virginia limited liability company.

My Commission expires: \_\_\_\_\_.  
Registration Number: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

Grantee's Address:

**EXHIBIT A**

**Legal Description to Deed**

**EXHIBIT B**

**Permitted Encumbrances**



## **Exhibit G**

### **Form of Bill of Sale and Assignment**

#### **BILL OF SALE AND ASSIGNMENT AGREEMENT**

THIS BILL OF SALE AND ASSIGNMENT AGREEMENT, dated as of the \_\_\_\_ day of \_\_\_\_\_, 2022, between \_\_\_\_\_, a \_\_\_\_\_ ("Seller"), and \_\_\_\_\_, a \_\_\_\_\_, having an address of \_\_\_\_\_ ("Purchaser"), provides:

#### **RECITALS**

Seller and Purchaser have entered into a Property Purchase and Sale Agreement, dated as of \_\_\_\_\_ (the "Agreement"), whereby Seller has agreed to sell to Purchaser, and Purchaser has agreed to purchase from Seller, certain real property with improvements commonly known as \_\_\_\_\_ located in \_\_\_\_\_, and more fully described in Exhibit A attached hereto (the "Property").

#### **AGREEMENT:**

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

1. **Assignment of Leases.** Seller hereby sells, assigns, transfers and conveys unto Purchaser, and its successors and assigns, all of Seller's right, title and interest in and to the residential tenant leases (the "Leases"), and the rights and obligations of Seller thereunder, described on the schedule attached hereto as Exhibit B. By execution hereof, Purchaser agrees to assume and be bound by Seller's obligations accruing on or after the date hereof under the Leases.
2. **Transfer and Assignment of Other Property.** Seller hereby sells, assigns, transfers and conveys unto Purchaser, and its successors and assigns, those items listed on Exhibit D attached hereto, together with all of Seller's right title and interest, if any, in and to all other personal property and fixtures located on and used in connection with the operation of the Property (collectively, the "Personal Property").
3. **Transfer and Assignment of Intangibles and Licenses.** Seller hereby sells, assigns, transfers and conveys unto Purchaser, and its successors and assigns, all of Seller's right title and interest, if any, in and to, assignable licenses, occupancy agreements, or assignable permits with respect to the Property, all trade names and trademarks owned or used by Seller in connection with the operation of the Property, together with all appurtenances and rights related to such trade name or trademark, including, but not limited to, the goodwill associated therewith, telephone listings and telephone advertising used or owned by Seller and affecting the Property.
4. **Transfer of Contracts.** Seller hereby sells, assigns, transfers and conveys unto Purchaser, and its successors and assigns, all contracts or agreements listed in the attached Exhibit

D (the "Assigned Contracts"), pertaining, or applicable to, or in any way connected with, the rental, maintenance and operation of the Property.

5. **Indemnification.** Purchaser covenants to hold Seller harmless from and indemnify Seller for any claim, loss, damage, cost or expense (including reasonable attorneys' fees) that Seller may incur from and after the date hereof as a result of the failure of Purchaser to perform any of its obligations under the Leases or the Assigned Contracts accruing from and after the date hereof. Seller covenants to hold Purchaser harmless from and indemnify Purchaser for any claim, loss, damage, cost or expense (including reasonable attorneys' fees) that Purchaser may incur from and after the date hereof as a result of the failure of Seller to perform any of its obligations under the Leases or the Assigned Contracts accruing prior to the date hereof.

6. **Governing Law.** This Bill of Sale and Assignment Agreement and all other instruments referred to herein shall be governed by, and shall be construed in accordance with, the laws of the State of \_\_\_\_\_.

7. **Successors and Assigns.** This Bill of Sale and Assignment Agreement and the terms and provisions hereof shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of Seller and Purchaser.

8. **Incorporation by Reference.** All of the Exhibits attached hereto or referred to herein and all documents in the nature of such Exhibits are by reference incorporated herein and made a part of this Bill of Sale and Assignment Agreement.

9. **Counterparts.** To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signatures on behalf of all parties appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single agreement.

[Signatures appear on next page]

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Bill of Sale and Assignment Agreement to be executed on its behalf by its duly authorized representative as of the date first above written.

**Seller:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Purchaser:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **Exhibit H**

### **Form of HAP Assignment Agreement**

#### **ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT**

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT (herein called the "Agreement") is made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by the United States of America, acting through the \_\_\_\_\_ (herein called "the Contract Administrator"), insert name of Seller (current ownership entity), a insert limited partnership, general partnership, limited liability company, corporation, or sole proprietor (herein called "the Seller"), and insert name of Buyer, a insert limited partnership, general partnership, limited liability company, corporation, or sole proprietor. (herein called "the Buyer").

**WHEREAS**, the Contract Administrator and insert name of prior owner or the Seller, pursuant to Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f, entered into a Section 8 Housing Assistance Payments Contract (herein called the "HAP Contract") identified as HAP Contract Number \_\_\_ - \_\_\_\_\_ for units in the insert project name (herein called "the Property"), a copy of which is attached hereto as "Exhibit A". insert or delete following as applicable: Said HAP Contract, executed by the Prior Owner by an assignment of HAP Contract, executed by Prior Owner and approved by HUD, dated \_\_\_\_\_ ;

**WHEREAS**, the Seller, and the Buyer have entered into a Real Estate Purchase and Sale Agreement, dated as of insert date and month, 20\_\_\_, wherein the Seller agrees to sell the Property and the Buyer agrees to purchase the Property, including, without limitation, the improvements situated thereon, and has agreed to accept the assignment of and assume all obligations under the HAP Contract;

**WHEREAS**, the Buyer has submitted to the Secretary of HUD (herein called "the Secretary") an Application and documents in support thereof (herein collectively referred to as the "Application") requesting the Secretary's approval of the proposed assignment of the HAP Contract to the Buyer as set forth in the aforesaid Real Estate Purchase and Sale Agreement; and

**WHEREAS**, the Seller and the Buyer mutually desire to assign the HAP Contract; and it is necessary to and the Contract Administrator and the Buyer mutually desire to amend the HAP Contract to allow for physical inspections in accordance with 24 CFR Part 5 Subpart G and 24 CFR Part 200, Subpart P, and to require financial reporting in accordance with 24 CFR Part 5 Subpart H;

**NOW, THEREFORE**, in consideration of the foregoing, the sum of Ten Dollars (\$10.00) in hand paid and other good consideration, the receipt of which is hereby acknowledged, and in order to comply with the requirements of the Secretary, the United States Housing Act of 1937, and the regulations adopted pursuant thereto, the parties hereto agree as follows:

1. The Seller hereby irrevocably assigns HAP Contract to the Buyer together with all rights and obligations in and under said contract.
2. Effective as of the date of this Agreement the Buyer agrees to assume and to be bound by said HAP Contract as modified herein.'
3. Effective as of the date of this Agreement, the Seller is released from any future obligations under the HAP Contract, excepting that the Seller shall remain responsible for filing the AFS through the day before this Agreement if said HAP Contract includes an AFS filing requirement. Nothing in this Agreement shall waive, compromise, impair, or prejudice any right HUD may have against the Seller for any violation of the HAP Contract that may have occurred prior to the date of this Agreement.
4. Part II of the HAP Contract shall be amended as follows to include the following provisions:

**Physical Condition Standards and Inspection Requirements.** The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

**Financial Reporting Standards.** The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.

5. This Agreement shall be construed under the laws of the State of insert project location and, to the extent inconsistent with the laws of the State of insert project location, the laws of the United States of America. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
6. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.
7. The Secretary, by the signature of his authorized representative below, consents to assignment made hereby. Said consent shall be void *ab initio* if the Secretary determines that Buyer, or any principal or interested party of the Buyer, is debarred, suspended, or subject to a limited denial of participation under 24 CFR Part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

**NOTHING** in this Agreement shall in anyway impair the HAP Contract or alter, waive, annul, vary, or affect any provision, condition, or covenant therein, except as herein specifically provided, or affect or impair any rights, powers, or remedies under the HAP Contract, it being the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

**SELLER**

Name of Seller (print)

---

By \_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Name and title (print)

**BUYER**

Name of Buyer (print)

---

By \_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Name and title (print)

**CONTRACT ADMINISTRATOR** (to be completed by PHA if a PHA is the Contract Administrator; to be completed by HUD if HUD is the Contract Administrator)

Name of Contract Administrator (print):

---

By \_\_\_\_\_  
Signature of authorized representative (print)

\_\_\_\_\_  
Name and title (print)

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** (to be completed by HUD only if the Contract Administrator is a PHA)

By \_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Name and title (print)

**Exhibit I**

**Form of FIRPTA**

CERTIFICATE OF NON-FOREIGN STATUS OF THE SELLER PURSUANT TO SECTION  
1445 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

Section 1445 of the Internal Revenue Code of 1986, as amended, provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. For U.S. tax purposes (including section 1445 of the Code), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform [NAME OF BUYER ENTITY] ("Buyer") that withholding of tax is not required upon the disposition of a U.S. real property interest by [\_\_\_\_\_, a(n) \_\_\_\_\_] ("Seller"), the undersigned hereby certifies the following on behalf of the Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and Treasury regulations);
2. Seller is not a disregarded entity as defined in Treasury Regulation §1.1445-2(b)(2)(iii);
3. Seller's U.S. employer identification number is \_\_\_\_\_; and
4. Seller's office address is \_\_\_\_\_.

I understand that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

SELLER:

[\_\_\_\_\_,]  
[a(n) \_\_\_\_\_]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_



**Exhibit J**

**Form of Notice to Tenants**

[Buyer's Address]

BY HAND

[Date]

To: All Tenants at [ ] Apartments

Re: Acquisition of [ ] Apartments

Dear Tenants:

We are pleased to announce that [BUYER ENTITY NAME] (" ") has today acquired the [ ] Apartments (the "Property") from [ ]. [BUYER ENTITY]'s address is . Your security deposit (including any pet deposit) paid in accordance with your lease at the Property ("Lease") has been transferred to [BUYER ENTITY]. From this day forward, all checks payable to the landlord under your Lease should be made payable to [BUYER ENTITY] at the on-site manager's office.

Very truly yours,

[ ],

[a(n) ]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## **ASSIGNMENT OF REAL ESTATE PURCHASE AGREEMENT**

Delmont Plaza

This ASSIGNMENT OF REAL ESTATE PURCHASE AGREEMENT (the "Assignment") is dated effective as of February 15, 2024, by and between AMERICAN COMMUNITY DEVELOPERS, INC. ("Assignor") and DELMONT PLAZA 2024 L.L.C. ("Assignee").

### **RECITALS**

WHEREAS, Assignor, as Purchaser, entered into that certain Real Estate Purchase Agreement dated as of February 6, 2024 (the "Purchase Agreement"), concerning the real and personal property described therein associated with Delmont Plaza located in the city of Richmond, Virginia (the "Property"); and

WHEREAS, pursuant to Article 16.11 of the Purchase Agreement Assignor, as Purchaser, desires to assign its total interest in the Purchase Agreement to Assignee, and Assignee desires to accept such assignment and assume the Assignor's obligations under the Purchase Agreement for the acquisition of the Property.

### **AGREEMENT**

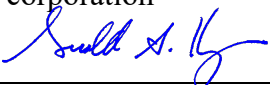
NOW THEREFORE, in consideration of the sum of Ten (\$10.00) Dollars and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby assigns all of its rights, title and interests in and to the Purchase Agreement, as Purchaser, to Assignee, effective as of the date of this Assignment. Assignee hereby accepts such assignment and assumes all of the obligations of Assignor under the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

#### **ASSIGNOR:**

AMERICAN COMMUNITY DEVELOPERS, INC.,  
a Michigan corporation

By:

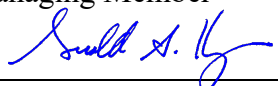
  
\_\_\_\_\_  
Gerald A. Krueger., President

#### **ASSIGNEE:**

DELMONT PLAZA 2024 L.L.C., a Michigan limited  
liability company

By: American Community Developers, Inc., its  
Managing Member

By:

  
\_\_\_\_\_  
Gerald A. Krueger, President

COUNTY OF HENRICO, VIRGINIA  
Dept. of Finance – Real Estate Assessment Division  
PO Box 90775  
Henrico, VA 23273-0775



Commonwealth of Virginia  
**COUNTY OF HENRICO**  
**NOTICE OF REAL ESTATE ASSESSMENT**  
**THIS IS NOT A TAX BILL**

Telephone: 804-501-4300  
Hours: 8:00am to 4:30pm  
Monday through Friday  
February 5th, 2024

14861512-92183-1 1 1 \*\*\*\*\*AUTO\*\*MIXED AADC 270



DELMONT PLAZA APARTMENTS LLC  
86 ROUTE 59  
SPRING VALLEY NY 10977

**NOTICE OF REAL ESTATE ASSESSMENT**

**THIS IS NOT A TAX BILL**

**Parcel ID and Legal:** 793-737-2374  
WL DELMONT STREET  
AC 2.522  
3 B1 25

**VID #:** 77606

**Property Address:** 3800 DELMONT ST

**Magisterial District:** Fairfield

In accordance with the Code of Virginia, you are hereby notified that your assessment on the above described parcel for the taxable year 2024 will be as follows. The reason for change is: General Reassessment.

	2022 Assessment	2023 Assessment	2024 Assessment
Land	\$205,000	\$205,000	\$205,000
Land Use	\$0	\$0	\$0
Building	\$2,475,900	\$2,855,900	\$2,881,300
Total	\$2,680,900	\$3,060,900	\$3,086,300
Tax Rate	\$0.860	\$0.860	\$0.860*
Tax	\$23,055.74	\$26,323.74	\$26,542.18
Percentage Tax Change		14.17%	0.83%

The 2023 tax rate is shown for comparative purposes only. The calculation of tax is based on the assessed value divided by 100 and multiplied by the tax rate. This year, section 58.1-3330 of the Code of Virginia requires that the aggregate *effective tax rate increase* of \$0.03 be included on this notice. The *effective tax rate increase* is the calculated reduction in rate which would keep revenue from reassessment the same as the prior year. The Board of Supervisors will set the actual 2024 tax rate in April. The last time the real estate tax rate increased in Henrico County was 1979.

**Assessment appeals must be filed by April 1<sup>st</sup> of the current year.**

**Property owners have the right to review and obtain copies of assessment records maintained by the Real Estate Assessment Division; and the right to request that the assessor make a physical examination of the property pursuant to 58.1-3331 and 58.1-3332 of the Code of Virginia.**



Commonwealth of Virginia  
**COUNTY OF HENRICO**

**NOTICE OF REAL ESTATE ASSESSMENT - THIS IS NOT A TAX BILL**

**Function of the Real Estate Assessment Division**

The Virginia Constitution and Title 58.1 of the Code of Virginia mandate that real estate assessments shall be at 100% of their fair market value. The fair market value of a property is the probable amount it would sell for, as of a specified effective date, if exposed to the market for a reasonable period with informed buyers and sellers acting without duress. The Real Estate Assessment Division under the Department of Finance is charged with the review and reassessment of all real property effective on **January 1** of each year to ensure that property is assessed uniformly with comparable and similar properties.

**Notice of Assessment**

Beginning in February of each year, all property owners are mailed a notice of assessment. The mortgage company should be notified if there is a change in the assessment. Title 58.1-3330 of the Code of Virginia requires that any person other than the owner who receives this notice shall transmit it to the owner at the last known address immediately upon receipt.

"Land Use" value on the notice represents the use value assessment (qualifying and non-qualifying acreage) of property enrolled in the Land Use program. The sum of "Land Use" value and "Building" value is the total taxable assessment for participating properties. "Land" value represents market value of the land.

**How Assessments are Determined**

Real estate assessments are based on the typical selling prices of comparable properties and reflect the actions of buyers and sellers in the local market. In determining the assessments appraisers consider the sales comparison, cost, and income approaches to value. Real estate assessment information is available at <https://henrico.us/finance/divisions/real-estate-assessment-division/>. For additional information call **804-501-4300** to speak with our customer service staff Monday through Friday from 8:30am to 4:30pm.

**Real Estate Assessment Appeal**

Formal reconsideration of an assessment is warranted if a property owner has evidence that the property in question is valued at more than its fair market value or that the assessment is not uniform in its application. To obtain an appeal form, visit <https://henrico.us/services/real-estate-assessment-appeal/>. An appeal form can also be requested by sending an email to [AssessmentAppeal@henrico.us](mailto:AssessmentAppeal@henrico.us) or calling **804-501-4300**.

**Real Estate Tax Rate**

The Henrico County Board of Supervisors during the annual budget process will set a public hearing on the proposed 2024 real estate tax rate. It is anticipated that the public hearing will be in April of 2024 and will be held in the Board Room at the Henrico Government Center located at 4301 East Parham Road. Notice of the date and time of the meeting will be publicized in the Richmond Times-Dispatch.

**Real Estate Tax Due Dates**

Real estate taxes are billed semi-annually with the first half payment due on **June 5** and the second half payment due on **December 5**. Reassessment notices are mailed to the property owner, however, the tax bills are typically sent directly to the mortgage company, if applicable.

**Other Related Services**

The County of Henrico has a **Real Estate Advantage Program (REAP)** for property owners who meet certain criteria, are age 65 or older or totally and permanently disabled. The **Real Estate Cap Program (RECAP)** is a new initiative beginning in 2024 to help qualifying homeowners with their real estate taxes. For additional information call **804-501-4263** or visit <https://henrico.us/services/real-estate-advantage-program/>.

**Veterans with a service-connected total and permanent disability or their surviving spouse, surviving spouses of members of the Armed Forces Killed in Action, and surviving spouses of certain persons Killed in the Line of Duty**, who meet certain criteria may receive tax exemption on their residence. For additional information call **804-501-4306** or visit <https://henrico.us/services/real-estate-tax-exemption-disabled-veterans/> or <https://henrico.us/services/surviving-spouse/>.

The County maintains a **Land Use Program** that provides for the assessment of qualifying land based on agricultural, horticultural, forestry, or open-space use value rather than market value. Forest land eligibility includes a 20-acre minimum, and the other classifications require a 5-acre minimum. Applications are due by **November 1**. For additional information call **804-501-4306** or visit <https://henrico.us/services/land-use-program/>.

The County offers a **Partial Tax Exemption Program** for certain rehabilitated residential, multi-family, commercial/industrial, and hotel/motel properties. The structure must meet minimum requirements based on the property type. There is also a partial tax exemption for demolished or rehabilitated derelict buildings, which have been designated as such by the Building Official. For additional information call **804-501-4300** or visit <https://henrico.us/services/reinvest-tax-abatement-program-for-rehabilitated-structures/>.

