
2022 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

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

Tax Exempt Bonds

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



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

INSTRUCTIONS FOR THE VIRGINIA 2022 LIHTC APPLICATION FOR RESERVATION

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

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

Applications For 9% Competitive Credits

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

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

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

IMPORTANT:

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

Disclaimer:

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

Entering Data:

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

Please Note:

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

Assistance:

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

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
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2022 Low-Income Housing Tax Credit Application For Reservation

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

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

VHDA TRACKING NUMBER

2022-TEB-99

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

1. Development Name: Arna Marbella

2. Address (line 1): 2300 25th Street South
 Address (line 2): 1220 N Queen Street
 City: Arlington State: VA Zip: 22206 + 22209

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 Arlington 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: 1038.00

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

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

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 poverty rate of.....	3%	10%	12%
	FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 8
 Planning District: 8
 State Senate District: 49
 State House District: 30

Click on the following link for assistance in determining the districts related to this development:

[Link to Virginia Housing's HOME - Select Virginia LIHTC Reference Map](#)

14. **ACTION:** Provide Location Map (**TAB K2**)

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

The project is the combination of Arna Valley Apartments, a 101-unit affordable community in the Arna Valley neighborhood of Arlington, with a portion (62 units) of Marbella Apartments, a 134-unit affordable community in the Fort Myer Heights neighborhood of Arlington. The remaining portion of Marbella will be redeveloped under a separate application.

VHDA TRACKING NUMBER

2022-TEB-99

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

16. Local Needs and Support

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

Chief Executive Officer's Name: Mark Schwartz
 Chief Executive Officer's Title: County Manager Phone: (703) 228-3120
 Street Address: 2100 Clarendon Boulevard, Suite 302
 City: Arlington State: VA Zip: 22201

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

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

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

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

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

B. RESERVATION REQUEST INFORMATION

1. Requesting Credits From:

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

or

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

For Tax Exempt Bonds, where are bonds being issued?

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

Skip to Number 4 below.

2. Type(s) of Allocation/Allocation Year

Definitions of types:

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

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2022, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2022 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?

5. Planned Combined 9% and 4% Developments

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

Name of companion development:

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

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

Total Units within 9% allocation request?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

6. Extended Use Restriction

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

Must Select One:

Definition of selection:

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

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

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

C. OWNERSHIP INFORMATION

- b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. **(Mandatory at TABS A/D)**

C. OWNERSHIP INFORMATION

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

FALSE

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

3. Developer Experience:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. SITE CONTROL

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

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

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

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

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Purchase Contract

Expiration Date: 12/31/2025

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**

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

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

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

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

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 12/31/2025 .

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: (1) AVV Apartments LLC and (2) Marbella Development LLC

Address: 4318 Carlin Springs Road

City: Arlington St.: VA Zip: 22203

Contact Person: Carmen Romero Phone: (703) 276-7444

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

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

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

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Rosslyn Ridge Development Corporati	(703) 276-7444	Sole Member	100.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

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:	Jessica Weston	This is a Related Entity.	FALSE
Firm Name:	Gallagher Evelius & Jones	DEI Designation?	FALSE
Address:	218 N Charles Street, Suite 400, Baltimore, MD		
Email:	jweston@gejlaw.com	Phone:	(410) 950-1402
2. Tax Accountant:	Philip Cornblatt	This is a Related Entity.	FALSE
Firm Name:	Cohn Reznick	DEI Designation?	FALSE
Address:	500 E Pratt Street, Baltimore, MD 21202		
Email:	philip.cornblatt@cohnreznick.com	Phone:	(410) 783-6236
3. Consultant:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:		Role:	
Email:		Phone:	
4. Management Entity:	Stephen Boyce	This is a Related Entity.	FALSE
Firm Name:	S.L. Nusbaum Realty Company	DEI Designation?	FALSE
Address:	440 Monticello Avenue, Suite 1700, Norfolk, VA 23510		
Email:	sboyce@slnusbaum.com	Phone:	(757) 640-2293
5. Contractor:	Rick Kottke	This is a Related Entity.	FALSE
Firm Name:	Harkins Builders, Inc.	DEI Designation?	FALSE
Address:	10490 Little Patuxent Parkway, Columbia, MD 21044		
Email:	rkottke@harkinsbuilders.com	Phone:	(410) 480-4219
6. Architect:	Chris Gordon	This is a Related Entity.	FALSE
Firm Name:	Kishimoto Gordon Dalaya	DEI Designation?	FALSE
Address:	13000 Wilson Blvd., Suite 250, Arlington, VA 22209		
Email:	cgordon@kcdarchitecture.com	Phone:	(571) 331-2419
7. Real Estate Attorney:	Ken Gross	This is a Related Entity.	FALSE
Firm Name:	Gallagher Evelius & Jones	DEI Designation?	FALSE
Address:	218 N Charles Street, Suite 400, Baltimore, MD		
Email:	kgross@gejlaw.com	Phone:	(410) 347-1367
8. Mortgage Banker:		This is a Related Entity.	FALSE
Firm Name:		DEI Designation?	FALSE
Address:			
Email:		Phone:	
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 and Appraisal
- b. This development has received a previous allocation of credits..... **TRUE**
 If so, in what year did this development receive credits? **1998**
- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... **FALSE**
- d. This development is an existing RD or HUD S8/236 development..... **FALSE**
Action: (If True, provide required form in **TAB Q**)

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

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

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... **TRUE**
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... **TRUE**
 - 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 must be completed in order to compete in the Non Profit tax credit pool.

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

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

- FALSE a. Be authorized to do business in Virginia.
- FALSE b. Be substantially based or active in the community of the development.
- FALSE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
- FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
- FALSE e. Not be affiliated with or controlled by a for-profit organization.
- FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
- FALSE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

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

A. Nonprofit Involvement (All Applicants)

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

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

B. Type of involvement:

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

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: ▶ Other

Name: Arlington Partnership for Affordable Housing, Inc.

Contact Person: Carmen Romero

Street Address: 4138 Carlin Springs Road

City: Arlington State: ▶ VA Zip: 22201

Phone: (703) 276-7444 Contact Email: cromero@apah.org

G. NONPROFIT INVOLVEMENT

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

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

79.0%

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

A. TRUE

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

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

Name of qualified nonprofit:

Arlington Partnership for Affordable Housing, Inc.

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

FALSE

2. FALSE

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

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

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

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a. Total number of all units in development	163	bedrooms	279
Total number of rental units in development	163	bedrooms	279
Number of low-income rental units	163	bedrooms	279
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:.....	163	bedrooms	279
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.....			155,803.00 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			16,291.00 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			139,512.00 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	3.670		
j. Locality has approved a final site plan or plan of development.....			FALSE
If True, Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

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

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

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

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

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	440.00	SF	1	1
1BR Garden	628.00	SF	89	89
2BR Garden	953.00	SF	30	30
3BR Garden	1207.00	SF	43	43
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			163	163

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)..... 10
- b. Age of Structure:..... 65 years
- c. Number of stories:..... 3

d. The development is a scattered site development..... TRUE

e. Commercial Area Intended Use: _____

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

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

H. STRUCTURE AND UNITS INFORMATION

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

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

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

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

4. Site Amenities (indicate all proposed)

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

l. Describe Community Facilities: Community room at Arna Valley View

m. Number of Proposed Parking Spaces	184
Parking is shared with another entity	FALSE

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

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

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

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

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

6. Market Study Data: (MANDATORY)

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

Project Wide Capture Rate - LIHTC Units	1.10%
Project Wide Capture Rate - Market Units	
Project Wide Capture Rate - All Units	1.10%
Project Wide Absorption Period (Months)	3

J. ENHANCEMENTS

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

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

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

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

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

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

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

- | | |
|-------|--|
| FALSE | a. A community/meeting room with a minimum of 749 square feet is provided. |
| 0.00% | b1. Percentage of brick covering the exterior walls. |
| 0.00% | b2. Percentage of 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). |
| FALSE | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| FALSE | e. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| | f. <i>Not applicable for 2022 Cycles</i> |
| FALSE | g. Each unit is provided free individual high speed internet access. |
| | or |
| 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. |
| FALSE | k. Cooking surfaces are equipped with fire prevention features |
| | or |
| FALSE | l. Cooking surfaces are equipped with fire suppression features. |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| | or |
| 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. |
| FALSE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| | r. <i>Not applicable for 2022 Cycles</i> |
| FALSE | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear |

J. ENHANCEMENTS

from face of building and a minimum size of 30 square feet.

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

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.
- FALSE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

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

The applicant will also obtain one of the following:

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

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

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

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

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

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

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

If not, please explain:

[Empty text box for explanation]

 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 Combo
- c. AC Type Central Air
- d. Hot Water Type Gas

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	7	8	9	10	0
Air Conditioning	2	5	9	12	0
Cooking	4	6	7	9	0
Lighting	20	26	32	39	0
Hot Water	5	11	16	21	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$38	\$56	\$73	\$91	\$0

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

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

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

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

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

FALSE

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

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

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

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

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

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

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

K. SPECIAL HOUSING NEEDS

b. The development has existing tenants and a relocation plan has been developed..... **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 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..... **FALSE**
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: **43**
% of total Low Income Units 26%

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

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

3. Target Population Leasing Preference

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

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

First Name: _____

Last Name: _____

K. SPECIAL HOUSING NEEDS

Phone Number: [] Email: []

4. Rental Assistance

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

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

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

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

FALSE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers *Administering Organization: []

FALSE State Assistance *Administering Organization: []

FALSE Other: []

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

FALSE

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

0

d. Number of units receiving assistance: []

How many years in rental assistance contract? []

Expiration date of contract: []

There is an Option to Renew..... FALSE

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

L. UNIT DETAILS

1. Set-Aside Election:

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

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

a. Units Provided Per Household Type:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
7	4.29%	40% Area Median	280%
81	49.69%	50% Area Median	4050%
75	46.01%	60% Area Median	4500%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
163	100.00%	Total	54.17%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
7	4.29%	40% Area Median	280%
81	49.69%	50% Area Median	4050%
75	46.01%	60% Area Median	4500%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
163	100.00%	Total	54.17%

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

2. Unit Detail

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

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

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

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	Efficiency	60% AMI	1		510.00	\$1,281.00	\$1,281
Mix 2	1 BR - 1 Bath	40% AMI	3		565.00	\$868.00	\$2,604
Mix 3	1 BR - 1 Bath	50% AMI	4		565.00	\$1,118.00	\$4,472
Mix 4	1 BR - 1 Bath	60% AMI	24		565.00	\$1,337.00	\$32,088
Mix 5	1 BR - 1 Bath	40% AMI	3		630.00	\$820.00	\$2,460
Mix 6	1 BR - 1 Bath	50% AMI	7		630.00	\$1,041.00	\$7,287
Mix 7	1 BR - 1 Bath	60% AMI	12		630.00	\$1,262.00	\$15,144
Mix 8	2 BR - 1 Bath	40% AMI	1		835.00	\$992.00	\$992
Mix 9	2 BR - 1 Bath	50% AMI	1		835.00	\$1,329.00	\$1,329
Mix 10	2 BR - 1 Bath	60% AMI	3		835.00	\$1,618.00	\$4,854
Mix 11	3 BR - 2 Bath	60% AMI	3		985.00	\$1,797.00	\$5,391
Mix 12	1 BR - 1 Bath	50% AMI	12		631.00	\$941.00	\$11,292
Mix 13	1 BR - 1 Bath	50% AMI	13		631.00	\$1,110.00	\$14,430
Mix 14	1 BR - 1 Bath	60% AMI	10		631.00	\$1,230.00	\$12,300
Mix 15	1 BR - 1 Bath	60% AMI	1		631.00	\$1,045.00	\$1,045

L. UNIT DETAILS

Mix 16	2 BR - 1 Bath	50% AMI	4	917.00	\$1,139.00	\$4,556
Mix 17	2 BR - 1 Bath	50% AMI	1	917.00	\$1,206.00	\$1,206
Mix 18	2 BR - 1 Bath	50% AMI	7	917.00	\$1,269.00	\$8,883
Mix 19	2 BR - 1 Bath	60% AMI	4	917.00	\$1,490.00	\$5,960
Mix 20	2 BR - 1 Bath	50% AMI	2	936.00	\$1,100.00	\$2,200
Mix 21	2 BR - 1 Bath	50% AMI	1	936.00	\$1,206.00	\$1,206
Mix 22	2 BR - 1 Bath	50% AMI	1	936.00	\$1,250.00	\$1,250
Mix 23	2 BR - 1 Bath	50% AMI	1	936.00	\$1,394.00	\$1,394
Mix 24	2 BR - 1 Bath	60% AMI	3	936.00	\$1,512.00	\$4,536
Mix 25	2 BR - 1 Bath	60% AMI	1	936.00	\$1,692.00	\$1,692
Mix 26	3 BR - 2 Bath	50% AMI	14	1175.00	\$1,267.00	\$17,738
Mix 27	3 BR - 2 Bath	50% AMI	13	1175.00	\$1,451.00	\$18,863
Mix 28	3 BR - 2 Bath	60% AMI	13	1175.00	\$1,851.00	\$24,063
Mix 29						\$0
Mix 30						\$0
Mix 31						\$0
Mix 32						\$0
Mix 33						\$0
Mix 34						\$0
Mix 35						\$0
Mix 36						\$0
Mix 37						\$0
Mix 38						\$0
Mix 39						\$0
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Mix 63						\$0
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Mix 66						\$0
Mix 67						\$0
Mix 68						\$0
Mix 69						\$0
Mix 70						\$0

L. UNIT DETAILS

Mix 71								\$0
Mix 72								\$0
Mix 73								\$0
Mix 74								\$0
Mix 75								\$0
Mix 76								\$0
Mix 77								\$0
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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			163	0				\$210,516

Total Units	163	Net Rentable SF:	TC Units	131,827.00
			MKT Units	0.00
			Total NR SF:	131,827.00

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$411
2. Office Salaries		
3. Office Supplies		\$6,847
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$81,241
<u>3.34%</u> of EGI	<u>\$498.41</u> Per Unit	
6. Manager Salaries		\$130,000
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$3,967
9. Auditing		\$17,000
10. Bookkeeping/Accounting Fees		\$0
11. Telephone & Answering Service		\$12,338
12. Tax Credit Monitoring Fee		\$5,705
13. Miscellaneous Administrative		\$36,364
Total Administrative		\$293,873

Utilities

14. Fuel Oil		\$0
15. Electricity		\$32,600
16. Water		\$179,300
17. Gas		\$12,225
18. Sewer		\$0
Total Utility		\$224,125

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$1,765
21. Janitor/Cleaning Contract		\$57,050
22. Exterminating		\$16,000
23. Trash Removal		\$25,000
24. Security Payroll/Contract		\$0
25. Grounds Payroll		\$0
26. Grounds Supplies		\$1,767
27. Grounds Contract		\$14,569
28. Maintenance/Repairs Payroll		\$90,000
29. Repairs/Material		\$32,356
30. Repairs Contract		\$0
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$5,757
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$16,300
35. Decorating/Payroll/Contract		\$1,303
36. Decorating Supplies		\$0
37. Miscellaneous		\$64,475
Totals Operating & Maintenance		\$326,342

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$271,000
39. Payroll Taxes	\$55,000
40. Miscellaneous Taxes/Licenses/Permits	\$8,000
41. Property & Liability Insurance	\$51,852
42. Fidelity Bond	\$1,285
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$387,137

Total Operating Expense	\$1,231,477
--------------------------------	--------------------

Total Operating Expenses Per Unit	\$7,555	C. Total Operating Expenses as % of EGI	50.56%
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$48,900
---	-----------------

Total Expenses	\$1,280,377
-----------------------	--------------------

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	11/22/2021	J Fabian
b. Site Acquisition	8/1/2022	J Fabian
c. Zoning Approval	1/1/1999	N/A
d. Site Plan Approval	1/1/1999	N/A
2. Financing		
a. Construction Loan		
i. Loan Application	12/1/2021	P Browne
ii. Conditional Commitment	4/1/2022	P Browne
iii. Firm Commitment	5/23/2022	P Browne
b. Permanent Loan - First Lien		
i. Loan Application	12/1/2021	P Browne
ii. Conditional Commitment	4/1/2022	P Browne
iii. Firm Commitment	5/23/2022	P Browne
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List	VHTF + HIEE	
ii. Application	10/31/2021	J Fabian
iii. Award/Commitment	1/15/2022	J Fabian
2. Formation of Owner	8/31/2021	J Fabian
3. IRS Approval of Nonprofit Status	9/25/1989	APAH
4. Closing and Transfer of Property to Owner	12/7/2022	J Fabian
5. Plans and Specifications, Working Drawings	3/1/2022	J Fabian
6. Building Permit Issued by Local Government	10/1/2022	J Fabian
7. Start Construction	1/24/2023	J Fabian
8. Begin Lease-up	10/1/2023	J Fabian
9. Complete Construction	12/1/2023	J Fabian
10. Complete Lease-Up	1/1/2024	J Fabian
11. Credit Placed in Service Date	1/1/2024	J Fabian

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

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

Complete cost column and basis column(s) as appropriate

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

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
Must Use Whole Numbers Only!				
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	15,377,481	0	15,377,481	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
Total Structure	15,377,481	0	15,377,481	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	844,032	0	844,032	0
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	0	0	0	0
q. Other Site work	0	0	0	0
Total Land Improvements	844,032	0	844,032	0
Total Structure and Land	16,221,513	0	16,221,513	0
r. General Requirements	1,072,620	0	1,044,041	0
s. Builder's Overhead	350,563	0	350,563	0
(2.2% Contract)				
t. Builder's Profit	876,408	0	876,408	0
(5.4% Contract)				
u. Bonds	291,269	0	291,269	0
v. Building Permits	0	0	0	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: <input type="checkbox"/>	0	0	0	0
z. Other 2: <input type="checkbox"/>	0	0	0	0
aa. Other 3: <input type="checkbox"/>	0	0	0	0
Contractor Costs	\$18,812,373	\$0	\$18,783,794	\$0

Error: Combined GR, OVERHEAD & PROFIT exceeds maximum allowed.

O. PROJECT BUDGET - OWNER COSTS

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

MUST USE WHOLE NUMBERS ONLY! Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	200,000	0	200,000	0
b. Architecture/Engineering Design Fee \$6,254 /Unit)	1,019,473	0	1,019,473	0
c. Architecture Supervision Fee \$741 /Unit)	120,769	0	120,769	0
d. Tap Fees	0	0	0	0
e. Environmental	85,000	0	85,000	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	10,400	0	10,400	0
h. Appraisal	40,000	0	40,000	0
i. Market Study		0		0
j. Site Engineering / Survey	85,000	0	85,000	0
k. Construction/Development Mgt	300,000	0	300,000	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	270,813	0	49,830	0
n. Construction Interest (0.0% for 0 months)	1,377,437	0	253,448	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	480,000	0	88,320	0
q. Permanent Loan Fee (0.0%)	164,150	0	0	0
r. Other Permanent Loan Fees	500,000	0	0	0
s. Letter of Credit	48,840	0	0	0
t. Cost Certification Fee	75,000	0		0
u. Accounting	0	0	0	0
v. Title and Recording	200,000	0	100,000	0
w. Legal Fees for Closing	400,000	0	200,000	0
x. Mortgage Banker	0	0	0	0
y. Tax Credit Fee	172,209			
z. Tenant Relocation	842,015	0	0	0
aa. Fixtures, Furnitures and Equipment	75,000	0	75,000	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	1,121,547	0	0	0
ad. Contingency	2,021,093	0	2,021,093	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	0			
(1) Other* specify: Inspections	50,000	0	50,000	0
(2) Other* specify: HVAC Commissioning	60,000	0	60,000	0
(3) Other* specify: Reimbursables	54,493	0	54,493	0
(4) Other* specify: Soft Cost Contingency	243,609	0	121,805	0
(5) Other* specify: Internet Infrastructure	163,000	0	163,000	0
(6) Other* specify: Gap Loan Collateral	227,920	0	227,920	0
(7) Other* specify: Digital Divide Reserve	300,000	0	0	0
(8) Other* specify: Marketing	163,000	0	0	0
(9) Other* specify: Predev. Loan Interest	80,000	0	80,000	0
Owner Costs Subtotal (Sum 2A..2(10))	\$10,950,768	\$0	\$5,405,551	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$29,763,141	\$0	\$24,189,345	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	5,000,000	0	3,000,000	0
4. Owner's Acquisition Costs				
Land	6,800,000			
Existing Improvements	25,800,000	25,800,000		
Subtotal 4:	\$32,600,000	\$25,800,000		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$67,363,141	\$25,800,000	\$27,189,345	\$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: \$5,000,000

Proposed Development's Cost per Sq Foot \$223 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$356

Proposed Development's Cost per Unit \$213,271 **Meets Limits**
 Applicable Cost Limit per Unit: \$431,792

2022 Low-Income Housing Tax Credit Application For Reservation

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	67,363,141	25,800,000	27,189,345	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)

25,800,000	27,189,345	0
------------	------------	---

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

a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>	8,156,804	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

35,346,149	0
------------	---

5. Applicable Fraction

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

6. Total Qualified Basis

(Eligible Basis x Applicable Fraction)

25,800,000	35,346,149	0
------------	------------	---

7. Applicable Percentage

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

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)

\$1,032,000	\$1,413,846	\$0
-------------	-------------	-----

\$2,445,846	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.	VH Bonds	12/01/21	08/29/22	\$16,550,000	David White
2.	VH Gap Loan	12/01/21	08/29/22	\$16,280,000	David White
3.					
Total Construction Funding:				\$32,830,000	

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)
				<i>(Whole Numbers only)</i>				
1.	VH Tax-Exempt Loan	12/1/2021	08/29/22	\$9,660,000	\$653,198	5.90%	35	35
2.	VH REACH Loan	12/1/2021	08/29/22	\$5,895,000	\$270,273	2.95%	35	35
3.	VH REACH Plus	12/1/2021	08/29/22	\$995,000	\$39,247	1.95%	35	35
4.	VHTF Loan	10/31/2021	3/15/2022	\$700,000	\$7,000	1.00%	30	30
5.	HIEE Loan	10/31/2021	3/15/2022	\$2,000,000		0.00%	30	30
6.	Arlington HOME loan	10/31/2021	7/16/2022	\$5,903,575		3.07%	35	35
7.	Arlington CDBG loan	10/31/2021	7/16/2022	\$998,385		3.07%	35	35
8.	Arlington AHIF loan	10/31/2021	7/16/2022	\$3,556,311		1.00%	35	35
9.	Arlington New AHIF	10/31/2021	7/16/2022	\$995,000		1.00%	35	35
10.	Sponsor Loan		3/15/2022	\$11,682,561		3.07%	35	35
Total Permanent Funding:				\$42,385,832	\$969,718			

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.	Arlington AHIF+CDBG+HOME	7/16/2022	\$11,453,271
2.	VHTF Loan	3/15/2022	\$700,000
3.	HIEE Loan	3/15/2022	\$2,000,000
4.			
5.			
Total Subsidized Funding			\$14,153,271

5. Recap of Federal, State, and Local Funds

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

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$32,830,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$5,903,575
h.	Other:	\$5,549,696
	AHIF + CDBG	
i.	Other:	\$2,700,000
	VHTF + HIEE	

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: **54.91%**

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

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

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

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

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

c. **FALSE** Other _____

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

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit				
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	= \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	= \$0
b. Equity that Sponsor will Fund:				
i. Cash Investment	\$0			
ii. Contributed Land/Building	\$0			
iii. Deferred Developer Fee	\$2,475,526			(Note: Deferred Developer Fee cannot be negative.)
iv. Other:				
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	<u>\$2,475,526</u>			

2. Equity Gap Calculation

a. Total Development Cost	\$67,363,141		
b. Total of Permanent Funding, Grants and Equity	-	<u>\$44,861,358</u>	
c. Equity Gap		\$22,501,783	
d. Developer Equity	-	<u>\$2,254</u>	
e. Equity gap to be funded with low-income tax credit proceeds		\$22,499,529	

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:			
Contact Person:		Phone:	
Street Address:			
City:		State:	
		Zip:	
b. Syndication Equity			
i. Anticipated Annual Credits		<u>\$2,445,846.00</u>	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		<u>\$0.920</u>	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		<u>99.99000%</u>	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		<u>\$0</u>	
v. Net credit amount anticipated by user of credits		<u>\$2,445,601</u>	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		<u>\$22,499,529</u>	
c. Syndication: <u>Private</u>			
d. Investors: <u>Corporate</u>			

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$22,499,529

5. Net Equity Factor

Must be equal to or greater than 85% 91.9999835555%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

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

1. Total Development Costs		<u>\$67,363,141</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$44,861,358</u>
3. Equals Equity Gap		<u>\$22,501,783</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>91.9999835555%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$24,458,464</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$2,445,846</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$2,445,846</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$2,445,846</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$15,005.1902</u>	
Credit per LI Bedroom	<u>\$8,766.4731</u>	
	Combined 30% & 70% PV Credit Requested	\$2,445,846