# **Tab F:**

RESNET Rater Certification (MANDATORY)



## Appendices continued

### **RESNET Rater Certification of Development Plans**

Deal Name Delmont Plaza

Deal Address 3800 Delmont St., Richmond VA 23222

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**

No

**New Construction** – EnergyStar Certification

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

YES

**Rehabilitation** – 30% performance increase over existing, based on HERS Index;

**Or** Must evidence a HERS Index of 80 or better

Rater understands that before issuance of IRS Form 8609, rater must provide Certification to Virginia Housing of energy performance.

No

**Adaptive Reuse** – Must evidence a HERS Index of 95 or better.

Rater understands that before issuance of IRS Form 8609, rater must provide Certification to Virginia Housing of energy performance.

#### **Additional Optional Certifications**

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

NA

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

NA

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

## Appendices continued


### Additional Optional Certifications continued

NA \_\_\_\_\_ **National Green Building Standard (NGBS)** – The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification.

NA \_\_\_\_\_ **Enterprise Green Communities** – The development's design meets the criteria for meeting the requirements as stated in the Enterprise Green Communities Criteria for this development's construction type to obtain certification.

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

Printed Name Kevin McNeely Rater ID #6427882 01 Jan 2024  
RESNET Rater Date

Signature 

Resnet Provider Agency RaterUSA

Signature \_\_\_\_\_

Provider Contact & Phone/Email \_\_\_\_\_  
855-273-7872 x705 Provider@RaterUSA.com

Signature \_\_\_\_\_

Resnet Provider Agency RaterUSA

Signature M. Elana Brewer

Provider Contact & Phone/Email M. Elana Brewer  
855-273-7872 x705 Provider@RaterUSA.com



## Final RESNET Rate: Certification of Development

I certify that the development incorporates all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

I certify that the energy data entered into any system was not entered in by another party.

I certify the development has obtained the measurement as indicated below.

### In addition provide HERS rating documentation as specified in the manual

\_\_\_\_\_ **New Construction** – EnergyStar Certification

The development's design meets the criteria for the EnergyStar certification.

\_\_\_\_\_ **Rehabilitation** – 30% performance increase over existing, based on HERS Index;  
**Or** Must evidence a HERS Index of 80 or lower.

Beginning HERS rating \_\_\_\_\_

Final HERS rating \_\_\_\_\_

\_\_\_\_\_ **Adaptive Reuse** – Must evidence a HERS Index of 95 or better.

### Additional Optional Certifications (provide copy of any applicable certification)

I certify the development has met all the requirements of the certification chosen below and all data was not entered or submitted by another party.

\_\_\_\_\_ **Earthcraft Certification:** The development's has obtained the EarthCraft Certification of \_\_\_\_\_ (level).

\_\_\_\_\_ **LEED Certification:** The development has obtained the Green Building Council LEED certification. \_\_\_\_\_ (level)

\_\_\_\_\_ **National Green Building Standard (NGBS):** The development has been certified to the NGBS standards and received certification.

\_\_\_\_\_ **Enterprise Green Communities:** The development has been certified as an Enterprise Green Community. \_\_\_\_\_ (level)

\_\_\_\_\_ **Zero Energy Ready Homes**

\_\_\_\_\_ **Passive House**

Date: \_\_\_\_\_ Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

RESNET Rater

Signature \_\_\_\_\_

My notary seal is affixed below: Signature \_\_\_\_\_

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

My notary registration number is \_\_\_\_\_

The foregoing instrument was acknowledged

before me this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

by \_\_\_\_\_.

# Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2024-07-16

Registry ID:

Ekotrope ID: LA5x6b1L

## HERS® Index Score:

# 75

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](http://www.hersindex.com)

## Annual Savings\*

# \$723

\*Relative to an average U.S. home

### Home:

3800 Delmont St  
Unit A  
Richmond, VA 23222

### Builder:

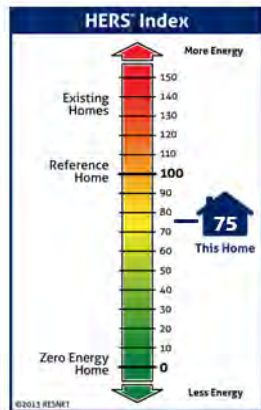
American Community Developers

## Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	6.6	\$232
Cooling	2.6	\$91
Hot Water	8.3	\$292
Lights/Appliances	12.1	\$424
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>29.6</b>	<b>\$1,219</b>

This home meets or exceeds the criteria of the following:

Pre-Improvement Rating  
2 Bed End Unit  
Worse Case Orientation



## Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	2 Bed End Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	828 ft <sup>2</sup>
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 2.9 COP
Primary Cooling System:	Air Source Heat Pump • Electric • 10.5 EER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	548 CFM50 (5.21 ACH50) (Adjusted Infiltration: 5.16 ACH50)
Ventilation:	None
Duct Leakage to Outside:	35 CFM @ 25Pa (4.23 / 100 ft <sup>2</sup> )
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.33, SHGC: 0.45
Foundation Walls:	N/A
Framed Floor:	N/A

## Rating Completed by:

**Energy Rater:** Kevin McNeely  
RESNET ID: 6427882

**Rating Company:** McNeely Building Group, LLC

**Rating Provider:** RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 8:09 PM



Ekotrope RATER - Version:4.0.2.3439

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

# Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2024-07-16

Registry ID:

Ekotrope ID: LA5x6b1L

## 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](http://www.hersindex.com)

## Annual Savings\*

# \$757

\*Relative to an average U.S. home

### Home:

3800 Delmont St  
Unit A  
Richmond, VA 23222

### Builder:

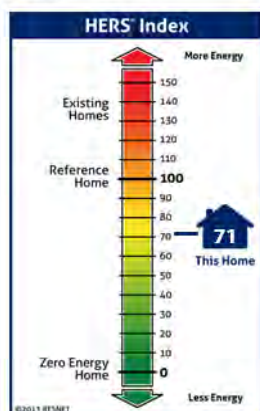
American Community Developers

## Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	9.3	\$328
Cooling	1.6	\$58
Hot Water	7.2	\$253
Lights/Appliances	10.6	\$371
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
<b>Total:</b>	<b>28.7</b>	<b>\$1,189</b>

This home meets or exceeds the criteria of the following:

2 Bed End Unit  
Projected Rating: Based on Plans  
**FIELD CONFIRMATION REQUIRED**



## Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	2 Bed End Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	828 ft <sup>2</sup>
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 10 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 18 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	548 CFM50 (5.21 ACH50) (Adjusted Infiltration: 5.16 ACH50)
Ventilation:	None
Duct Leakage to Outside:	35 CFM @ 25Pa (4.23 / 100 ft <sup>2</sup> )
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

## Rating Completed by:

**Energy Rater:** Kevin McNeely  
RESNET ID: 6427882

**Rating Company:** McNeely Building Group, LLC

**Rating Provider:** RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 8:11 PM



Ekotrope RATER - Version:4.0.2.3439

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



Home Energy Rating Certificate  
Projected Report  
Based on Plans

Rating Date: 2024-07-16  
Registry ID:  
Ekotrope ID: L0VG9Dov

HERS® Index Score:

75

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](http://www.hersindex.com)

Annual Savings\*

\$644

\*Relative to an average U.S. home

Home:  
3802 Delmont St  
Unit H  
Richmond, VA 23222

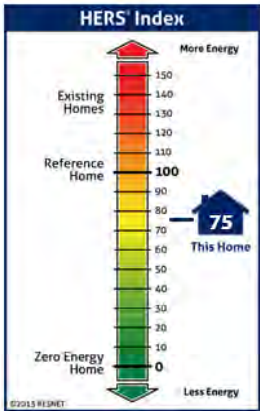
Builder:  
American Community Developers

Your Home's Estimated Energy Use:

	Use (MBtu)	Annual Cost
Heating	3.5	\$123
Cooling	2.6	\$93
Hot Water	8.3	\$293
Lights/Appliances	11.3	\$398
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
Total:	25.8	\$1,087

This home meets or exceeds the criteria of the following:

Pre-Improvement Rating  
2 Bed Interior Unit  
Worse Case Orientation



Home Feature Summary:

Home Type:	Townhouse, inside unit
Model:	2 Bed Interior Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	779 ft²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 2.9 COP
Primary Cooling System:	Air Source Heat Pump • Electric • 10.5 EER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	472.3 CFM50 (4.34 ACH50) (Adjusted Infiltration: 5.16 ACH50)
Ventilation:	None
Duct Leakage to Outside:	125 CFM @ 25Pa (15.1 / 100 ft²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.33, SHGC: 0.45
Foundation Walls:	N/A
Framed Floor:	R-28

Rating Completed by:

Energy Rater: Kevin McNeely  
RESNET ID: 6427882  
Rating Company: McNeely Building Group, LLC

Rating Provider: RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 8:14 PM



Ekotrope RATER - Version:4.0.23439  
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.  
This report does not constitute any warranty or guarantee.

Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2024-07-16  
Registry ID:  
Ekotrope ID: L0VG9Dov

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](http://www.hersindex.com)

Annual Savings\*

\$677

\*Relative to an average U.S. home

Home:  
3802 Delmont St  
Unit H  
Richmond, VA 23222

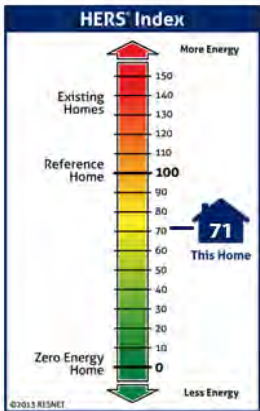
Builder:  
American Community Developers

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	5.4	\$189
Cooling	1.7	\$60
Hot Water	7.2	\$252
Lights/Appliances	10.7	\$375
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
Total:	24.9	\$1,056

This home meets or exceeds the criteria of the following:

2 Bed Interior Unit  
Projected Rating: Based on Plans  
FIELD CONFIRMATION REQUIRED



Home Feature Summary:

Home Type:	Townhouse, inside unit
Model:	2 Bed Interior Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	779 ft²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 10 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 18 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	472.3 CFM50 (4.34 ACH50) (Adjusted Infiltration: 5.16 ACH50)
Ventilation:	None
Duct Leakage to Outside:	125 CFM @ 25Pa (15.1 / 100 ft²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	R-28

Rating Completed by:

Energy Rater: Kevin McNeely  
RESNET ID: 6427882  
Rating Company: McNeely Building Group, LLC  
Rating Provider: RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 8:16 PM



Ekotrope RATER - Version:4.0.2.3439  
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.  
This report does not constitute any warranty or guarantee.

Home Energy Rating Certificate  
Projected Report  
Based on Plans

Rating Date: 2024-07-16  
Registry ID:  
Ekotrope ID: LO3y14GL

HERS® Index Score:

79

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](http://www.hersindex.com)

Annual Savings\*

\$765

\*Relative to an average U.S. home

Home:  
3806 Delmont St  
Unit E  
Richmond, VA 23222

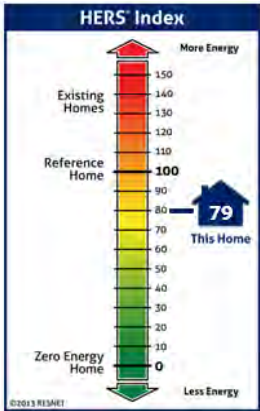
Builder:  
American Community Developers

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	6.6	\$233
Cooling	3.6	\$125
Hot Water	10.1	\$356
Lights/Appliances	13.3	\$469
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
Total:	33.7	\$1,363

This home meets or exceeds the criteria of the following:

Pre-Improvement Rating  
3 Bed Interior Unit  
Worse Case Orientation



Home Feature Summary:

Home Type:	Townhouse, inside unit
Model:	3 Bed Interior Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	1,083 ft <sup>2</sup>
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 2.9 COP
Primary Cooling System:	Air Source Heat Pump • Electric • 10.5 EER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	1117 CFM50 (7.74 ACH50) (Adjusted Infiltration: 7.74 ACH50)
Ventilation:	None
Duct Leakage to Outside:	83 CFM @ 25Pa (7.67 / 100 ft <sup>2</sup> )
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.33, SHGC: 0.45
Foundation Walls:	N/A
Framed Floor:	R-28

Rating Completed by:

Energy Rater: Kevin McNeely  
RESNET ID: 6427882

Rating Company: McNeely Building Group, LLC

Rating Provider: RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 9:33 PM



Ekotrope RATER - Version:4.0.2.3439  
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.  
This report does not constitute any warranty or guarantee.



Home Energy Rating Certificate  
Projected Report  
Based on Plans

Rating Date: 2024-07-16  
Registry ID:  
Ekotrope ID: LO3y14GL

HERS® Index Score:

75

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](http://www.hersindex.com)

Annual Savings\*

\$796

\*Relative to an average U.S. home

Home:  
3806 Delmont St  
Unit E  
Richmond, VA 23222

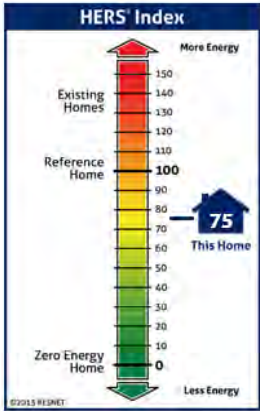
Builder:  
American Community Developers

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	9.2	\$322
Cooling	2.3	\$80
Hot Water	8.7	\$307
Lights/Appliances	12.7	\$448
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
Total:	32.9	\$1,338

This home meets or exceeds the criteria of the following:

3 Bed Interior Unit  
Projected Rating: Based on Plans  
FIELD CONFIRMATION REQUIRED



Home Feature Summary:

Home Type:	Townhouse, inside unit
Model:	3 Bed Interior Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	1,083 ft <sup>2</sup>
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 10 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 18 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	1117 CFM50 (7.74 ACH50) (Adjusted Infiltration: 7.74 ACH50)
Ventilation:	None
Duct Leakage to Outside:	83 CFM @ 25Pa (7.67 / 100 ft <sup>3</sup> )
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	R-28

Rating Completed by:

Energy Rater: Kevin McNeely  
RESNET ID: 6427882

Rating Company: McNeely Building Group, LLC

Rating Provider: RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 9:36 PM



Ekotrope RATER - Version:4.0.23439

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

Home Energy Rating Certificate  
Projected Report  
Based on Plans

Rating Date: 2024-07-16  
Registry ID:  
Ekotrope ID: dWPBDbbv

HERS® Index Score:

77

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](http://www.hersindex.com)

Annual Savings\*

\$925

\*Relative to an average U.S. home

Home:  
3808 Delmont St  
Unit H  
Richmond, VA 23222

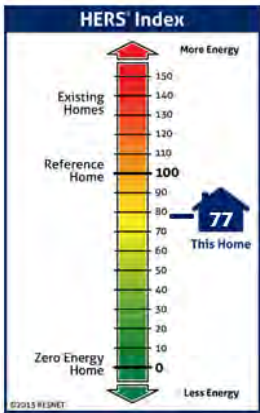
Builder:  
American Community Developers

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	10.4	\$365
Cooling	3.7	\$129
Hot Water	10.1	\$357
Lights/Appliances	14.8	\$519
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
Total:	39.0	\$1,550

This home meets or exceeds the criteria of the following:

Pre-Improvement Rating  
3 Bed End Unit  
Worse Case Orientation



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	3 Bed End Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	1,294 ft <sup>2</sup>
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 2.9 COP
Primary Cooling System:	Air Source Heat Pump • Electric • 10.5 EER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	908.9 CFM50 (5.27 ACH50) (Adjusted Infiltration: 5.16 ACH50)
Ventilation:	None
Duct Leakage to Outside:	75 CFM @ 25Pa (9.06 / 100 ft <sup>3</sup> )
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.33, SHGC: 0.45
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Kevin McNeely  
RESNET ID: 6427882

Rating Company: McNeely Building Group, LLC

Rating Provider: RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 9:52 PM



Ekotrope RATER - Version:4.0.23439  
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.  
This report does not constitute any warranty or guarantee.



Home Energy Rating Certificate

Projected Report  
Based on Plans

Rating Date: 2024-07-16  
Registry ID:  
Ekotrope ID: dWPBDbbv

HERS® Index Score:

73

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](http://www.hersindex.com)

Annual Savings\*

\$964

\*Relative to an average U.S. home

Home:  
3808 Delmont St  
Unit H  
Richmond, VA 23222

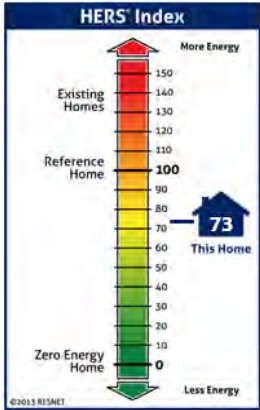
Builder:  
American Community Developers

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	13.4	\$470
Cooling	2.4	\$83
Hot Water	8.7	\$308
Lights/Appliances	13.5	\$476
Service Charges		\$180
Generation (e.g. Solar)	0.0	\$0
Total:	38.0	\$1,517

This home meets or exceeds the criteria of the following:

3 Bed End Unit  
Projected Rating: Based on Plans  
FIELD CONFIRMATION REQUIRED



Home Feature Summary:

Home Type:	Townhouse, end unit
Model:	3 Bed End Unit
Community:	Delmont Plaza Apartments
Conditioned Floor Area:	1,294 ft²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 10 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 18 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.91 Energy Factor
House Tightness:	908.9 CFM50 (5.27 ACH50) (Adjusted Infiltration: 5.16 ACH50)
Ventilation:	None
Duct Leakage to Outside:	75 CFM @ 25Pa (9.06 / 100 ft²)
Above Grade Walls:	R-11
Ceiling:	Attic, R-38
Window Type:	U-Value: 0.3, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Rating Completed by:

Energy Rater: Kevin McNeely  
RESNET ID: 6427882  
Rating Company: McNeely Building Group, LLC  
  
Rating Provider: RATERusa  
PO BOX 1280  
855-273-7872



Kevin McNeely, Certified Energy Rater  
Date: 7/16/24 at 9:54 PM



Ekotrope RATER - Version:4.0.2.3439  
The Energy Rating Disclosure for this home is available from the Approved Rating Provider.  
This report does not constitute any warranty or guarantee.