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

T. CASH FLOW

1. Revenue

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

Total Monthly Rental Income for LIHTC Units	\$210,516
Plus Other Income Source (list): <input type="text"/>	\$3,158
Equals Total Monthly Income:	\$213,674
Twelve Months	x12
Equals Annual Gross Potential Income	\$2,564,088
Less Vacancy Allowance <input type="text" value="5.0%"/>	\$128,204
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$2,435,884

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): <input type="text"/>	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <input type="text" value="0.0%"/>	\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units	\$0

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

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$2,435,884
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$2,435,884
d. Total Expenses	\$1,280,377
e. Net Operating Income	\$1,155,507
f. Total Annual Debt Service	\$969,718
g. Cash Flow Available for Distribution	\$185,789

T. CASH FLOW

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

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	2,435,884	2,484,601	2,534,293	2,584,979	2,636,679
Less Oper. Expenses	1,280,377	1,318,788	1,358,352	1,399,103	1,441,076
Net Income	1,155,507	1,165,813	1,175,941	1,185,877	1,195,603
Less Debt Service	969,718	969,718	969,718	969,718	969,718
Cash Flow	185,789	196,095	206,223	216,159	225,885
Debt Coverage Ratio	1.19	1.20	1.21	1.22	1.23

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	2,689,412	2,743,201	2,798,065	2,854,026	2,911,106
Less Oper. Expenses	1,484,308	1,528,837	1,574,702	1,621,943	1,670,602
Net Income	1,205,104	1,214,363	1,223,362	1,232,083	1,240,505
Less Debt Service	969,718	969,718	969,718	969,718	969,718
Cash Flow	235,386	244,645	253,644	262,365	270,787
Debt Coverage Ratio	1.24	1.25	1.26	1.27	1.28

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	2,969,329	3,028,715	3,089,289	3,151,075	3,214,097
Less Oper. Expenses	1,720,720	1,772,341	1,825,511	1,880,277	1,936,685
Net Income	1,248,609	1,256,374	1,263,778	1,270,798	1,277,412
Less Debt Service	969,718	969,718	969,718	969,718	969,718
Cash Flow	278,891	286,656	294,060	301,080	307,694
Debt Coverage Ratio	1.29	1.30	1.30	1.31	1.32

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: 10

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

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

Bldg #	BIN if known	NUMBER OF		Street Address				30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit				
		TAX CREDIT UNITS	MARKET RATE UNITS	Street Address 1	Street Address 2	City	State	Zip	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount
1.		11		1220 N Queen Street		Arlington	VA	22209	\$1,346,367		4.00%	\$53,855	\$1,885,694		4.00%	\$75,428				\$0
2.		5		1230 N Queen Street		Arlington	VA	22209	\$696,540		4.00%	\$27,862	\$975,559		4.00%	\$39,022				\$0
3.		10		1235 N Quinn Street		Arlington	VA	22209	\$1,316,263		4.00%	\$52,651	\$1,843,531		4.00%	\$73,741				\$0
4.		11		1240 N Quinn Street		Arlington	VA	22209	\$1,456,401		4.00%	\$58,256	\$2,039,806		4.00%	\$81,592				\$0
5.		10		1250 N Quinn Street		Arlington	VA	22209	\$1,350,519		4.00%	\$54,021	\$1,891,509		4.00%	\$75,660				\$0
6.		7		1318 N Pierce Street		Arlington	VA	22209	\$908,304		4.00%	\$36,332	\$1,272,153		4.00%	\$50,886				\$0
7.		8		1320 N Pierce Street		Arlington	VA	22209	\$1,025,606		4.00%	\$41,024	\$1,436,442		4.00%	\$57,458				\$0
8.		29		2300 25th Street South		Arlington	VA	22206	\$5,211,441		4.00%	\$208,458	\$7,066,788		4.00%	\$282,672				\$0
9.		37		2525 S Adams Street		Arlington	VA	22206	\$6,444,954		4.00%	\$257,798	\$8,739,450		4.00%	\$349,578				\$0
10.		35		2501 S Adams Street		Arlington	VA	22206	\$6,043,606		4.00%	\$241,744	\$8,195,216		4.00%	\$327,809				\$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

163

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

Totals from all buildings

\$25,800,001

\$35,346,148

\$0

\$1,032,000

\$1,413,846

\$0

Qualified basis should not exceed values on Elig Basis.

Number of BINS: 10

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

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

V. STATEMENT OF OWNER

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

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

Legal Name of Owner: Arna Marbella Limited Partnership
By: Arna Marbella GP Development Corp.
It's General Partner

By: 
 Its: President
 (Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

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

Legal Name of Architect: CHRISTOPHER GORDON
Virginia License#: 014667
Architecture Firm or Company: LEAD ARCHITECTURE

By:  _____

Its: CO-PRESIDENT
(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 < no points offered in Cycle 2022 >	N/A	0 pts for 2022	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	N	0 or 20	0.00
c. Subsidized funding commitments	21.01%	Up to 40	40.00
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:			40.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			0.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 50	0.00
or c. HUD 504 accessibility for 10% of units	N	0 or 20	0.00
d. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
e. Development will be Green Certified	Y	0 or 10	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
g. Developments with less than 100 low income units	N	up to 20	0.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			<u>20.00</u>

4. TENANT POPULATION CHARACTERISTICS:

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

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	26.38%	Up to 15	0.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	4.29%	Up to 10	4.29
e. Units with rent and income at or below 50% of AMI	53.99%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	53.99%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	53.99%	Up to 50	0.00
Total:			<u>54.29</u>

5. SPONSOR CHARACTERISTICS:

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

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	61.19
b. Cost per unit		Up to 100	100.00
Total:			<u>161.19</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 30	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation	N	0 or 5	0.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
Total:			<u>65.00</u>

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

TOTAL SCORE: 365.48

Enhancements:

All units have:	Max Pts	Score
a. Community Room	5	0.00
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	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	0.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	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	0.00
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	0.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>0.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		<u>0.00</u>
Total amenities:		<u>0.00</u>

X. Development Summary

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

Deal Name: Arna Marbella

Cycle Type: 4% Tax Exempt Bonds Credits Requested Credit Amount: \$2,445,846
 Allocation Type: Acquisition/Rehab Jurisdiction: Arlington County
 Total Units: 163 Population Target: General
 Total LI Units: 163
 Project Gross Sq Ft: 155,803.00 Owner Contact: Carmen Romero
 Green Certified? TRUE

Total Score
365.48

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$42,385,832	\$260,036	\$272	\$969,718
Grants	\$0	\$0		
Subsidized Funding	\$14,153,271	\$86,830		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$16,221,513	\$99,518	\$104	24.08%
General Req/Overhead/Profit	\$2,299,591	\$14,108	\$15	3.41%
Other Contract Costs	\$291,269	\$1,787	\$2	0.43%
Owner Costs	\$10,950,768	\$67,183	\$70	16.26%
Acquisition	\$32,600,000	\$200,000	\$209	48.39%
Developer Fee	\$5,000,000	\$30,675	\$32	7.42%
Total Uses	\$67,363,141	\$413,271		

Total Development Costs	
Total Improvements	\$29,763,141
Land Acquisition	\$32,600,000
Developer Fee	\$5,000,000
Total Development Costs	\$67,363,141

Proposed Cost Limit/Sq Ft: \$223
 Applicable Cost Limit/Sq Ft: \$356
 Proposed Cost Limit/Unit: \$213,271
 Applicable Cost Limit/Unit: \$431,792

Income		
Gross Potential Income - LI Units		\$2,564,088
Gross Potential Income - Mkt Units		\$0
Subtotal		\$2,564,088
Less Vacancy %	5.00%	\$128,204
Effective Gross Income		\$2,435,884

Rental Assistance? FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$293,873	\$1,803
Utilities	\$224,125	\$1,375
Operating & Maintenance	\$326,342	\$2,002
Taxes & Insurance	\$387,137	\$2,375
Total Operating Expenses	\$1,231,477	\$7,555
Replacement Reserves	\$48,900	\$300
Total Expenses	\$1,280,377	\$7,855

Unit Breakdown	
Supp Hsg	0
# of Eff	1
# of 1BR	89
# of 2BR	30
# of 3BR	43
# of 4+ BR	0
Total Units	163

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	7	7
50% AMI	81	81
60% AMI	75	75
>60% AMI	0	0
Market	0	0

Income Averaging? FALSE

Extended Use Restriction? 30

Cash Flow	
EGI	\$2,435,884
Total Expenses	\$1,280,377
Net Income	\$1,155,507
Debt Service	\$969,718
Debt Coverage Ratio (YR1):	1.19

i. Efficient Use of Resources

Credit Points for 9% Credits:

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

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

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

Combined Max	\$2,445,846
Credit Requested	\$2,445,846
% of Savings	0.00%
Sliding Scale Points	0

4% Deals EUR Points 61.19

Cost Points:

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

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

Total Costs Less Acquisition	\$34,763,141
Total Square Feet	155,803.00
Proposed Cost per SqFt	\$223.12
Applicable Cost Limit per Sq Ft	\$356.00
% of Savings	37.33%
Total Units	163
Proposed Cost per Unit	\$213,271
Applicable Cost Limit per Unit	\$431,792
% of Savings	50.61%
Max % of Savings	50.61% Sliding Scale Points
	100.00

\$/SF = **\$426.07** Credits/SF = **17.875986** Const \$/unit = **\$115,413.33**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000
Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
N C=1; ADPT=2;REHAB(35,000+)=3; REHAB*(10,000-35,000)=4
***REHABS LOCATED IN BELTWAY (\$10,000-\$50,000) See Below**

11000
100
3

100
3

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

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	440.00	628.00	953.00	1,207.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	1	89	30	43	0	0	0	0
PARAMETER-(CREDITS=>35,000)	14,025	17,850	24,225	26,138	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	14,025	17,850	24,225	26,138	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	14,025	17,850	24,225	26,138	0	0	0	0
PROJECT CREDIT PER UNIT	7,865	11,226	17,036	21,576	0	0	0	0
CREDIT PER UNIT POINTS	0.54	40.52	10.92	9.21	0.00	0.00	0.00	0.00

TOTAL CREDIT PER UNIT POINTS

61.19

Credit Parameters - Elderly

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

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	14,025	17,850	24,225	26,138	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	14,025	17,850	24,225	26,138	0	0	0	0

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

Credit Parameters - Elderly

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

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	14,025	17,850	24,225	26,138	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	14,025	17,850	24,225	26,138	0	0	0	0

Tab A:

Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY)

ARNA MARBELLA LIMITED PARTNERSHIP

AGREEMENT OF LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP (this "Agreement") is made and entered into as of the 18th day of November 2021, by and among the undersigned persons (the "Partners") upon the terms and conditions hereinafter set forth.

ARTICLE I

INTRODUCTION

Section 1.1 Affairs of the Partnership. The Partners, consisting of all of the partners of the Partnership, which was formed under the laws of the Commonwealth of Virginia pursuant to that certain Certificate of Limited Partnership filed with the Virginia State Corporation Commission on August 31, 2021, agree that this Agreement shall set forth all of the provisions governing the affairs of the Partnership.

Section 1.2 Defined Terms. The defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Section 1.2.

"Act" means the Virginia Revised Uniform Limited Partnership Act, as it may from time to time be amended.

"Additional General Partner" means any Person who is admitted to the Partnership as an Additional General Partner under the provisions of Article V after the date of this Agreement.

"Additional Partner" means any Person who is admitted to the Partnership as a Partner under the provisions of Article VI after the date of this Agreement.

"Adjusted Book Value" means, with respect to any asset, such asset's adjusted basis for federal income tax purposes, with the following exceptions and adjustments:

(i) The initial Adjusted Book Value of any asset contributed to the Partnership by a Partner shall be the fair market value of such asset (unreduced by liabilities secured by such asset) as determined by the contributing Partner and the Partnership and as reflected on Schedule I attached hereto and made a part hereof.

(ii) The Adjusted Book Values of all Partnership assets shall be adjusted to equal their respective fair market values (unreduced by liabilities secured by such assets) as determined by the General Partner, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimus Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimus amount of Partnership Property as consideration for an interest in the Partnership if the General Partner reasonably determines that such adjustment is

necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership; (c) the liquidation of the Partnership within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g); and (d) any other adjustments in the discretion of the General Partner as allowed under Regulations promulgated under Code Section 704(b), or any successor statute.

(iii) The Adjusted Book Value of any Partnership asset distributed to any Partner shall be the fair market value (unreduced by liabilities secured by such assets) of such asset on the date of distribution.

(iv) The Adjusted Book Values of Partnership assets shall be increased (or decreased) to reflect any adjustment to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and Section 7.4 hereof; provided, however, that Adjusted Book Values shall not be adjusted pursuant to this part (iv) to the extent the General Partner determines that an adjustment pursuant to part (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this part (iv).

(v) The Adjusted Book Value of each asset determined or adjusted pursuant to (i), (ii) or (iv) above shall thereafter be adjusted by the Depreciation taken into account with respect to such asset in computing Profit or Loss.

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

(i) Such deficit shall be decreased by any amounts which such Partner is obligated or is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g)(i) and 1.704-2(h)(5); and

(ii) Such deficit shall be increased by the items described in Treasury Regulation 1.704-1(b)(2)(ii)(d)(4), (5) and 6.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulation 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” or “Affiliated Person” means, when used with reference to a specified Person (i) any Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the specified Person, (ii) any Person who is an officer, Partner, or trustee of, or serves in a similar capacity with respect to, the specified Person, or of which the specified Person is an officer, Partner or trustee, or with respect to which the specified Person serves in a similar capacity, (iii) any Person that, directly or indirectly, is the beneficial owner of 5% or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified Person, or of which the specified Person is directly or indirectly the owner

of 5% or more of any class of equity securities in which the specified Person has a substantial beneficial interest and (iv) any Family Partner of the specified Person.

“Agreement” means this Agreement of Limited Partnership as originally executed and as amended from time to time, as the context requires. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” “hereby” and “hereunder,” when used with reference to this Agreement, refer to this Agreement as a whole unless the context otherwise requires.

“Capital Account” means the Capital Account to be maintained by the Partnership for each Partner in accordance with the following provisions:

(i) A Partner’s Capital Account shall be credited with such Partner’s Capital Contributions, the amount of any Partnership liabilities assumed by such Partner (or which are secured by Partnership Property distributed to such Partner), and such Partner’s distributive share of Profit; and

(ii) A Partner’s Capital Account shall be debited with the amount of money and the fair market value of any Partnership Property distributed to such Partner, the amount of any liabilities of such Partner assumed by the Partnership (or which are secured by Property contributed by such Partner to the Partnership), and such Partner’s distributive share of Loss.

(iii) If any Interest in the Partnership is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it is attributable to the transferred Interest.

It is intended that the Capital Accounts of all Partners shall be maintained in compliance with the provisions of Treasury Regulations Section 1.704-1(b) and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, or Partners), are computed in order to comply with such Regulations, the General Partner may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Article VIII hereof upon the dissolution of the Partnership. The General Partner also shall make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Treasury Regulation Section 1.704-1(b).

“Capital Contribution” means, with respect to any Partner, the amount of money and the initial Adjusted Book Value of any property (other than money) contributed to the Partnership with respect to the Interest held by such Partner.

“Capital Transaction” means the sale, refinancing or other disposition of the Partnership’s interest in the Project.

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

“Depreciation” means, for each taxable year of the Partnership (or other period for which Depreciation must be computed), an amount equal to the depreciation, amortization or cost recovery deduction allowable with respect to the Partnership’s assets for such period, except that if the Adjusted Book Value of any asset differs from its adjusted basis for federal income tax purposes at the beginning of any such period, the Depreciation with respect to such asset shall be an amount which bears the same ratio to the beginning Adjusted Book Value of such asset as the federal income tax depreciation, amortization or cost recovery deduction allowable with respect to such asset for such period bears to such asset’s adjusted tax basis at the beginning of such period; provided, however, that if the federal income tax depreciation, amortization, or cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Adjusted Book Value using any reasonable method selected by the General Partner.

“Disability” shall mean mental disability, senility, insanity or other mental disease.

“Entity” means any association, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint stock association, joint venture, firm, trust, syndicate, business trust or cooperative, or any foreign associations of like structure.

“Family Partner” means, with respect to any individual, his spouse, brothers, sisters, ancestors, and descendants.

“General Partner” means Arna Marbella GP Development Corporation, a Virginia corporation, or any Person who succeeds it in that capacity in accordance with the provisions of this Agreement.

“Insolvency” means, with respect to any Person, any of the following: (i) making an assignment for the benefit of creditors; (ii) filing a voluntary petition in bankruptcy; (iii) being adjudged bankrupt or insolvent or having entered against such Person an order of relief in any bankruptcy or insolvency proceedings; (iv) filing a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation; (v) filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person seeking any reorganization, arrangement, composition, readjustment, liquidation, or dissolution of such Person, or any similar relief under any statute, law or regulation; (vi) seeking, consenting to, or acquiescing in, the appointment of a trustee, receiver or liquidator of all or any substantial part of such Person’s properties; or (vii) the continuation of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation, for 120 days after the commencement thereof or the appointment of a trustee, receiver, or liquidator for all or any substantial part of such Person’s properties without such Person’s agreement or acquiescence, which appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120 days after the expiration of the stay during which period the appointment is not vacated.

“Interest” means the entire ownership interest (which may be segmented into and/or expressed as a percentage of various rights and/or liabilities) of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of the Act.

“Major Decisions” shall have the meaning set forth in Section 4.3(B) hereof.

“Net Cash Flow” means all cash funds of the Partnership on hand at a given time (other than cash funds obtained as contributions to the capital of the Partnership by the Partners and cash funds obtained from loans to the Partnership) after (i) payment of all operating expenses of the Partnership as of such time, (ii) provision for payment of all outstanding and unpaid current obligations of the Partnership as of such time, and (iii) provision for any reserves to be held pursuant to this Agreement.

“Net Cash from Capital Transactions” means the net cash proceeds from Capital Transactions, less any portion thereof used to pay debts and liabilities of the Partnership (including debts and liabilities payable to the General Partner) or to establish reserves, all as determined by the General Partner.

“Nonrecourse Liability” has the meaning set forth in Treasury Regulation Section 1.704-2(b)(3).

“Notification” or “Notice” means a writing, containing the information required by this Agreement to be communicated to any person, delivered in person, sent by registered or certified mail, postage prepaid, by overnight courier or by electronic mail, to such person at the address set forth on Schedule I, the date of registry thereof or the date of the certification thereof being deemed the date of receipt of Notification; provided, however, that any written communication containing such information sent to such person and actually received by such person shall constitute Notice for all purposes of this Agreement.

“Partner” means a Person designated as a Partner in the Partnership as set forth on Schedule I, as such Schedule may be amended from time to time.

“Partner Minimum Gain” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulation Section 1.704-2(i).

“Partner Nonrecourse Debt” has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations.

“Partner Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership fiscal year equals the excess, if any, of the net increase,

if any, in the amount of Partner Minimum Gain attributable to such Partner Nonrecourse Debt during that fiscal year over the aggregate amount of any distributions during that fiscal year to the Partner that bears the economic risk of loss for such Partner Nonrecourse Debt to the extent such distributions are from the proceeds of such Partner Nonrecourse Debt and are allocable to an increase in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(2) of the Regulations.

“Partnership” means Arna Marbella Limited Partnership, a Virginia limited partnership.

“Partnership Minimum Gain” has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d), or any corresponding provision of succeeding Regulations.

“Partnership Nonrecourse Deductions” has the meaning set forth in Regulation Section 1.704-2(b)(1) and 1.704-2(c). The amount of Partnership Nonrecourse Deductions for a Partnership’s fiscal year equals the net increase, if any, in the amount of Partnership Minimum Gain during that fiscal year, determined according to the provisions of Regulation Section 1.704-2(c).

“Percentage Interests” means each Partner’s percentage of the total interests of the Partnership, as set forth opposite the name of such Partner under the column “Percentage Interests” on Schedule I attached hereto, as such percentage may be adjusted from time to time pursuant to the terms hereof.

“Person” means any individual or Entity.

“Profit” and “Loss” mean, for each taxable year of the Partnership (or other period for which Profit or Loss must be computed) the Partnership’s taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in computing Partnership taxable income or loss; and

(ii) Any tax-exempt income of the Partnership, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss; and

(iii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulations Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss; and

(iv) In lieu of the depreciation, amortization or cost recovery deductions allowable in computing taxable income or loss there shall be taken into account the Depreciation computed in accordance with the definition of Depreciation set forth above; and

(v) In the event the Adjusted Book Value of any Partnership asset is adjusted pursuant to parts (ii) or (iii) of the definition of Adjusted Book Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses; and

(vi) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Adjusted Book Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Adjusted Book Value; and

(vii) Notwithstanding any other provision of this definition of Profit and Loss, any items which are specially allocated pursuant to Section 7.4 hereof shall not be taken into account in computing Profits or Losses.

“Project” means a project consisting of residential rental apartment units located in Arlington County, Virginia, to be acquired, owned, operated and/or disposed of by the Partnership.

“Regulations” or “Treasury Regulations” means the federal income tax regulations promulgated under the Code, as amended from time to time and including corresponding provisions of succeeding regulations.

“Schedule” means Schedule I annexed hereto as amended from time to time and as so amended at the time of reference thereto.

“Substitute Partner” means any Person who is admitted to the Partnership as a Substitute Partner under the provisions of Article VI after the date of this Agreement.

“Successor General Partner” means any Person admitted as a Successor General Partner to the Partnership under the provisions of Article V after the date of this Agreement.

“Tax Matters Partner” means the General Partner designated in Section 4.7 hereof as the tax matters partner as defined in Section 6231(a)(7) of the Code.

ARTICLE II

NAME, PURPOSE AND TERM

Section 2.1 Place of Business and Office; Resident Agent. The principal office of the Partnership shall be 4318 N. Carlin Springs Road, Arlington, VA 22203. The name and address of the resident agent are Carmen Romero, 4318 N. Carlin Springs Road, Arlington, Virginia 22203. The General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Partners.

Section 2.2 Purpose. The purpose of the Partnership is to acquire, finance, and operate and dispose of the Project, and to do all things necessary, convenient or incidental thereto. In addition, the Partnership may engage in and do any act concerning any or all lawful businesses for which partnerships may be organized according to the Act.

Section 2.3 Applications, Permits and Approvals. The Partnership is hereby authorized to make application for certificates of need, licenses, zoning and subdivision approvals, building permits and any other permits or approvals required under federal, state or local laws applicable to the Project to authorize the acquisition, construction and operation of the Project. Any and all acts taken on behalf of the Partnership in furtherance of obtaining such approvals are hereby ratified, confirmed and approved.

Section 2.4 Term. The Partnership shall be deemed to exist as of the date its Certificate of Limited Partnership is filed, and the duration of the Partnership shall be perpetual unless the Partnership is sooner dissolved in accordance with the provisions of this Agreement.

Section 2.5 Maintenance of Partnership as a Limited Liability Partnership. The General Partner shall take all necessary actions to maintain the Partnership as a limited partnership under the Act.

ARTICLE III

PARTNERS' CAPITAL

Section 3.1 General Partner. The name, address and amount of the initial Capital Contribution (paid in full) of the General Partner in its capacity as such are set forth on the Schedule.

Section 3.2 Other Partners. The name, address and amount of the initial Capital Contributions of the Partners (other than the General Partner) are set forth on the Schedule.

Section 3.3 Partnership Capital.

A. The capital of the Partnership shall be the amounts contributed by the Partners.

B. No Partner shall receive any interest, salary or drawing with respect to his Capital Contribution or his Capital Account or for services rendered on behalf of the Partnership or otherwise in his capacity as a Partner except as specifically provided in this Agreement.

C. Except as otherwise provided in this Agreement, no Partner shall have the right to withdraw or receive any return of his Capital Contribution. Under circumstances requiring a return of any Capital Contribution, no Partner shall have any right to receive any funds or property of the Partnership except as may be specifically provided in this Agreement.

Section 3.4 Loan by Partners. If any Partner shall loan any monies to the Partnership, the amount of any such loan shall not be an increase in his share of the distributions of the Partnership; but the amount of any such loan shall be an obligation of the Partnership to such Partner, and shall be repaid with interest equal to the General Partner's cost of funds, and on such other reasonable terms as the General Partner shall determine.

Section 3.5 Liability of Partners. No Partner shall be personally liable for any liabilities, contracts, or obligations of the Partnership. A Partner's liability is limited to the amount of Capital Contributions made or required to be made by any such Partner pursuant to this Agreement. After his Capital Contributions have been fully paid, no Partner shall be required to make any further Capital Contributions or lend any funds to the Partnership or act as guarantor or indemnitor with respect to any Partnership liabilities or obligations except as otherwise required by the Act. The General Partner shall not have any personal liability for the repayment of the Capital Contributions of any other Partner. The obligation of any Partner to make any Capital Contribution shall be an obligation to the Partnership only and shall not inure to the benefit of, or be enforceable by any third party.