# RATERusa

*hereby certifies that*

## KEVIN McNEELY

*Has met the standards required by  
**RATERusa,**  
RESNET Rating Provider AIN 1998-156,  
as a Certified RESNET Home Energy Rater.*

**RESNET RIN#: 6427882**  
**Certification Expires: 11/26/2025**

---

*Heather Parnell*  
RATERusa - Corporate

---

*Elana Brewer*  
RATERusa - RESNET QAD

# Tab G:

## Zoning Certification Letter (MANDATORY)



# Zoning Certification

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

## General Instructions:

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

If you have any questions, please contact the Tax Credit Allocation Department at [taxcreditapps@virginiahousing.com](mailto:taxcreditapps@virginiahousing.com)

# Zoning Certification

**DATE:** 09-30-2024

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

**RE:** ZONING CERTIFICATION

Name of Development: Delmont Plaza

Name of Owner/Applicant: Delmont Plaza 2024 L.L.C.

Name of Seller/Current Owner: Delmont Plaza Apartments 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:  
3800 Delmont Street, Richmond, Virginia 23222

\_\_\_\_\_

\_\_\_\_\_

**Legal Description:**

ALL that certain tract, piece or parcel of land with improvements thereon and appurtenances thereto belonging, lying and being in Henrico County, Virginia, located on the west side of Delmont Street in the Fairfield District and containing 2.522 acres,

as shown on a plat of survey dated August 28, 2006, last revised October 27, 2006, entitled "PLAT SHOWING PHYSICAL IMPROVEMENTS ON 'DELMONT PLAZA APARTMENTS' LOCATED ON THE WEST LINE OF DELMONT STREET

IN THE FAIRFIELD DISTRICT OF HENRICO COUNTY, VA", prepared by Gene Watson & Associates, P.C., Land Surveyors, and being more particularly described by metes and bounds, as - follows:

BEGINNING at a rod set on the west line of Delmont Street at a point approximately 617 feet north of the north line of Ladies Mile Road; thence along a line in common with Delmont Associates, LP,

North 89°19'14" West 335.26 feet to a stone found; thence along a line in common with D & D, Inc., North 03°11'56" West 348.60 feet to a rod set on the south line of an unimproved road being 12 feet in width;

thence with the south line of said unimproved road, South 89°19'14" East 272.76 feet to a rod found; thence along lines in common with Dorothy Lee Coleman the following two courses, South 03°11'56" East 109.79 feet to a rod found;

thence South 89°19'14" East 63.34 feet to a rod set on the west line of Delmont Street; thence with the west line of Delmont Street South 02°59'50" East 238.75 feet to a rod set at the point of beginning.

**Proposed Improvements:**

<input type="checkbox"/> New Construction:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	_____	# Units	_____	# Buildings	_____	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	41	# Units	6	# Buildings	47,500	Total Floor Area Sq. Ft.



Zoning Certification, cont'd

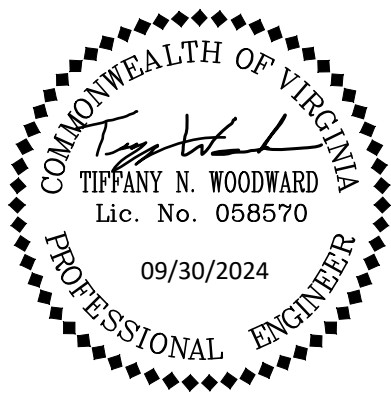
Current Zoning: R-6 allowing a density of 12 units per acre, and the following other applicable conditions: Dimensional  
standards as listed in Zoning Ordinance Article III, Section 24-3315.D.

Other Descriptive Information:  
The proposed project will take place on an existing 41-unit townhouse community located in Henrico County, Va.

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.



Tiffany Woodward  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Senior Project Manager

\_\_\_\_\_  
Title of Local Official or Civil Engineer

\_\_\_\_\_  
804-616-3242

\_\_\_\_\_  
Phone:

\_\_\_\_\_  
09/24/2024

\_\_\_\_\_  
Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please contact the Tax Credit Allocation Department at [taxcreditapps@virginiahousing.com](mailto:taxcreditapps@virginiahousing.com).

# Tab H:

Attorney's Opinion (MANDATORY)

# KOTZ SANGSTER

ATTORNEYS AND COUNSELORS AT LAW

36700 WOODWARD AVENUE  
SUITE 202  
BLOOMFIELD HILLS, MICHIGAN 48304  
(248) 646-1050 Main  
(248) 646-1054 Fax  
WWW.KOTZSANGSTER.COM

Jeffrey S. Sternberg  
(248) 646-1056 Direct  
JSternberg@kotzsangster.com

September 24, 2024

Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

RE: 2024 Tax Credit Reservation Request (30% present value credits to be paired with tax-exempt bonds)  
Name of Development: Delmont Plaza  
Name of Owner: Delmont Plaza 2024 L.L.C.

Dear Virginia Housing:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated October 1, 2024 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low-income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

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

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

2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.

3. The information set forth in the Unit Details section of the Application form as

11198.226 / 3620353

Detroit Office  
400 Renaissance Ctr., Ste. 3400  
Detroit, MI 48243

Member of  Lawyers  
Associated  
Worldwide

Bloomfield Hills Office  
36700 Woodward Ave., Ste. 202  
Bloomfield Hills, MI 48304



**KOTZ SANGSTER WYSOCKI P.C.**

September 24, 2024  
Page 2 of 2

to proposed rents exceeds the Code rent restrictions; however, the Development will satisfy all applicable requirements of the Code and Regulations due to subsidies such that no tenant will pay rents in excess of what is dictated by the Code and Regulations.

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

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

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

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

Sincerely,

**KOTZ SANGSTER WYSOCKI P.C.**



JEFFREY S. STERNBERG

JSS/jss  
**VIA E-MAIL**

cc: Delmont Plaza 2024 L.L.C. (via e-mail )

## Attorney's Opinion Letter – TAX EXEMPT VERSION

(This Form Must Be Included With Application)

**This Opinion Must Be Submitted Under Law Firm's Letterhead - Any changes to the form of opinion other than filing in blanks or making the appropriate selections in bracketed language must be accompanied by a black-lined version indicating all additional changes to the opinion. Altered opinions will still be subject to acceptance by the Authority.**

Date \_\_\_\_\_

To Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

RE: 2024 4% Tax Credit Reservation Request (30% present value credits to be paired with tax-exempt bonds)

Name of Development \_\_\_\_\_

Name of Owner \_\_\_\_\_

Dear Virginia Housing:

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

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

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

The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.

OR

Assuming that you designate the buildings in the Development as being in a difficult development area pursuant to Code Section 42(d)(5)(B)(v), the calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.

3. [Select One]

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

OR

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

4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. [Delete if inapplicable] The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
6. [Delete if inapplicable] The nonprofit organizations' ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.
7. [Delete if inapplicable] It is more likely than not that the representations made in the Rehab Information section of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
8. [Delete if inapplicable] After reasonable investigation, the undersigned has no reason to believe that the representations made under the Rehab Information (Ten-Year Rule) section of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code §42(d)(2)(B) are not correct.

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

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

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

Firm Name \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Title

# Tab I:

## Nonprofit Questionnaire (MANDATORY for points or pool)

NOTE: The following documents need not be submitted unless requested by Virginia Housing:

- Nonprofit Articles of Incorporation
- IRS Documentation of Nonprofit Status
- Joint Venture Agreement (if applicable)
- For-profit Consulting Agreement (if applicable)

Not Applicable

# **Tab J:**

Relocation Plan and Unit Delivery Schedule  
(MANDATORY-Rehab)

**Delmont Plaza  
Apartments  
Temporary Relocation Plan  
September 25, 2024**

## **TABLE OF CONTENTS**

- I. INTRODUCTION
- II. PROJECT DESCRIPTION
- III. RESIDENT RELOCATION & PLAN
  - i. Resident Demographics
  - ii. Relocation Plan for Affected Households
  - iii. Planned Measures to Minimize Construction Impact
- IV. PROJECTED RENTS AND RENTAL POLICIES AFTER RENOVATION
- V. ADVISORY SERVICES TO BE OFFERED
- VI. ESTIMATED DETERMINATION AS TO MOVING COST REIMBURSEMENT



## **I. INTRODUCTION**

Delmont Plaza Apartments (the “Property” or “Delmont Plaza”) is located at 3800 Delmont Street, Richmond, VA 23222. Delmont Plaza is currently owned by Delmont Plaza Apartments LLC (DPA). The property was built in 1981 and contains 41 units. There are 23 two-bedroom units and 18 three- bedroom units contained in 6 townhouse style buildings. A minimum of two of the units are handicap accessible. The Property covers approximately 2.522 acres.

The Property was rehabbed in 2008 using funding from low-income housing tax credits (“LIHTCs”) and 41 of the 41 units are currently restricted to 50% of area median income (AMI). The Property is subsidized by a Project-Based Section 8 Housing Assistance Payment Contract that runs through 2041.

The Property has not had a renovation since 2008 and is in need of rehabilitation. American Community Developers, Inc. (ACD) estimates a renovation scope of approximately \$95,782 per unit to address physical needs at the Property for the next 15 years.

ACD proposes to apply for tax-exempt bonds and low-income housing tax credits from Virginia Housing Development Authority in 2024/2025 to finance the acquisition and comprehensive rehabilitation of the Property after it has exited the previous LIHTC compliance period.

People of contact for this relocation plan are as follows:

### **Ownership**

Gerald Krueger  
Delmont Plaza 2023 L.C.C.  
20250 Harper Avenue  
Detroit, MI 48225  
313-881-8150  
jerry@acdmail.com

### **Property Management Relocation Coordinator**

Mike Rigdon  
Independent Management  
Services  
14381 North Road  
Fenton, MI 48430  
810-750-7000  
mrigdon@imsteam.net

A copy of this Relocation Plan will be available to all residents of Delmont Plaza. Copies of the plan will be provided at the management office located at 3800 Delmont Street, Richmond, VA 23222.

Residents will be advised of how to access a copy of this plan in writing and through community resident meetings.

## **II. PROJECT DESCRIPTION**

Delmont Plaza is located at 3800 Delmont Street, Richmond, VA 23222. The Property was built in 1981 and contains 41 units. There are 23 two-bedroom units and 18 three-bedroom units contained in 6 townhouse style buildings. The Property also contains an office building. The Property covers approximately 2.522 acres and is located in Henrico County, VA.

The Property will undergo a comprehensive renovation that will result in improved comfort, safety, and convenience for all residents. Some of the more significant work to be performed to exterior and common areas will include the following:

- New siding
- Exterior door replacement
- Window and door wall replacement
- Parking lot replaced
- Sidewalk repair
- Improved landscaping, grading and drainage upgrades
- Security system enhancement
- Garbage Enclosures

Individual apartments will also be significantly improved with such items as:

- New kitchen and bathroom cabinets and countertops
- Appliances
- Toilets
- Showerheads
- Flooring
- Lighting
- Hot water heaters
- Duct cleaning
- HVAC replacement

Renovations of individual apartments are scheduled to begin in mid-2025. All apartments are scheduled for completion by the 3<sup>rd</sup> quarter 2026 or earlier.

The New Owner of Delmont Plaza (ACD) intends to maintain the affordability of the apartments. The new owner will work with Virginia Housing to enter into regulatory agreements that will continue rent and income limits at the Property in connection with Low Income Housing Tax Credit (LIHTC) and tax-exempt bonds for the Property for at least another 30 years. In addition,

ACD is applying to the U.S. Department of Housing and Urban Development (HUD) to renew and extend the HAP Contract for a new 20-year term.

### **III. RESIDENT RELOCATION & PLAN**

#### **i. Resident Demographics**

As of September 2024, there are 23 occupied 2 bedroom units and 17 occupied 3 bedroom units. Demographics of the residents at Delmont Plaza, based on August 2024 data, include:

- 55.6% between the ages of 0-17; 15.6% between the ages of 18-29; 23.2% between the ages of 30-53; 5.6% ages of 4 years of age and older.
- 65% of residents claim single on their marital status and 35% claim married.
- 100% of residents report being Black and 0.0% not-Hispanic or Latino.
- 54% of households report an income of below \$10,000 and 46% of households report an income above \$10,000.
- 38% of residents report being male and 62% being female.

#### **ii. Relocation Plan for Affected Households**

ACD and the management agent will prioritize resident comfort and minimize disruption as much as possible during the renovation. Due to the construction related items being completed within the unit, residents will not be allowed to remain in their respective apartments when in-unit work is being undertaken. Instead, when a block of apartments is scheduled for renovation, the affected residents will move into what is termed “on-site hotel” units at the property or actual off-site hotel rooms arranged in advance by the management agent. (Certain unoccupied units at the start of the renovation may prospectively be held and used for the purpose of “on-site hotel” units; however, limited vacant units are expected by the Proposed Owner at the commencement of the renovation.) With the help of professional movers coordinated by the management agent, residents will be able to move all necessities and essential belongings into the on-site hotel units or to the off-site hotel rooms, with larger items to be placed in secure, on-site storage as needed. On-site hotel units will be furnished and will offer standard appliances and basic kitchen supplies. Once respective unit renovations are completed, all residents will return to their own apartments and any items or furnishings placed in storage will be returned as well. Strict cleaning protocols will be followed by the management agent and by the general contractor as residents move in and out of apartment units at the property.

Renovations of both the overall building as well as the individual apartments are scheduled to begin in the Mid of 2025. All apartments in the buildings are scheduled for completion by fourth quarter 2026 or earlier. The apartments are to be renovated in to-be- determined unit blocks, and a final unit order and plan will be designated and made available upon request closer to the start of construction. Renovations in most apartments should take no more than ten (11) working days to complete with limited follow-up visits for punch-list work.

The units at Delmont Plaza that are slated to undergo full ADA upgrades will take up to approximately eight (8) weeks to complete. Management staff will inform each household well in advance of the date that their apartment is to be renovated to allow ample time to pack belongings. Management will also provide assistance or arrange for professional movers to provide assistance if residents are unable to pack and move their belongings.

### **iii. Planned Measures to Minimize Construction Impact**

The renovation is planned so that Delmont Plaza will be overall livable throughout construction. The management agent will assist residents in coordinating the packing of their belongings by providing materials such as cardboard boxes, tape, wrapping paper, etc. Management staff will be available throughout the process to answer questions and provide any assistance.

To minimize disturbance, construction will not proceed into evening or nighttime hours. Construction work, particularly that which is loud or disturbing, will be scheduled between 8AM – 5PM, and ample notice will be provided to all residents prior to any work requiring access to respective units or any work that otherwise impacts residents. Construction crews will be responsible for maintaining a clean and safe site as they perform their work.

## **IV. PROJECTED RENTS AND RENTAL POLICIES AFTER RENOVATION**

ACD intends to maintain the affordability of the apartments by remaining in the Section 8 program for 100% of the units. ACD plans to apply to HUD for an increase in the post-renovation contract rents, but the resident-paid portion of the rent will remain limited by the resident's income pursuant to the Section 8 program.

## **V. ADVISORY SERVICES TO BE OFFERED**

Management will endeavor to keep all residents informed throughout the process. All affected residents will receive copies of this renovation and relocation plan, current work will be highlighted in notices sent to all residents, and staff will be available to provide advisory services to assist residents with questions or complaints. To address the needs of non-English-speaking residents, literature will be made available to them in the appropriate language and interpreters will be provided, as needed. Contact information for management staff will be provided to ensure that residents have ready access to information about the renovation and relocation.

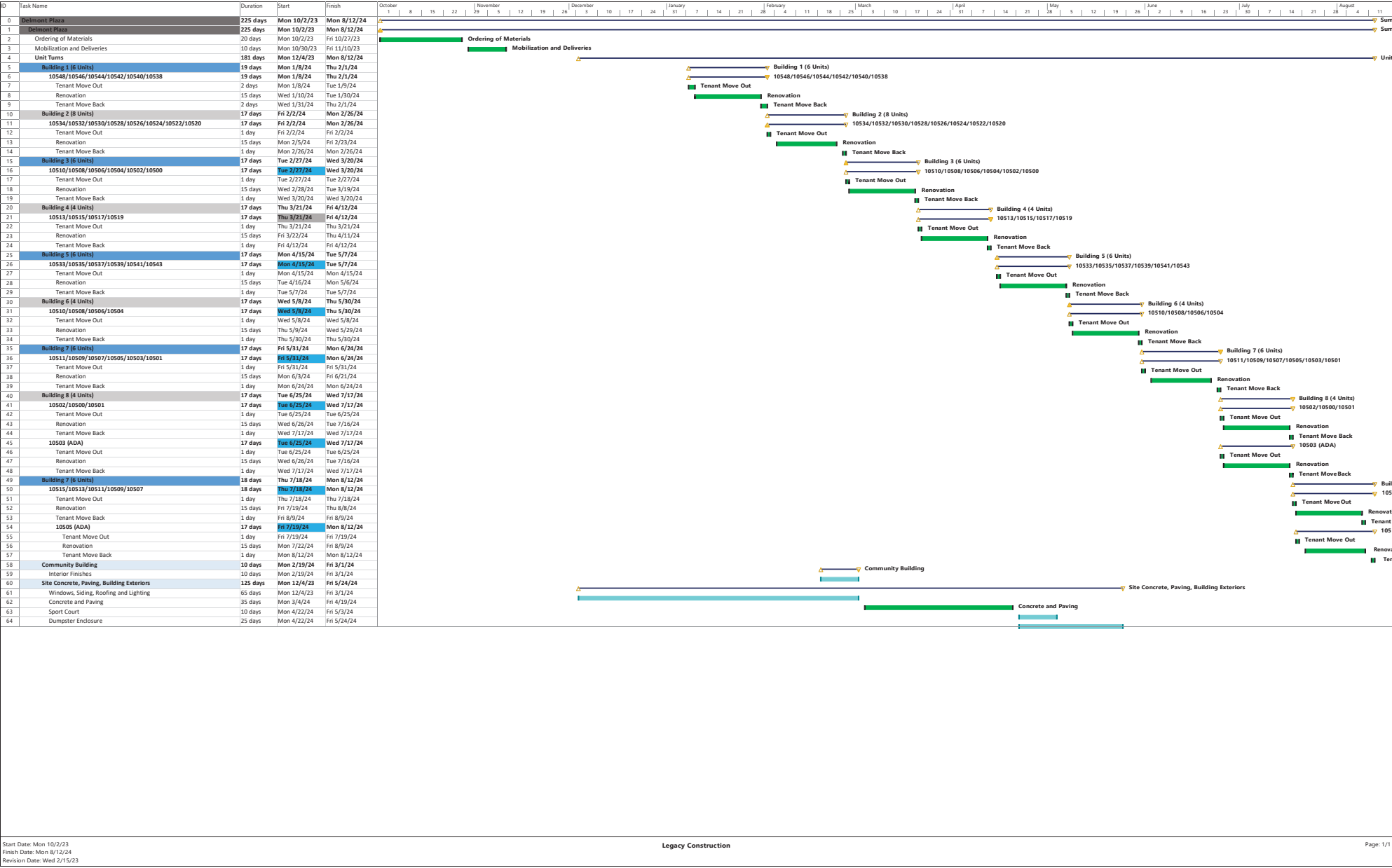
## **VI. ESTIMATED DETERMINATION AS TO MOVING COST REIMBURSEMENT**

Any relocation to allow contractors access to units is planned to be temporary and minimal. No costs to residents are anticipated. If unit work requires that residents temporarily relocate while their units are being renovated, the Proposed Owner will work with residents to identify optimal temporary accommodations, such as available on-site units or off-site hotel rooms, and will provide reasonable cost reimbursement for lodging and per diem expenses. If there are unoccupied units at the time that construction commences, these units will be renovated first

and used as on-site hotel units, or residents will have the option to transfer to the newly renovated unit, making their current unit available for renovation. On-site hotel units will be furnished and will offer a TV and basic kitchen supplies.

We will work to ensure that the renovation of the property causes as little inconvenience to each resident as possible, and we are confident that each resident will be very happy with the new Delmont Plaza Apartments.

SAMPLE UNIT DELIVERY SCHEDULE



# **Tab K.1**

## **Revitalization Area Certification**

Not Applicable

# **Tab K.2**

Surveyor's Certification of Proximity to  
Public Transportation using Virginia  
Housing template



## Surveyor's Certification of Proximity to Transportation

### General Instructions

1. This form must be included with the Application.
2. Any change in this form may result in a reduction of points under the scoring system.
3. If you have any questions, please contact the Tax Credit Allocation Department  
taxcreditapps@virginiahousing.com.

Date 06/07/2024

To Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

RE: 2024 Tax Credit Reservation Request

Name of Development Delmont Plaza

Name of Owner Delmont Plaza 2024 L.L.C.

Ladies and 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 ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; **OR**

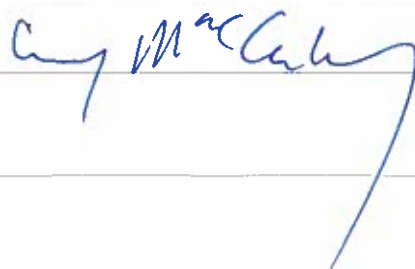
☒ 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.

Firm Name BOWMAN

By CRAIG MACAULAY

Its Land Surveyor # 0403003124

Title



# **Tab L:**

PHA / Section 8 Notification Letter

Not Applicable

# Tab N:

## Homeownership Plan

Not Applicable

# **Tab O:**

Plan of Development Certification Letter

Not Applicable

# **Tab P:**

Zero Energy or Passive House documentation for  
prior allocation by this developer

Not Applicable

# **Tab Q:**

Documentation of Rental Assistance, Tax Abatement  
and/or existing RD or HUD Property

**U.S. Department of Housing and Urban Development  
Office of Housing**

**PROJECT-BASED SECTION 8**

**HOUSING ASSISTANCE PAYMENTS  
RENEWAL CONTRACT  
FOR MARK-UP-TO-MARKET PROJECT**

Delmont Plaza (VA36H027164 )

OMB Control #2502-0587

"Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected for obtaining a signature on legally binding documents and will be used to enforce contractual obligations. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it has a currently valid OMB control number. No confidentiality is assured."

**PREPARATION OF CONTRACT**

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Renewal Contract. The instructions are not part of the Renewal Contract.

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## **RENEWAL HAP CONTRACT FOR SECTION 8 MARK-UP-TO-MARKET PROJECT<sup>1</sup>**

### **1 CONTRACT INFORMATION<sup>2</sup>**

#### **PROJECT**

**Section 8 Project Number:** VA36H027164

**Section 8 Project Number of Expiring Contract:** Same

**FHA Project Number (if applicable):** N/A

**Project Name:** Delmont Plaza

#### **Project Description:<sup>3</sup>**

This property is located at 3808 Delmont St, Richmond, VA 23222-2057 in Henrico County. It consists of 41 Section 8 units, 23 two bedrooms and 18 three bedrooms.

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☐ Check this box if the project is a Section 236 project or a Section 221(d)(3) below market interest rate (BMIR) project at the beginning of the Renewal Contract term.

#### **PARTIES TO RENEWAL CONTRACT**

##### **Name of Contract Administrator<sup>4</sup>**

Navigate Affordable Housing Partners

##### **Name of Owner**

Delmont Plaza Apartments LLC



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## 2 TERM AND FUNDING OF RENEWAL CONTRACT

- a The Renewal Contract begins on 3/1/2021<sup>5</sup> and shall run for a period of 20 (Twenty)<sup>6</sup> years.
- b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ 181,773<sup>7</sup>, an amount sufficient to provide housing assistance payments for approximately 3<sup>8</sup> months of the first annual increment of the Renewal Contract term.
- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

## 3 RENEWAL CONTRACT

### a Parties

- (1) This contract ("Renewal Contract") is a housing assistance payments contract ("HAP contract") between the contract administrator and the owner of the housing.
- (2) If HUD is the contract administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as contract administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 8 (applicable requirements), section 9 (statutory changes during term), section 10 (distributions) and section 11 (PHA default) of the Renewal Contract.

### b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 ("Section 8") (42 U.S.C. 1437f),

---

and section 524(a) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA) \*\* (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

**c      Expiring Contract**

Previously, the owner entered into a Housing Assistance Payments Contract ("Expiring Contract") with HUD or a PHA to make Section 8 housing assistance payments to the owner for eligible families living in the project. The term of the Expiring Contract has expired or will expire prior to the beginning of the term of the Renewal Contract.

**d      Purpose of Renewal Contract**

The purpose of the Renewal Contract is to renew the Expiring Contract for an additional term. During the term of the Renewal Contract, the contract administrator will make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract. Such payments shall only be made for contract units occupied by eligible families ("families") leasing decent, safe and sanitary units from the owner in accordance with HUD regulations and other requirements.

**e      Contract units**

The Renewal Contract applies to the project contract units identified in Exhibit A by size and applicable contract rents.

**4      EXPIRING CONTRACT – PROVISIONS RENEWED**

**a**      Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).

**b**      Any provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

- (1)      The amount of the monthly contract rents;
- (2)      Contract rent adjustments;

- 
- (3) Project account (sometimes called “HAP reserve” or “project reserve”) as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
  - c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section.

## 5 CONTRACT RENT

### a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the project are adjusted in accordance with section 5b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A, which is attached to and made a part of the Renewal Contract. The initial contract rent amounts listed in Exhibit A have been increased to market levels under the HUD Mark-Up-to-Market Option.

### b Contract rent adjustments

#### (1) OCAF adjustment

Except for adjustment of the contract rents to comparable market rents at the expiration of each 5-year period (as provided in paragraph 5b(2) of this section) (“fifth year adjustment”), during the term of the Renewal Contract the contract administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements, using an operating cost adjustment factor (OCAF) established by HUD. Such adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for a fifth year adjustment.

#### (2) Fifth year adjustment (comparability adjustment at expiration of each 5-year period, *if applicable*)

- (a) This section 5(b)(2) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).

- 
- (b) At the expiration of each 5-year period of the Renewal Contract term, the contract administrator shall compare existing contract rents with comparable market rents for the market area. At such anniversary of the Renewal Contract, the contract administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the contract administrator in accordance with HUD requirements, necessary to set the contract rents for all unit sizes at comparable market rents. Such adjustments may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
  - (c) To assist in the redetermination of contract rents, the contract administrator may require that the owner submit to the contract administrator a rent comparability study prepared (at the owner's expense) in accordance with HUD requirements.

**(3) Procedure for rent adjustments during renewal term**

To adjust contract rents during the term of the Renewal Contract (in accordance with paragraph 5b(1) or paragraph 5b(2)), the contract administrator shall give the owner notice of the revised Exhibit A. The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the contract administrator in accordance with paragraph 5b(1) or paragraph 5b(2). The notice shall specify when the adjustment of contract rent is effective. The notice by the contract administrator of the revised Exhibit A constitutes an amendment of the Renewal Contract.

**(4) No other adjustments**

Except for contract rent adjustments in accordance with paragraph 5b, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

**6 OWNER WARRANTIES**

- a The owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.

- 
- b The owner warrants that the rental units to be leased by the owner under the Renewal Contract are in decent, safe and sanitary condition, as defined by HUD, and shall be maintained in such condition during the term of the Renewal Contract.

## **7 OWNER NOTICE**

- a Before termination of the Renewal Contract, the owner shall provide written notice to the contract administrator and each assisted family in accordance with the law and HUD requirements.
- b If the owner fails to provide such notice in accordance with the law and HUD requirements, the owner may not increase the tenant rent payment for any assisted family until such time as the owner has provided such notice for the required period.

## **8 APPLICABLE REQUIREMENTS**

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including amendments or changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD regulations and requirements which are inconsistent with the provisions of the Renewal Contract, including the provisions of section 5 (contract rent) and section 10 (distributions), shall not be applicable.

---

**9 STATUTORY CHANGES DURING TERM**

If any statutory change during the term of the Renewal Contract is inconsistent with section 5 or section 10 of the Renewal Contract, and if HUD determines, and so notifies the contract administrator and the owner, that the contract administrator is unable to carry out the provisions of section 5 or section 10 because of such statutory change, then the contract administrator or the owner may terminate the Renewal Contract upon notice to the other party.

**10 DISTRIBUTIONS**

During the term of the Renewal Contract, neither HUD nor the PHA may impose any additional limitations on distributions of project funds other than any distribution limitations specified in Exhibit B, which is attached to and made a part of this Renewal Contract.

**11 PHA DEFAULT**

- a** This section of the Renewal Contract applies if the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA contract administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as contract administrator, to make housing assistance payments to the owner in accordance with the provisions of the Renewal Contract, and that the owner is not in default of its obligations under the Renewal Contract, HUD will take actions HUD determines necessary for the continuation of housing assistance payments to the owner in accordance with the Renewal Contract.

**12 SECTIONS 236 AND 221(D)(3) BMIR PROJECTS -- PREPAYMENT**

- a** This section of the Renewal Contract shall be applicable if the project is a Section 236 project or a 221(d)(3) BMIR project (See the check-box at section 1 of the Renewal Contract).

- 
- b During the term of the Renewal Contract, the owner shall not prepay any FHA-insured mortgage on the project, except where HUD, in its sole discretion, approves the prepayment as a component of a transaction whereby the project is preserved as affordable housing.

### **13 EXCLUSION OF THIRD-PARTY RIGHTS**

- a The contract administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with the contract administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the owner.
- b The owner is not the agent of the contract administrator or HUD, and the Renewal Contract does not create or affect any relationship between the contract administrator or HUD and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with implementation of the Renewal Contract.
- c If the contract administrator is a PHA acting as contract administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the contract administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the contract administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

### **14 WRITTEN NOTICES**

Any notice by the contract administrator or the owner to the other party pursuant to the Renewal Contract must be in writing.

**SIGNATURES****Contract administrator (HUD or PHA)**

Name of Contract Administrator

Navigate Affordable Housing Partners

By: 

Signature of authorized representative


for Lisa McCarroll, President and CEO

Name and official title

Date 02/09/2021**U.S. Department of Housing and Urban Development**By: \_\_\_\_\_  
Signature of authorized representative

Authorized Agent - Authorized Representative , U.S. Department of HUD

Name and official title



Date \_\_\_\_\_

Digitally signed by:

Sharon Rowe Downs

DN: CN = Sharon Rowe

Downs email = Sharon.

Downs@hud.gov C = US

O = U.S. Department of

Housing and Urban

Development OU =

Multifamily

Date: 2021.02.10 08:31:

32 -05'00'

**Owner**

Name of Owner

Delmont Plaza Apartments LLC

By: 

Signature of authorized representative

Moshe Eichler - Manager

Name and title

Date 2/9/21

9



## IDENTIFICATION OF UNITS ("CONTRACT UNITS") BY SIZE AND APPLICABLE CONTRACT RENTS

**Effective Date of the Rent Increase (if applicable):** 3/1/2021

This Exhibit will be amended by contract administrator notice to the owner to specify adjusted contract rent amounts as determined by the contract administrator in accordance with section 5b(3) of the Renewal Contract.

---

## EXHIBIT B

### DISTRIBUTION LIMITATIONS

#### **FOR PROJECT NOT SUBJECT TO DISTRIBUTION LIMITATIONS:**

If the project is not subject to any limitations on distribution of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitations on distribution of project funds during the term of the Renewal Contract.

#### **FOR PROJECT SUBJECT TO DISTRIBUTION LIMITATIONS:**

If the project is subject to any limitations on distribution of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitations on distribution shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1** The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2** Any increased distribution as approved by HUD in accordance with the Guidebook.

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## INSTRUCTIONS FOR PREPARATION OF RENEWAL CONTRACT

The following instructions are not part of the Renewal Contract.

Endnote numbers are keyed to references in the text of the Renewal Contract.

<sup>1</sup> This form of Renewal Contract is only to be used to renew an expiring Section 8 project-based HAP contract for a Section 8 project whose rents are increased to market under the HUD Mark-Up-to-Market Option. The Renewal Contract shall be entered in accordance with Section 524 of MAHRA and HUD requirements. Section 2 of the Renewal Contract specifies the contract term.

<sup>2</sup> To prepare the Renewal Contract for execution by the parties, fill out all contract information in section 1 and section 2.

<sup>3</sup> Enter a description of the housing that will be covered by the Renewal Contract. The description must clearly identify the housing by providing the address or other description of project location, and any other information necessary to clearly designate the covered housing.

If necessary, attach an exhibit with a site plan or other descriptive information. Enter a reference to the attached exhibit.

<sup>4</sup> Enter the name of the contract administrator that executes the Renewal Contract. If HUD is the contract administrator, enter "United States of America – Department of Housing and Urban Development (HUD)". If the contract administrator is a public housing agency (PHA), enter the full name of the PHA.

<sup>5</sup> The Renewal Contract must be entered before expiration of the Expiring Contract. Enter the date of the first day after expiration of the term of the Expiring Contract.

<sup>6</sup> Enter a whole number of five or more years.

<sup>7</sup> Enter the amount of funding obligated.

<sup>8</sup> Enter a whole number of months.

<b>PROJECT-BASED SECTION 8 HOUSING ASSISTANCE PAYMENTS</b> Addendum to RENEWAL CONTRACT under Option One or Option Two for Capital Repairs and/or Acquisition—Post- Rehabilitation Rents at Closing	<b>U.S. Department of Housing and Urban Development Office of Housing Federal Housing Commissioner</b>	<b>OMB Approval No. 2502-0587</b>
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**Public Reporting Burden**

**Public reporting burden** for this collection of information is estimated to average .5 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L. 106-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project-based Section 8 contracts with above-market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF HOUSING

### PROJECT-BASED SECTION 8 HOUSING ASSISTANCE PAYMENTS

Addendum to RENEWAL CONTRACT for Capital Repairs and/or Acquisition—Post Rehabilitation Rents at Closing

The Renewal Contract as amended by this Addendum includes the following Exhibits that are checked:

- ☒ **Exhibit A1:** Identification of Units (Contract Units) by Size and Applicable Contract Rents Before Capital Repairs and/or Acquisition (“Pre-Rehabilitation Rents”);
- ☒ **Exhibit A2:** Identification of Units (Contract Units) by Size and Applicable Contract Rents After Capital Repairs and/or Acquisition (“Post-Rehabilitation Rents”);
- ☐ **Exhibit C:** Reserved
- ☐ **Additional Exhibits:** (Specify any additional Exhibits if applicable)

**1. Refinancing.** The Owner certifies that (a) the Project is being refinanced (i) with low-income housing tax credits, (ii) pursuant to a program that requires that full debt service commence at closing; and (b) the program referenced in the preceding clause is listed in Chapter 15 of the Section 8 Renewal Guide as having been approved by HUD as a program that is eligible for Capital Repairs with Post-Rehabilitation Rents at Closing.

**2. Post-Rehabilitation Rents at Closing.** Except as otherwise provided in this Addendum, the Contract Rents shall be the Post-Rehabilitation Rents as provided in Exhibit A2. The Post-Rehabilitation Rents are based on the capital repairs to the Project's dwelling units, which the Owner agrees to make in accordance with the Owner's proposal, specifically that portion captioned Scope of Work (the "Scope of Work"). Such repairs shall be referred to in this Addendum as the "Capital Repairs." The Post-Rehabilitation Rents shall be effective on the date on which the Renewal Contract begins, as provided in section 2a of the Renewal Contract (referred to in this Addendum as "the effective date of the Renewal Contract").

**3. Pre-Rehabilitation Rents.** The Pre-Rehabilitation rents shall be as provided in Exhibit A1. The Owner agrees that the Pre-Rehabilitation Rents shall be the Contract Rents, as provided in this Addendum, in the event that the Capital Repairs are not commenced or completed within the time frames set forth in sections 5 and 6, respectively, of this Addendum.

**4. Compliance with Applicable State and Federal Requirements.** The Owner hereby certifies that the Capital Repairs are permissible under the applicable State or local zoning and housing codes, ordinances or regulations as modified by any waivers obtained from the appropriate officials. The Owner further agrees to repair and substantially rehabilitate the Project to meet all applicable local standards, including as applicable the following:

- a. State and local building codes, ordinances and regulations;
- b. Standards set forth in the Project Capital Needs Assessment;
- c. Economic Opportunities at 24 CFR Part 135
- d. Handicapped Accessibility Guidelines at 24 CFR Part 41;
- e. Section 504 of the Rehabilitation Act of 1973;
- f. Lead-Based Paint Requirements at 24 CFR Part 35;
- g. Equal Employment Opportunity Regulations (for contracts in excess of \$10,000) at 41 CFR Chapter 60;
- h. Any conditions imposed by HUD on rehabilitation pursuant to regulations at 24 CFR Part 50 and 51; and
- i. The relocation plan or statement prepared pursuant to any HUD requirements or the Uniform Acquisition Policies Act of 1970.