ARTICLE IV

RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNER

Section 4.1 Authorized Acts.

A. Subject to the provisions of this Agreement and in furtherance of the purpose of the Partnership as set forth in Section 2.2 hereof, the General Partner for, in the name of, and on behalf of the Partnership is hereby authorized:

(i) To acquire by purchase, lease or otherwise any interest in real or personal property or in any other partnership, corporation or other business entity, which may be necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(ii) To construct, rehabilitate, demolish, rebuild, repair, operate, maintain, finance and improve, and to own, or to sell, convey, assign, mortgage or lease, any or all of the real estate and any personal property necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of the purpose of the Partnership, and to secure the same by mortgage, pledge or other lien on any assets of the Partnership.

(iv) To prepay in whole or in part, refinance, recast, increase, modify or extend any mortgages affecting the assets of the Partnership and in connection therewith to execute any extensions, renewals or modifications of any such mortgages on the assets of the Partnership.

(v) To employ a management company, which may be the General Partner or an Affiliate thereof, to manage the assets of the Partnership and to authorize the

Partnership to pay reasonable compensation for such services, provided the Managing Partners (if more than one) shall act unanimously in connection therewith.

(vi) To execute any note, mortgage and/or loan agreement in order to secure a loan to the Partnership which note, mortgage and/or loan agreement may contain provision for the confession of judgment on behalf of the Partnership without the need to obtain any additional or further consent or approval of any Partner.

(vii) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to or in connection with, or incidental to the accomplishment of the purpose of the Partnership (or to employ any other entity, including a company which is owned wholly or partially by any one or more Affiliated Persons or which is an Affiliate of a General Partner, to undertake the foregoing on commercially reasonable, arms-length terms), so long as said activities and contracts may be lawfully carried on or performed by a limited partnership under the laws of the Commonwealth of Virginia.

(viii) To undertake the activities authorized by Section 2.3 of this Agreement.

(ix) To set up any reserves as described in this Agreement.

(x) To execute and deliver all notes, guaranties, agreements, documents and certificates required by any lender in connection with the financing or refinancing or modification of financing of the Project.

Section 4.2 Management of Partnership Business.

A. The business and affairs of the Partnership shall be managed under the direction and control of the General Partner who shall devote such of its time and services as the General Partner in its absolute discretion deems necessary.

B. Each of the Partners hereby agrees that any Partner may engage in and/or possess an interest in other business ventures of every nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management and development of real property.

C. The General Partner shall be reimbursed by the Partnership for all reasonable expenses incurred by it in connection with the business of the Partnership, but shall receive no salary or other compensation for serving as General Partner except as unanimously agreed to by the Partners.

D. The General Partner will take all reasonable steps to assure that the Partnership is classified as a partnership for tax purposes.

Section 4.3 Business Control.

A. No Partner other than the General Partner shall participate in or have any control over the Partnership business. The Partners hereby consent to the exercise by the General Partner of the powers conferred on it by this Agreement and to the employment, when and if in the discretion of the General Partner the same is deemed necessary or advisable, of such brokers, agents or attorneys as the General Partner may determine (notwithstanding that any parties to this Agreement may have an interest in, or be one of, such brokers, agents or attorneys). No Partner other than the General Partner shall have any authority or right to act for or bind the Partnership.

B. Major Decisions. The following major decisions (“Major Decisions”) require the consent of all non-General Partners, and the Partnership shall not take any of the following actions without the prior approval of all non-General Partners (which approval shall not be unreasonably withheld, conditioned or delayed) of the specific action, including the form of instrument, parties involved or any other matter relating to such action:

- (i) Admitting a new Partner to the Partnership;
- (ii) Selling any of the assets of the Partnership (other than in the ordinary course of business in furtherance of the purpose of the Partnership);
- (iii) Leasing or otherwise encumbering any of the Partnership’s real property (other than residential and commercial leases in the ordinary course of business in furtherance of the purpose of the Partnership);
- (iv) Amending this Agreement in any manner;
- (v) Dissolving, liquidating or winding-up the affairs of the Partnership;
- (vi) Acquiring any real property (other than the Project as provided herein) or any interest in any entity;
- (vii) Entering into any merger, consolidation or restructuring of the Partnership;
- (viii) Initiating any proceeding under the Federal Bankruptcy Code or any similar law relating to the protection of creditors, or consent to the initiation against it of any such proceeding;
- (ix) Issuing any debt that is convertible into equity in the Partnership; or
- (xi) Borrowing money and issuing evidences of indebtedness in furtherance of the purpose of the Partnership, and to secure the same by mortgage, pledge or other lien on any assets of the Partnership.

Section 4.4 Duties and Obligations of the General Partner.

A. The General Partner shall take all action which may be necessary or appropriate for the continuation of the Partnership's existence as a partnership under the Act.

B. The General Partner shall at all times conduct its affairs and the affairs of the Partnership in such a manner that the Partners will not have any personal liability for Partnership debts except for said Partners' Capital Contributions. The General Partner shall manage the activities of the Partnership in a manner consistent with the purpose and goals of the Partnership.

C. The General Partner from time to time shall prepare and file any amendment to the Articles as it deems necessary to accurately reflect the agreement of the Partners, the identity of the Partners, the amount of their respective Capital Contributions and any matters required by the Act to be reflected in an amendment to the Articles.

D. Subject to the other provisions herein, the General Partner shall prepare or cause to be prepared, and shall file, on or before the due date (or any extension thereof), any federal, state or local tax returns required to be filed by the Partnership. The General Partner shall cause the Partnership to pay any taxes payable by the Partnership to the extent the same are not payable by any other party.

E. The General Partner shall be under a fiduciary duty to conduct the affairs of the Partnership in the best interests of the Partnership, including the safekeeping and use of all Partnership funds and assets and the use thereof for the benefit of the Partnership. The General Partner shall at all times act in good faith and exercise due diligence in all activities relating to the conduct of the business of the Partnership.

Section 4.5 Liability of General Partner to Other Partners. The General Partner shall not be liable, responsible or accountable in damages or otherwise to any other Partner for any act performed by it in good faith and within the scope of the authority conferred on it by this Agreement, except for acts of malfeasance, intentional and willful misconduct or gross negligence, damages arising from any material misrepresentation, or breach of a warranty to, or an agreement with, the Partnership.

Section 4.6 Indemnification.

The Partnership shall indemnify and save harmless the General Partner against any claims or liability incurred by it provided that the acts or omissions giving rise to such claims or liabilities were performed in good faith and within the scope of its authority under this Agreement, except for acts of malfeasance, intentional and willful misconduct or gross negligence or for damages arising from any material misrepresentation, breach of warranty, or for damages arising from a breach of any other agreement with the Partnership, provided that any indemnity under this Section shall be provided out of and to the extent of Partnership assets only. Nothing contained in this paragraph shall be construed as imposing any liability on any Partner.

Section 4.7 Tax Matters Partner. The General Partner is hereby designated to serve as the Partnership's "Tax Matters Partner" and shall have all of the powers and responsibilities of such position as provided in Sections 6221 et seq. of the Code. Reasonable expenses incurred by the Tax Matters Partner directly relating to its performance of services as Tax Matters Partner will be borne by the Partnership. Each Partner who elects to participate in any administrative proceeding, as permitted by Sections 6221 et seq. of the Code, will be responsible for any expenses incurred by such Partner in connection with such participation and for any additional costs and expenses incurred by the Partnership due to such participation. Further, the cost of any adjustments to a Partner and the cost of any resulting audits of or adjustment to a Partner's tax return will be borne solely by the affected Partner.

Section 4.8 Right of First Refusal. On the date of or prior to the closing of the debt and equity financing for the Project, the Partnership shall grant to Arlington Partnership for Affordable Housing, Inc., a right of first refusal with the respect to the purchase of the Project after the end of the low-income housing tax credit compliance period, in order to satisfy the requirement of Section 42(i)(7) of the Code.

ARTICLE V

TRANSFERABILITY OF GENERAL PARTNER'S INTEREST

Section 5.1 Transfer of General Partner's Interest; Withdrawal by General Partner.

A. A General Partner may not withdraw or retire from the Partnership or sell, transfer or assign its interest as General Partner except after complying with the provisions of Section 5.1(D) and only with the prior consent of all of the Partners.

B. If a General Partner withdraws or retires from the Partnership or sells, transfers or assigns its entire interest pursuant to Section 5.1(A), it shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time of such withdrawal, sale, transfer or assignment shall have become effective. In addition, a General Partner who withdraws or retires in violation of this Agreement shall also be, and remain, liable to the Partnership and its Partners for damages resulting from the General Partner's breach of this Agreement; and, without limitation of remedies the Partnership may offset such damages against any amounts otherwise owed or distributable to the withdrawing General Partner.

C. The personal representatives, successors or assigns of any General Partner shall be, and remain, liable for all obligations and liabilities incurred by the General Partner prior to, or in connection with, his retirement or withdrawal.

D. A General Partner may withdraw from the Partnership pursuant to Section 5.1(A) only upon meeting the following further requirements:

(i) Any substitute General Partner(s) has (have) sufficient net worth and meet(s) all other published requirements of the Internal Revenue Service necessary to assure that the Partnership will continue to be classified as a partnership for federal income tax purposes;

(ii) The withdrawal of the General Partner is in conformity with the Act and none of the actions taken in connection with such withdrawal will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes; and

(iii) A substitute General Partner is admitted in compliance with the requirements of Section 5.2.

E. In the event of the withdrawal of a General Partner who is not then the sole General Partner, the Partnership shall be continued by the remaining General Partner or Managing Partners, who shall make and file such amendments to this Agreement and to the Articles as are required by the Act to reflect the fact that the withdrawn General Partner has ceased to be a General Partner of the Partnership.

F. In the event of the withdrawal of a sole General Partner, the withdrawn General Partner, or its successors, representatives, heirs or assigns shall promptly give Notification of such withdrawal to all Partners. In such event, the Partnership shall be dissolved unless within 90 days after the withdrawal of the sole General Partner, the remaining Partner or Partners unanimously consent in writing to continue the Partnership and to the appointment, effective as of the date of withdrawal of the sole General Partner, of one or more Successor Managing Partners.

G. Upon the retirement or withdrawal of a General Partner: (i) such retiring or withdrawing General Partner shall immediately cease to be a General Partner of the Partnership and such retiring or withdrawing General Partner shall no longer participate in the management of the Partnership; and (ii) the General Partner's Interest shall be converted to that of a Partner which is not a General Partner, with the same right to participate in allocations of Profit or Loss and in distributions of the Partnership as prior to the conversion.

H. The General Partner may at any time designate additional persons to be Managing Partners, whose interest in the Partnership shall be such as agreed upon by the General Partner and such Additional General Partner, provided that the interest of the other Partners shall not be affected thereby. Such additional persons shall become successor or Additional Managing Partners only upon meeting the conditions provided in Section 5.2.

Section 5.2 Admission of a Successor or Additional General Partner. A person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

A. The admission of such persons shall have been consented to by the General Partner and all of the Partners;

B. The successor and additional person shall have accepted and agreed to be bound by all the terms and provisions of this Agreement, by executing such documents or instruments that may be required or appropriate to effect the admission of such person as a General Partner and, where appropriate, such documents shall have been filed for recordation and all other actions required in connection with such admission shall have been performed;

C. If a successor or additional person is a corporation, it shall have provided the Partnership with satisfactory evidence of its authority to become a General Partner and to be bound by the terms and provisions of this Agreement; and

D. The admission of the successor or additional person is in conformity with the Act and none of the actions taken in connection with the admission of the successor person will cause the termination or dissolution of the Partnership, or will impair the limited liability of the Partners, or will cause the Partnership to be classified other than as a partnership for federal income tax purposes under the rules and regulations of the Internal Revenue Service promulgated at that time.

ARTICLE VI

TRANSFERABILITY OF PARTNER INTERESTS AND REPRESENTATIONS OF PARTNERS

Section 6.1 Withdrawal or Retirement. No Partner may withdraw or retire from the Partnership, or receive a return of his or its contributions, without the consent of the General Partner.

Section 6.2 Amended Agreement and Articles. Any transfer or change of any Partner's interest in the Partnership must be reflected in an appropriate amendment to this Agreement and when appropriate, to the Articles, and the General Partner shall be obligated to file any amendment to the Articles.

Section 6.3 Representations of Partners.

A. Each of the Partners severally represents and warrants to the Partnership and the General Partner as follows:

(i) Such Partner is acquiring his or its interest for his or its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and, except as contemplated by this Agreement such Partner has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof.

(ii) Such Partner has full power and authority to enter into and to perform this Agreement in accordance with its terms.

(iii) Such Partner has conducted its own inquiry concerning the Partnership, its business and its personnel as such Partner has deemed appropriate; the Partnership has made available to such Partner any and all written information which he or it has requested and have answered to such Partner's satisfaction all inquiries made by such Partner; and such Partner has adequate net worth and means of providing for his or its current needs and personal contingencies to sustain a complete loss of his or its investment in the Partnership; such Partner's overall commitment to investments which are not readily marketable is not disproportionate to his or its net worth and such Partner's investment in the Partnership will not cause such overall commitment to become excessive.

ARTICLE VII

ALLOCATIONS AND DISTRIBUTIONS TO PARTNERS

Section 7.1 Allocations of Profit and Loss.

A. After giving effect to the special allocations set forth in Section 7.4 hereof, Profit shall be allocated as follows:

(i) If one or more Partners have a negative Capital Account, to such Partners, in proportion to their negative Capital Accounts, until all such negative Capital Accounts have been increased to zero. This allocation shall offset against any allocation pursuant to Section 7.1(A)(ii) - (iv) hereof to the extent necessary to maintain Capital Account balances which conform to the desired distributions pursuant to Sections 7.2, 7.3 and 8.2 hereof.

(ii) Pro rata among the Partners on a cumulative basis based upon and up to the amount of Loss allocated to the Partners pursuant to Section 7.1(B)(iii) hereof.

(iii) Pro rata among the Partners on a cumulative basis based upon and up to the amount of Loss allocated pursuant to Section 7.1(B)(ii) hereof.

(iv) Any remaining Profit shall be allocated among the Partners in proportion to their Partnership Interests.

B. After giving effect to the special allocations set forth in Section 7.4 hereof, Loss shall be allocated as follows:

(i) Pro rata among the Partners on a cumulative basis based on and up to the amount of Profits allocated previously to the Partners pursuant to Section 7.1(A)(iv) hereof.

(ii) Pro rata among the Partners based upon and up to the amount of their Capital Contributions on a cumulative basis.

(iii) Any remaining Loss shall be allocated among the Partners in proportion to their Partnership Interests.

C. For the purposes of this Agreement, in the event of the transfer of all or any part of an Interest (in accordance with the provisions of this Agreement) at any time other than the end of a Partnership accounting year, the distributive share of the Profit or Loss from Partnership operations and Depreciation of the Partnership in respect of the Partnership interest so transferred shall be allocated between the transferor and the transferee in the same ratio as the number of days in such Partnership accounting year before and after such transfer, except that the provisions of this sentence shall not be applicable to a gain or loss arising from a Capital Transaction. Gain or loss from any such Capital Transaction shall be allocated on the basis of Partnership Interests on the date the gain is realized or the loss incurred, as the case may be.

D. The allocations set forth in this Article VII are solely for the benefit of the Partners hereof and are not for the benefit of, nor do they create any rights on behalf of, any creditors of the Partnership.

Section 7.2 Distributions of Net Cash Flow. The Net Cash Flow of the Partnership for each calendar quarter or fraction thereof shall be distributed to the Partners as soon as practicable after the end of such calendar year to the Partners, pro rata, based on their Partnership Interests in the Partnership. In calculating Net Cash Flow, the General Partner shall have the right to set aside reserves in such amounts as the General Partner may determine to be necessary for current or future needs of the Partnership.

Section 7.3 Distributions of Net Cash from Capital Transactions. The Net Cash from Capital Transactions (other than a Capital Transaction which causes a dissolution and liquidation of the Partnership, which shall be governed by Section 8.2), shall be distributed to the Partners as soon as practicable to the Partners, pro rata, based on their Partnership Interests in the Partnership. In calculating Net Cash from Capital Transactions, the General Partner shall have the right to set aside reserves in such amounts as the General Partner may determine to be necessary for current or future needs of the Partnership.

Section 7.4 Special Allocations of Items in the Nature of Income or Gain.

A. Except as provided in Section 7.4(C) hereof, if any Partner unexpectedly receives any adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Partnership income and gain shall be specially allocated to such Partner in an amount sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. This Section 7.4(A) is intended to comply with the qualified income offset requirement in Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistent therewith.

B. Except as provided in Sections 7.4(C) and (D) hereof, in the event any Partner has a deficit Capital Account at the end of any Partnership fiscal year which is in excess of such Partner's Adjusted Capital Account Deficit, each such Partner shall be specially allocated

items of Partnership income and gain in the amount of such excess for such year (and, if necessary, subsequent years) as quickly as possible.

C. Notwithstanding any other provision of this Article VII, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the greater of (i) the portion of such Partner's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Section 1.704-2(g), that is allocable to the disposition of all or a portion of the Project subject to Nonrecourse Liabilities, determined in accordance with Regulations Section 1.704-2(f), or (ii) if such Partner would otherwise have an Adjusted Capital Account Deficit at the end of such year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Section 1.704-2(f)(6) of the Treasury Regulations. This Section 7.4(C) is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such Section of the Treasury Regulations and for purposes of this Section 7.4(C) only, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such fiscal year and without regard to any net decrease in Partner Minimum Gain during such fiscal year.

D. Notwithstanding any other provision of this Article VII except Section 7.4(C), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership fiscal year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the greater of (i) the portion of such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4), or (ii) if such Partner would otherwise have an Adjusted Capital Account Deficit at the end of such year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. This Section 7.4(D) is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith. Solely for purposes of this Section 7.4(D), each Person's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such fiscal year, other than allocations pursuant to Section 7.4(C) hereof.

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

F. Partnership Nonrecourse Deductions for any fiscal year or other period shall be allocated in the same manner as Losses are allocated pursuant to Section 7.1(B) hereof.

G. Notwithstanding anything to the contrary contained herein, in each taxable year of the Partnership, the General Partner shall be allocated at least 0.01% of each material item of Partnership income, gain, loss, deduction and credit.

H. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the General Partner and the other Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

I. Any special allocations pursuant to Sections 7.4(A) through 7.4(F) hereof shall be taken into account in computing subsequent allocations of Profits or Losses pursuant to this Article VII, so that the net amount of any items so allocated and the Profits, Losses and all other items allocated to each Partner pursuant to this Article VII shall, to the extent possible, be equal to the net amount that would have been allocated to each such Person pursuant to the provisions of this Article VII if such special allocations had not been required.

J. It is the intent of the Partners that Profit and Loss be allocated in a manner which will conform to the Treasury Regulations promulgated pursuant to Code Section 704(b) (the "704(b) Regulations") and that Partnership distributions be made in the priorities set forth herein. In the event that adherence to the allocation formulas set forth in Section 7.1 hereof does not result in compliance with the 704(b) Regulations, the General Partner, upon advice of counsel, may reallocate Profits and Losses in such a manner as to conform with the 704(b) Regulations while distributing Net Cash Flow pursuant to Section 7.2 hereof.

K. Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided among the General Partner and the other Partners in the same proportions as they share Profits and Losses, as the case may be, for the year.

ARTICLE VIII

DISSOLUTION, LIQUIDATION AND TERMINATION OF THE PARTNERSHIP

Section 8.1 Events Causing Dissolution. The Partnership shall dissolve upon the happening of any of the following events:

A. the sale of the entire Project or of substantially all of the assets of the Partnership (excepting (a) a disposition of the Project which qualifies, in whole or in part, under Section 1031 or Section 1033 of the Code or (b) a sale in which the Partnership receives purchase money financing in which case the Partnership shall dissolve upon receipt of final payment thereunder);

B. the death, Disability, Insolvency, retirement or withdrawal of a sole General Partner unless the Partnership is continued pursuant to Section 5.1(F);

C. the election to dissolve the Partnership made in writing by the Partners whose total Percentage Interests, as shown on the Schedule attached hereto, represent at least 80% of the Percentage Interests of all Partners; or

D. the happening of any other event causing dissolution of the Partnership under the Act.

Dissolution of the Partnership shall be effective on the day on which the event occurs giving rise to the dissolution. Articles of Dissolution may be filed under the Act at any time after the dissolution but before the completion of winding up of the Partnership. In any event, the Partnership shall not terminate until the assets of the Partnership have been distributed as provided in Section 8.2.

Section 8.2 Liquidation and Distributions on Dissolution.

A. As soon as practical after the dissolution of the Partnership, the General Partner shall give Notification to all the Partners of such fact and shall prepare a plan as to whether and in what manner the assets of the Partnership shall be liquidated. With the consent of the Partners, the assets of the Partnership, subject to its liabilities, may be transferred to a successor entity, upon such terms and conditions as are then agreed upon.

B. If the Partners fail to agree to transfer the assets of the Partnership, subject to its liabilities, to a successor entity pursuant to Section 8.2(A) upon dissolution of the Partnership, the General Partner (or any Partner if there be no General Partner) shall take full account of the Partnership's liabilities and property and the Partnership shall be liquidated as promptly as is consistent with obtaining the fair market value thereof, and the net proceeds shall be applied and distributed in the following order:

(i) First, to the payment of debts and liabilities of the Partnership other than loans or other debts and liabilities of the Partnership to Partners;

(ii) Second, to the setting up of any reserves which the General Partner or the liquidator deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(iii) Third, to the repayment of any unrepaid loans theretofore made by the Partners to the Partnership and to the payment of any unpaid amounts owing to the General Partner or its Affiliates under this Agreement; and

(iv) Fourth, to the Partners, pro rata based on their Partnership Interests, as shown on the Schedule.

C. If any Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such distribution occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, except in accordance with Section 8.2(D) below.

D. At any time or from time to time after the date hereof, any Partner may, by written notice to the Partnership, obligate itself to restore up to a dollar amount specified in such notice (the "Restoration Amount") of any negative balance which would be standing in its Capital Account following the liquidation and winding-up of the Partnership or the liquidation of the Partner's Interest in the Partnership and the making of all Capital Account adjustments required in connection therewith, provided the Restoration Amount specified by a Partner shall be reasonable in light of the financial and business condition and equity value of such Partner. In the event a Partner so obligates itself to restore the Restoration Amount, the Partners agree (i) that for the purposes of this Agreement such Partner shall be deemed to be irrevocably obligated to restore the negative balance standing in its Capital Account in an amount up to the Restoration Amount, and (ii) upon the liquidation and winding-up of the Partnership or the liquidation of such Partner's Interest in the Partnership, as the case may be, if, after taking into account all distributions of liquidation proceeds and other Capital Account adjustments for the taxable year of the Partnership during which the liquidation and winding-up of the Partnership or liquidation of such Partner's Interest in the Partnership occurs, as the case may be, such Partner has a negative balance in its Capital Account, that Partner shall be unconditionally obligated to restore to the Partnership an amount equal to the lesser of the Restoration Amount or the negative balance standing in his or its Capital Account, on or prior to the end of the taxable year of the Partnership during which the liquidation of the Partnership or such Partner's Interest in the Partnership occurs (or, if later, within ninety (90) days after the date of such liquidation). Any such contributed amounts shall be applied and distributed in the manner described in Section 8.2(B) hereof.

ARTICLE IX

BOOKS AND RECORDS; ACCOUNTING, TAX ELECTIONS, ETC.

Section 9.1 Books and Records. The books and records of the Partnership shall be maintained by the General Partner and shall be available for examination at reasonable times at the principal office of the Partnership by any Partner, or his duly authorized representatives, during regular business hours, and may be copied by said Partners at their own expense. The Partnership shall keep at its principal office, without limitation, the following records: a current list of the full name and last known address of each Partner; a copy of this Agreement; copies of the Partnership's

federal, state and local income tax returns and reports, if any, for the three most recent years; copies of any financial statements of the Partnership for the three most recent years; and the Partnership books. The Partnership may provide such financial or other statements to the Partners as the General Partner in its discretion deems advisable.

Section 9.2 Bank Accounts. The bank accounts of the Partnership shall be maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made on such signature(s) as the General Partner may determine.

Section 9.3 Tax Returns; Elections. As soon as practicable after the end of each calendar year, the General Partner shall mail to each Partner sufficient information (including a Form K-1) with respect to the Partnership necessary for the preparation of such Partner's federal income tax return. Upon written request of any Partner, the General Partner shall provide said Partner with a true and complete copy of the Partnership's annual federal income tax return with respect to any taxable year of the Partnership so requested.

Section 9.4 Fiscal Year; Method of Accounting. The Partnership shall keep its books and records in accordance with the accounting methods followed for federal income tax purposes and/or otherwise generally in accordance with generally accepted accounting principles and procedures consistently applied, which shall reflect all Partnership transactions and shall be appropriate and adequate for the Partnership's business. The determination of the fiscal year and the method of accounting to be used in keeping the books of the Partnership shall be made by the General Partner.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Binding Provisions. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Section 10.2 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reasons any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect any other provisions of this Agreement.

Section 10.3 Paragraph Titles. Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 10.4 Discretion. Unless otherwise provided herein, any provision of this Agreement giving the General Partner the authority or power to make any decision on its own behalf or on the behalf of the Partnership shall be deemed to provide that the General Partner may make such decision(s) in its sole and absolute discretion.

Section 10.5 Amendments. This Agreement may be amended in any respect only with the consent of all Partners.

Section 10.6 Word Meanings. In this Agreement, the singular shall include the plural and the masculine gender shall include the feminine and neuter and vice versa, unless the context otherwise requires.

Section 10.7 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflict of laws, and the rights, duties and obligations of the Partners shall be as stated in the Act except as provided herein.

Section 10.8 Counterparts; Additional Partners. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all the parties reflected hereon as signatories. Each Substitute, Additional or Successor Partner shall become a signatory hereof by signing such number of counterparts of this Agreement and such other instrument or instruments, and in such manner as the General Partner shall determine. By so signing, such Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such counterpart shall be binding until it shall have been signed by the General Partner.

Section 10.9 Entire Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained.

Section 10.10 Waiver of Partition. The Partners hereby waive any right of partition or any right to take any other action which otherwise might be available to them for the purpose of severing their relationship with the Partnership or their interest in the assets held by the Partnership from the interest of the other Partners.

Section 10.11 Third Party Rights. Any obligation of a Partner set forth herein to the Partnership or to any other Partner shall be an obligation only to the Partnership or such Partner, and shall not inure to the benefit of any third party.

Section 10.12 VHDA Provisions. Notwithstanding any other provision in this Agreement, this limited partnership and the partners shall be subject to regulation and supervision by the Virginia Housing Development Authority (the "Authority") in accordance with the Virginia Housing Development Authority Act, the Rules and Regulations of the Authority, and the Regulatory Agreement executed or to be executed between this Partnership and the Authority and shall be further subject to the exercise by the Authority of the rights and powers conferred on the Authority thereby. Notwithstanding any other provision of this Agreement, the Authority may rely upon the continuing effect of this provision which shall not

be amended, altered, waived, supplemented or otherwise changed without the prior written consent of the Authority.

END OF ARTICLE X

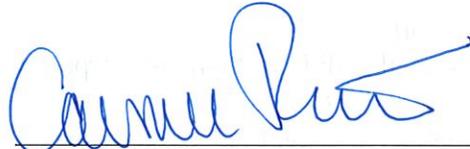
IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Limited Partnership of Arna Marbella Limited Partnership as of the date first above written.

PARTNERS:

GENERAL PARTNER:

ARNA MARBELLA GP DEVELOPMENT CORPORATION, a Virginia corporation

By:

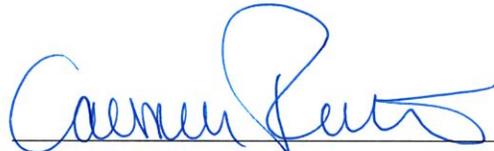


Carmen Romero
President

LIMITED PARTNER:

ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC., a Virginia non-stock corporation

By:



Carmen Romero
President

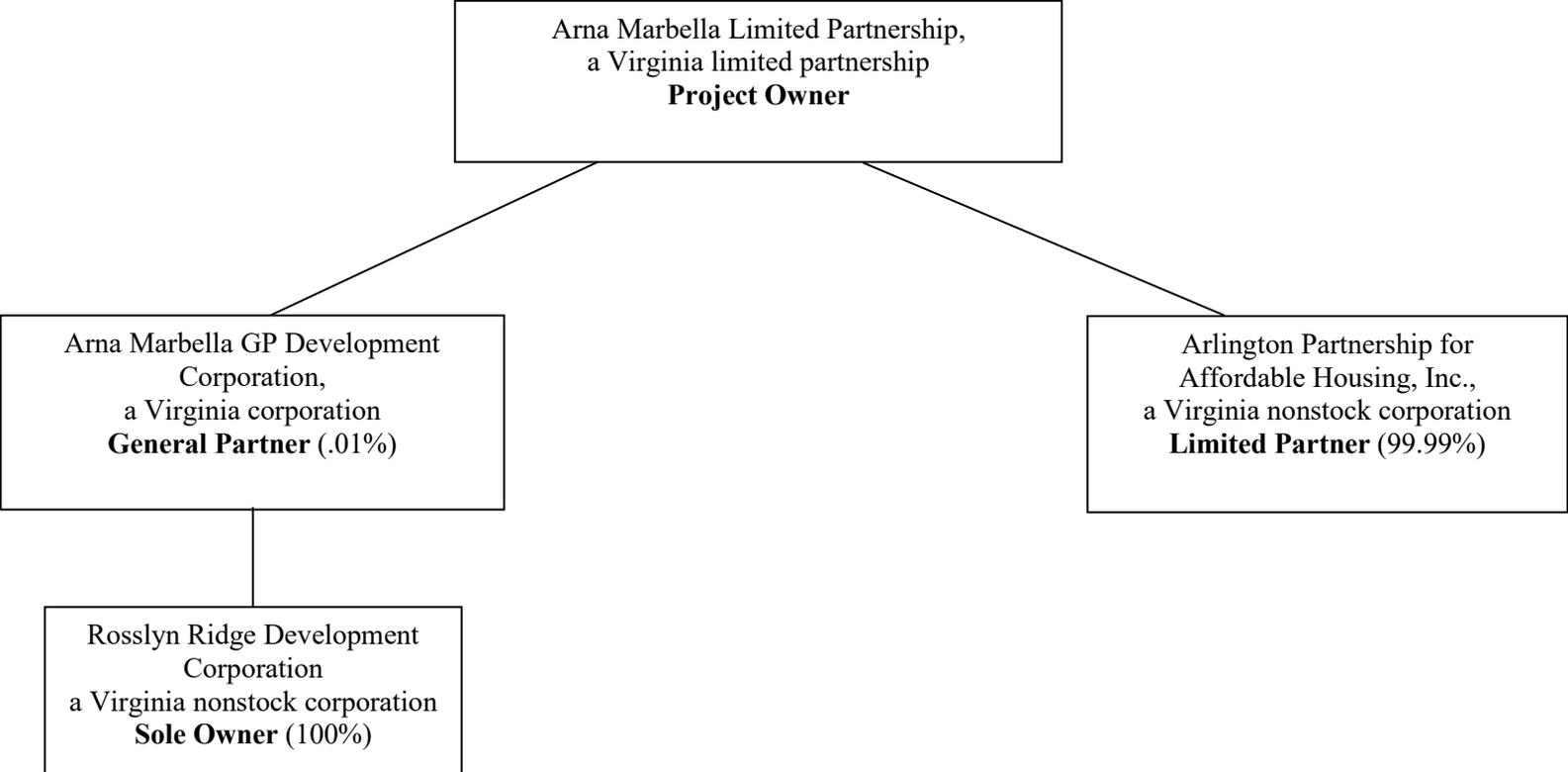
ARNA MARBELLA LIMITED PARTNERSHIP

**SCHEDULE I
TO
AGREEMENT OF LIMITED PARTNERSHIP**

<u>Partner's Name And Address</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
<u>General Partner</u> Arna Marbella GP Development Corporation c/o Arlington Partnership for Affordable Housing, Inc. 4318 N. Carlin Springs Road Arlington, Virginia 22203 cromero@apah.org	\$10.00	0.01%
<u>Limited Partner</u> Arlington Partnership for Affordable Housing, Inc. 4318 N. Carlin Springs Road Arlington, Virginia 22203 cromero@apah.org	\$10.00	99.99%

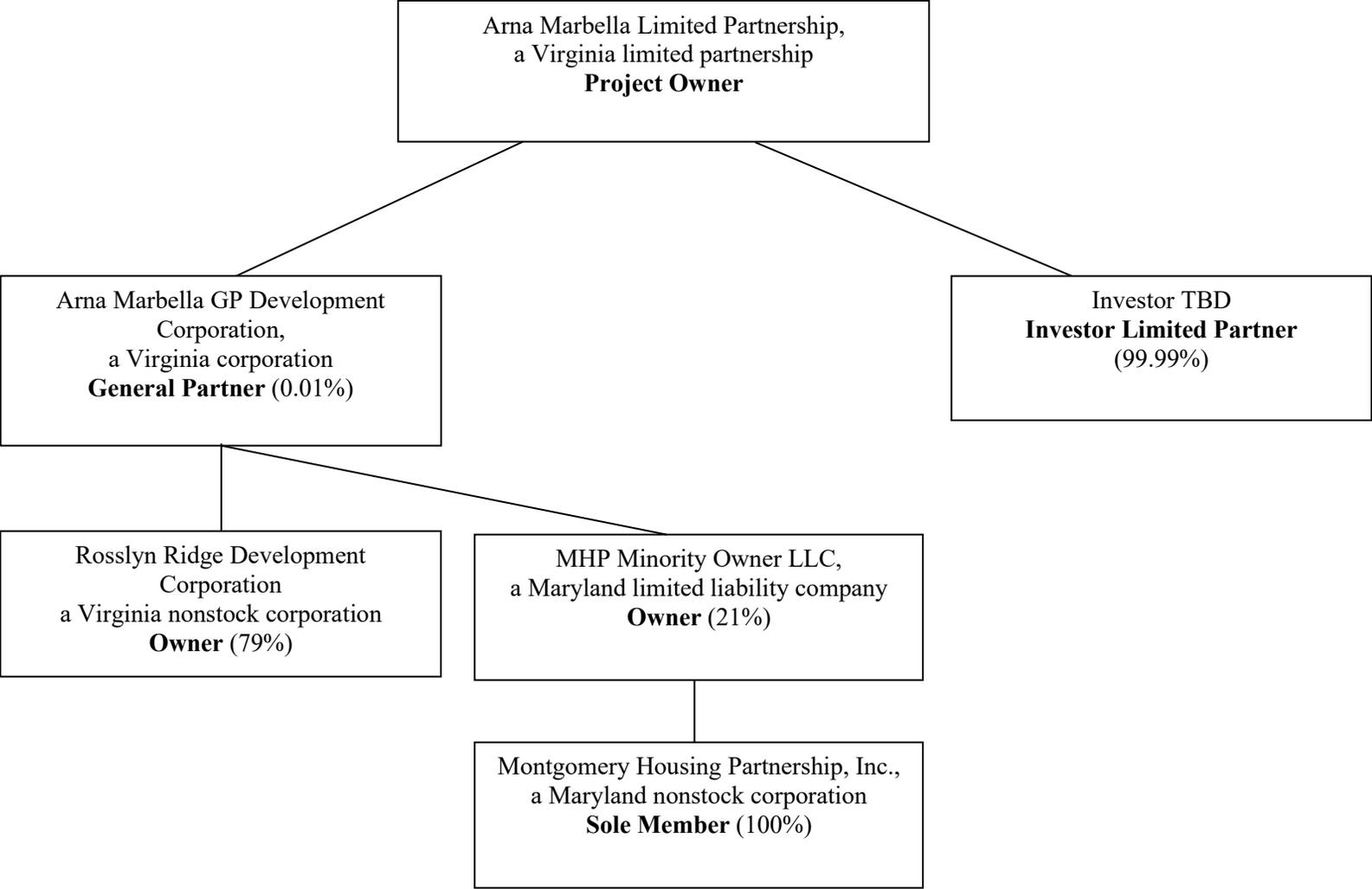
ARNA/MARBELLA
ORGANIZATIONAL CHART

(Prior to LIHTC closing)



ARNA/MARBELLA
ORGANIZATIONAL CHART

(After LIHTC closing)



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made as of the 19th day of July, 2022, by and between ARNA MARBELLA LIMITED PARTNERSHIP, a Virginia limited partnership (the "*Partnership*"), and ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC., a Virginia nonprofit corporation (the "*Developer*").

RECITALS

WHEREAS, the Partnership intends to own, develop, rehabilitate and lease one hundred sixty-three (163) low-income housing tax credit units and common areas located in seven (7) residential buildings and one (1) parking garage (collectively, the "*Buildings*") in Arlington County, Virginia (the "*Project*"); and

WHEREAS, the Developer is to be paid a fee (the "*Development Fee*") for services rendered in connection with the development and rehabilitation of the Project. The Partnership intends that the Project will qualify for the low-income housing credit pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "*Credit*").

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

(1) The Developer shall perform or shall have performed prior to the date hereof the following services for the Partnership:

(a) Obtain construction financing on behalf of the Partnership in an amount sufficient to fund the construction of the Project.

(b) Prepare or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, and plans and specifications as may be required in connection with the construction of the Project.

(c) Prepare and submit to the Partnership for approval a construction budget and make recommendations to the Partnership regarding any necessary modifications thereto.

(d) Make available to the Partnership upon request copies of all contracts, option agreements, construction financing commitments, budgets, plans and specifications or other items prepared or obtained.

(e) Obtain a construction contract (the "*Construction Contract*") from a reputable general contractor (the "*General Contractor*"), which may be an affiliate of Developer, which Construction Contract shall require the General Contractor to post a payment and performance bond in the full amount of the Construction Contract or letter of credit in an amount acceptable to the Partnership.

(f) Perform or cause to be performed, in a diligent and efficient manner, general

administration and supervision of construction of the Project, including but not limited to the following:

(i) administration and supervision of the activities of the General Contractor and all other contractors, subcontractors and others employed in connection with the construction of the Project;

(ii) preparation of construction schedules and supervision of the scheduling of construction in conformity with such construction schedules;

(iii) periodic inspection of construction in progress, including but not limited to inspection at completion, for defects in construction and to assure compliance with the plans and specifications, and supervision of correction of any and all deficiencies noted pursuant to such inspections;

(iv) processing and payment of applications for progress payments made by the General Contractor, including verification of such applications against the progress of construction as indicated by the aforementioned periodic inspections; and

(v) analysis of requests for any and all change orders to or variations from the plans and specifications approved by the Partnership (the "*Plans and Specifications*") and approved project budget and submission of such requests to the Partnership for approval.

(g) Perform, or cause to be performed, in a diligent and efficient manner, preparation of contracts, letter agreements, purchase orders, and similar documents as are necessary to complete timely the construction of the Project in accordance with the Plans and Specifications.

(h) Cause the Project to be completed as required by funding sources and the Partnership in a manner consistent with good workmanship, in compliance with the following:

(i) the Plans and Specifications;

(ii) all obligations of the Partnership under any financing documents executed by the Partnership; and

(iii) all municipal, state, and other governmental laws, ordinances, and regulations governing the construction of the Project and the use thereof for its intended purposes and all other requirements of law applicable to construction of the Project.

(i) Maintain, or cause to be maintained, builders risk, contractor's liability, and workers' compensation insurance required by law and the Partnership, the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.

(j) Keep or cause to be kept separate project accounts and cost records and prepare and furnish upon request financial and progress reports and statements with respect to construction of the Project.

(k) Make available to the Partnership upon request copies of all contracts and subcontracts.

(l) Deliver to the Partnership copies of all inspection reports and applications for payment given any lender providing a loan to the Partnership.

(2) The Partnership agrees to compensate the Developer for its services by payment of a fee (the "*Development Fee*") in the amount of Five Million Dollars (\$5,000,000.00). In addition, the Developer will be reimbursed for any advances related to development of the Project made by the Developer to the Partnership.

(3) The Development Fee shall be earned and all of the services to be provided by the Developer hereunder shall be completed during the period ending with construction completion of the Project and shall be paid at such times as the General Partner shall determine; *provided, however*, that (i) for services rendered by the Developer prior to the execution of this Development Agreement, the Developer shall earn One Million Dollars (\$1,000,000.00) of the fee on the execution date hereof, and (ii) the remainder of the Development Fee shall be earned during the period ending with the completion of the Project's construction and rehabilitation. The Development Fee shall be paid no later than December 31, 2038.

(4) This Development Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, shall be binding on and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns, and may not be changed orally.

(5) The Developer shall consent to any amendment to this Development Agreement required by a syndication investor in the Partnership; *provided, however*, the Developer may withhold its consent to any changes in services to be provided or fees to be paid hereunder.

(6) This Development Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Development Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all the parties reflected hereon as signatories.

(Signatures on following page)

IN WITNESS WHEREOF and intending to be bound legally hereby, the undersigned have executed this Development Agreement as of the day and year first above-written.

PARTNERSHIP:

ARNA MARBELLA LIMITED PARTNERSHIP, a Virginia limited partnership

By: Arna Marbella GP Development Corporation, a Virginia corporation, its general partner

By: Kelly Eichhorn
Kelly Eichhorn, Assistant Treasurer

DEVELOPER:

ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC., a Virginia nonprofit corporation

By: Kelly Eichhorn
Kelly Eichhorn, Assistant Treasurer

Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, August 31, 2021

This is to certify that the certificate of limited partnership of

Arna Marbella Limited Partnership

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

Effective date: August 31, 2021



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Clerk of the Commission

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, October 27, 2021

This is to certify that the certificate of incorporation of

Arna Marbella GP Development Corporation

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

Effective date: October 27, 2021



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Clerk of the Commission

Tab C:

Principal's Previous Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: Arna Marbella
Name of Applicant (entity): Arna Marbella Limited Partnership

I hereby certify that:

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

Previous Participation Certification, cont'd

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

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

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



Signature



Printed Name

7/6/2022

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

Arna Marbella

Exhibit: Previous Participation Certification

Explanation

In 2017, the Arlington Partnership for Affordable Housing, Inc. (APAH) received IRS Form 8823 related to the Columbia Grove apartments. In 2016, APAH began demolition of a surface parking lot at the Columbia Grove site as part of construction of the Columbia Hills East and Columbia Hills West developments, triggering a non-compliance event that was pre-approved by VHDA, and will remain uncorrected for the life of the compliance period.

APAH has also received other IRS Form 8823s over the prior ten years as a result of minor non-compliance at other projects, all of which have been corrected.

Queens Court South and Queens Court North achieved substantial completion on April 5, 2021. Although the final cost certifications have been submitted to VHDA., the 8609 application is still outstanding. The 8609 is due March 31, 2022.

The first buildings of the Snowden's Ridge Apartments in Maryland achieved substantial completion on 3/19/2021. The final cost certification is still outstanding.

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Arna Marbella

Name of Applicant: Arna Marbella Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Arlington Partnership for Affordable Housing, Inc. **Controlling GP (CGP) or 'Named' Managing Member of Proposed property?*** Y
 Principal's Name: Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Courthouse Crossings, 1220, 1230 & 1233 N. Scott St.; 1240 & 1250 N. Rolfe St. Arlington, VA 22209	Courthouse Crossings Limited Partnership, (703) 276-7444	Y	112	112	6/1/2006	4/14/2008	N
2	Fisher House, 1201 & 1211 N. Kennebec St.; 5701 N. 11th Rd.; and 1111 N. Kenilworth St. Arlington, VA 22205	Fisher House Limited Partnership, (703) 276-7444	Y	33	33	9/14/2007	6/19/2008	N
3	Parc Rosslyn, 1531 N. Pierce St. Arlington, VA 22209	Rosslyn Ridge Associates Limited Partnership, (703) 276-7444	N	238	96	9/30/2008	5/20/2009	N
4	Columbia Grove Apartments, 1001, 1003, 1011, 1012, 1014, 1015, 1017, 1018, 1020, 1024, 1026, 1030, 1034, and 1038 S. Frederick St. Arlington, VA 22204	Columbia Grove Apartments Limited Partnership, (703) 276-7444	Y	208	130	1/10/2009	7/13/2012	Y
5	Buchanan Gardens, 914 South Buchanan St. Arlington, VA 22204	Buchanan Gardens Limited Partnership, (703) 276-7444	Y	111	111	10/31/2011	8/8/2013	N
6	Arlington Mill Residences, 901 South Dinwiddie St., Arlington, VA 22204	Arlington Mill Limited Partnership, (703) 276-7444	Y	122	121	1/31/2014	10/15/2014	N
7	Arna Valley View, 2300 South 25th St., Arlington, VA 22206	AVV Apartments, LLC, (703) 276-7444	N	101	101	4/30/2001	2/7/2002	N
8	The Springs Apartments, 555 North Thomas St., Arlington, VA 22203	The Springs Apartments Limited Partnership, (703) 276-7444	Y	104	98	9/29/2016	5/3/2017	N

List of LIHTC Developments (Schedule A)

9	Columbia Hills East Apartments, 1000 S. Frederick St. Arlington, VA 22204	Columbia Hills East Limited Partnership, (703) 276-7444	Y	97	97	9/28/2018	3/24/2020	N
10	Columbia Hills West Apartments, 1002 S. Frederick St. Arlington, VA 22204	Columbia Hills West Limited Partnership, (703) 276-7444	Y	132	132	9/28/2018	3/24/2020	N
11	Gilliam Place East, 918 S. Lincoln Street Arlington, VA 22204	Gilliam Place East Limited Partnership, (703) 276-7444	Y	83	83	8/5/2019	9/10/2020	N
12	Gilliam Place West, 3507 Columbia Pike Arlington, VA 22204	Gilliam Place West Limited Partnership, (703) 276-7444	Y	90	90	8/2/2019	9/10/2020	N
13	Fisher House II: 5705, 5711, 5717 Washington Blvd.; 1111 and 1209 N. Kensington St., 5700 and 5708 11th St. N., and 5716 11th Rd N, all in Arlington VA 22205	APAH Westover Apartments Limited Partnership, (703) 276-7444	Y	68	68	5700 11th St. N - 9/28/2018 5708 11th St. N - 10/19/2018 1209 N Kensington - 12/27/2018 1111 N. Kensington - 3/1/2019 5716 11th Rd. N - 3/14/2019 5717 Washington Blvd - 3/29/2019 5711 Washington Blvd - 4/17/2019 5705 Washington Blvd - 5/8/2019	7/20/2020	N
14	Queens South Nine, 1801-1805 N Quinn Street, Arlington VA 22209	Queens South Nine Limited Partnership, (703) 276-7444	Y	90	90	3/30/2021	TBD	N
15	Queens North Four, 1801-1805 N Quinn Street, Arlington VA 22209	Queens North Four Limited Partnership, (703) 276-7444	Y	159	156	3/30/2021	TBD	N
16	Post West Nine, 3445 Washington Boulevard, Arlington VA 22201	Post West Nine Limited Partnership, (703) 276-7444	Y	80	80	TBD	TBD	N
17	Post East Four, 3445 Washington Boulevard, Arlington VA 22201	Post East Four Limited Partnership, (703) 276-7444	Y	80	80	TBD	TBD	N
18	Mt. Sterling Senior 9% B, 21394 Mount Sterling Terrace Sterling, VA 20164	Mt. Sterling Senior 9% Owner LLC, (703) 276-7444	Y	48	48	TBD	TBD	N
19	Mt. Sterling Senior 4%, 21394 Mount Sterling Terrace Sterling, VA 20164	Mt. Sterling Senior 4% Owner LLC, (703) 276-7444	Y	50	50	TBD	TBD	N

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)

20	Snowden's Ridge Apartments: 2000-2010, 2014-2026, 2030-2042, 2046- 2058, 2062-2074, 2100-2114, 2118-2128, 2132-2142, 2146- 2156, 2119-2129, 2101-2115, 2015-2027, and 2001-2011 2105 Harlequin Terrace, Silver Spring, MD 20904	APAH Snowden Limited Partnership, (703) 276-7444	Y	87	87	3/19/2021	TBD	N
21	Oakwood South Nine, 5815 S Van Dorn Street, Alexandria, VA 22310	Oakwood South Nine Limited Partnership, (703) 276-7444	Y	71	71	TBD	TBD	N
22	Oakwood North Four, 5815 S Van Dorn Street, Alexandria, VA 22310	Oakwood North Four Limited Partnership, (703) 276-7444	Y	79	79	TBD	TBD	N
23	Ballston Station, 4201 Fairfax Drive, Arlington, VA 22203	Ballston Limited Partnership, (703) 276-7444	Y	144	144	TBD	TBD	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 2,387 2,157

LIHTC as % of
90% Total Units
v.01.018.22

List of LIHTC Developments (Schedule A)



Development Name: Arna Marbella
 Name of Applicant: Arna Marbella Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Arna Marbella Development Corp **Controlling GP (CGP) or 'Named' Managing** Y
Principal's Name: **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.? (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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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0 #DIV/0! **LIHTC as % of Total Units**

List of LIHTC Developments (Schedule A)



Development Name: Ama Marbella
 Name of Applicant: Ama Marbella Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

Ama Marbella Limited Partnership **Controlling GP (CGP) or 'Named' Managing** N
Principal's Name: **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.? (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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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0 #DIV/0! **LIHTC as % of Total Units**

List of LIHTC Developments (Schedule A)



Development Name: Ama Marbella
 Name of Applicant: Ama Marbella Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 A resume is required for each principal of the General Partnership or Limited Liability Company (LLC).
- 3 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.
- 4 List only tax credit development experience since 2002 (i.e. for the past 15 years)
- 5 Use separate pages as needed, for each principal.