**5. Date for Commencement of Capital Repairs.** The Date for Commencement of the Capital Repairs shall not be more than 30 calendar days from the effective date of the Renewal Contract, provided, however, that upon request of the Owner, HUD may, in its sole discretion, extend the Date for Commencement of Capital Repairs to the extent reasonably necessary due to *force majeure* events, including fire, flood, earthquake, hurricane, or other natural disaster. If the Capital Repairs are commenced more than 30 calendar days from the effective date of the Renewal Contract, the Contract Administrator will offset future section 8 housing assistance payments by the difference between the Exhibit A2 rents and the Exhibit A1 rents for the entirety of the “commencement penalty period,” as defined below. The reduction in rents effectuated by the offset(s) shall be retroactive to the effective date of the Renewal Contract and shall continue until the first day of the calendar month following the month in which the Capital Repairs are commenced (the “commencement penalty period”).

**6. Date for Completion of Capital Repairs.** The Date for Completion of the Capital Repairs shall not be more than 365 calendar days from the Date for Commencement of Capital Repairs, provided, however, that upon request of the Owner, HUD may, in its sole discretion, extend the Date for Completion of Capital Repairs to the

extent reasonably necessary due to *force majeure* events, including fire, flood, earthquake, hurricane, or other natural disaster. Upon Completion of the Capital Repairs, the Owner shall submit evidence to HUD of such completion, as defined in section 9 of this Addendum as "Completion Evidence". If the Owner submits such Completion Evidence more than 365 days from the Date for Commencement of Capital Repairs (or after such other date, as established by HUD, pursuant to this section), the Contract Administrator will offset future section 8 housing assistance payments by the difference between the Exhibit A2 rents and the Exhibit A1 rents for the entirety of the "completion penalty period," as defined below. The reduction in rents effectuated by the offset(s) shall be retroactive to the effective date of the Renewal Contract and shall continue until the first day of the calendar month following the month in which HUD accepts the Capital Repairs as provided in section 9.b. of this Addendum (the "completion penalty period").

**7. Flood Insurance.** Provided that the Project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards, and provided further that if the sale of flood insurance has been made available under the National Flood Insurance Program, the Owner agrees that the Project will be covered, during the life of the Project, by flood insurance in an amount at least equal to its development or Project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less. In the event that the foregoing two conditions are satisfied, the Owner further agrees that it will advise any prospective purchaser or transferee of the property in writing of the continuing statutory requirement to maintain such flood insurance during the life of the property.

**8. Review and Inspection.** The Owner or an architect employed or engaged by the Owner must inspect the Capital Repairs for acceptable completion. The inspection must be sufficient to enable the inspector to report that he/she has inspected the observable elements and features of the Capital Repairs (for both assisted and unassisted units) in accordance with professional standards of care and judgment and that, on the basis of the inspection, the Capital Repairs have been completed in accordance with the

Scope of the Work and this Addendum, and that there were no observable conditions inconsistent with the Completion Evidence, as defined in section 9 of this Addendum. The results of the inspection must be evidenced by a written report (the "Report"). HUD may, within 30 calendar days of receiving the Report, perform an inspection of its own prior to accepting the Capital Repairs to determine whether there are any defects or deficiencies in the Capital Repairs subject to the Report that preclude or materially affect occupancy.

**9. Capital Repair Completion and Acceptance by HUD.** The Owner will notify HUD of completion of the Capital Repairs by submitting to HUD (i) a certificate of occupancy and other local approvals necessary for occupancy (the "CO"); and (ii) a certification by the Owner or Owner's architect that there are no defects or deficiencies in the Capital Repairs except for (a) ordinary punch list items, and/or (b) items of delayed completion that are minor in nature or that are incomplete because of weather conditions and that do not preclude or materially affect occupancy (the "Certification"). The CO and the Certification shall be referred to collectively as the "Completion Evidence." The Owner agrees that its submission of the Completion Evidence is a certification as to compliance with the applicable State and Federal requirements stated in section 4 of this Addendum.

- a. If, after review of the Completion Evidence and any inspection of the Capital Repairs pursuant to section 8 of this Addendum, HUD determines that the Capital Repairs have been completed according to this Addendum, HUD shall accept the Capital Repairs.
- b. If HUD accepts the Capital Repairs, the Owner will be notified in writing of this decision. If there are punch list items that do not preclude or materially affect occupancy, and if all other requirements of this Addendum have been met, the Capital Repairs shall still be accepted.
  - i. If HUD has not notified the Owner in writing of any corrective actions that must be taken as a condition of acceptance of the Capital Repairs, pursuant to section 9.c.i of this Addendum, or



that the Capital Repairs cannot be accepted, pursuant to section 9.c.ii of this Addendum, within 45 business days of receipt of the Completion Evidence, the Capital Repairs shall be deemed to be accepted under this section for purposes of section 6 of this Addendum only. The foregoing in no way affects HUD's ability to make a determination that Contract Rents must be adjusted as a condition of acceptance of the Capital Repairs pursuant to section 9.c.ii. of this Addendum.

- c. If defects or deficiencies exist, other than punch list items, HUD will determine whether and, if so, the extent to which the defects or deficiencies are correctable and the corrective actions necessary to permit acceptance of the Capital Repairs. In addition, HUD will determine whether and, if so, the extent to which the Contract Rents should be reduced as a condition of acceptance.
  - i. If HUD determines that corrective actions are necessary to permit acceptance of the Capital Repairs, HUD will notify the Owner of such determination and the corrective actions necessary for acceptance of the Capital Repairs in writing. If the Owner fails to correct such defects or deficiencies, HUD shall not accept the Capital Repairs.
  - ii. If HUD determines that the Contract Rents must be adjusted as a condition of acceptance of the Capital Repairs, HUD shall require the Contract Administrator to reevaluate and revise the comparable market rents based on the actual work completed. If the Contract Rents as provided in Exhibit A2 exceed the reevaluated comparable market rents, the Contract Administrator will offset future section 8 housing assistance payments by the difference between the Exhibit A2 rents and the reevaluated

comparable market rents. In the case of a rent reduction, future Section 8 payments will be reduced to offset the difference between the rents provided in Exhibit A2 and the Contract Rents as reevaluated under this paragraph from the effective date of the Renewal Contract. HUD will provide written notification to the Owner of this determination, the reason for the determination, and the resulting rents.

- iii. If HUD determines that the Capital Repairs cannot be accepted, the owner will be notified of this decision in writing.

**10. Projects Subject to an FHA-Insured or HUD-Held Loan.** In the case of a project subject to an FHA-Insured or HUD-held loan, the provisions of the applicable mortgage insurance program in place at the time that the Capital Repairs commence shall also apply. In the event of a conflict between this Addendum and the applicable mortgage insurance program provisions, the mortgage insurance provisions shall govern.

**11. Cost Certification for Owners Renewing under Option Two.** In the case of a Renewal Contract issued under Option Two of the Section 8 Renewal Guide, the Owner will, upon completion of the Capital Repairs, submit to HUD a simplified form of cost certification establishing that the costs support the increase in Contract Rents as provided by Exhibit A2. This requirement shall apply regardless of whether the Project is HUD-insured. Except as provided below, the form to be used for the cost certification is Form HUD-92330 ("Mortgagor's Certificate of Actual Cost"). If a cost plus construction contract was used or if an identity of interest exists between the Owner and the general contractor, the form to be used is Form HUD-92330-A ("Contractor's Certificate of Actual Cost"). An accountant's opinion is not needed. If HUD accepts the Capital Repairs, HUD will determine in accordance with applicable requirements whether, and the extent to which, the certified costs support an increase in Contract Rents. If HUD determines that the certified costs do not support an increase in Contract Rents, the Owner must submit a

new budget reflecting the approved costs, as determined by HUD, and HUD shall direct the Contract Administrator to reduce the Contract Rents accordingly. In the case of a Contract Rent reduction under this section, the Contract Administrator will also reduce future section 8 housing assistance payments to offset the difference between the rents provided in Exhibit A2 and the Contract Rent amount determined by HUD pursuant to this section from the effective date of the Renewal Contract.

*[The remainder of this page has been left blank intentionally.]*

**SIGNATURES****Contract Administrator**

Name of Contract Administrator (Print)

Navigate Affordable Housing Partners

By: 

Signature of authorized representative

Name and official title (Print)

for Lisa McCarroll, President and CEO

Date 02/09/2021

**U.S. Department of Housing and Urban Development**

By: \_\_\_\_\_

Signature of authorized representative

Authorized Agent - Authorized Representative, U.S. Department of HUD


Name and official title (Print)

Date \_\_\_\_\_

**Owner**

Name of Owner (Print)

Delmont Plaza Apartments LLC

By 

Signature of authorized representative

Name and official title (Print)

Moshe Eichler - Manager

Date 2/9/21

Digitally signed by:

Sharon Rowe Downs

DN: CN = Sharon

Rowe Downs email =

Sharon.

Downs@hud.gov C =

US

O = U.S. Department of

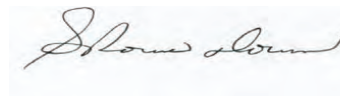
Housing and Urban

Development OU =

Multifamily

Date: 2021.02.10

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**EXHIBIT A1**

**IDENTIFICATION OF UNITS ("CONTRACT UNITS")  
BY SIZE AND APPLICABLE CONTRACT RENTS BEFORE CAPITAL  
REPAIRS AND/OR ACQUISITION ("PRE-REHABILITATION RENTS")**

**Section 8 Contract Number:  
FHA Project Number (if applicable):**

<b>Number of Contract Units</b>	<b>Number of Bedrooms</b>	<b>Contract Rent</b>	<b>Utility Allowance</b>	<b>Gross Rent</b>
23	2BR, Family	1100	92	1192
2	BR HC	1485	155	1640
16	3BR, Family	1400	120	1520
	1550			
			120	
	1670			

**NOTE:** This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with the provision of the Renewal Contract governing the adjustment of Contract Rents.

Comments:

**EXHIBIT A2**

**IDENTIFICATION OF UNITS ("CONTRACT UNITS")  
BY SIZE AND APPLICABLE CONTRACT RENTS AFTER CAPITAL  
REPAIRS AND/OR ACQUISITION ("POST-REHABILITATION RENTS")**

**Section 8 Contract Number:  
FHA Project Number (if applicable):**

<b>Number of Contract Units</b>	<b>Number of Bedrooms</b>	<b>Contract Rent</b>	<b>Utility Allowance</b>	<b>Gross Rent</b>
23	2BR, Family	1225	92	1317
2	3BR HC	1635	155	1790
16	3BR, Family	1550	120	1670

---

**NOTE:** This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with the provision of the Renewal Contract governing the adjustment of Contract Rents.

Comments:

## Rent Schedule Low Rent Housing

**U.S. Department of Housing  
and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0012  
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Date Rents Will Be Effective (mm/dd/yyyy)
Delmont Plaza - VA36H027164	N/A	3/1/2021

### Part A – Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type  (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances  (Effective Date (mm/dd/yyyy) 08 / 02 / 2020)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
2 Bedroom, Family	23	\$1,225	\$28,175	\$92	\$1,317	\$0	\$0
3 Bedroom HC	2	\$1,635	\$3,270	\$155	\$1,790	\$0	\$0
3 Bedroom, Family	16	\$1,550	\$24,800	\$120	\$1,670	\$0	\$0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
Total Units 41		Monthly Contract Rent Potential (Add Col. 4)* \$56,245				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$674,940				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

\* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

[illegible]

**Part G – Information on Mortgagor Entity**

Name of Entity

Delmont Plaza Apartments LLC

Type of Entity

- ☐ Individual
 ☐ General Partnership
 ☐ Joint Tenancy/Tenants in Common
 ☐ Other (specify)
- ☐ Corporation
 ☐ Limited Partnership
 ☐ Trust

**List all Principals Comprising Mortgagor Entity:** provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

The Schmucl Horowitz 2018 Family Trust

Member 24.5%

Name and Title

The Rachel Horowitz 2018 Family Trust

Member 24.5%

Name and Title

The Moshe Eichler 2018 Family Trust

Member 24.5%

Name and Title

The Brany Eichler 2018 Family Trust

Member 24.5%

Name and Title

Sam Horowitz

Member 1%

Name and Title

Moshe Eichler

Manager 1%

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

**Part H – Owner Certification**

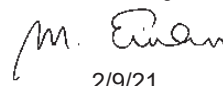
To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Moshe Eichler - Manager

Authorized Official's Signature



Date (mm/dd/yyyy)

2/9/21

**Part I – HUD/Lender Approval**

Addendum Number

HAP Contract Number

VA36H027164

Exhibit Number

Loan Servicer Signature

Date (mm/dd/yyyy)

Branch Chief/Lender Official Signature



Date (mm/dd/yyyy)

02/09/2021

Director, Housing Management Division Signature

Date (mm/dd/yyyy)



# **Tab R:**

Documentation of Utility Allowance calculation

## Rent Schedule Low Rent Housing

**U.S. Department of Housing  
and Urban Development**  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0012  
(exp.11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Date Rents Will Be Effective (mm/dd/yyyy)
DELMONT PLAZA	N/A	03/01/2023

## Part A — Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility  Allowances (Effective Date (mm/dd/yyyy) 03/01/2023)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
2 Bedroom, Family	23	1,310	30,130	94	1,404	0	0
3 Bedroom HC	2	1,749	3,498	82	1,831	0	0
3 Bedroom, Family	16	1,658	26,528	106	1,764	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
Total Units	41	Monthly Contract Rent Potential (Add Col. 4)* \$60,156				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$721,872				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

\* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

### Part B – Items Included in Rent

Equipment/Furnishings in Unit	(Check those included in rent.)
-------------------------------	---------------------------------

<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Dishwasher	<input type="checkbox"/>
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Carpet	<input type="checkbox"/>
<input checked="" type="checkbox"/> Air Conditionar	<input type="checkbox"/> Drapes	<input type="checkbox"/>
<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Blinds	<input type="checkbox"/>

**Utilities** (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item)  
E=electric; G=gas; F=fuel oil or coal.

<input type="checkbox"/> Heating	<u>    </u>	<input type="checkbox"/> Hot Water	<u>    </u>	<input type="checkbox"/> Lights, etc.	<u>    </u>
<input type="checkbox"/> Cooling	<u>    </u>	<input type="checkbox"/> Cooking	<u>    </u>	<input type="checkbox"/>	

**Services/Facilities (check those included in rent)**

<input checked="" type="checkbox"/> Parking	<input checked="" type="checkbox"/> Water/Sewer	<input type="checkbox"/> Nursing Care
<input checked="" type="checkbox"/> Laundry	<input type="checkbox"/>	<input type="checkbox"/> Linen/Maid Service
<input type="checkbox"/> Swimming Pool	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Tennis Courts	<input type="checkbox"/>	<input type="checkbox"/>

**Part C – Charges in Addition to Rent (e.g., parking, cable TV, meals)**[illegible]

### Part D – Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
		0
		0
		0
		0
		0
Total Rent Loss Due to Non-Revenue Units		\$ 0

### Part E – Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft (Col. 2 divided by Col. 3)
			0
			0
			0
			0
			0
	\$0	Total Commercial Rent Potential	

<b>Part F – Maximum Allowable Rent Potential</b>					

Enter Maximum Allowable Monthly Rent	
Potential From Rent Computation	\$60,156
Worksheet (to be completed by HUD or lender)	

# **Tab S:**

**Supportive House Certification and/or  
Resident Well Being MOU**

Not Applicable

# **Tab T:**

Funding Documentation



*777 West Putnam Avenue  
Greenwich, CT 06830  
(p) 203.869.0900*

September 26, 2024

Mr. Gerald A. Krueger  
President  
American Community Developers, Inc.  
20250 Harper Ave  
Detroit, MI 48225

Re: Delmont Plaza Apartments

Dear Mr. Krueger:

The Richman Group Affordable Housing Corporation ("TRG") is the sponsor of investment partnerships which provide equity capital for multi-family apartment complexes that are eligible for low-income housing tax credits ("Low-Income Housing Tax Credits") pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Tax Code") by investing in limited liability companies that own such apartment complexes.

You have advised us that American Community Developers, Inc. ("ACD"), the "Managing Member", and a single-purpose to-be-formed entity (the "Class B Member"), have formed Delmont Plaza 2024 L.L.C., a Michigan limited liability company (the "Company"), which intends to rehabilitate a 41-unit project located in Henrico County, City of Richmond, Virginia, (the "Apartment Complex").

TRG is pleased to provide you with this letter of intent for the acquisition by an affiliated limited partnership, which will be sponsored by TRG ("Investor"), of a 99.989% membership interest in the Company, subject to the terms and conditions hereof. Upon the execution of this letter, TRG will commence its due diligence review and will hold an initial investment committee meeting. Upon approval of the initial investment committee, TRG may continue its due diligence and will seek an investor to acquire the membership interest. Receipt of initial investment committee approval is not, and should not be construed as, an indication that the transaction will receive final investment committee approval. Only upon (i) the receipt of final investment committee approval, (ii) negotiation and execution of documentation acceptable to both parties, and (iii) receipt of opinions of counsel (including corporate, tax and real estate) acceptable to the Investor, will the parties execute an amended and restated operating agreement of the Company in the Investor's standard form (the "Operating Agreement"), admitting the Investor to the Company. Gerald Krueger and ACD (collectively, the "Guarantor") will guarantee the Managing Member's obligations to the Investor.

1. Financing: Financing of the Apartment Complex will be subject to Investor approval after review and approval of the draft documents for each financing source. The Apartment Complex is expected to receive an allocation of Low Income Housing Tax Credits from Virginia Housing, Solar Tax Credits under Section 48(e), a first mortgage from Virginia Housing in the form of tax-exempt bonds, and a deferred developer fee.

2. You have informed us that all of the units in the Apartment Complex will be eligible for Low Income Housing Tax Credits with an affordability obligation of more than 30 years. To the extent that a change in financing structure changes the amount of Low-Income Housing Tax Credits, then capital contributions will be adjusted accordingly. The Managing Member must deliver any required approval of the admission of the Investor to the Company prior to such admission (the "Closing"). The preparation, filing and processing of such application and all costs and expenses thereof, shall be the sole responsibility of the Managing Member and/or the Company. All loan documents shall provide that notices of default and foreclosure shall be sent to the Investor, as well as to the Managing Member.