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

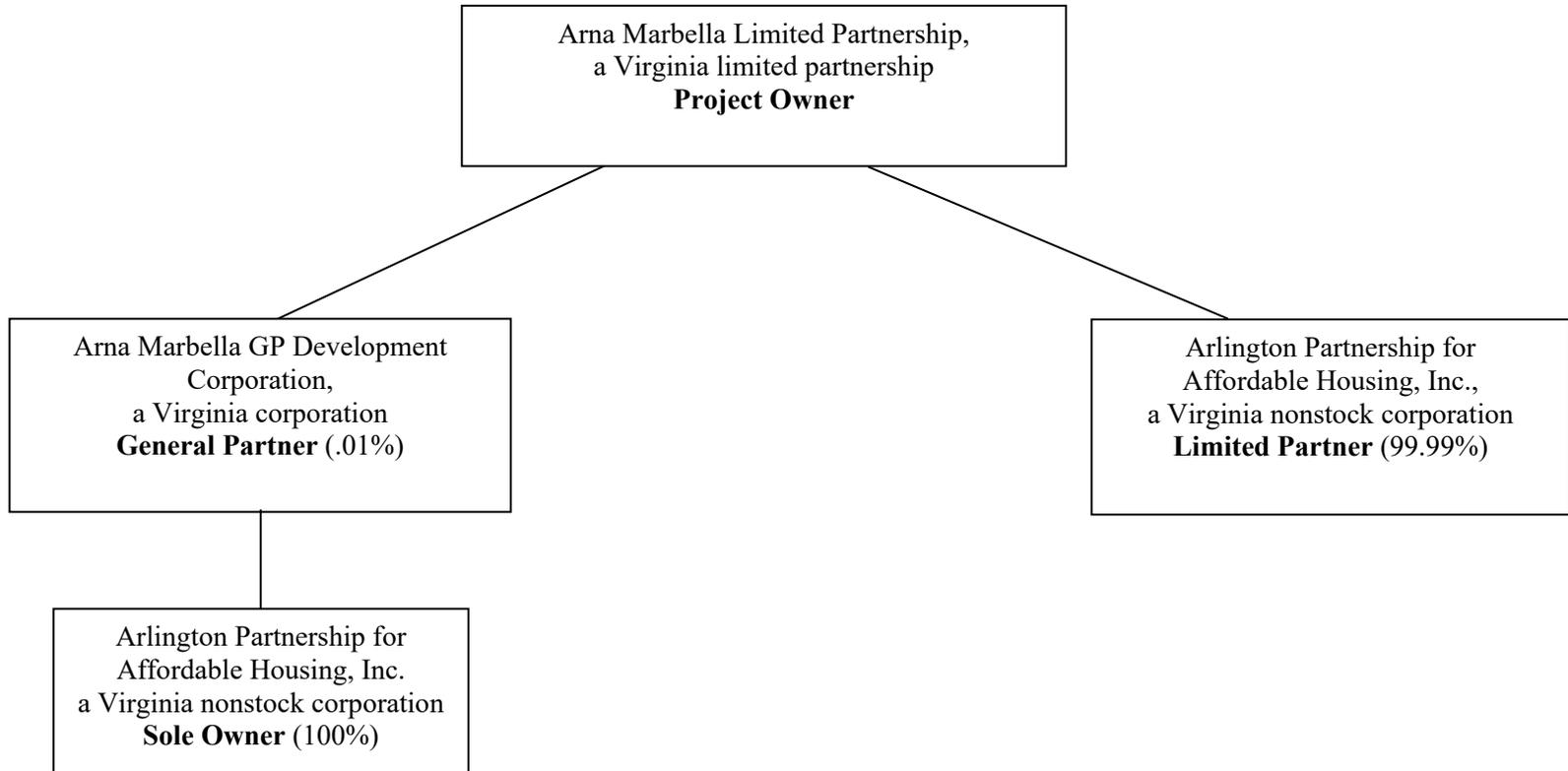
Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0 #DIV/0! **LIHTC as % of Total Units**

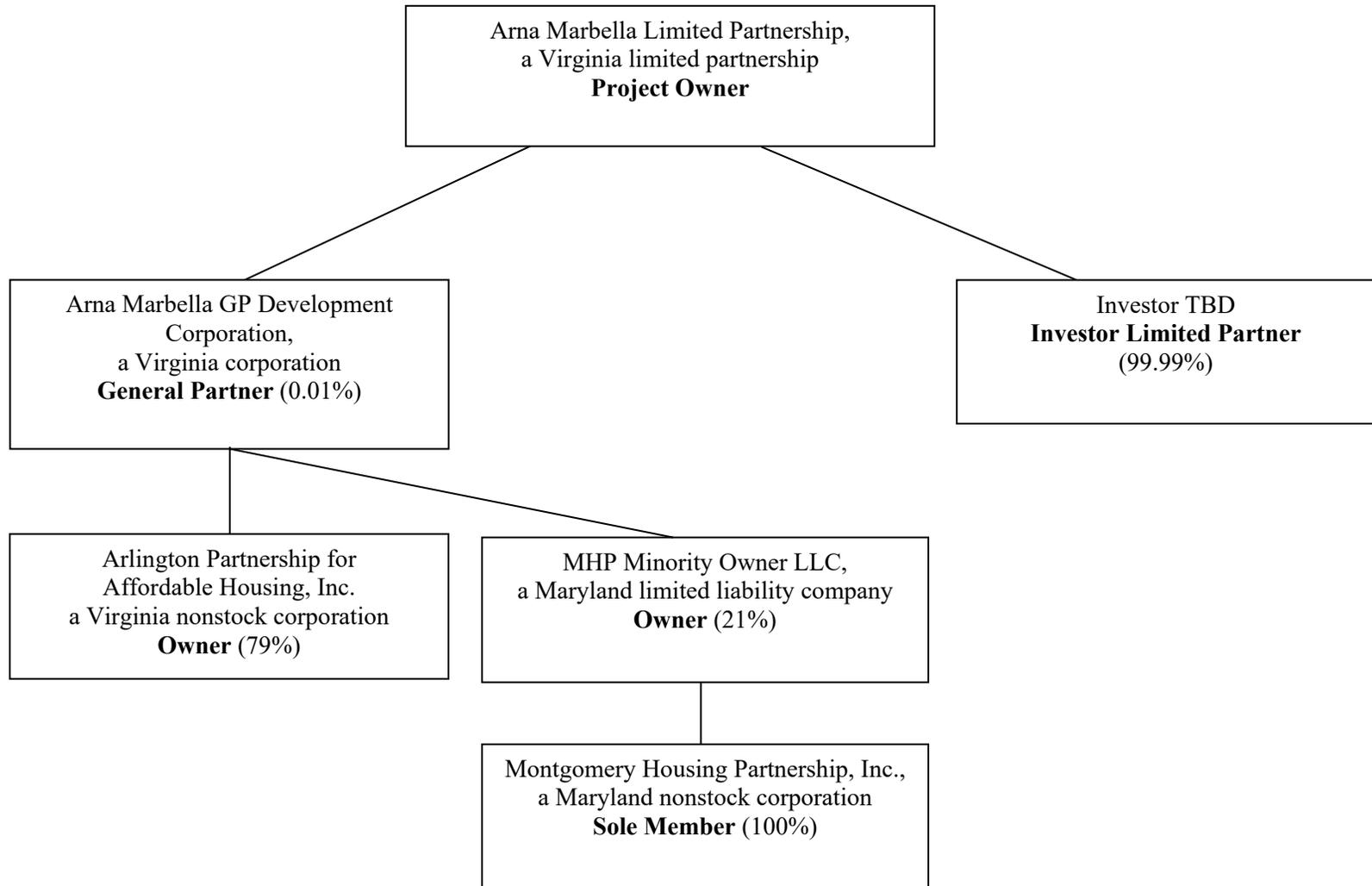
ARNA/MARBELLA
ORGANIZATIONAL CHART

(Prior to LIHTC closing)



ARNA/MARBELLA
ORGANIZATIONAL CHART

(After LIHTC closing)



Carmen Romero

President and CEO



Current Responsibilities

Carmen Romero is the President and CEO at APAH.

Ms. Romero joined APAH in 2011 and has spent the last decade overseeing the real estate team contributing to the creation or preservation of over 1,000 new affordable housing units in the DC region with additional developments underway today in Arlington, Fairfax, Loudoun, and Montgomery counties.

Under Ms. Romero's leadership, APAH's Real Estate Development team has delivered several innovative, award-winning affordable housing properties, including Queens Court, Gilliam Place, Columbia Hills, and The Springs.

In addition, she oversaw APAH's projects under active construction in Arlington. This includes Lucille & Bruce Terwilliger Place, a 160-unit affordable property born out of an innovative partnership with the American Legion Post 139, and a joint venture with E&G Group to develop 98 units of affordable senior housing in Loudoun County (Loudoun View Senior Residences).

Prior Experience

Prior to joining APAH in 2011, Ms. Romero was a Director of Real Estate Development and public-private partnerships at Clark Construction. She began her career at Marriott International.



Education

*MBA in Finance, Wharton School of Business
Bachelors, Georgetown University*

Affiliations

Governor Northam's Virginia Latino Advisory Board

ULI's Affordable/Workforce Housing Council

Board member, Columbia Pike Revitalization Organization

Member, VHDA Multi-Family Advisory Council

Fairfax County Preservation Task Force, Development Strategies and Financing Tools



**Arlington Partnership
For Affordable Housing**

Tab E:

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

PURCHASE AGREEMENT
(Arna Valley)

THIS PURCHASE AGREEMENT (this “Agreement”) is made as of November 22, 2021 (the “Effective Date”) by and between **AVV APARTMENTS, LLC**, a Virginia limited liability company (“Seller”), and **ARNA MARBELLA LIMITED PARTNERSHIP**, a Virginia limited partnership (“Purchaser”).

WHEREAS, Seller owns approximately 2.13 acres of land located in Arlington County, Virginia and more particularly described on Exhibit A attached hereto (the “Land”), which Land contains 101 residential rental units in 3 residential buildings and 1 parking garage, along with associated amenities (the “Improvements,” and together with the Land, the “Real Estate”).

WHEREAS, Purchaser intends to rehabilitate the Improvements in connection with a scattered site project that includes the rehabilitation of Arna Valley View Apartments.

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Property (defined below) on the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Description of the Property. The property that is the subject of this Agreement is as follows:

- (a) The Real Estate;
- (b) All rights, privileges, and easements appurtenant to the Real

Estate, including without limitation, all water rights, rights of way, roadways, utility facilities

and other appurtenances used or to be used in connection with the beneficial use of the Real Estate; and

(c) All of Seller's rights in any studies, surveys, reports, government approvals, permits, licenses, engineering plans, site plans, architectural plans, environmental studies, soils reports, books and records, and similar approvals, plans and reports relating to the Property, to the extent assignable by Seller.

All of the property described in (a), (b), and (c) above is hereinafter collectively referred to as the "Property".

2. Agreement to Sell and Purchase. Seller agrees to sell and convey and Purchaser agrees to purchase the Property on the terms and conditions herein provided.

3. Purchase Price and Terms. Purchaser shall pay to Seller as the purchase price for the Property (the "Purchase Price") eighteen million five hundred thousand dollars (\$18,500,000).

4. Title to the Property; Environmental Assessment.

(a) At the closing of the transaction contemplated hereunder (the "Closing"), Seller shall convey good and marketable fee simple title to the Property, insurable as such in an amount equal to the Purchase Price by such title company as Purchaser may choose, at regular rates, on a form of owner's policy satisfactory to Purchaser, free and clear of any and all liens and encumbrances except for (i) any lien of real estate taxes not yet due and payable, and (ii) exceptions (other than liens securing the payment of money) set forth in Purchaser's title insurance commitment for the Property as to which Purchaser has not made any objection as provided hereinafter. The matters described in clauses (i) and (ii) above are hereinafter referred to as "Permitted Encumbrances."

(b) Seller shall not cause or permit the status of title to, or the environmental condition of, the Property to be modified in any way subsequent to the Effective Date of this Agreement without the prior written consent of Purchaser.

5. Closing.

(a) Closing shall occur on a date chosen by Purchaser with at least thirty (30) days' prior written notice to Seller; provided, however, that in no event shall the Closing occur after December 31, 2025.

(b) The parties shall cooperate with each other in good faith in order to conduct the Closing in escrow, whereby Purchaser and Seller shall deliver to the escrow agent chosen by Purchaser (the "Escrow Agent"), at or prior to the time for Closing, all funds and/or instruments required to be delivered by them respectively at the Closing, and shall take all such other actions as shall be required hereunder to be undertaken by them respectively at or prior to the time of Closing.

6. Conveyance; Adjustments.

(a) The following documents shall be executed and/or delivered by Seller to Purchaser and/or Escrow Agent at Closing:

(i) A deed in recordable form conveying fee simple title to the Property to Purchaser or its designees or assigns, free and clear of all liens, encumbrances or defects, and as otherwise described in Section 4(a) (excepting the Permitted Encumbrances) (the "Deed");

(ii) A bill of sale conveying any and all personal property of Seller, if any, located on the Property, with an affidavit that all such personal property is being conveyed to Purchaser free and clear of all liens and encumbrances of any nature;

(iii) All plans and specifications, architectural drawings and renderings, site plans, record plats, subdivision plats, test borings, engineering studies, surveys, permits, approvals and other information within Seller's possession or control concerning the Property;

(iv) An assignment of all of Seller's contract rights associated with the Property;

(v) An affidavit prepared by the title company issuing the title policy to Purchaser for execution by Seller stating under the penalties of perjury that Seller is not a "foreign person" as that term is defined under Section 1445 of the Internal Revenue Code of 1986, as amended;

(vi) A settlement statement reflecting adjustments pursuant to Section 6(b) and (c) below;

(vii) A certification dated as of the Closing Date providing that all of Seller's representations and warranties set forth herein are true and correct in all material respects;

(viii) Such other certificates, agreements and other documents as may be reasonably requested by the title company insuring title to the Property, in order to permit it to issue a title policy reflecting that Purchaser holds good and marketable title to the Property, subject only to the Permitted Encumbrances; and

(ix) All other documents reasonably necessary or appropriate to effectuate the purposes of this Agreement.

(b) Purchaser shall bear the cost of all title insurance premiums, title examination and other title company charges, unless this Agreement is terminated because Seller is unable to deliver title to the Property as specified herein, in which event all title company charges

will be paid by Seller. Purchaser shall pay the costs of recording any mortgages or deeds of trust on the Property, and Seller shall pay the cost of releasing any existing mortgages, deeds of trust, or other liens or encumbrances. Purchaser shall pay all transfer and recordation taxes and expenses. Purchaser and Seller shall each bear the fees of its respective counsel, advisors, and for any other representation provided to or contracted for by such party in connection with this Agreement.

(c) Pro rata adjustments on a per diem basis shall be made between Purchaser and Seller as of Closing Date with respect to the following items:

(i) Real estate taxes, ad valorem taxes, escrows, front foot benefit and any similar charges by governmental authorities or special taxing districts; and

(ii) All other charges typically prorated between buyers and sellers of commercial real estate in the jurisdiction where the Property is located.

(d) The risk of loss or damage to the Property by fire or other casualty shall remain on Seller until the Deed is delivered by Seller at Closing. Seller agrees to keep in place adequate public liability insurance until Closing. In the event any portion of the Property is condemned by any governmental authority under its power of eminent domain, or is the subject of any notice of condemnation (a "Condemnation Proceeding"), then, notwithstanding anything to the contrary contained herein, Purchaser may elect to terminate this Agreement, in which event the parties shall have no further liability to each other hereunder. In the event that a Condemnation Proceeding is filed and/or is pending against a portion of, but less than the entire Property (a "Partial Taking"), and such Partial Taking does not, in the reasonable opinion of Purchaser, materially negatively impact Purchaser's ability to develop the Project, Purchaser may elect (but is not obligated) to proceed to Closing. In such event, the proceeds of the Partial Taking up to the amount of the Purchase Price shall be paid to the Seller and the Purchase Price

shall be reduced by the greater of (i) the amount of such proceeds paid to Seller; or (ii) the percentage of the land area taken under the Partial Taking as compared to the total acreage of the Property multiplied by the Purchase Price. Any proceeds from the Partial Taking in excess of the Purchase Price shall be delivered to the Escrow Agent to be held in escrow and shall be paid to Purchaser at Closing or, in the event of a Purchaser Default hereunder, to Seller. Purchaser shall be provided notice by Seller of any Condemnation Proceedings (whether for the entire Property or for a portion of the Property), and Purchaser shall have the right, at its option and expense, to represent Seller in such proceedings. Seller agrees to cooperate with Purchaser to effectuate such Purchaser's rights, including providing notice to the condemning party. In the event of any Condemnation Proceeding, the Closing Date and any other deadlines and expiration dates set forth herein shall be extended by one (1) day for each day that any Condemnation Proceeding is pending.

7. Default.

(a) If Purchaser defaults under this Agreement (subject to any applicable cure period), including, without limitation, Purchaser's failure to make payment at Closing (a "Purchaser Default"), Seller's sole remedy shall be the collection from Purchaser of Ten Thousand Dollars (\$10,000) as full and complete liquidated damages, and neither Purchaser nor Seller shall have any further obligation or liability hereunder. The parties agree that Seller's collection of such liquidated damages shall constitute fair consideration for Seller's loss of the sale of the Property and for having removed the Property from the market during the term of this Agreement. Seller shall also be entitled to any attorneys' fees and costs reasonably incurred in obtaining payment of the liquidated damages. Without limiting the foregoing, in the event of a Purchaser Default, Seller shall

have no right to seek any equitable remedy, including, without limitation, specific performance of this Agreement.

(b) If Seller defaults under this Agreement (subject to any applicable cure period as provided herein) including, without limitation, the breach of any representation, warranty or covenant herein (a “Seller Default”), Purchaser shall be entitled (i) to pursue specific performance, or (ii) to terminate this Agreement, whereupon Seller shall reimburse Purchaser for the costs of all property studies and other expenses incurred by Purchaser (the “Expenses Reimbursement”), which expenses reimbursement shall not exceed \$25,000. Notwithstanding the foregoing, Purchaser shall not have waived its right to, and shall be entitled to exercise any rights and remedies available to Purchaser at law or in equity. Purchaser shall also be entitled to any attorneys’ fees and costs reasonably incurred in enforcing its rights under this Agreement.

8. Purchaser’s Conditions Precedent to Closing.

(a) The following conditions shall exist at the time of Closing hereunder, and the obligation of Purchaser to purchase the Property pursuant to the terms of this Agreement shall be conditioned upon and subject to the satisfaction (or waiver in writing by Purchaser) of each such condition:

(i) The status of title to the Property shall be as required by this Agreement.

(ii) No part of the Property shall have been acquired, or shall be about to be acquired, by authority of any governmental agency in the exercise of its power of eminent domain or by private purchase in lieu thereof, no portion of the Property shall have been damaged, and no zoning or similar land use proceeding shall have been instituted, where such

acquisition, damage or proceeding would have a material adverse affect on Purchaser's intended development and construction of the Project.

(iii) Seller shall not be in material breach of its representations and warranties as set forth herein and Seller shall have performed and complied in all material respects with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(iv) Seller shall deliver possession of the Property to Purchaser at Closing, free of all leases, tenancies and occupants.

(v) All written notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any court against or affecting the Property, shall have been complied with by Seller, and the Property shall be free and clear thereof.

(vi) The Property abuts and has an unrestricted right of access to a public road, and storm sewer, sanitary sewer, water, gas, electric, telephone and cable television shall be available to the boundaries of the Property in sufficient quantities to serve Purchaser's intended development of the Property and at a cost reasonably acceptable to Purchaser.

(b) If any of the foregoing conditions are not fully satisfied as of the Closing Date, Purchaser shall have the option: (i) to waive such condition precedent and proceed to Closing, or (ii) to terminate this Agreement, and the parties shall be relieved of all further obligation and/or liability hereunder. In the event the failure to fully satisfy any of the foregoing conditions also constitutes a Seller Default, then Purchaser shall also have all rights triggered by a Seller Default as described herein.

9. Seller's Conditions Precedent to Closing.

(a) The following conditions shall exist at the time of Closing hereunder, and the obligation of Seller to sell the Property pursuant to the terms of this Agreement shall be conditioned upon and subject to the satisfaction (or waiver in writing by Seller) of each such condition:

(i) Purchaser shall not be in material breach of its representations and warranties as set forth herein and Purchaser shall have performed and complied in all material respects with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(ii) Purchaser has delivered the Purchase Price to the Escrow Agent.

(b) If any of the foregoing conditions are not fully satisfied as of the Closing Date, Seller shall have the option: (i) to waive such condition precedent and proceed to Closing, or (ii) to terminate this Agreement, and the parties shall be relieved of all further obligation and/or liability hereunder. In the event the failure to fully satisfy any of the foregoing conditions also constitutes a Purchaser Default, then Seller shall also have all rights triggered by a Purchaser Default as described herein.

10. Representations; Warranties; Covenants.

(a) Seller hereby warrants, represents and/or covenants, as applicable, to Purchaser as of the date hereof and as of the Closing Date:

(i) Seller at Closing will hold good, marketable indefeasible fee simple title to the Property, subject only to the Permitted Encumbrances.

(ii) Seller is a limited liability company, validly existing in good standing under the laws of the Commonwealth of Virginia, and Seller has the right, power and

authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions of this Agreement; at Closing, no other party will have any ownership or other interest in the Property or rights to consent to the terms of this Agreement.

(iii) Neither Seller nor any related entity has, nor will while this Agreement is in effect, (A) enter into any other option or contract of sale or execute any deeds, leases, declarations, preferences, conditions, restrictions, zoning proffers, covenants, easements, or rights-of-way materially adversely affecting the Property or (B) otherwise convey or encumber, or permit any lien or encumbrance upon (other than the Permitted Encumbrances) the Property or any interest therein without the prior written consent of Purchaser.

(iv) There is no litigation or proceeding of any type pending, or to the knowledge of Seller, threatened against or relating to the Property or to Seller's ability to sell the Property at law or in equity before any federal, state, municipal or local government authority, department, commission, board, bureau, agency, or instrumentality thereof. To Seller's knowledge, Seller has complied with all laws, ordinances, regulations and orders applicable to the Property. Seller has not received any notice that Seller is in violation of any building, zoning, health or other ordinances, resolutions, statutes or regulations of any government, government agencies, or insurance underwriter, with respect to the use, occupation, maintenance, condition or operation of the Property which has not been cured.

(v) Seller is not a "foreign person" under Section 1445 of the Internal Revenue Code of 1986, as amended and will make an affidavit of this fact at time of Closing.

(vi) At Closing, all notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any

court against or affecting the Property, shall have been complied with by Seller and the Property shall be free and clear thereof.

(vii) No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Seller, or is contemplated by Seller.

(viii) Seller has no knowledge of any actual, pending, or threatened designation of any portion of the Property as a historic landmark or archeological district, site or structure; Seller has no knowledge of any graveyard lying within the Property.

(ix) This Agreement has been duly authorized, executed and delivered by Seller, and constitutes the legal, valid and binding obligations of Seller, and all other documents executed by Seller which are to be delivered to Purchaser at Closing are, or at the time of Closing, will be duly authorized, executed, and delivered by Seller, and constitute the legal, valid, and binding obligations of Seller.

(x) The execution and performance of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which either the Property or Seller is a party or is bound.

(xi) No assessments by any governmental agency or authority are pending, noted or levied against all or any portion of the Property that remain unpaid, except for real property taxes not yet due and payable.

(xii) All bills for mechanics' liens, tax liens, chattel liens or for services performed or materials or labor provided in connection with work or improvements affecting the Property have been or will be paid in the ordinary course of business, and in all events prior to Closing. Seller shall certify the same to the title insurance company insuring Purchaser's

title to the Property, if required. In the event any claim is made by any party for payment of sums due for the furnishing of labor and/or materials for the Property for the benefit of Seller prior to or subsequent to the Effective Date of this Agreement, but prior to Closing, such sums shall be paid by Seller on or before the Closing Date. In the event any lien is filed against the Property subsequent to the Closing Date as a result of the furnishing of such labor and/or materials for the benefit of Seller, Seller shall expeditiously pay said claim or discharge said lien or obtain a full and complete release thereof, or provide a sufficient surety bond or other security to protect Purchaser while any such claim is being defended or challenged by Seller.

(xiii) The Property is vacant and there are no leases, tenancies or occupancy agreements affecting all or any portion of the Property, and no party other than Seller has any right or claim to possession of all or any portion of the Property.

(xiv) At Closing, there will be no management, service, maintenance, employment or other contracts binding on or affecting the Property.

(xv) Seller is not in default under any mortgage or deed of trust encumbering the Property.

No representation, warranty or covenant by Seller in this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements therein not misleading. The representations and warranties made herein shall be true and correct at the time of Closing, and all exhibits attached hereto are fully accurate, true and complete to the best of Seller's knowledge and belief. If Seller obtains knowledge that any of its representations and warranties set forth in this Section are untrue or become untrue or incorrect in any respect, Seller shall promptly notify Purchaser in writing of the same and Seller shall take all actions required to cure the same.

(b) Purchaser hereby warrants and represents to Seller as follows:

(i) Purchaser is a limited partnership duly organized and validly existing in good standing under the laws of the Commonwealth of Virginia and has the right, power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions hereof; no other party has rights to consent to the terms of this Agreement.

(ii) This Agreement has been duly authorized, executed and delivered by Purchaser, and constitutes the legal, valid and binding obligations of Purchaser, and all other documents executed by Purchaser which are to be delivered to Seller at Closing are, or at the time of Closing, will be duly authorized, executed, and delivered by Purchaser, and constitute the legal, valid, and binding obligations of Purchaser.

(iii) There is no litigation or proceeding of any type pending, or to the knowledge of Purchaser, threatened against or relating to the Property or to Purchaser's ability to purchase the Property.

(iv) No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Purchaser, or is contemplated by Purchaser.

(v) The execution and performance of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which Purchaser is bound.

11. Government Applications. Purchaser shall have the right to make application to, and make such agreements with, federal, state, local and private agencies as are necessary to obtain such approvals, permits, financing, subdivisions, zoning changes, and other assistance as may be necessary to develop, own and operate the Property. Seller shall cooperate

with Purchaser in Purchaser's efforts to obtain all governmental approvals for Purchaser's development of the Property, including, without limitation, zoning approvals and debt and equity financing commitments, and, in that regard, Seller shall execute, from time to time, in each case within seven (7) business days after receipt from Purchaser, all applications, plats, filings and other documents related to the project approvals for which Seller's signature is required, at no cost or expense to Seller, except for any attorneys' fees which Seller may incur for Seller's counsel's review of such documents.

12. Brokerage. Purchaser and Seller each represent and warrant to the other that no agent, broker or finder has acted for it in connection with this Agreement and the sale of the Property. Each party (a "Brokerage Indemnitor") agrees to defend, protect, hold harmless and indemnify the other party (a "Brokerage Indemnitee") from and against any and all claims, liabilities, demands, suits, damages, causes of action, judgments, verdicts, liens, costs and expenses (including reasonable attorneys' fees) and all other losses arising from any claim against a Brokerage Indemnitee by any broker, agent, salesperson or other representative for any fees or commissions arising by reason of any action on the part of a Brokerage Indemnitor.

13. Notice and Cure. In the event either party fails to perform any of its obligations under this Agreement, the non-defaulting party shall give the defaulting party written notice of such default. The defaulting party shall have five (5) business days after receipt of such notice to cure such default if the default involves the payment of money, and twenty (20) business days to cure any other default before the non-defaulting party may enforce any of its rights hereunder. If the cure for a non-monetary default reasonably takes more than twenty (20) days, and good faith efforts are being applied by the defaulting party to cure the default, the time to cure such

default shall be extended to reasonably allow the defaulting party to cure the default, limited to a maximum of sixty (60) days.

14. Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning of interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

15. Further Assurances. Seller and Purchaser agree to execute such additional documents and to furnish such additional data as may be reasonably necessary to consummate the transactions provided for in this Agreement.

16. Notices. All notices hereunder shall be in writing and shall be delivered by hand, by certified mail, return receipt requested, by telecopy, or by a nationally recognized overnight courier as follows:

If to Seller: AVV Apartments, LLC
4318 N. Carlin Springs Road
Arlington, Virginia 22203

If to Purchaser: Arna Marbella Limited Partnership
4318 N. Carlin Springs Road
Arlington, Virginia 22203

Any such notice shall be considered given on the date of hand or courier delivery, three (3) business days after deposit in the United States Mail, or one (1) business day after deposit with a nationally recognized overnight delivery service. Rejection or other refusal to accept or inability to deliver because of a changed address of which no notice was given shall be deemed receipt of the notice. For purposes of this Agreement, Seller's and Purchaser's counsel may provide

and receive notice on behalf of Seller and Purchaser, respectively, and such notice shall be binding on the recipient as if such notice has been provided directly by and to Seller and Purchaser, as the case may be. Each party shall have the right to designate a new address by notifying the other party in writing.

17. Assignment. This Agreement may be assigned by Purchaser without Seller's prior written consent.

18. Confidentiality. Any information provided (whether oral or written) by any party to the other shall be treated as confidential by the other and shall not be disclosed by such party, its agents, representatives, employees, legal or financial advisors, in any manner other than to lenders, partners, consultants etc., whose work, advice or consents or approvals would be necessary to carry out the contemplated transaction, or whose financial interests would be affected by the transaction. Notwithstanding the foregoing, the party receiving the same may disclose the same to its employees involved in the due diligence and/or negotiation of the transaction, as well as its financial and legal advisors, who shall be bound by the terms of this Section as if they had signed a copy of this Agreement. It is further understood and agreed that it is necessary that this transaction (and all of the terms of this Agreement, and of any other agreements to be entered into relating to this Agreement, as well as the negotiations related hereto and thereto) be kept confidential, and that no publicity or information relating to the same be issued or leaked to the press or any other parties whatsoever until all parties agree as to exactly what is going to be stated and when, or unless otherwise required to be disclosed by law or regulation. The provisions of this Section shall survive the termination of the Agreement.

19. Miscellaneous Provisions.

(a) This Agreement contains the entire agreement between the parties hereto and is intended to be an integration of all prior or contemporaneous agreements, conditions or undertakings between the parties hereto; there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between and among the parties hereto other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by Seller and Purchaser.

(b) Wherever herein reference is made to “days”, the same shall mean “calendar days”. Wherever in this Agreement a time period shall end on a day, which is a Saturday, Sunday, or legal holiday, said time period shall automatically extend to the next date which is not a Saturday, Sunday, or legal holiday.

(c) This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective estates, legal representatives, successors and assigns.

(d) This Agreement shall not be recorded in any manner or form by Seller or Purchaser.

(e) This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia (without regard to principles of conflicts of law).

(f) The parties acknowledge that this Agreement is the result of substantial negotiation between the parties. The parties further acknowledge and agree that each party and its legal counsel have reviewed, revised, and contributed to this Agreement, such that the

normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be utilized in the interpretation of this Agreement.

(g) This Agreement and any amendments thereto may be signed in various counterparts, which together shall constitute one and the same instrument. To facilitate execution of this Agreement and any amendments thereto, the parties may execute and exchange by electronic transmissions copies of this Agreement and any amendments thereto, and all such copies shall be deemed to be originals.

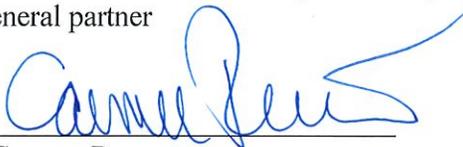
Signature Page Follows

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned parties have duly executed this Purchase Agreement under seal on the dates indicated below their respective signatures.

PURCHASER:

ARNA MARBELLA LIMITED PARTNERSHIP,
a Virginia limited partnership

By: Arna Marbella GP Development Corporation,
its general partner

By: 
Carmen Romero
President

SELLER:

AVV APARTMENTS, LLC, a Virginia limited
liability company

By: Rosslyn Ridge Development Corporation,
its sole owner

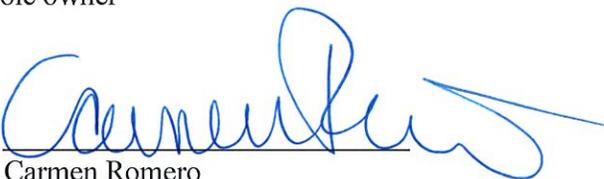
By: 
Carmen Romero
President

EXHIBIT A

DESCRIPTION OF LAND

All that certain lot or parcel of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate and being in Arlington County, Virginia, being more particularly described as follows:

Parcel 2A, Avalon at Arlington Square, as the same appears duly dedicated, platted and recorded per Deed of Vacation, Rededication, Resubdivision, Consolidation, Public Storm Drain Easement, Public Waterline Easement, Public Sanitary Sewer Easement, Temporary Public Utility Easements, and Dedication of Public Rights-of-Way recorded February 10, 2000 in [Deed Book 3039 at page 2053](#), among the Land Records of Arlington County, Virginia.

**AMENDMENT TO
PURCHASE AGREEMENT**

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is entered into as of July 18, 2022, by and between AVV APARTMENTS, LLC, a Virginia limited liability company ("Seller") and ARNA MARBELLA LIMITED PARTNERSHIP, a Virginia limited partnership ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser are parties to that certain Purchase Agreement dated as of November 22, 2021 (the "Agreement"); and

WHEREAS, the Seller and the Purchaser desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. **Recitals; Defined Terms.** The Recitals set forth above are true and correct, and are incorporated herein by this reference. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Agreement.

2. **Purchase Price.** Section 3 of the Agreement is hereby amended so that the Purchase Price is Twenty Million Eight Hundred Thousand Dollars (\$20,800,000).

3. **Ratification; Conflicts.** Except as expressly amended or modified herein, all other terms and conditions of the Agreement are hereby ratified and confirmed and shall remain and continue in full force and effect. In the event of any inconsistency or conflict between this Amendment and the Agreement, the provisions of this Amendment shall control.

4. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Electronic signatures (including via DocuSign or similar) or delivery of an electronic signature page shall have the same legal effect as execution and delivery of an original signature page.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Purchaser have executed this Amendment to Purchase Agreement as of the day and year first hereinabove written.

SELLER:

AVV APARTMENTS, LLC, a Virginia limited liability company

By: Rosslyn Ridge Development Corporation, its sole owner

By: K. Eichhorn
Name: Kelly Eichhorn
Title: Assistant Treasurer

PURCHASER:

ARNA MARBELLA LIMITED PARTNERSHIP,
a Virginia limited partnership

By: Arna Marbella GP Development Corporation, its general partner

By: K. Eichhorn
Name: Kelly Eichhorn
Title: Assistant Treasurer

PURCHASE AGREEMENT
(Marbella Apartments)

THIS PURCHASE AGREEMENT (this “Agreement”) is made as of November 22, 2021 (the “Effective Date”) by and between **MARBELLA DEVELOPMENT LLC**, a Virginia limited liability company (“Seller”), and **ARNA MARBELLA LIMITED PARTNERSHIP**, a Virginia limited partnership (“Purchaser”).

WHEREAS, Seller owns approximately 1.559 acres of land located in Arlington County, Virginia and more particularly described on Exhibit A attached hereto (the “Land”), which Land contains 62 residential rental units in 4 residential buildings, along with associated amenities (the “Improvements,” and together with the Land, the “Real Estate”).

WHEREAS, Purchaser intends to rehabilitate the Improvements in connection with a scattered site project that includes the rehabilitation of Marbella Apartments.

WHEREAS, Seller desires to sell and Purchaser desires to purchase the Property (defined below) on the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Description of the Property. The property that is the subject of this Agreement is as follows:

- (a) The Real Estate;
- (b) All rights, privileges, and easements appurtenant to the Real Estate, including without limitation, all water rights, rights of way, roadways, utility facilities

and other appurtenances used or to be used in connection with the beneficial use of the Real Estate; and

(c) All of Seller's rights in any studies, surveys, reports, government approvals, permits, licenses, engineering plans, site plans, architectural plans, environmental studies, soils reports, books and records, and similar approvals, plans and reports relating to the Property, to the extent assignable by Seller.

All of the property described in (a), (b), and (c) above is hereinafter collectively referred to as the "Property".

2. Agreement to Sell and Purchase. Seller agrees to sell and convey and Purchaser agrees to purchase the Property on the terms and conditions herein provided.

3. Purchase Price and Terms. Purchaser shall pay to Seller as the purchase price for the Property (the "Purchase Price") nine million seven hundred thousand dollars (\$9,700,000).

4. Title to the Property; Environmental Assessment.

(a) At the closing of the transaction contemplated hereunder (the "Closing"), Seller shall convey good and marketable fee simple title to the Property, insurable as such in an amount equal to the Purchase Price by such title company as Purchaser may choose, at regular rates, on a form of owner's policy satisfactory to Purchaser, free and clear of any and all liens and encumbrances except for (i) any lien of real estate taxes not yet due and payable, and (ii) exceptions (other than liens securing the payment of money) set forth in Purchaser's title insurance commitment for the Property as to which Purchaser has not made any objection as provided hereinafter. The matters described in clauses (i) and (ii) above are hereinafter referred to as "Permitted Encumbrances."

(b) Seller shall not cause or permit the status of title to, or the environmental condition of, the Property to be modified in any way subsequent to the Effective Date of this Agreement without the prior written consent of Purchaser.

5. Closing.

(a) Closing shall occur on a date chosen by Purchaser with at least thirty (30) days' prior written notice to Seller; provided, however, that in no event shall the Closing occur after December 31, 2025.

(b) The parties shall cooperate with each other in good faith in order to conduct the Closing in escrow, whereby Purchaser and Seller shall deliver to the escrow agent chosen by Purchaser (the "Escrow Agent"), at or prior to the time for Closing, all funds and/or instruments required to be delivered by them respectively at the Closing, and shall take all such other actions as shall be required hereunder to be undertaken by them respectively at or prior to the time of Closing.

6. Conveyance; Adjustments.

(a) The following documents shall be executed and/or delivered by Seller to Purchaser and/or Escrow Agent at Closing:

(i) A deed in recordable form conveying fee simple title to the Property to Purchaser or its designees or assigns, free and clear of all liens, encumbrances or defects, and as otherwise described in Section 4(a) (excepting the Permitted Encumbrances) (the "Deed");

(ii) A bill of sale conveying any and all personal property of Seller, if any, located on the Property, with an affidavit that all such personal property is being conveyed to Purchaser free and clear of all liens and encumbrances of any nature;

(iii) All plans and specifications, architectural drawings and renderings, site plans, record plats, subdivision plats, test borings, engineering studies, surveys, permits, approvals and other information within Seller's possession or control concerning the Property;

(iv) An assignment of all of Seller's contract rights associated with the Property;

(v) An affidavit prepared by the title company issuing the title policy to Purchaser for execution by Seller stating under the penalties of perjury that Seller is not a "foreign person" as that term is defined under Section 1445 of the Internal Revenue Code of 1986, as amended;

(vi) A settlement statement reflecting adjustments pursuant to Section 6(b) and (c) below;

(vii) A certification dated as of the Closing Date providing that all of Seller's representations and warranties set forth herein are true and correct in all material respects;

(viii) Such other certificates, agreements and other documents as may be reasonably requested by the title company insuring title to the Property, in order to permit it to issue a title policy reflecting that Purchaser holds good and marketable title to the Property, subject only to the Permitted Encumbrances; and

(ix) All other documents reasonably necessary or appropriate to effectuate the purposes of this Agreement.

(b) Purchaser shall bear the cost of all title insurance premiums, title examination and other title company charges, unless this Agreement is terminated because Seller is unable to deliver title to the Property as specified herein, in which event all title company charges

will be paid by Seller. Purchaser shall pay the costs of recording any mortgages or deeds of trust on the Property, and Seller shall pay the cost of releasing any existing mortgages, deeds of trust, or other liens or encumbrances. Purchaser shall pay all transfer and recordation taxes and expenses. Purchaser and Seller shall each bear the fees of its respective counsel, advisors, and for any other representation provided to or contracted for by such party in connection with this Agreement.

(c) Pro rata adjustments on a per diem basis shall be made between Purchaser and Seller as of Closing Date with respect to the following items:

(i) Real estate taxes, ad valorem taxes, escrows, front foot benefit and any similar charges by governmental authorities or special taxing districts; and

(ii) All other charges typically prorated between buyers and sellers of commercial real estate in the jurisdiction where the Property is located.

(d) The risk of loss or damage to the Property by fire or other casualty shall remain on Seller until the Deed is delivered by Seller at Closing. Seller agrees to keep in place adequate public liability insurance until Closing. In the event any portion of the Property is condemned by any governmental authority under its power of eminent domain, or is the subject of any notice of condemnation (a "Condemnation Proceeding"), then, notwithstanding anything to the contrary contained herein, Purchaser may elect to terminate this Agreement, in which event the parties shall have no further liability to each other hereunder. In the event that a Condemnation Proceeding is filed and/or is pending against a portion of, but less than the entire Property (a "Partial Taking"), and such Partial Taking does not, in the reasonable opinion of Purchaser, materially negatively impact Purchaser's ability to develop the Project, Purchaser may elect (but is not obligated) to proceed to Closing. In such event, the proceeds of the Partial Taking up to the amount of the Purchase Price shall be paid to the Seller and the Purchase Price

shall be reduced by the greater of (i) the amount of such proceeds paid to Seller; or (ii) the percentage of the land area taken under the Partial Taking as compared to the total acreage of the Property multiplied by the Purchase Price. Any proceeds from the Partial Taking in excess of the Purchase Price shall be delivered to the Escrow Agent to be held in escrow and shall be paid to Purchaser at Closing or, in the event of a Purchaser Default hereunder, to Seller. Purchaser shall be provided notice by Seller of any Condemnation Proceedings (whether for the entire Property or for a portion of the Property), and Purchaser shall have the right, at its option and expense, to represent Seller in such proceedings. Seller agrees to cooperate with Purchaser to effectuate such Purchaser's rights, including providing notice to the condemning party. In the event of any Condemnation Proceeding, the Closing Date and any other deadlines and expiration dates set forth herein shall be extended by one (1) day for each day that any Condemnation Proceeding is pending.

7. Default.

(a) If Purchaser defaults under this Agreement (subject to any applicable cure period), including, without limitation, Purchaser's failure to make payment at Closing (a "Purchaser Default"), Seller's sole remedy shall be the collection from Purchaser of Ten Thousand Dollars (\$10,000) as full and complete liquidated damages, and neither Purchaser nor Seller shall have any further obligation or liability hereunder. The parties agree that Seller's collection of such liquidated damages shall constitute fair consideration for Seller's loss of the sale of the Property and for having removed the Property from the market during the term of this Agreement. Seller shall also be entitled to any attorneys' fees and costs reasonably incurred in obtaining payment of the liquidated damages. Without limiting the foregoing, in the event of a Purchaser Default, Seller shall

have no right to seek any equitable remedy, including, without limitation, specific performance of this Agreement.

(b) If Seller defaults under this Agreement (subject to any applicable cure period as provided herein) including, without limitation, the breach of any representation, warranty or covenant herein (a “Seller Default”), Purchaser shall be entitled (i) to pursue specific performance, or (ii) to terminate this Agreement, whereupon Seller shall reimburse Purchaser for the costs of all property studies and other expenses incurred by Purchaser (the “Expenses Reimbursement”), which expenses reimbursement shall not exceed \$25,000. Notwithstanding the foregoing, Purchaser shall not have waived its right to, and shall be entitled to exercise any rights and remedies available to Purchaser at law or in equity. Purchaser shall also be entitled to any attorneys’ fees and costs reasonably incurred in enforcing its rights under this Agreement.

8. Purchaser’s Conditions Precedent to Closing.

(a) The following conditions shall exist at the time of Closing hereunder, and the obligation of Purchaser to purchase the Property pursuant to the terms of this Agreement shall be conditioned upon and subject to the satisfaction (or waiver in writing by Purchaser) of each such condition:

(i) The status of title to the Property shall be as required by this Agreement.

(ii) No part of the Property shall have been acquired, or shall be about to be acquired, by authority of any governmental agency in the exercise of its power of eminent domain or by private purchase in lieu thereof, no portion of the Property shall have been damaged, and no zoning or similar land use proceeding shall have been instituted, where such

acquisition, damage or proceeding would have a material adverse affect on Purchaser's intended development and construction of the Project.

(iii) Seller shall not be in material breach of its representations and warranties as set forth herein and Seller shall have performed and complied in all material respects with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(iv) Seller shall deliver possession of the Property to Purchaser at Closing, free of all leases, tenancies and occupants.

(v) All written notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any court against or affecting the Property, shall have been complied with by Seller, and the Property shall be free and clear thereof.

(vi) The Property abuts and has an unrestricted right of access to a public road, and storm sewer, sanitary sewer, water, gas, electric, telephone and cable television shall be available to the boundaries of the Property in sufficient quantities to serve Purchaser's intended development of the Property and at a cost reasonably acceptable to Purchaser.

(b) If any of the foregoing conditions are not fully satisfied as of the Closing Date, Purchaser shall have the option: (i) to waive such condition precedent and proceed to Closing, or (ii) to terminate this Agreement, and the parties shall be relieved of all further obligation and/or liability hereunder. In the event the failure to fully satisfy any of the foregoing conditions also constitutes a Seller Default, then Purchaser shall also have all rights triggered by a Seller Default as described herein.

9. Seller's Conditions Precedent to Closing.

(a) The following conditions shall exist at the time of Closing hereunder, and the obligation of Seller to sell the Property pursuant to the terms of this Agreement shall be conditioned upon and subject to the satisfaction (or waiver in writing by Seller) of each such condition:

(i) Purchaser shall not be in material breach of its representations and warranties as set forth herein and Purchaser shall have performed and complied in all material respects with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(ii) Purchaser has delivered the Purchase Price to the Escrow Agent.

(b) If any of the foregoing conditions are not fully satisfied as of the Closing Date, Seller shall have the option: (i) to waive such condition precedent and proceed to Closing, or (ii) to terminate this Agreement, and the parties shall be relieved of all further obligation and/or liability hereunder. In the event the failure to fully satisfy any of the foregoing conditions also constitutes a Purchaser Default, then Seller shall also have all rights triggered by a Purchaser Default as described herein.

10. Representations; Warranties; Covenants.

(a) Seller hereby warrants, represents and/or covenants, as applicable, to Purchaser as of the date hereof and as of the Closing Date:

(i) Seller at Closing will hold good, marketable indefeasible fee simple title to the Property, subject only to the Permitted Encumbrances.

(ii) Seller is a limited liability company, validly existing in good standing under the laws of the Commonwealth of Virginia, and Seller has the right, power and

authority to enter into this Agreement and to sell the Property in accordance with the terms and conditions of this Agreement; at Closing, no other party will have any ownership or other interest in the Property or rights to consent to the terms of this Agreement.

(iii) Neither Seller nor any related entity has, nor will while this Agreement is in effect, (A) enter into any other option or contract of sale or execute any deeds, leases, declarations, preferences, conditions, restrictions, zoning proffers, covenants, easements, or rights-of-way materially adversely affecting the Property or (B) otherwise convey or encumber, or permit any lien or encumbrance upon (other than the Permitted Encumbrances) the Property or any interest therein without the prior written consent of Purchaser.

(iv) There is no litigation or proceeding of any type pending, or to the knowledge of Seller, threatened against or relating to the Property or to Seller's ability to sell the Property at law or in equity before any federal, state, municipal or local government authority, department, commission, board, bureau, agency, or instrumentality thereof. To Seller's knowledge, Seller has complied with all laws, ordinances, regulations and orders applicable to the Property. Seller has not received any notice that Seller is in violation of any building, zoning, health or other ordinances, resolutions, statutes or regulations of any government, government agencies, or insurance underwriter, with respect to the use, occupation, maintenance, condition or operation of the Property which has not been cured.

(v) Seller is not a "foreign person" under Section 1445 of the Internal Revenue Code of 1986, as amended and will make an affidavit of this fact at time of Closing.

(vi) At Closing, all notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any

court against or affecting the Property, shall have been complied with by Seller and the Property shall be free and clear thereof.

(vii) No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Seller, or is contemplated by Seller.

(viii) Seller has no knowledge of any actual, pending, or threatened designation of any portion of the Property as a historic landmark or archeological district, site or structure; Seller has no knowledge of any graveyard lying within the Property.

(ix) This Agreement has been duly authorized, executed and delivered by Seller, and constitutes the legal, valid and binding obligations of Seller, and all other documents executed by Seller which are to be delivered to Purchaser at Closing are, or at the time of Closing, will be duly authorized, executed, and delivered by Seller, and constitute the legal, valid, and binding obligations of Seller.

(x) The execution and performance of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which either the Property or Seller is a party or is bound.

(xi) No assessments by any governmental agency or authority are pending, noted or levied against all or any portion of the Property that remain unpaid, except for real property taxes not yet due and payable.

(xii) All bills for mechanics' liens, tax liens, chattel liens or for services performed or materials or labor provided in connection with work or improvements affecting the Property have been or will be paid in the ordinary course of business, and in all events prior to Closing. Seller shall certify the same to the title insurance company insuring Purchaser's

title to the Property, if required. In the event any claim is made by any party for payment of sums due for the furnishing of labor and/or materials for the Property for the benefit of Seller prior to or subsequent to the Effective Date of this Agreement, but prior to Closing, such sums shall be paid by Seller on or before the Closing Date. In the event any lien is filed against the Property subsequent to the Closing Date as a result of the furnishing of such labor and/or materials for the benefit of Seller, Seller shall expeditiously pay said claim or discharge said lien or obtain a full and complete release thereof, or provide a sufficient surety bond or other security to protect Purchaser while any such claim is being defended or challenged by Seller.