3. **Capital Contributions of the Investor:** The "Capital Contribution" as set forth below reflects current market conditions and the equity pricing used to determine the Capital Contribution will be held for 90 days after receipt of a fully executed letter of intent, after which the Capital Contributions may be adjusted to reflect the market conditions at the time of the Closing. Subject to the terms and conditions set forth herein and in the Operating Agreement, the Investor will make capital contributions to the Company in the total amount as set forth below (the "Capital Contribution"):

<b><u>Installment No. 1:</u></b>	<b>20.00%</b>	<b>\$1,064,250</b>
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Paid upon the latest of the following:

- (i) Receipt by TRG of satisfactory due diligence documentation customary to closing a LIHTC transaction;
- (ii) Admission of the Investor in the Company;
- (iii) Closing of all underwritten financing sources of the Apartment Complex and funding of any such sources underwritten as being funded at initial closing;
- (iv) Receipt of any receipt of any necessary building permits or approved will-issue letters;
- (v) January 15, 2025

<b><u>Installment No. 2:</u></b>	<b>20.00%</b>	<b>\$1,064,250</b>
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Paid upon the latest of the following:

- (i) 50% Completion of the Apartment Complex, as certified by the contractor for the Apartment Complex (the "Contractor") and the architect for the Apartment Complex;
- (ii) August 15, 2025

<b><u>Installment No. 3:</u></b>	<b>30.00%</b>	<b>\$1,596,375</b>
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Paid upon the latest of the following:

- (i) Substantial Completion of the Apartment Complex, as certified by the contractor for the Apartment Complex (the "Contractor") and the architect for the Apartment Complex;
- (ii) Receipt of temporary or permanent certificates of occupancy for all units, if required, and receipt of any other governmental approvals required for the use and occupancy of all units;
- (iii) Receipt of a payoff letter from the Contractor which states that upon receipt of Installment No. 3 the construction contract will be paid in full by such Installment No. 3, excluding amounts for

remaining approved punch list items, or the Contractor will defer any amounts owed to it until the payment of Installment No. 4;

- (iv) Receipt of an estoppel letter from each lender to the Company;
- (v) Receipt of certificates of insurance complying with the requirements described herein; and
- (vi) February 15, 2026.

**Installment No. 4:                      20.00%                      \$1,064,250**

Paid upon the latest of the following:

- (i) Achievement of initial qualified occupancy for 100% of the units by tenants who qualify under Section 42 and who are paying rents (net of any concessions) at amounts which in total are at least equal to the amount of the "Monthly Aggregate Rental Revenue" for the Apartment Complex as set forth in the underwriting;
- (ii) Receipt of permanent certificates of occupancy for all units, if required, if not previously provided;
- (iii) Receipt of preliminary Low-Income Housing Tax Credit certification from the accountant for the Company, other than Form 8609, and review and approval of such by Cohn Reznick on behalf of the Investor with the cost of such Cohn Reznick review paid by the Investor;
- (iv) Receipt of an estoppel letter from each lender to the Company; and
- (v) June 15, 2026.

**Installment No. 5:                      10.00%                      \$532,125**

Paid upon the latest of the following:

- (i) Receipt of Form 8609 for each building in the Apartment Complex;
- (ii) Receipt of final Low-Income Housing Tax Credit certification from the accountant for the Company, including Form 8609 for each building in the Apartment Complex, and review and approval of such by Cohn Reznick as reviewing accountant on behalf of the Investor;
- (iii) Achievement of "Breakeven Operations" (as defined below);
- (iv) Achievement of final closing of all permanent financing to the Company, which may occur simultaneously and out of this Installment No. 5, and which shall include payoff of the tax-exempt bonds, payoff of any bridge loan financing, and final endorsement needed for the permanent first mortgage, if any;
- (v) Receipt of evidence satisfactory to the Investor that the monthly mandatory debt service payments on the 1<sup>st</sup> mortgage loan have not increased from the approved underwritten levels;
- (vi) Funding of the "Operating Reserve" as described in Paragraph 7 below;
- (vii) Receipt of an estoppel letter from each lender to the Company, and
- (viii) November 15, 2026.

Total Capital Contribution:

**\$5,321,251**

Payment of developer fee: subject to a satisfactory determination during the due diligence review that such payment of developer fee will not create a funding shortfall, 20% of the developer fee may be paid from the first installment of Capital Contributions. The balance of the non-deferred developer fee will be paid according to a mutually agreed upon schedule out of the remaining Capital Contributions. The deferred portion of the developer fee, if any, shall be paid out of cash flow as described in Paragraph 6 below.

Installment No. 5 will only be released upon the achievement of Breakeven Operations. "Breakeven Operations" is generally defined as the earlier of the following: (i) the date upon which income from the normal operation of the Apartment Complex, received on a cash basis, for a period of three (3) consecutive calendar months after permanent mortgage loan closing ("Final Closing") (or, if Final Closing has not yet occurred, the breakeven analysis shall include mandatory monthly debt service monthly payments that would be due on the permanent loans if Final Closing had been achieved) less all mandatory debt service payments for such 3-month period, exceeds all accrued operational costs for such 3-month period or, if the above is not verifiable for such three (3) month period, (ii) the date upon which income from the normal operation of the Apartment Complex (as reported under GAAP) equals or exceeds all operational costs (as reported under GAAP), as evidenced by a financial statement prepared by the "Accountants" for the Company .

In addition, Breakeven Operations shall not have occurred unless, at the end of such three (3) month period, the Company shall have (A) achieved a debt service coverage of 1.15 on all mandatory debt service payments, and (B)(i) sufficiently funded segregated reserves to pay one (1) year's property insurance premiums (minus any prepaid premiums on the existing insurance policy and premium payments to be made with the monthly debt service payments to the first mortgage lender), and, unless the Apartment Complex is subject to a PILOT Agreement, the next full installment of real estate taxes payable (minus any prepaid taxes with respect to such installment and any tax payments to be made with the monthly debt service payments to the first mortgage lender).

4. Adjuster Clause: The Capital Contribution amount stated above is based upon your projection of an annual amount of Low-Income Housing Tax Credits of \$572,371 ("LIHTC"), Solar Tax Credits of \$393,300 (the "Solar TC") and certain other assumptions stated herein. The actual amount of Low-Income Housing Tax Credits may in fact change after the determination of eligible and qualified basis. Accordingly, the Capital Contribution may be adjusted when (i) final projections of the amount of Low-Income Housing Tax Credits are completed and/or (ii) upon or after actual completion of the Apartment Complex. To the extent such final projected amount of Low-Income Housing Tax Credits varies from the LIHTC, the Capital Contribution will be adjusted as set forth in the following paragraph and as will be more particularly set forth in the Operating Agreement.

If the final amount of Low-Income Housing Tax Credits ("Final LIHTC") is greater or less than the LIHTC then Installment No. 4 and/or Installment No. 5 of the Capital Contribution shall be adjusted so that the ratio of the Capital Contribution attributable to the Low-Income Housing Tax Credits divided by the Final LIHTC allocable to Investor is equal to **87.00%** ("LIHTC Ratio"). However, in the case of an increase, such increase in Capital Contribution will take place only if the Investor has funds available which are not committed otherwise. If the Investor does not have funds available to pay for the higher amount of Low-Income Housing Tax Credits and/or an upward Timing Change as described below, then the Investor's interest in the Company will be adjusted downward accordingly, but in no event below an 80% interest. If the adjustment would result in an adjustment below 80%, then TRG may in its discretion endeavor to cause an affiliated investment partnership to purchase an interest in the Company but shall have no liability if it is unable to do so.

Likewise, if the final amount of Solar Tax Credits ("Final Solar TC") is greater or less than the Solar TC, then Installment No. 4 and/or Installment No. 5 of the Capital Contribution shall be adjusted so that the ratio of the Capital Contribution attributable to the Solar TC divided by the Final Solar TC allocable to Investor is equal to **87.00%** ("Solar TC Ratio").



5. Timing Differences: In the event that (i) if the actual Final Reported Credit for 2026 is less or more than 75.00% of the LIHTC or for 2027 is less than 100.00% of the LIHTC (or LIHTC as adjusted pursuant to paragraph 2 above), and/or (ii) the Final Solar TC is delivered in a year other than the year underwritten, then the Capital Contribution of the Investor to the Company shall be increased or decreased, as applicable (a "Timing Change"), by an amount equal to a factor of [TBD to be agreed upon] multiplied by the difference of (a) the Final Reported Credit amount for such year less (b) the LIHTC for such year. In the event that the Timing Change exceeds the then unpaid Capital Contribution of the Investor, the Managing Member shall pay to the Investor, immediately upon demand, the amount by which the Timing Change exceeds such then unpaid Capital Contributions. In the event that an upward Timing Change and/or the LIHTC Ratio adjuster described in Paragraph 3 results in an increase in the Capital Contribution, such increases combined will be capped at 5% of the original Capital Contribution.

6. Cash Flow Distributions: Cash flow of the Company after expenses and debt service will be distributed, to the extent available, according to the following priority:

- First: to pay any credit adjuster due;
- Second: a priority distribution to the Investor in the amount of \$5,000 annually;
- Third: to replenish the "Operating Reserve" and the reserve for replacements to the required levels;
- Fourth: to pay any deferred development fee to the developer plus interest accrued at the interest rate noted in Paragraph 2 above, if any, compounded annually
- Fifth: to pay the Class B Member an annual amount to be mutually agreed upon (subject to satisfactory review by tax counsel);
- Sixth: {reserved};
- Seventh: to repay any operating deficit loans made by the Managing Member; and
- Eighth: remaining amounts split 10% to the Investor and 90% to the Managing Member.

To the extent that the Investor does not receive a minimum distribution of \$5,000 in any one year beginning in 2026, the Managing Member shall pay the shortfall to the Investor.

7. Sale or Refinance: Upon the sale of the Apartment Complex or a refinancing of the permanent mortgage loan, proceeds will generally be allocated in accordance with the following priority:

- First: Expenses of the sale and refinancing and satisfaction of underlying financing plus any other third-party obligations and debts;
- Second: Return of the outstanding balance of any operating deficit loans previously made by the Managing Member (See Guarantees); and
- Third: Balance of proceeds split 10% to the Investor, 89.99% to the Class B Member and 0.01% to the Managing Member (subject to satisfactory review by tax counsel).

8. Guarantees: The Managing Member and the Guarantor shall jointly and severally guarantee the obligations of the Managing Member under the Operating Agreement, including, without limitation, the following:

(A) Against recapture of the Low-Income Housing Tax Credits for 15 years except for recapture caused by (i) subsequent changes in the Tax Code or (ii) transfers of the Investor's interest in the

Company.

(B) The payment in full of all costs and expenses of the construction/rehabilitation of the Apartment Complex in excess of the proceeds of all the construction period sources of funds and any operating deficits prior to the achievement of Breakeven Operations.

(C) To fund operating deficits for a five (5) year period (the "Operating Deficit Period") from the later of Breakeven Operations or funding of the permanent mortgage loan up to a maximum amount equal to six months of operating expenses, replacement reserve deposits and mandatory debt service, currently estimated at \$357,921 (the "Operating Deficit Guaranty"). In addition, the Operating Deficit Period shall be deemed extended until (x) the Managing Member has provided the Investor with evidence that the Company has sufficient cash reserves to pay any accrued expenses as of the expiration of the Operating Deficit Period and (y) the Apartment Complex has achieved the "DSC Requirement" as hereinafter defined, and (z) the operating reserve under the Operating Agreement has been fully replenished from net cash flow of the Company, if any portion of the operating reserve has been expended. The "DSC Requirement" means that the Apartment Complex has demonstrated a debt service coverage ratio of 1.15:1 for year five of the Operating Deficit Period. If the Apartment Complex has not demonstrated a 1.15:1 debt service coverage for such year, then the Operating Deficit Period will be extended until the Apartment Complex demonstrated a 1.15:1 debt service coverage over a 12-month period. For purposes of the Operating Deficit Guaranty, the term "Operating Deficits" shall include amounts withdrawn from the reserve for replacements for non-capital costs during such five (5) year period. A further assurance will be an agreement by the managing agent for the Apartment Complex, typically the Managing Member or an affiliate, (the "Managing Agent") to (i) defer and accrue its management fee, if necessary, to prevent a default under the permanent mortgage loan and (ii) defer its fee to the extent necessary to avoid an Operating Deficit. If the Managing Agent elects not to defer its fee pursuant to subparagraph (ii) above, it must send a notice to the Managing Member and the Investor offering to resign. If no such notice is sent, the Managing Agent will be deemed to have ratified its agreement to defer its fee. If a notice is sent refusing to defer its fee, such refusal shall be grounds for removal of the Managing Agent.

An operating/debt reserve in an amount equal to six months of operating expenses, replacement reserve deposits and mandatory debt service, currently estimated at **\$357,921** (collectively, the "Operating Reserve") will be funded at or prior to payment of Installment No. 5. Subject to Investor approval, any operating deficit reserves and debt service reserves required by the lenders or the Agency may be applied toward the obligation to fund the Operating Reserve described in the previous sentence, however, such other reserves must remain as a Company reserve account for the full term that the Operating Reserve is required to remain funded, with terms acceptable to the Investor.

Withdrawals made from the Operating Reserve will be subject to approval by the Investor. Withdrawals made from the Operating Reserve after achievement of Breakeven Operations will not count toward fulfillment of the Operating Deficit Guaranty described in the preceding paragraph, and a minimum balance equal to half of the original amount must be maintained in the Operating Reserve during the Operating Deficit Period. Amounts withdrawn from the Operating Reserve must be replenished from available cash flow and the Operating Deficit Period shall be extended until such time that the Operating Reserve has been replenished to the original amount.

At the end of the Operating Deficit Period, funds remaining in the Operating Reserve may be released, first to pay any remaining deferred developer fee, and then as a distribution to the Class B Member (subject to tax counsel review), provided that the "Release Test" (as defined below) is met as follows: The "Release Test" shall be met if all of the following conditions exist at such time: (i) no default exists under the Operating Agreement, (ii) the project-based Section 8 rental assistance on the Apartment Complex has not been terminated, suspended, or reduced, and (iii) the Apartment Complex has maintained a debt service coverage of at least 1.15 on all mandatory debt service for a 12-month period commencing not earlier than the final year of the Operating Deficit Period, as evidenced by an audited financial statement. However, upon release of this remaining balance of the Operating Reserve, the Managing Member shall then guarantee the funding of subsequent operating deficits during the remainder of the 15-year compliance period, up to a cumulative maximum amount equal to the amount of such Operating Reserve released.

(D) Repurchase of the Investor's interest in the Company by payment to the Investor of the full amount of the gross Capital Contribution paid to such date, if the Managing Member fails to (i) place the Apartment Complex in service by September 30, 2027, (ii) complete Final Closing by December 31, 2027, or (iii) achieve at least 70% of the aggregate projected LIHTC as set forth herein.

9. Representations and Warranties: The Managing Member shall provide the representations and warranties to the Investor more particularly set forth in the Operating Agreement and currently has no basis to believe that such representations and warranties cannot be given at Closing. The Managing Member shall be obligated to recertify to the continued truth and accuracy of such representations and warranties at the time of each installment of capital contributions.

10. Duties and Obligations: The Managing Member shall be obligated to assume the duties and obligations as are set forth in the Operating Agreement.

11. Legal Opinions: The Managing Member shall cause the attorneys for the Company to provide the legal opinions more particularly set forth in the Operating Agreement.

12. Sale or Conversion: The terms of the Managing Member's right of first refusal and/or buyout shall be as described in Exhibit A attached hereto.

13. Accountants and Financial Reporting: The "Accountants" for the Company shall be Cohn Reznick, Schrieber Advisors, P.C., or such other firm acceptable to the Investor. Financial information will be required to be submitted to the Investor by the 30th day after the end of each quarter, for the first three calendar quarters of each year. Such financial information may be unaudited and may be prepared by the Managing Agent. Annual audited financial statements and tax information will be required to be submitted to the Investor by the Managing Member in draft form by February 28 of each year and in final form by March 30 of each year.

14. Removal Rights: The Investor shall have the right to remove the Managing Member for cause as will be set forth in the Operating Agreement, the terms of which shall be as described in Exhibit B attached hereto. No removal right without cause shall exist.

15. Indemnity: In the Operating Agreement the Managing Member shall indemnify Investor and its officers, directors and affiliates for any untrue statement of a material fact or omission to state a material fact necessary to make any such statements, in light of the circumstances under which they were made, not misleading, by the Managing Member or their agents set forth in any document delivered by the Managing Member or their agents in connection with the acquisition of the Apartment Complex, the investment by the Investor in the Company and the execution of the Operating Agreement.

16. Reserve Requirements: The Company will be required to make an annual minimum deposit to a reserve for replacements in an amount equal to the greater of (i) \$300 per unit per year, increasing by 3% per annum, or (ii) the amount utilized in the underwriting of the mortgage loans by the lenders. The Investor may require that additional reserves be funded to cover potential cash deficiencies. The Operating Deficit Guaranty shall be increased by amounts withdrawn from the reserve for replacements for non-capital costs during the Operating Deficit Period.

17. Due Diligence: TRG and the Investor will have the opportunity to perform, and you and your professionals will assist us in, the customary due diligence necessary in the acquisition of the Apartment Complex and of the investment by Investor in the Company. As a condition of closing, the Company shall provide the Investor information reasonably requested by the Investor, including without limitation, (i) market rental information, proving that the projected rents will be achieved and the rent up will occur within a reasonable absorption period, (ii) engineering report by an engineer acceptable to the Investor and (iii) a Phase 1 environmental report. The Company shall bear the costs of Investor's, market study, engineering review and Investors legal counsel, subject to a maximum of \$--0--. A sample (but not exhaustive) list of due diligence documents shall be provided upon receipt by the Investor of a fully executed copy of this letter. Additionally,

approval of this transaction is subject to Investor satisfaction and completion of due diligence (including site visit, review, and investment committee approval), and receipt by the Company of a Low-Income Housing Tax Credits reservation or allocation approval from the appropriate state or local agency.

18. Title Insurance: The Managing Member shall provide, at Company expense, title insurance in favor of the Company in an amount not less than the sum of (i) all mortgage loans, and (ii) the amount of the Capital Contribution with only those exceptions as may be approved by Investor.

19. Execution of Operating Agreement: As a condition to the Closing, the Managing Member will execute the Operating Agreement and any related documentation necessary to complete the transaction and the Guarantor must execute the Guaranty.

20. Hazard and Liability Insurance: As a condition to receipt of Installment No. 1 of Capital Contributions, the Company shall deliver evidence of hazard insurance from carriers acceptable to the Investor, in an amount equal to the replacement cost of the apartment improvements. The hazard insurance must include endorsements for inflation adjustment and code upgrade coverage. Liability insurance shall be in the amount of not less than \$5,000,000 including umbrella coverage.