(xiii) The Property is vacant and there are no leases, tenancies or occupancy agreements affecting all or any portion of the Property, and no party other than Seller has any right or claim to possession of all or any portion of the Property.

(xiv) At Closing, there will be no management, service, maintenance, employment or other contracts binding on or affecting the Property.

(xv) Seller is not in default under any mortgage or deed of trust encumbering the Property.

No representation, warranty or covenant by Seller in this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements therein not misleading. The representations and warranties made herein shall be true and correct at the time of Closing, and all exhibits attached hereto are fully accurate, true and complete to the best of Seller's knowledge and belief. If Seller obtains knowledge that any of its representations and warranties set forth in this Section are untrue or become untrue or incorrect in any respect, Seller shall promptly notify Purchaser in writing of the same and Seller shall take all actions required to cure the same.

(b) Purchaser hereby warrants and represents to Seller as follows:

(i) Purchaser is a limited partnership duly organized and validly existing in good standing under the laws of the Commonwealth of Virginia and has the right, power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions hereof; no other party has rights to consent to the terms of this Agreement.

(ii) This Agreement has been duly authorized, executed and delivered by Purchaser, and constitutes the legal, valid and binding obligations of Purchaser, and all other documents executed by Purchaser which are to be delivered to Seller at Closing are, or at the time of Closing, will be duly authorized, executed, and delivered by Purchaser, and constitute the legal, valid, and binding obligations of Purchaser.

(iii) There is no litigation or proceeding of any type pending, or to the knowledge of Purchaser, threatened against or relating to the Property or to Purchaser's ability to purchase the Property.

(iv) No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Purchaser, or is contemplated by Purchaser.

(v) The execution and performance of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which Purchaser is bound.

11. Government Applications. Purchaser shall have the right to make application to, and make such agreements with, federal, state, local and private agencies as are necessary to obtain such approvals, permits, financing, subdivisions, zoning changes, and other assistance as may be necessary to develop, own and operate the Property. Seller shall cooperate

with Purchaser in Purchaser's efforts to obtain all governmental approvals for Purchaser's development of the Property, including, without limitation, zoning approvals and debt and equity financing commitments, and, in that regard, Seller shall execute, from time to time, in each case within seven (7) business days after receipt from Purchaser, all applications, plats, filings and other documents related to the project approvals for which Seller's signature is required, at no cost or expense to Seller, except for any attorneys' fees which Seller may incur for Seller's counsel's review of such documents.

12. Brokerage. Purchaser and Seller each represent and warrant to the other that no agent, broker or finder has acted for it in connection with this Agreement and the sale of the Property. Each party (a "Brokerage Indemnitor") agrees to defend, protect, hold harmless and indemnify the other party (a "Brokerage Indemnitee") from and against any and all claims, liabilities, demands, suits, damages, causes of action, judgments, verdicts, liens, costs and expenses (including reasonable attorneys' fees) and all other losses arising from any claim against a Brokerage Indemnitee by any broker, agent, salesperson or other representative for any fees or commissions arising by reason of any action on the part of a Brokerage Indemnitor.

13. Notice and Cure. In the event either party fails to perform any of its obligations under this Agreement, the non-defaulting party shall give the defaulting party written notice of such default. The defaulting party shall have five (5) business days after receipt of such notice to cure such default if the default involves the payment of money, and twenty (20) business days to cure any other default before the non-defaulting party may enforce any of its rights hereunder. If the cure for a non-monetary default reasonably takes more than twenty (20) days, and good faith efforts are being applied by the defaulting party to cure the default, the time to cure such

default shall be extended to reasonably allow the defaulting party to cure the default, limited to a maximum of sixty (60) days.

14. Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning of interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

15. Further Assurances. Seller and Purchaser agree to execute such additional documents and to furnish such additional data as may be reasonably necessary to consummate the transactions provided for in this Agreement.

16. Notices. All notices hereunder shall be in writing and shall be delivered by hand, by certified mail, return receipt requested, by telecopy, or by a nationally recognized overnight courier as follows:

If to Seller:	Marbella Development LLC 4318 N. Carlin Springs Road Arlington, Virginia 22203
---------------	--

If to Purchaser:	Arna Marbella Limited Partnership 4318 N. Carlin Springs Road Arlington, Virginia 22203
------------------	---

Any such notice shall be considered given on the date of hand or courier delivery, three (3) business days after deposit in the United States Mail, or one (1) business day after deposit with a nationally recognized overnight delivery service. Rejection or other refusal to accept or inability to deliver because of a changed address of which no notice was given shall be deemed receipt of the notice. For purposes of this Agreement, Seller's and Purchaser's counsel may provide

and receive notice on behalf of Seller and Purchaser, respectively, and such notice shall be binding on the recipient as if such notice has been provided directly by and to Seller and Purchaser, as the case may be. Each party shall have the right to designate a new address by notifying the other party in writing.

17. Assignment. This Agreement may be assigned by Purchaser without Seller's prior written consent.

18. Confidentiality. Any information provided (whether oral or written) by any party to the other shall be treated as confidential by the other and shall not be disclosed by such party, its agents, representatives, employees, legal or financial advisors, in any manner other than to lenders, partners, consultants etc., whose work, advice or consents or approvals would be necessary to carry out the contemplated transaction, or whose financial interests would be affected by the transaction. Notwithstanding the foregoing, the party receiving the same may disclose the same to its employees involved in the due diligence and/or negotiation of the transaction, as well as its financial and legal advisors, who shall be bound by the terms of this Section as if they had signed a copy of this Agreement. It is further understood and agreed that it is necessary that this transaction (and all of the terms of this Agreement, and of any other agreements to be entered into relating to this Agreement, as well as the negotiations related hereto and thereto) be kept confidential, and that no publicity or information relating to the same be issued or leaked to the press or any other parties whatsoever until all parties agree as to exactly what is going to be stated and when, or unless otherwise required to be disclosed by law or regulation. The provisions of this Section shall survive the termination of the Agreement.

19. Miscellaneous Provisions.

(a) This Agreement contains the entire agreement between the parties hereto and is intended to be an integration of all prior or contemporaneous agreements, conditions or undertakings between the parties hereto; there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between and among the parties hereto other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by Seller and Purchaser.

(b) Wherever herein reference is made to “days”, the same shall mean “calendar days”. Wherever in this Agreement a time period shall end on a day, which is a Saturday, Sunday, or legal holiday, said time period shall automatically extend to the next date which is not a Saturday, Sunday, or legal holiday.

(c) This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective estates, legal representatives, successors and assigns.

(d) This Agreement shall not be recorded in any manner or form by Seller or Purchaser.

(e) This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia (without regard to principles of conflicts of law).

(f) The parties acknowledge that this Agreement is the result of substantial negotiation between the parties. The parties further acknowledge and agree that each party and its legal counsel have reviewed, revised, and contributed to this Agreement, such that the

normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be utilized in the interpretation of this Agreement.

(g) This Agreement and any amendments thereto may be signed in various counterparts, which together shall constitute one and the same instrument. To facilitate execution of this Agreement and any amendments thereto, the parties may execute and exchange by electronic transmissions copies of this Agreement and any amendments thereto, and all such copies shall be deemed to be originals.

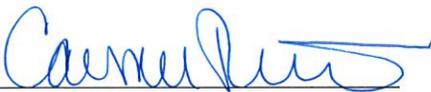
Signature Page Follows

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned parties have duly executed this Purchase Agreement under seal on the dates indicated below their respective signatures.

PURCHASER:

ARNA MARBELLA LIMITED PARTNERSHIP,
a Virginia limited partnership

By: Arna Marbella GP Development Corporation,
its general partner

By: 
Carmen Romero
President

SELLER:

MARBELLA DEVELOPMENT, LLC, a
Virginia limited liability company

By: Rosslyn Ridge Development Corporation,
its sole owner

By: 
Carmen Romero
President

EXHIBIT A

DESCRIPTION OF LAND

All those certain pieces or parcels lying, being and situate in Arlington County, Virginia and being more particularly described as follows:

Parcel 1:

Lots lettered —B‖ and —C‖ of a Resubdivision of part of Lots 1 to 6 inclusive, Block Twenty-four (24) of the Subdivision of —Fort Myer Heights‖, as said Resubdivision is duly dedicated, platted and recorded among the land records of Arlington County, Virginia in [Deed Book 388, page 265](#), the original plat of —Fort Myer Heights‖ being recorded among said land records in [Deed Book N-4, page 50](#), et seq.

LESS AND EXCEPT a portion of the property conveyed to the State Highway Commission recorded in [Deed Book 1536 at page 106](#), among the aforesaid land records.

RPC Number 17033005

Parcel 4:

Tract One:

Lot One (1), Seven (7) and Eight (8), in Block 22, of the Subdivision of Fort Myer Heights, as the same appears duly dedicated, platted and recorded in [Deed Book N—4, page 50](#), among the land records of Arlington County, Virginia.

RPC Number 17038006

Tract Two:

Parts of Lots 15, 16 and 17 in Block 23, Ft. Myer Heights, as the same appears of record in [Deed Book N—4, at page 50](#), of the land records of Arlington County, Virginia and being more particularly described by metes and bounds according to Edgar C. Shawon, certified land surveyor, dated June 1964 as follows:

Beginning at the intersection of the westerly line of N. Queen Street, with the northerly line of N. Quinn Street, which point of beginning is also the southeast corner of Lot 15, Block 23, Ft. Myer Heights, as the same is duly platted and recorded among the land records of Arlington County, Virginia; thence running with the said northerly line of N. Quinn Street S 88 degrees 25' W 80.50' to the P.C. of a curve to the left; thence running 109.0' along the arc of said curve to the left, which curve has a radius of 140.0' and the chord of which arc bears S 66 degrees 06' 45'. W 106.27' to the front corner common to lots 17 and 18, Block 23, Ft. Myer Heights; thence departing from said northerly line of N. Quinn Street and running with a portion of the line common to said lots 17 and 18, N 46 degrees 11' 30‖ W 84.67' to a point in the South line of the proposed new service road for Arlington Boulevard, U.S. Route 50 as established by acquisition by the Commonwealth of Virginia by an instrument recorded in Deed Book 1546 at page 569 of the said land records for the construction of Project 0050-000-101 RW 201; thence running through Lots 17, 16 and 15, Block 23, Ft. Myer Heights, with said South line of the said proposed new service road on the following courses and distances: 76.33' along the arc of a curve to the right which curve has a radius of 1123.42' and the chord of which arc bears N 51 degrees 01' 43‖ E 76.31' to the P.T. of said curve (said point being opposite and 22.5' distance southerly from P.C. Station 34 + 58.19' on the center line of said proposed service road as established by the Virginia Department of Highways in May, 1964; thence continuing with said south line of said service road N 52 degrees 58' 30‖ E. 78.76' to the P.C. of a curve to the left (said point being opposite 22.5' distant southerly from P.T. Station 33 +

79.43 on the center line of said proposed road established aforesaid thence continuing 45.22' along the arc of said curve to the left which curve has a radius of 595.46' and the chord of which arc bears N 50 degrees 47' 58.5" E 45.21' to the intersection of said curve with the aforementioned westerly line of N. Queen Street; thence departing from said south line of said service road and running with said westerly line of N. Queen Street S 60 degrees 37' E 43.35' to the P.C. of a curve to the right; thence running 39.15' along the arc of said curve to the right, which curve has a radius of 47.72' and the chord of which arc bears S 37 degrees 6' 45" E 38.06' to the P.T. thence continuing with said westerly line of N. Queen Street S 13 degrees 36' 30" E. 88.20' to the point of beginning, containing 22,613 square feet, more or less.
RPC Number 17033003.

**AMENDMENT TO
PURCHASE AGREEMENT**

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is entered into as of July 18, 2022, by and between MARBELLA DEVELOPMENT, LLC, a Virginia limited liability company ("Seller") and ARNA MARBELLA LIMITED PARTNERSHIP, a Virginia limited partnership ("Purchaser").

RECITALS

WHEREAS, Seller and Purchaser are parties to that certain Purchase Agreement dated as of November 22, 2021 (the "Agreement"); and

WHEREAS, the Seller and the Purchaser desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. **Recitals; Defined Terms.** The Recitals set forth above are true and correct, and are incorporated herein by this reference. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Agreement.

2. **Purchase Price.** Section 3 of the Agreement is hereby amended so that the Purchase Price is Eleven Million Eight Hundred Thousand Dollars (\$11,800,000).

3. **Ratification; Conflicts.** Except as expressly amended or modified herein, all other terms and conditions of the Agreement are hereby ratified and confirmed and shall remain and continue in full force and effect. In the event of any inconsistency or conflict between this Amendment and the Agreement, the provisions of this Amendment shall control.

4. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Electronic signatures (including via DocuSign or similar) or delivery of an electronic signature page shall have the same legal effect as execution and delivery of an original signature page.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and Purchaser have executed this Amendment to Purchase Agreement as of the day and year first hereinabove written.

SELLER:

MARBELLA DEVELOPMENT, LLC, a Virginia limited liability company

By: Rosslyn Ridge Development Corporation, its sole owner

By: K Eichen
Name: Kelly Eichen
Title: Assistant Treasurer

PURCHASER:

ARNA MARBELLA LIMITED PARTNERSHIP, a Virginia limited partnership

By: Arna Marbella GP Development Corporation, its general partner

By: K Eichen
Name: Kelly Eichen
Title: Assistant Treasurer

ARLINGTON DEPARTMENT OF REAL ESTATE ASSESSMENTS

VIRGINIA

2100 Clarendon Boulevard, Suite 611 Arlington, VA 22201
 Email: realog2@arlingtonva.us Website: topics.arlingtonva.us/RealEstate



Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24201

THIS IS NOT A BILL



A V V APARTMENTS LLC
 %TONY A WEBB
 4318 N CARLIN SPRINGS RD
 ARLINGTON, VA 22203-2006

RPC Number: 38011006
Property Address: 2300 25th ST S
Legal Description: PARCEL 2A

Neighborhood: 880000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	7,921,000	4,579,200	12,500,200			
2020 Value Residential Use	7,921,000	4,912,600	12,833,600	.01026	\$131,672.72	1.99
2019 Value Residential Use	7,921,000	4,662,000	12,583,000	.01026	\$129,101.56	-7.08

This is notice of the January 1, 2021 assessed value of the above property. The assessment represents our estimate of 100% of the fair market value. Commercial classified property may be subject to additional real estate tax rates adopted by the Arlington County Board.

If you are not the property owner, Section 58.1-3330 of the Code of Virginia requires that you forward this notice to the owner immediately or return the notice to the Department of Real Estate Assessments (2100 Clarendon Boulevard, Suite 611, Arlington, VA 22201). Send any change of mailing address in writing to the Department of Real Estate Assessments.

REAL ESTATE TAXES

The Arlington County Board will hold a virtual public hearing on the 2021 real estate tax rates April 8, 2021, at 7:00 p.m. The County Board will adopt the 2021 real estate tax rates on April 17, 2021. The adopted rate determines the amount of taxes levied for the year. Real estate taxes are billed by the Arlington County Treasurer in two installments (June 15 and October 5). If you request a review by the Department of Real Estate Assessments or appeal to the Board of Equalization, that does not change when taxes are due.

Real estate assessments, property information, neighborhood sales lists, review and appeal forms are available at:

www.arlingtonva.us
 Select Residents > Assessments

PLEASE SEE REVERSE FOR IMPORTANT INFORMATION

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VIRGINIA

2100 Clarendon Boulevard, Suite 611 Arlington, VA 22201
 Email: realog2@arlingtonva.us Website: topics.arlingtonva.us/RealEstate



Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24182

THIS IS NOT A BILL



MARBELLA DEVELOPMENT LLC
 %ARL PRTSHP FOR AFFORD HOUSING
 4318 N CARLIN SPRINGS RD
 ARLINGTON, VA 22203-2006

RPC Number: 17033003
Property Address: 1240 N QUINN ST
Legal Description: PT LOTS 15 16 17 BK 23

Neighborhood: 870000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	2,065,700	438,500	2,504,200			
2020 Value Residential Use	2,065,700	456,700	2,522,400	.01026	\$25,879.80	3.67
2019 Value Residential Use	2,065,700	367,500	2,433,200	.01026	\$24,964.60	-0.33

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Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24183

THIS IS NOT A BILL



MARBELLA DEVELOPMENT LLC
 %ARL PRTSHP FOR AFFORD HOUSING
 4318 N CARLIN SPRINGS RD
 ARLINGTON, VA 22203-2006

RPC Number: 17033005
Property Address: 1318 N PIERCE ST
Legal Description: PT LTS B C RESUB

Neighborhood: 870000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	1,536,200	312,600	1,848,800			
2020 Value Residential Use	1,536,200	325,500	1,861,700	.01026	\$19,101.04	3.54
2019 Value Residential Use	1,536,200	261,900	1,798,100	.01026	\$18,448.48	-0.25

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Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24184

THIS IS NOT A BILL



MARBELLA DEVELOPMENT LLC
%ARL PRTSHP FOR AFFORD HOUSING
4318 N CARLIN SPRINGS RD
ARLINGTON, VA 22203-2006

RPC Number: 17033006
Property Address: 1300 N PIERCE ST
Legal Description: LTS 7 TO 11 INC

Neighborhood: 870000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	3,487,800	625,700	4,113,500			
2020 Value Residential Use	3,487,800	651,600	4,139,400	.01026	\$42,470.24	3.17
2019 Value Residential Use	3,487,800	524,300	4,012,100	.01026	\$41,164.12	-0.03

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Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24185

THIS IS NOT A BILL



MARBELLA DEVELOPMENT LLC
%ARL PRTSHP FOR AFFORD HOUSING
4318 N CARLIN SPRINGS RD
ARLINGTON, VA 22203-2006

RPC Number: 17038006
Property Address: 1220 N QUEEN ST
Legal Description: LTS 1 7 8 BLK

Neighborhood: 870000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	2,483,600	582,700	3,066,300			
2020 Value Residential Use	2,483,600	606,700	3,090,300	.01026	\$31,706.44	3.99
2019 Value Residential Use	2,483,600	488,200	2,971,800	.01026	\$30,490.64	-0.53

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Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24204

THIS IS NOT A BILL



MARBELLA DEVELOPMENT LLC
 %ARL PRTSHP FOR AFFORD HOUSING
 4318 N CARLIN SPRINGS RD
 ARLINGTON, VA 22203-2006

RPC Number: 17033009
Property Address: N QUEEN ST
Legal Description: OUTLOT B BK 24 FT MYER

Neighborhood: 870000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	267,700	0	267,700			
2020 Value Residential Use	267,700	0	267,700	.01026	\$2,746.60	0.00
2019 Value Residential Use	267,700	0	267,700	.01026	\$2,746.60	1.99

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ARLINGTON DEPARTMENT OF REAL ESTATE ASSESSMENTS

VIRGINIA

2100 Clarendon Boulevard, Suite 611 Arlington, VA 22201
 Email: realog2@arlingtonva.us Website: topics.arlingtonva.us/RealEstate



Notice of 2021 Real Estate Assessment

January 01, 2021

*****AUTO**SCH 5-DIGIT 22204 102-24199

THIS IS NOT A BILL



MARBELLA DEVELOPMENT LLC
 %ARL PRTSHP FOR AFFORD HOUSING
 4318 N CARLIN SPRINGS RD
 ARLINGTON, VA 22203-2006

RPC Number: 17033017
Property Address: 1301 N PIERCE ST
Legal Description: LTS 1 2 3 4 A

Neighborhood: 870000

Description	Land	Building	Total	Rate	Taxes \$	Tax % Change
2021 Value Residential Use	4,107,600	833,800	4,941,400			
2020 Value Residential Use	4,107,600	868,300	4,975,900	.01026	\$51,052.72	3.53
2019 Value Residential Use	4,107,600	698,700	4,806,300	.01026	\$49,312.60	-0.25

This is notice of the January 1, 2021 assessed value of the above property. The assessment represents our estimate of 100% of the fair market value. Commercial classified property may be subject to additional real estate tax rates adopted by the Arlington County Board.

If you are not the property owner, Section 58.1-3330 of the Code of Virginia requires that you forward this notice to the owner immediately or return the notice to the Department of Real Estate Assessments (2100 Clarendon Boulevard, Suite 611, Arlington, VA 22201). Send any change of mailing address in writing to the Department of Real Estate Assessments.

REAL ESTATE TAXES

The Arlington County Board will hold a virtual public hearing on the 2021 real estate tax rates April 8, 2021, at 7:00 p.m. The County Board will adopt the 2021 real estate tax rates on April 17, 2021. The adopted rate determines the amount of taxes levied for the year. Real estate taxes are billed by the Arlington County Treasurer in two installments (June 15 and October 5). If you request a review by the Department of Real Estate Assessments or appeal to the Board of Equalization, that does not change when taxes are due.

Real estate assessments, property information, neighborhood sales lists, review and appeal forms are available at:

www.arlingtonva.us
 Select Residents > Assessments

PLEASE SEE REVERSE FOR IMPORTANT INFORMATION

Tab F:

RESNET Rater Certification (MANDATORY)



Appendix F

RESNET Rater Certification of Development Plans

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

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

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

In addition provide HERS rating documentation as specified in the manual

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

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

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

Additional Optional Certifications

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

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

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

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

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

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

Signed: [Signature]

Date: 2/16/22

Printed Name: Steven Armstrong

RESNET Rater

Resnet Provider Agency
Performance Point, LLC

Signature [Signature]

Provider Contact and Phone/Email Sam Galphin, President, 704-563-1030

Tab G:

Zoning Certification Letter (MANDATORY)



ZONING CERTIFICATION

DATE: February 7, 2022

TO: Virginia Housing
 Attention: JD Bondurant
 601 South Belvidere Street
 Richmond, VA 23220-6500

RE: ZONING CERTIFICATION
 Name of Development: Arna Valley View
 Name of Owner/Applicant: Arna Marbella Limited Partnership
 Name of Seller/Current Owner: AVV Apartments LLC

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:
2300 25th St S, Arlington, VA 22206

Legal Description:

ALL THAT CERTAIN LOT OR PARCEL OF LAND, TOGETHER WITH THE IMPROVEMENTS THEREON AND APPURTENANCES THEREUNTO BELONGING, LYING, SITUATE AND BEING IN ARLINGTON COUNTY, VIRGINIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 2A, AVALON AT ARLINGTON SQUARE, AS THE SAME APPEARS DULY DEDICATED, PLATTED AND RECORDED PER DEED OF VACATION, REDEDICATION, RESUBDIVISION, CONSOLIDATION, PUBLIC STORM DRAIN EASEMENT, PUBLIC WATERLINE EASEMENT, PUBLIC SANITARY SEWER EASEMENT, TEMPORARY PUBLIC UTILITY EASEMENTS, AND DEDICATION OF PUBLIC RIGHTS-OF-WAY RECORDED FEBRUARY 10, 2000 IN DEED BOOK 3039 AT PAGE 2053, AMONG THE LAND RECORDS OF ARLINGTON COUNTY, VIRGINIA.

Proposed Improvements:

<input type="checkbox"/>	New Construction:	__ # Units	__ # Buildings	_____ Total Floor Area
<input type="checkbox"/>	Adaptive Reuse:	__ # Units	__ # Buildings	_____ Total Floor Area
<input checked="" type="checkbox"/>	Rehabilitation:	101 # Units	3 # Buildings	110,547 Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: RA6-15 allowing a density of 48 units per acre, and the following other applicable conditions: _____

Other Descriptive Information:

The RA6-15 zone requires 900 sf of lot area per dwelling unit. For this 93,134 SF property, 103 units are permitted by-right.

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.

Signature

Karen L. S. White, P.E.

Printed Name

Director of Urban Planning and Engineering

Title of Local Official or Civil Engineer

703-532-6163

Phone:

February 7, 2022

Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

ZONING CERTIFICATION

DATE: February 11, 2022

TO: Virginia Housing
 Attention: JD Bondurant
 601 South Belvidere Street
 Richmond, VA 23220-6500

RE: ZONING CERTIFICATION
 Name of Development: Marbella Apartments
 Name of Owner/Applicant: Arna Marbella Limited Partnership
 Name of Seller/Current Owner: Marbella Development LLC

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:
C- 1320, and 1318 N. Pierce Street
D- 1235 N. Quinn Street and 1230, 1220 N. Queen Street
E- 1250, 1240 N. Quinn Street

Legal Description:
See attached sheets.