21. Escrows: To the extent not required by any mortgage lender, the Company shall maintain funds in a segregated escrow account, in an amount sufficient to pay all real estate taxes and insurance premiums when due. The Managing Member shall have total fiduciary responsibility for the safekeeping and use of all funds and assets of the Company, whether or not in its direct or indirect possession or control. The funds of the Company shall not be commingled with the funds of any other person and the Managing Member shall not employ such in any manner except for the benefit of the Company. All funds of the Company shall be deposited and maintained at federally insured banking institutions or in a short duration income fund managed by an institutional investment manager as the Managing Member shall determine, and withdrawals shall be made only in the regular course of Company business on such signatures as the Managing Member may determine.

22. Payment and Performance Bond or Letter of Credit: The Contractor shall provide one of the following (i) payment and performance bonds in form and substance satisfactory to Investor, in the full amount of the general contract naming the Company as obligee issued by a bonding company acceptable to Investor, or (ii) a letter of credit in the amount of not less than 15% of the general contract price (excluding builder profit) issued by a bank acceptable to Investor.

23. Brokers. By executing this letter of intent, ACD and TRG represent and warrant to each other that no broker has been involved in the negotiations among the Managing Member, its principals and TRG.

24. Corporate Transparency Act: The General Partner on behalf of the Partnership and itself, shall file any and all information required by the Corporate Transparency Act (the "CTA") within the time frames required by the CTA and shall provide the Investor with proof of such filing and a copy of the same.

If the above is acceptable to the Managing Member, please execute a copy of this letter and return it to the Investor. In the event that Investor is not in receipt of an executed copy of this letter within thirty (30) days, this letter shall be considered withdrawn and shall be of no further force or effect.

Upon the Investor's receipt of a fully executed copy of this letter, the Investor will commence the necessary action to deliver to you a copy of the proposed Operating Agreement and you shall be bound by all of the terms and provisions hereof. If prior to the expiration of the 60-day due diligence period Investor agrees to proceed with the transaction, but notwithstanding such agreement, the Managing Member (i) fails to negotiate the Operating Agreement or other closing documents in good faith and/or (ii) offers the membership interest contemplated hereby to a third party, then the Managing Member shall be obligated to reimburse Investor and/or TRG for all fees, costs and expenses incurred by Investor and/or TRG in connection with this transaction, including without limitation, all legal fees and disbursements, engineering and other professional fees, site inspection fees, market study fees, appraisal fees, background investigation costs, and other due diligence costs and expenses.

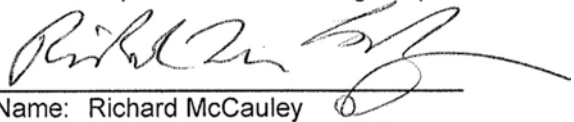
The Closing of the acquisition of the membership interest is subject to the availability of funds and the ability of TRG to identify an Investor. The Capital Contributions set forth in Paragraph 2 above will be held for 90 days after receipt of a fully executed letter of intent, after which the Capital Contributions may be recalculated or changed prior to the Closing to reflect rising interest rates or other changing market conditions and the Investor's then-current yield requirements. This letter shall be governed by and construed in accordance with the internal laws of the State of Connecticut. This agreement shall not create any liability on the part of TRG or the Investor. All rights and obligation of the Investor shall be set forth in the Operating Agreement and shall not be binding on the Investor until the Investor delivers a fully executed copy of the Operating Agreement to the Managing Member.

Notwithstanding anything to the contrary contained herein, the provisions of this letter represent the entire understandings of TRG, the Investor, the Managing Member and/or the Company with respect to the matter hereof, and all prior understandings, agreements and representations with respect thereto whether written or oral are superseded hereby and merged herein. None of the provisions of this letter may be waived or modified unless such waiver or modification is in writing and signed by the parties hereto and approved by TRG's counsel. No oral agreements shall ever be binding on TRG and/or the Investor.

**Signatures on following page**

Sincerely,

The Richman Group Affordable Housing Corporation

By:   
Name: Richard McCauley  
Title: Executive Vice President

Agreed to and accepted:

Delmont Plaza 2024 L.L.C., a Michigan limited liability company

By: American Community Developers, Inc., its managing member

By: \_\_\_\_\_  
Name: Gerald A. Krueger  
Title: President of American Community Developers, Inc.

**Exhibit A to the Letter of Intent**

*{Insert Option and Right of First Refusal Agreement per the most recent ACD / Richman closing}*

**Exhibit B to the Letter of Intent**

*{Insert 'Removal of Managing Member' section to the Operating Agreement per the most recent ACD / Richman closing}*

OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT  
(North Hill Farms)

This OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (“Agreement”) is entered into as [\_\_\_\_\_] 1, 2022 by and among NHF 2021 LIMITED DIVIDEND HOUSING ASSOCIATION L.L.C., a Michigan limited liability company (the “Owner”), ACD PARTNERS 2021 NHF L.L.C., a Michigan limited liability company (together with its assigns hereunder, the “Optionee”), AMERICAN COMMUNITY DEVELOPERS, INC., a Michigan corporation (the “Managing Member”), \_\_\_\_\_, a \_\_\_\_\_ limited partnership (the “Investor Member”) and \_\_\_\_\_, a \_\_\_\_\_ corporation (the “Special Member” and collectively with the Investor Member, the “Non-Managing Members”).

A. The Owner owns and is in the process of constructing those certain improvements which consist of 60 residential units for mixed-income households located in Detroit, Michigan and the land on which the improvements are situated, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (together, the “Project”).

B. The Optionee is the Special Member Class I of the Owner under the Amended and Restated Operating Agreement of the Owner dated as of [\_\_\_\_\_] 1, 2022 (as amended, the “Operating Agreement”).

C. The Non-Managing Members are the Investor Member and Special Member of the Owner.

D. The parties desire to set forth the terms of (1) the option from the Non-Managing Members to the Optionee to acquire the Non-Managing Members’ interests as members of the Owner, (2) the right of first refusal from the Owner to the Optionee to purchase the Project, and (3) the option from the Optionee to the Non-Managing Members to require Optionee to purchase their interests.

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

1.1 Grant of Option. Subject to the terms and conditions stated herein, the Non-Managing Members hereby grant to the Optionee an option to purchase from the Non-Managing Members their respective membership interests (“Membership Interests”) in the Owner (the “Option”). Without limiting the foregoing, after the end of the fifteen (15) year “compliance period” with respect to all of the buildings in the Project under Section 42(i)(1) of the Code, the



Optionee may assign its rights under this Article 1 to an Eligible Purchaser (as such term is defined below in Section 2.4) without the consent of the Non-Managing Members.

1.2 Periods for Exercise of Option. The Option shall be exercisable at any time during either of two periods (each, an “Exercise Period”). The first Exercise Period (“First Exercise Period”) shall be the one year period commencing one day after the Owner shall have completed the “credit period” with respect to all of the buildings in the Project under Section 42(f)(1) of the Code (i.e., if the “credit period” is ten (10) years, the First Exercise Period of the Option shall begin on the eleventh (11<sup>th</sup>) anniversary of, and extend to the twelfth (12<sup>th</sup>) anniversary of the day before, commencement of such “credit period”. These dates will be revised according to the duration of the “credit period”, which may be 10, 11 or 12 years.). The second Exercise Period (“Second Exercise Period”) shall commence one day after the Owner shall have completed the fifteen (15) year “compliance period” with respect to all of the buildings in the Project under Section 42(i)(1) of the Code and shall continue through the fourth (4<sup>th</sup>) anniversary of the completion of such fifteen (15) year “compliance period” (i.e., the Second Exercise Period of the Option shall begin on the fifteenth (15<sup>th</sup>) anniversary of, and extend to the nineteenth (19<sup>th</sup>) anniversary of the day before, commencement of such “compliance period”. These dates will be revised according to the duration of the “compliance period”). For the avoidance of doubt, the Option may be exercised at any time during the First Exercise Period and, if not exercised during the First Exercise Period, may be exercised at any time during the Second Exercise Period (but may not be exercised between the First Exercise Period and the Second Exercise Period).

1.3 Notwithstanding the Exercise Period described above in Section 1.2, the Optionee shall also have the right to exercise the Option at any time (subject to the other terms and conditions of this Agreement) within sixty (60) days upon receipt of an Offer Notification within the meaning of (as and set forth in) Section 2.2 below.

1.4 Exercise of Option. The Optionee shall exercise its Option by delivering to the Non-Managing Members written notice of the exercise; provided, however, that in order to exercise the Option during the First Exercise Period (but, for clarity, not the Second Exercise Period), Optionee shall also be required to deliver to the Non-Managing Members, from any guarantor(s) of the obligations of the Managing Member owed to the Non-Managing Members under the Operating Agreement and pursuant to any guaranty agreement, a reaffirmation of the guarantee of such obligations through the end of the fifteen (15) year “compliance period” with respect to all of the buildings in the Project under Section 42(i)(1) of the Code. In addition, the Managing Member and any existing guarantor shall remain liable for any obligations prior to the release of their guaranty. Any notice of exercise shall state that the Option is exercised without condition or qualification. Furthermore, the Optionee will not be able to exercise the Option during the First Exercise Period (but for clarity, not the Second Exercise Period) unless the Special Member reasonably determines that (i) no event of default exists or is anticipated under any of the Project Documents and there are no outstanding or anticipated guarantee obligations owed to the Non-Managing Members under the Operating Agreement and (ii) through the date the Optionee exercises the Option, there has been no material reduction in the cumulative tax benefits contained in the Financial Forecasts which are not entirely offset by the proceeds to the Non-Managing Members from the exercise of this Option and any payment to the Non-Managing Members by the Optionee or its Affiliate. If the Optionee exercises its Option during the First Exercise Period (but for clarity, not the Second Exercise Period), it will (i) provide annual certificates in the form attached hereto as Exhibit B and

other such documentation as the Special Member deems necessary or appropriate to ensure the Project is in compliance with the Project Documents and (ii) pay an annual monitoring fee to the Special Member in the amount of \$1,000 during the remainder of the fifteen (15) year “compliance period”, which annual monitoring fee will be in lieu of the Asset Management Fee to the Asset Manager.

1.5 Option Purchase Price. Subject to the terms and conditions hereof, the purchase price for the Membership Interests shall be the Fair Market Value thereof as of the date of the exercise of the Option, determined as set forth in Section 1.6 below.

1.6 Determination of Fair Market Value. The Fair Market Value of the Membership Interests shall be determined as follows:

The Optionee shall select an appraiser approved by the Investor Member and such approval shall not be unreasonably denied, which shall be a third-party MAI appraiser or accountant accredited in business valuation with at least five years of relevant experience, and licensed to do business in the state where the Project is located. The Owner shall pay the costs of the appraiser.

The appraiser shall use the discounted cash flow method of the income approach to value the net cash flows projected to be distributed to the Non-Managing Members including the cash proceeds the Non-Managing Members would receive if the property were sold at the end of a typical holding period as determined by the appraiser to be consistent with standard valuation methodology (“Net Cash Flows”).

The appraisal shall assume the deed and tax credit restrictions remain in place for the period of time as specified in the Restrictive Covenant(s) and the appraiser shall apply the then appropriate discount rate to the Net Cash Flows taking into consideration all relevant factors including but not limited to any (i) restrictions contained in the Operating Agreement, (ii) limitations on distributions of economic benefits and other restrictions contained in any Regulatory Agreement(s), and (iii) limitations on use, occupancy, rent and other restrictions contained in any Restrictive Covenant(s).

The appraiser shall (i) determine if the resulting present value of the Membership Interests (the “Present Value”) should be reduced due to a minority interest/lack of control discount, and if so apply a discount factor that is consistent with then market conditions; and (ii) then determine if the Present Value should be further reduced due to a lack of marketability discount that is consistent with then market conditions, and if so, apply a discount factor that is consistent with then market conditions.

1.7 Payment. The Optionee shall pay the purchase price in cash or other immediately available funds at the closing to the Non-Managing Members.

2.1 Grant of Right of First Refusal. Subject to the terms and conditions herein, the Owner hereby grants to the Optionee a right of first refusal to purchase the Project (the “Right of First Refusal”).

2.2 Exercise of Right of First Refusal. If, at any time after the fifteen (15) year “compliance period” with respect to all of the buildings in the Project under Section 42(i)(1) of the Code, but prior to the fourth (4<sup>th</sup>) anniversary of the completion of such fifteen (15) year “compliance period”: (a) the Owner receives a bona fide third party offer (an “Offer”) to purchase the Project, and (b) the Managing Member desires to sell, and (c) the Optionee determines and the Non-Managing Members agree that that purchase price set forth in the Offer is equal to or greater than the fair market value of the Project, and (d) the Optionee determines that it is in the best interest of the Owner to sell the Project, and (e) the Owner provides to the Optionee a notification in writing of the Offer (an “Offer Notification”) and the Owner’s determination to sell, then the Optionee may elect, at any time within sixty (60) days of receiving the Offer Notification, to do any of the following:

- (1) Agree to the Owner’s acceptance, and a sale of the Project on the terms of the Offer shall be completed to the bona fide third party;
- (2) Exercise its Right of First Refusal and purchase the Project upon the precise terms set forth in the Offer;
- (3) Assign the Right of First Refusal to an Eligible Purchaser, which Eligible Purchaser may (within such sixty (60) day period) exercise the Right of First Refusal on the terms set forth in Section 2.4 below.

2.3 If (a) all 4 conditions in 2.2(a)-(d) are true and (b) the Offer Notification per 2.2(e) has been delivered to the Optionee and (c) the Optionee does not affirmatively elect any of the foregoing within such sixty (60) day period, then the Optionee shall be deemed to have elected the alternative specified in the preceding clause 2.2(1), in which case the Owner may proceed to sell the Project to the maker of the Offer pursuant to the terms set forth in the Offer and the rights of the Optionee under this Agreement shall be suspended. If the sale to the third-party closes, this Agreement and all rights hereunder shall terminate; if the sale does not close, this Agreement and all of the rights of the Optionee under this Agreement shall remain in effect according to its terms.

2.4 Assignment to Nonprofit Organization. If the Optionee assigns the Right of First Refusal to a qualified nonprofit organization or governmental agency within the meaning of Section 42(i)(7)(A) of the Code (an “Eligible Purchaser”), then such assignee may exercise such Right of First Refusal on the terms and conditions hereof, except that the purchase price to be paid by the Eligible Purchaser shall be the statutory purchase price under Section 42(i)(7)(B) (the “Statutory Purchase Price”). The parties expressly acknowledge that so long as Optionee is a Member of the Owner and so long as Optionee provides the Special Member with an opinion of counsel which opinion concludes that the proposed assignee is an Eligible Purchaser, Optionee shall have the right, but not the obligation, to assign its interest hereunder to such Eligible Purchaser. Such assignment shall be subject to the approval of the Investor Member, and such approval shall not be unreasonably denied.

3.1 Additional Amounts. It shall be a requirement that upon any exercise of the Option or the Right of First Refusal, in addition to the purchase price being paid for Membership Interests, all accrued but unpaid Asset Management Fee and other debts or obligations owed by the Owner or any Managing Member or Class B Member of the Owner to any Non-Managing Member, to the extent not already paid or included as part of the purchase price, must be paid in full at closing.

3.2 Additional Conditions. The Optionee's right to exercise the Option and/or Right of First Refusal is subject to the Optionee having provided to the Owner an opinion of counsel reasonably acceptable (the acceptability of which is subject to the following sentence) to the Non-Managing Members that the exercise of the Option or the Right of First Refusal, as applicable, will not cause any recapture of tax credits ("Tax Credits") to any member of the Owner (a "Member") allowable under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), that there is no material default of any of the material obligations of any Managing Member or Class B Member under the Operating Agreement, and that, with respect to the Right of First Refusal at the Statutory Purchase Price, that Optionee is an "Eligible Purchaser".

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4.1 If at any time during the term of this Agreement, Optionee is removed as a Member for "cause" under Section 8.3 of the Operating Agreement, then this Agreement shall be null and void and shall be of no further force or effect. Similarly, Optionee cannot transfer any of its rights hereunder to an entity that has been removed "for cause" under Section 8.3 of the Operating Agreement.

4.2 The parties agree to use good faith efforts to facilitate the processes under both the Option and the Right of First Refusal in a timely manner.

4.3 If the Optionee elects not to exercise its Option to purchase the Membership Interests or the Right of First Refusal to purchase the Project, then the business of the Company will continue without interruption.

5.1 Grant of Put. Subject to the terms and conditions stated herein, the Optionee hereby grants to the Non-Managing Members an option to require Optionee to purchase the Membership Interests from the Non-Managing Members (the "Put").

5.2 Term of Put. The term of the Put shall commence one day after the Owner shall have completed the ten (10) to twelve (12) year "credit period" with respect to all of the buildings in the Project under Section 42(f)(1) of the Code.

5.3 Exercise of Put. The Non-Managing Members shall exercise the Put by delivering to the Optionee written notice of the exercise. Any notice of exercise shall state that the Put is exercised without condition or qualification.

5.4 Put Purchase Price. The purchase price for the Membership Interests pursuant to the Put shall be One Thousand Dollars (\$1,000) plus repayment of any loans and other amounts owed to the Non-Investor Members at such time.

5.5 Acknowledgement. The Non-Managing Members acknowledge that the Membership Interests are illiquid except upon exercise (and by reason) of the Put, and that the Non-Managing Members have no right to compel a sale of the Project or other liquidation of the Owner.

5.6 Indemnification and Guaranty Obligations. The indemnification and guaranty obligations of the Managing Member under the Operating Agreement shall not terminate as a result of the exercise of the Put and the Managing Member shall continue to provide reports and information described in the Operating Agreement from and after the exercise of the Put until the end of the fifteen (15) year “compliance period”.

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6.1 In the case of a sale of the Membership Interests pursuant to the exercise of the Option, the sale shall close no later than ninety (90) days from the date of exercise of the Option. In the case of a sale pursuant to Right of First Refusal, the sale shall close on the date set forth in the Offer. However, the period of time to close shall be extended in order to obtain approval(s) as required by HUD, other agencies having jurisdiction, or the holder(s) of any mortgage or deed of trust on the Project.

6.2 In the case of a sale pursuant to Right of First Refusal, the Owner shall convey the Project to Optionee in “as is” condition, without representation or warranty. In the case of a sale of the Membership Interests pursuant to the exercise of the Option, the Non-Managing Members shall convey the Membership Interests to the Optionee free and clear of any liens or encumbrances but without any other representations or warranties. The Optionee shall further agree to indemnify and hold the Non-Managing Members harmless from any liability or cause of action arising or attributable to any period after the closing of the acquisition of the Membership Interests.

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Upon termination of its rights or this Agreement pursuant to Article I or Article II of this Agreement, the Optionee agrees, upon the Owner’s request, to execute and deliver a quitclaim deed to the Owner within thirty (30) days after said termination and to execute, acknowledge, and deliver any other documents required by the Owner’s title insurance company to remove any cloud of this Agreement from the Owner’s title to the Project. Further, upon termination of the Optionee’s right to acquire the Membership Interests in accordance with this Agreement, the Optionee agrees to execute such reasonable documentation requested by the Non-Managing Members to evidence the termination of the Option to acquire the Membership Interests. Nothing contained in this Article VII is intended to modify the terms of the Operating Agreement.

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, including but not limited to overnight delivery, or deposited in the U.S. mail, certified, return receipt requested, first class and postage prepaid, addressed to each party at the following addresses or such other address as may be designated by a notice pursuant to this Article VIII:

If intended for the Owner, shall be addressed to:

NHF 2021 Limited Dividend Housing Association L.L.C.  
c/o American Community Developers, Inc.  
20250 Harper Avenue  
Detroit, MI 48225  
Attn: President

with a copy to the Non-Managing Members at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and, if intended for an Optionee, shall be addressed to:

ACD Partners 2021 NHF L.L.C.  
c/o American Community Developers, Inc.  
20250 Harper Avenue  
Detroit, MI 48225  
Attn: President

Any notice provided in accordance with this Article VIII shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt.

In the event of any action, arbitration, or proceeding at law or in equity (other than an arbitration pursuant to Article X below) to enforce any provision of this Agreement or to protect or establish any right or remedy of any party hereunder, the unsuccessful party to the litigation shall pay to the prevailing party all reasonable, out-of-pocket costs and expenses, including reasonable attorney fees incurred therein by the prevailing party, and if the prevailing party recovers judgment in any action or proceeding, the costs, expenses, and attorney fees shall be included in and as a part of the judgment.

Any party hereto that becomes involved in any controversy relating to this Agreement may require that all disputes, claims, counterclaims, and defenses (“Claims”) relating in any way to this Agreement or any transaction of which this Agreement is a part (the “Transaction”) be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and Title 9 of the U.S. Code; provided that such arbitration need not be conducted under the jurisdiction of the American Arbitration Association. All Claims will be subject to the statutes of limitations applicable if they were litigated.

If arbitration occurs, one neutral arbitrator will decide all issues unless any party’s claim is \$100,000 or more, in which case three neutral arbitrators will decide all issues. In the event the parties cannot mutually agree upon an arbitrator or arbitrators, then the rules for selecting an arbitrator or arbitration service under the Commercial Arbitration Rules of the American Arbitration Association and Title 9 of the U.S. Code shall apply. All arbitrators will be active Michigan State Bar members in good standing. All arbitration hearings will be held in Detroit, Michigan. In addition to all other powers, the arbitrator(s) shall have the exclusive right to determine all issues of arbitrability. Judgment on any arbitration award may be entered in any court with jurisdiction.

If any party institutes any judicial proceeding relating to the Transaction, such action shall not be a waiver of the right to submit any Claim to arbitration. In addition, all parties have the right before, during, and after any arbitration to exercise any number of the following remedies, in any order or concurrently: (i) setoff, (ii) self-help repossession, (iii) judicial or nonjudicial foreclosure against real or personal property collateral, or (iv) provisional remedies, including injunction, appointment of receiver, attachment, claim and delivery, and replevin.

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(a) Each party hereby agrees to indemnify the other party from and against any real estate brokerage commissions or similar obligations incurred by the indemnifying party as a result of the negotiations or exercise of this Option.

(b) The rights and obligations of the Owner and the Optionee under this Agreement shall inure to the benefit of, and bind, their respective successors and assigns.

(c) The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

(d) Time is of the essence of each and all of the agreements, covenants, and conditions of this Agreement.



(e) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Michigan.

(f) This Agreement constitutes the entire agreement between the Owner and the Optionee with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Owner and Optionee, and after receiving the prior written consent of the Special Member. Further, neither this Agreement, nor any memorandum thereof, may be recorded without the Prior Consent of the Special Member.

(g) The parties expressly acknowledge that the Optionee shall have the right to assign its interest hereunder to an Eligible Purchaser, subject to the conditions set forth in Section 2.4 and Section 4.1. In addition, Optionee shall have the right to assign its interest hereunder to an Affiliate, subject to the prior consent of the Special Member, which shall not be unreasonably withheld, conditioned or delayed, but such right shall terminate upon removal of the Optionee for cause under Section 8.3 of the Operating Agreement. The Non-Managing Members may assign their interests hereunder in a manner consistent with the provisions of Article IX of the Operating Agreement.

(h) All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Operating Agreement.

(i) Notwithstanding anything to the contrary contained herein or in the Operating Agreement, neither the Investor Member nor the Special Member has a right to compel (and the Managing Member has no duty to cause) a sale of the Project or other liquidation of the Owner.

[SIGNATURE PAGES TO FOLLOW]

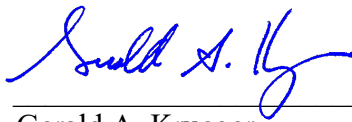


IN WITNESS WHEREOF, the Owner and the Optionee have executed this Agreement as of the date first above written.

OWNER:

M  
a Michigan limited liability company

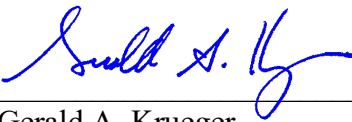
By: American Community Developers, Inc.,  
a Michigan corporation,  
Its: Managing Member

By:  <sup>CY</sup>  
\_\_\_\_\_  
Gerald A. Krueger  
President

OPTIONEE:

,  
a Michigan limited liability company

By: American Community Developers, Inc.,  
a Michigan corporation,  
Its: Managing Member

By:  <sup>CY</sup>  
\_\_\_\_\_  
Gerald A. Krueger  
President

The undersigned hereby consent to the foregoing Agreement as of the date first set forth hereinabove.

INVESTOR MEMBER:

By:  
Its:

By: \_\_\_\_\_  
Name:  
Title:

SPECIAL MEMBER:

By: \_\_\_\_\_  
Name:  
Title:

The undersigned hereby consent to the foregoing Agreement as of the date first set forth hereinabove.

MANAGING MEMBER:

M MM ,  
a Michigan corporation

By: \_\_\_\_\_  
Gerald A. Krueger, President

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_)

This Option and Right of First Refusal Agreement of NHF 2021 Limited Dividend Housing Association L.L.C., a Michigan limited liability company, was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2022, by Gerald A. Krueger, President of American Community Developers, Inc., a Michigan corporation, which is the Managing Member of the Owner and the Managing Member of the Optionee.

\_\_\_\_\_  
Name:

State of \_\_\_\_\_  
My Commission Expires:



[attached]

## **Exhibit B to the Letter of Intent**

**Section 9.6 Removal of Managing Member.** The Special Member shall have the right to remove the Managing Member for any of the following reasons:

- (a) any fraud, gross negligence or intentional misconduct of the Managing Member; or
- (b) any act by the Managing Member outside the scope of its duties or obligations under this Operating Agreement or any breach by the Managing Member of any fiduciary duty to the Company, the Special Member or the Investor Members, that has a material, adverse effect on the Company, the Project, the Special Member, the Investor; or
- (c) the inaccuracy of any representation or warranty of the Managing Member contained in this Operating Agreement, including without limitation those contained in *Section 5.3* and *Article 7* hereof, that has a material, adverse effect on the Company, the Project, the Investor Member or the Special Member; or
- (d) the breach by the Managing Member of any covenant of the Managing Member contained in this Operating Agreement, including without limitation those contained in *Section 5.3* hereof, that has a material, adverse effect on the Company, the Project, or the Investor Member; or
- (e) any action or inaction by the Managing Member or any Affiliate of the Managing Member that does, or with the passage of time would, (i) cause the termination of the Company for federal income tax purposes (except to the extent such action is expressly authorized herein), (ii) cause the Company to be treated for federal tax purposes as an association taxable as a corporation, (iii) violate any federal or state securities laws, (iv) cause the Company to fail to qualify as a Company under the Act, (v) cause the Investor Member or the Special Member to be liable for Company obligations in excess of its Capital Contribution, (vi) qualify as an event of removal or withdrawal with respect to the Managing Member under the Act, or (vii) otherwise substantially reduce tax benefits or substantially increase tax liabilities of the Investor Member unless such action or inaction was specifically authorized by the Investor Member in writing or such reduction in tax benefits or increase in tax liabilities is compensated for through an adjusted payment or some other payment; or
- (f) any construction cost overruns or Operating Deficits are incurred by the Company and not funded as required under this Operating Agreement or the Managing Member fails to fund Operating Deficits and such failure causes the Project to operate below a 1.00 to 1.00 Debt Coverage Ratio regardless of whether the Managing Member has previously funded Operating Deficits up to the limits set forth in *Section 5.4(i)* hereof; or
- (g) a default occurs under a Project Loan and such default is not cured or waived by the lender within any applicable cure period; or

- (h) any lender to the Company or other creditor of the Company files a foreclosure or other creditor's action for exercise of control over the Project or the rents therefrom, or the filing of a bankruptcy petition or similar creditor's action by or against the Company or the Managing Member, which petition or similar action is not withdrawn, vacated or dismissed within 60 days after filing; or
- (i) the Company suffers a recapture of 20% or more of the Tax Credits and resulting adjusters are not paid to the Investor Member in a timely manner in accordance with the terms and conditions of the Operating Agreement; or
- (j) the Managing Member fails to timely and promptly discharge the Management Agent if at any time cause (as such term is defined in *Section 9.8* hereof) for such removal exists and the Special Member has instructed the Managing Member to remove the Management Agent and the Managing Member has failed to do so in a timely manner; or
- (k) any payment is required to be made to any Investor Member or the Company by the Managing Member under this Agreement or the Development Agreement but is not timely made; or
- (l) the Managing Member allows a transfer of a controlling interest in itself (other than a transfer resulting from the death or incompetency of an individual) or otherwise breaches the representations contained in *Section 5.3(f)* of this Operating Agreement, without the Consent of the Special Member; or
- (m) the commencement by the Managing Member of a case in bankruptcy or insolvency or for compromise, adjustment or other relief from its debt under the laws of the United States or of any state relating to the relief of debtors; or
- (n) the Company fails to allocate to the Investor Member at least 80% of the Projected Tax Credits with respect to any calendar year after 2024 for other than a casualty loss or other extraordinary event beyond the control of the Managing Member; or
- (o) the failure of the Managing Member to obtain, within 60 days of service of summons upon the Managing Member, the dismissal of any case commenced against the Managing Member (i) for the appointment of a trustee for the Managing Member, or any of its property or (ii) in bankruptcy or insolvency or for compromise adjustment or other relief under the laws of the United States or any state relating to the relief of debtors; or
- (p) the Company has received a notice of default from the State Housing Finance Agency for failure to operate the Project substantially in accordance with the requirements of Section 42 of the Code and such default is not cured within any applicable cure period.

The removal of the Managing Member shall be effective immediately upon the receipt of written notice from the Special Member if the Company files a bankruptcy or similar relief from creditors' action. In all other cases of removal pursuant to Section 9.6(a) through (p), the removal of the



Managing Member shall only be effective (i) 60 days after the Managing Member's receipt of written notice from the Special Member specifying the reason for such removal except for (g), (h), (o) or (p) where the applicable cure period has already passed; (ii) the default has or could reasonably be expected to have a material adverse effect on the Company, the Project or the Investor Member and (iii) the Managing Member does not cure the default within such 60-day period or such longer period of time, if the Managing Member is diligently and in good faith attempting to cure the default. For the purposes of determining the effect of the removal of the Managing Member upon the Company and the Managing Member's continuing interest in the Company, such removal shall be treated as an Involuntary Transfer of the Managing Member's Company Interests pursuant to *Sections 9.2 and 9.3* hereof; provided, however, that notwithstanding such removal, the Managing Member shall remain liable to the Company and the Investor Members for (i) all obligations and liabilities (including, without limitation, its liabilities resulting from any breach of any of the representations and warranties set forth in *Section 5.3* of this Operating Agreement) incurred by it as a Managing Member before the effective date of such removal but shall be free of any obligations and liabilities incurred on account of Company activities from and after the time of such removal and (ii) all damages and other amounts recoverable or payable hereunder or under applicable law by or to the Company or the Investor Members as a result of the occurrence of the event giving rise to such removal.

If the Managing Member is removed as a Member of the Company as aforesaid, neither the Managing Member nor the Developer shall be entitled to payment of any further installments of the Developer Fee, or other fees or payments which otherwise have been due and payable under this Operating Agreement. In lieu of the foregoing with respect to the Developer Fee, any sums payable to the Developer pursuant to the terms of the Development Agreement (including the Developer Fee) shall instead be paid to the substitute Managing Member as an incentive Managing Member administrative fee until such time as all amounts payable for any such fees have been fully paid.

# **Tab U:**

Acknowledgement by Tenant of the availability of Renter  
Education provided by Virginia Housing

## **Delmont Plaza**

### **Virginia Housing Free Housing Education Acknowledgement**

I \_\_\_\_\_, have read, understand, and acknowledge, I have been presented information regarding the Virginia Housing free renter education to tenants.

I understand that it is my responsibility to review the website link provided here [www.virginiahousing.com/renters](http://www.virginiahousing.com/renters).

By signing below, I acknowledge that I have read, and understand the terms of all items contained this form.

Resident Name: \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# **Tab V:**

Nonprofit or LHA Purchase Option or Right of First  
Refusal

Not Applicable

# **Tab W:**

Internet Safety Plan and Resident Information Form (if  
internet amenities selected)

## **The Apartment Internet Guidelines**

### **Acknowledgement**

I, \_\_\_\_\_, have read, understand, acknowledge, and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in the Delmont Plaza Apartments Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at the Delmont Plaza Apartment common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by the Delmont Plaza Apartments. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in the Delmont Plaza's Internet Guideline Manual.

Resident Name: \_\_\_\_\_

Resident Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **DELMONT PLAZA**

### **INTERNET SECURITY PLAN**

The internet service at Delmont Plaza will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



# Internet Safety

Playing it safe while playing online





Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect

yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



# Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others.

Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



# Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, [www.dinopass.com](http://www.dinopass.com)

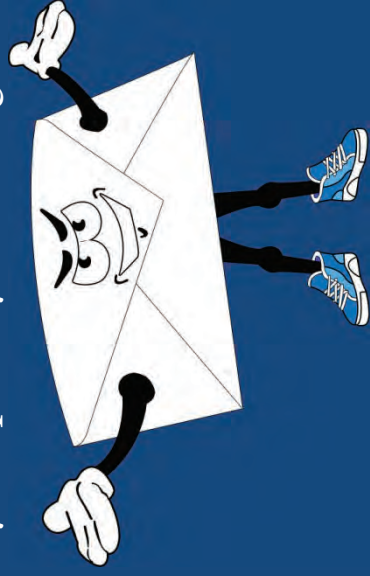


# Spam

Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



# Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.



# Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



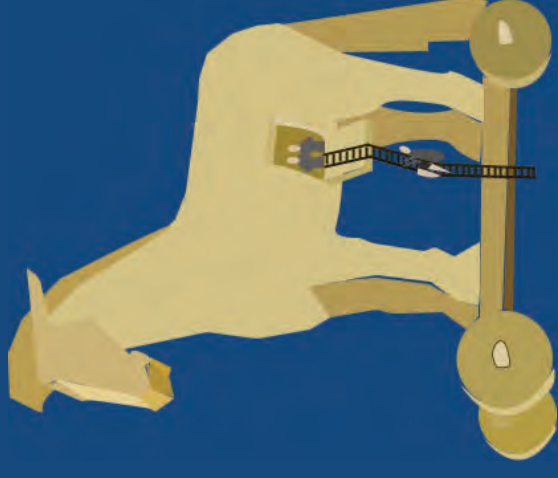
# Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



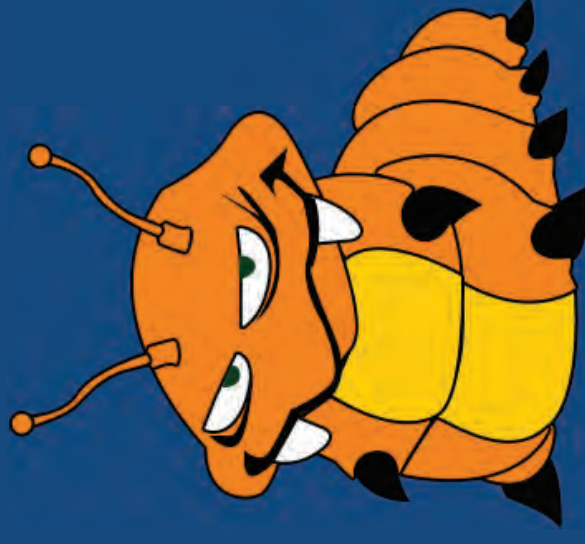


# Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





# Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-what-is.aspx>

# Social Media

Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.



Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

# Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/12/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](http://www.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](http://www.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](http://www.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” .

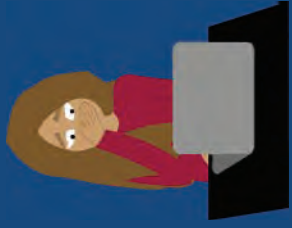
What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust 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](http://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](http://www.stopbullying.gov)

If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





# The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



# Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



# About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



# About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

**REMEMBER:** You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

# Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).





Information Provided By:  
Office of the Attorney

General

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[www.ag.virginia.gov](http://www.ag.virginia.gov)

# **Tab X:**

Marketing Plan for units meeting accessibility  
requirements of HUD section 504

Not Applicable

# Tab Y:

## Inducement Resolution for Tax Exempt Bonds

Applicant is applying for Tax Exempt Bonds through Virginia Housing. The application was submitted by an approved broker on 10/1/2024. Applicant is not induced yet.

# **Tab Z:**

Documentation of team member's Diversity, Equity and  
Inclusion Designation

Not Applicable

# **Tab AA:**

Priority Letter from Rural Development

Not Applicable

# **TAB AB:**

Social Disadvantage Certification

Not Applicable