Proposed Improvements:

<input type="checkbox"/>	New Construction:	__ # Units	__ # Buildings	_____ Total Floor Area
<input type="checkbox"/>	Adaptive Reuse:	__ # Units	__ # Buildings	_____ Total Floor Area
<input checked="" type="checkbox"/>	Rehabilitation:	<u>62</u> # Units	<u>4</u> # Buildings	<u>45,305</u> Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: RA6-15 allowing a density of 48 units per acre, and the following other applicable conditions: _____

Other Descriptive Information:

The RA6-15 zone requires 900 sf of lot area per dwelling unit. The total area of the properties is 66,618 SF, 75 units are permitted by-right.

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.

Signature
Karen L. S. White, P.E.

Printed Name
Director of Urban Planning and Engineering

Title of Local Official or Civil Engineer
703-532-6163

Phone:
February 11, 2022

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.

All those certain pieces or parcels lying, being and situate in Arlington County, Virginia and being more particularly described as follows:

Lots lettered “B” and “C” of a Resubdivision of part of Lots 1 to 6 inclusive, Block Twenty- four (24) of the Subdivision of “Fort Myer Heights”, as said Resubdivision is duly dedicated, platted and recorded among the land records of Arlington County, Virginia in Deed Book 388, page 265, the original plat of “Fort Myer Heights” being recorded among said land records in Deed Book N-4, page 50, et seq.

LESS AND EXCEPT a portion of the property conveyed to the State Highway Commission recorded in Deed Book 1536 at page 106, among the aforesaid land records.

NOTE FOR INFORMATIONAL PURPOSES ONLY:
RPC Number 17-033-005

All those certain pieces or parcels lying, being and situate in Arlington County, Virginia and being more particularly described as follows:

Lots One (1), Seven (7) and Eight (8), in Block 22, of the Subdivision of Fort Myer Heights, as the same appears duly dedicated, platted and recorded in Deed Book N—4, page 50, among the land records of Arlington County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY: RPC
Number 17-038-006

All those certain pieces or parcels lying, being and situate in Arlington County, Virginia and being more particularly described as follows:

Parts of Lots 15, 16 and 17 in Block 23, Ft. Myer Heights, as the same appears of record in Deed Book N-4, at page 50, of the land records of Arlington County, Virginia and being more particularly described as follows:

Beginning at a point in the northerly right-of-way line of North Quinn Street, said point being the southeast corner of part of Lot 18, Ft. Myer Heights; thence with the east line of part of Lot 18, Ft. Myer Heights, N 50° 57' 40" W, 84.96 feet to a point in the southerly right-of-way line of Arlington Boulevard - Route 50; thence with the southerly right-of-way line of Arlington Boulevard - Route 50, the following courses and distances: 76.53 feet with a curve to the right having a radius of 1,123.42 feet (tangent length 38.28 feet, chord length 76.52 feet, chord bearing N 46° 22' 46" E) to a point; thence N 48° 19' 51" E, 78.76 feet to a point; thence 45.20 feet with a curve to the left having a radius of 595.46 feet (tangent length 22.61 feet, chord length 45.19 feet, chord bearing N 46° 09' 23" E) to a point in the westerly right-of-way line of North Queen Street; thence with the westerly right-of-way line of North Queen Street, the following courses and distances: S 65° 21' 53" E, 43.15 feet to a point; thence 39.15 feet with a curve to the right having a radius of 47.72 feet (tangent length 20.75 feet, chord length 38.06 feet, chord bearing S 41° 51' 34" E) to a point; thence S 18° 21' 16" E, 88.25 feet to a point in the northerly right-of-way line of North Quinn Street; thence with the northerly right-of-way line of North Quinn Street, S 83° 38' 52" W, 80.48 feet to a point; thence 109.00 feet with a curve to the left having a radius of 140.00 feet (tangent length 57.43 feet, chord length 106.27 feet, chord bearing S 61° 20' 36" W) to the point of beginning, and containing an area of 22,634 square feet or 0.5196 acres, more or less.

NOTE FOR INFORMATIONAL PURPOSES ONLY:
RPC Number 17-033-003

Tab H:

Attorney's Opinion (MANDATORY)

July 20, 2022

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

RE: 2022 Tax Credit Reservation Request

Name of Development: Arna Marbella
Name of Owner: Arna Marbella Limited Partnership

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated July 19, 2022 (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 Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.

Virginia Housing Development Authority

July 20, 2022

Page 2

4. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application.
5. 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. The nonprofit organization's ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.
7. It is more likely than not that the representations made under 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. 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 ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

GALLAGHER

GALLAGHER EVELIUS & JONES
ATTORNEYS AT LAW

Virginia Housing Development Authority
July 20, 2022
Page 2

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.

GALLAGHER EVELIUS & JONES LLP

A handwritten signature in black ink, appearing to read 'J. Weston', is written over a horizontal line.

By: Jessica Weston, Esquire
Its: Partner

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)



Non-profit Questionnaire

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

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

1. General Information

- Name of development: _____
 - Name of owner/applicant: _____
 - Name of non-profit entity: _____
 - Address of principal place of business of non-profit entity:

 - Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
 - Date of legal formation of non-profit (must be prior to application deadline); _____
evidenced by the following documentation:

 - Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):

 - Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):

 - How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?
_____ How many part time, paid staff members? _____
- Describe the duties of all staff members:

Non-profit Questionnaire, cont'd

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

Yes No If yes, explain in detail: _____

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

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

2. Non-profit Formation

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

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

Yes No If yes, explain in detail:

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

Yes No If yes, explain:

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

Yes No If yes, explain:

Non-profit Questionnaire, cont'd

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

Yes No, If yes, explain: _____

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

Yes No

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

3. Non-profit Involvement

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

§42(i)(1) of the Code)?

Yes No

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

Yes No

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

Yes No

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

- (i) Will the non-profit be the managing member or managing general partner?

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

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

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

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

Non-profit Questionnaire, cont'd

Recordable agreement attached to the Tax Credit Application as TAB V

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

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

Yes No If yes,

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

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

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

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

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

Yes No If yes,

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

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

Non-profit Questionnaire, cont'd

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

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

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

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

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

- Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No

- Define the non-profit's geographic target area or population to be served:

- Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)?
 Yes No If yes, or no, explain nature, extent and duration of any service:

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

- Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?
 Yes No

- Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?
 Yes No If yes, explain:

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

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

Non-profit Questionnaire, cont'd

- Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No
- Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule:

- Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No
- Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:

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

- Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Yes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

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

- To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No

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

Non-profit Questionnaire, cont'd

5. Attachments

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

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

02/28/2022
Date

3/7/2022
Date

Arna Marbella Limited Partnership
Owner/Applicant
By: Arna Marbella GP Development Co
Its: General Partner
Title
Arlington Partnership For Affordable
Non-profit

By: 
Board Chairman
By: 
Executive Director

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

September 25, 1989

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

ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC.,

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

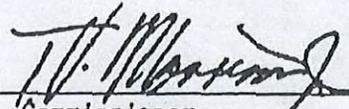
CERTIFICATE OF INCORPORATION

be issued and admitted to record with the articles of incorporation in the Office of the Clerk of the Commission, effective September 25, 1989.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By


Commissioner

CORPACPT
CIS20436
89-09-19-0104

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Arlington Partnership for
Affordable Housing, Inc.
1802 N. Wakefield Street
Arlington, VA 22207

Person to Contact: Jim Joseph

Telephone Number: (202) 566-3893

Refer Reply to: E:EO:R:1-1

Date: DEC 18 1990

Employer Identification Number: 54-1515133
Key District: Baltimore
Accounting Period Ending: December 31
Foundation Status Classification: 509(a)(2)
Advance Ruling Period Begins: September 25, 1989
Advance Ruling Period Ends: December 31, 1993
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in the section(s) shown above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must submit to your key District Director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Arlington Partnership for Affordable Housing, Inc.

benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your key district office.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated

Form **872-C**

(Rev. March 1986)

Department of the Treasury—Internal Revenue Service

Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

(See Form 1023 instructions for Part IV, line 3.)

OMB No. 1545-0056
Expires 3-31-89

To be used with Form 1023. Submit in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period.

Arlington Partnership For Affordable Housing, Inc.

(Exact legal name of organization)

1802 N. Wakefield St., Arlington, Virginia 22207 and the

(Number, street, city or town, state, and ZIP code)

District Director
of Internal Revenue
Baltimore, MD

Consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, then the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year December 31, 1989

Name of organization

Date

Arlington Partnership For Affordable Housing, Inc.

November 6, 1989

Officer or trustee having authority to sign

Signature ▶

Thomas P. Leckey

Thomas P. Leckey, President

District Director

Phil Dixon

Date

1-24-90

By ▶

B. Jefferson-White - Group Manager

For Paperwork Reduction Act Notice, see page 1 of the Form 1023 instructions.

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Date: **MAY 17 1994**

ARLINGTON PARTNERSHIP FOR
AFFORDABLE HOUSING INC
1802 N WAKEFIELD ST
ARLINGTON, VA 22207

Employer Identification Number:
54-1515133
Case Number:
524126086
Contact Person:
MRS. M. SMITH
Contact Telephone Number:
(410) 962-7963
Our Letter Dated:
December 1990
Addendum Applies:
Yes

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

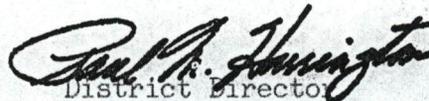
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,


District Director

Enclosure:
Addendum

ARLINGTON PARTNERSHIP FOR

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make available for public inspection a copy of your exemption application, and supporting documents, and this exemption letter. If you are required to file an annual information return, you are also required to make a copy of the return available for public inspection for three years after the return is due. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

APAH Board of Directors

2022

Matthew Birenbaum, Chair

CIO, AvalonBay Communities, Inc.

Rich Jordan, Vice Chair

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Buzz Roberts, Treasurer

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Carmen Romero, President

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Assistant Professor, Social Work, George Mason University

Keiva Dennis

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Julie Gould

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Environmental Consultant

Kathie Panfil

Ind. Education Management Professional; Former Arlington Public Schools Principal

Alicia Plerhoples

Professor of Law and Director, Social Enterprise and Nonprofit Law Clinic, Georgetown University Law School

Nancy Rase

Co-founder, Homes for America

Kai Reynolds

Chief Development Officer; JBG Smith

Pam Rothenberg

Partner, Womble Bond Dickinson (US) LLP

LaTasha Rowe

General Counsel and Chief Compliance Officer, NFM Inc.

Bobby Rozen

Washington Council (retired), Ernst & Young

Michael Spotts

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Yolonda Stradford

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Tannia Talento

Community Leader, Former School Board Chair for APS

Andy VanHorn

Chief Development Officer, Dweck Properties

John Ziegenhein

President/CEO, The Chevy Chase Land Company

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

Arna Valley View Relocation Plan

Arlington Partnership for Affordable Housing
Temporary Relocation Plan
Arna Valley View Apartments

Prepared by
Housing Opportunities Unlimited

August 27, 2021



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 - c. Resident Notifications**
 - d. Moving Assistance**
- V. COVID-19 RESPONSE PROTOCOL**
- VI. FAILURE OF RESIDENTS TO ADHERE TO THIS PLAN**
- VII. APPEALS**

APPENDIX A: RELOCATION NEEDS ASSESSMENT

APPENDIX B: GENERAL INFORMATION NOTICE (GIN) COVER LETTER

APPENDIX C: GENERAL INFORMATION NOTICE (GIN)

APPENDIX D: NOTICE OF NONDISPLACEMENT

APPENDIX E: 120-DAY NOTICE OF RELOCATION

APPENDIX F: 30-DAY NOTICE OF RELOCATION

APPENDIX G: AFFECTED RESIDENTS

Arlington Partnership for Affordable Housing (APAH)
RELOCATION PLAN prepared by HOUSING OPPORTUNITIES UNLIMITED (HOU)

I. INTRODUCTION

Arlington Partnership for Affordable Housing (APAH), the owner and managing member of Arna Valley View Apartments, focuses on development and preservation of affordable housing with the intent to make a positive impact on tenants, communities and the environment through thoughtful engagement and integrated development. APAH's mission is to develop, preserve, and own quality, affordable places to live; to promote stability and opportunity for residents; and to advocate with the people and communities they serve. Their current affordable housing portfolio of 2,050 rental homes and over 1,300 units in development, navigates through Virginia and Maryland. APAH prides itself on securing funding sources and completing transactions to ensure a suitable quantity of financing that has the capacity to yield sufficient amounts for construction funding and the preservation of affordable rent levels.

Arlington Partnership for Affordable Housing, has engaged Housing Opportunities Unlimited (HOU) to provide temporary relocation services for the residents of Arna Valley View Apartments. HOU is a privately held company that offers relocation services and resident services to clients focused on affordable and mixed income housing communities. HOU also provides direct resident services and consulting around both relocation and resident services.

This Relocation Plan sets forth the procedures for the relocation for the residents of Arna Valley View Apartments in Arlington, Virginia that will be impacted by the rehabilitation project. This plan is written in accordance with the relevant provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 C.F.R. Part 24, and all applicable state and the city of Arlington regulations.

The underlying objective of this plan is to ensure persons affected as a direct result of the rehabilitation are treated fairly, consistently and equitably, so that they will not suffer disproportionate hardships as a direct result of activities designed for the benefit of the community as a whole.

Persons who may be contacted regarding this relocation plan include the following:

Relocation Agent

Jeray Wilson
Project Director
Housing Opportunities Unlimited
50 Redfield Street, Suite 101
Boston, MA 02122
(202) 907-7747
jwilson@housingopportunities.com

Owner Contact

Kim Painter
Director of Talent and Collaboration
Arlington Partnership for Affordable Housing
4318 N Carlin Springs Road,
Arlington, VA 22203
(571) 733-9619
kpainter@apah.org

County Relocation Contact

Hector Mercado
Relocation Specialist- Housing Assistant
Community Planning Housing and Development
Housing Division
Phone: (703) 228-3805
Fax: ((703) 228-3834
Email: hmerca@arlingtonva.us
2100 Clarendon Blvd
Suit 700
Arlington, VA 22201

II. DEFINITIONS

1. ***Affected Residents*** – All residents of Arna Valley View Apartments as of the date the General Information Notice (GIN) is sent.
2. ***Arlington Partnership for Affordable Housing (APAH)*** Owner and managing agent for Arna Valley View Apartments
3. ***Decent, Safe and Sanitary*** -- A relocation dwelling that is (a) structurally sound, weather tight and in good repair, (b) contains safe electrical wiring and a safe heating system, (c) is adequate in size to meet the space needs of the displaced person, (d) contains safe unobstructed egress that is free from barriers in cases where there is mobility impairment and (e) complies with lead based paint requirements.
4. ***Host Unit*** – The project will entail acquiring temporary offsite units to house residents during the renovation of their unit. Those host units will be suitable, decent, safe, and sanitary and within close proximity to Arna Valley View Apartments. These units will be leased in the name of the Owner.
5. ***HOU – Housing Opportunities Unlimited*** – Professional relocation consultant procured by APAH that has experience and expertise in facilitating large-scale federal- and state-assisted relocation projects.

6. **HUD** –The United States Department of Housing and Urban Development.
7. **LIHTC** – Low Income Housing Tax Credit.
8. **Person with a disability** – a person who has a physical or mental impairment which substantially limits one or more major life activities.
9. **Rehabilitation** – The act or process of expanding, remodeling, altering or renovating apartments and common areas within the development.
10. **Relocation** – A move from one unit to another to accommodate the rehabilitation project.
11. **Relocation Coordinator** – An employee of HOU and representative of the owner whose specific task is to monitor and coordinate all relocation activity and implement the relocation plan to ensure compliance with applicable relocation regulations, guidelines, and laws.
12. **Suitable Temporary Replacement Housing** – An onsite or offsite “host” unit that will be used for temporary housing during the relocation period. The “host” unit will be decent, safe, and sanitary and suitable for the household size.
13. **Temporary Move** – When residents are not required to move permanently but must relocate for a period of less than 12 months to facilitate unit rehabilitation on the site.
14. **URA** – Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), is the federal regulation that provides protections and assistance for people affected by acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

III. PROJECT SUMMARY

Arna Valley View Apartments was built in 2001 and is located at 2300 South 25th Street Arlington, VA 22206. Arna Valley View consists of 3 four story buildings over two acres of land and is made up of 36 one-bedroom apartments, 25 two- bedroom apartments and 40 three-bedroom apartments totaling 101 units and a free-standing parking garage. The property is conveniently situated near I-395 and has access bus and metro train public transportation.

The Arna Valley View rehabilitation project, consists of renovating all 101 units (100% occupied) and parking garage locate at:

- 2501 S. Adams Street
- 2525 S. Adams Street
- 2300 25th Street S.
- 2310 25th Street S. (Parking Garage)

A synopsis of the planned renovation scope of work for Arna Valley View Apartments is below:

SITE WORK

- Landscaping improvements and upgrades
- Concrete repair at entrances
- Refinish guardrails and handrails
- Selective regrading at building perimeter for 2% drainage
- Concrete repairs of sidewalks and entrances
- Boundary survey

BUILDINGS AND COMMON AREAS

- Roof Replacement
- Gutters and downspouts replacement
- Common area finishes
- Window Replacement
- Building exterior siding and trim replacement
- Masonry repair
- Update finishes, fixtures and appliances
- Replace mailboxes

MECHANICAL/ELECTRICAL/PLUMBING

- Smoke detector replacements
- HVAC replacements
- Replace heating and cooling systems
- Replace lights along corridors and interior of units
- 30% Improvement in Energy Performance

UNIT INTERIORS

- Kitchen and bath cabinet replacements
- Plumbing fixture replacements
- Appliance upgrades
- Door fixtures and replacement
- Repair drywall and complete paint jobs in all units
- Replace flooring

GARAGE

- Waterproof /Traffic Coating decks
- Reseal all deck joints
- Repair façade crack
- Plumbing fixture replacement
- Appliance upgrades
- Restripe and power wash

The project will be financed using 4% Low Income Housing Tax Credits and Tax-Exempt Bonds. The application for funding is being submitted in Quarter 4 of 2021 and, if the funding is awarded, the estimated construction start date is early Quarter 3 of 2022.

While the total length of construction is estimated to last 12 months, the work on the apartments will be completed in phases. Each phase is anticipated to last 6 weeks, requiring households to temporarily relocate during that time. The first phase of households will receive 120 Day Notices during Q1 2022.

The owner will update this relocation plan if there are any changes to the project timeline outlined in this section.

As of August 4, 2021, Arna Valley View Apartments was approximately 99% occupied and 100% leased.

IV. RELOCATION REQUIREMENTS & IMPLEMENTATION

A. Relocation Phasing Plan and Temporary Relocation

The current construction schedule demonstrates a staggered schedule with buildings being turned over to construction beginning in Quarter 3 of 2022. With the anticipated construction length being up to 12 months, renovations are set to be completed prior to the close of 2023.

Because of the extent of the renovations, it will be necessary for residents to temporarily relocate to vacant onsite or offsite units for the duration of the construction period. Residents will be temporarily relocated in 6 phases. Each phase would consist of approximately 17 units for a period of approximately 6 weeks.

HOU staff will secure host units for households to live in during their temporary relocation. Temporarily relocated residents will be required to sign a Temporary Transfer of Occupancy agreement with Management with respect to the temporary relocation and be required to comply with the terms of their original Arna Valley View lease. While living in the temporary host unit, residents need to continue paying the rent under their lease directly to The Arna Valley View Apartments. Residents are also expected to comply with all other parts of their lease agreement during their temporary relocation.

When residents move out of the temporary host units, a third-party cleaner will clean, sanitize and disinfect units between turnover. The unit will be vacant for at least 48 hours prior to being re-occupied by another tenant.

Residents also have the option to stay with family or/friends in lieu of relocating to a temporary off-site units. Residents who decide to take this option will receive a relocation allowance payment.

After unit renovations are completed, we anticipate households returning to their original unit. Households that are currently in units that do not meet their qualifying bedroom size based on current household composition (over housed or under housed) will return to a renovated unit that meets their qualifying bedroom size, as possible through available units. In the rare case that a household cannot be accommodated at the property, the relocation staff will work with this household to permanently relocate them to a comparable units that meets their needs (see page 9 for permanent relocation provisions). There will be accommodations made for residents who require lower floors.

HOU will work closely with Arlington County Public Schools, Assistant Superintendent, transportation, and the principals of each school to keep them updated on Arna Valley View Apartments redevelopment plans and schedule. All Arna Valley View students will be able to remain in their home school without interruption during the relocation process. If households are relocated to a location where school bus service is not available but is needed by the families, the students will be provided with transportation (eg: uber cards) to get to and from school.

B. Relocation Counseling and Relocation Needs Assessment

APAH has procured the services of relocation contractor Housing Opportunities Unlimited (HOU) to provide relocation services to the families who will be affected because of the project. HOU Relocation staff will assume responsibility for administering the relocation plan. The HOU on-site office will be ideally located at Arna Valley View Apartments or nearby, and the Relocation staff will work a flexible schedule generally between 9am and 5pm as well as some evenings and weekends to be accessible to all households. Residents will have the opportunity to meet personally with the property manager and Relocation Coordinator at their request throughout the relocation and redevelopment process. As all entities involved will carefully observe recommendations from the CDC concerning the Coronavirus pandemic, HOU will use different virtual avenues to gather data from residents on the assessments (virtual meetings, phone calls, group resident meetings via Zoom, etc.) Included in the Relocation Plan is HOU's response plan to COVID-19 that notates precautionary measures taken when interacting with residents when face to face interaction is required.

HOU will provide comprehensive temporary relocation counseling and assistance to households in accordance with the Uniform Relocation Assistance and Real Property Act of 1970 (URA), implementing regulations at 49CFR Part 24, the guidelines set forth in HUD Handbook 1378 on Tenant Assistance Relocation and Real Property Acquisition. Temporary relocation counseling and advisory services may include small community meetings (when appropriate) at the site and personal interviews with each household. HOU Relocation staff are responsible for conducting resident meetings (whether virtual or in-person), providing required and additional resident notices about relocation (including General Information Notice, Notice of Non-displacement and 30-Day Relocation Notices), conducting mobility counseling, scheduling and coordinating temporary relocation moves, coordinating transfer of cable/phone/internet services is applicable, conducting follow-up visits, communicating on an ongoing basis with tenants as needed and documenting the temporary relocation activities.

HOU will conduct a comprehensive relocation needs assessment with each of the households in order to be able to best address any concerns or issues regarding the households' temporary relocation and plan for any issues that could arise during their temporary relocation. During the resident assessment phase of the project, HOU Relocation staff will:

- Meet/speak one-on-one with each individual household to identify their relocation needs. Among information collected in the assessment will include household composition, approved reasonable accommodations, children's school district and continuance of education, pets, current in-home services, planned vacations/hospitalizations.
- Complete the assessment, preferably with a bilingual HOU employee when English is not the resident's first language. Where a bilingual HOU employee is not available, interpreter/translation services will be used. The major languages currently spoken are English, Spanish, and Amharic.
- Evaluate tenant furniture and belongings, making special note of large furnishings, housekeeping issues, clutter, pest issues and hoarding disorders.
- Determine whether a household needs packing and unpacking services.
- Assess each household individually to identify all obstacles that may affect relocation.

In addition, HOU staff will be responsible for the following tasks regarding Arna Valley View Apartments relocation planning and implementation:

- Conduct community meetings (virtual or in person) to prepare residents for their upcoming rehabilitation.
- Prepare and distribute written notices, including 120-Day, 30-Day, 14-Day, and 48-Hour Notices for affected households.
- Work closely with construction, property management, development, and contractors to coordinate and ensure all requirements are met prior to scheduled renovations for each unit.
- Conduct advance planning with special needs households (including elderly, disabled, and households with maintenance issues).
- Work with the Development team, Property Management and the Resident Services Coordinator and/or other third-party supportive services to identify and coordinate services for households with special needs and ensure uninterrupted services during relocation for affected households during tenant in-place relocation.
- Distribute Resident Relocation Allowance payments to all households who opt to stay with friends and/or family during the renovation period.
- Establish procedures for minimizing resident property damage and serving as initial point of contact regarding resident claims of damage/loss.
- Work closely with Arlington County Public Schools (mainly the Assistant Superintendent, transportation, and the principals of each school) to keep them updated on Arna Valley Apartments redevelopment plans. Arlington County Public Schools has confirmed that all students are able to remain in their home school without interruption during the relocation process.
- If households are relocated to a location where school bus service is not available but is needed by the families, the students will be provided with transportation (eg: uber cards) to get to and from school.

C. Permanent Relocation

Although we are not anticipating permanent displacement, in the event that any household who is relocated off-site extends a 12 month construction period or is unable to return to the property due to income or household size, HOU staff will provide comprehensive relocation advisory services, including extensive mobility counseling and other assistance to help residents find a comparable unit and prepare to move as well as facilitate their off-site moves. Tasks will include the following:

- Explaining relocation rights, resources, and eligible moving costs
- Assisting with filing benefits claims forms
- Calculating relocation benefits, including Replacement Housing Payments (if applicable)
- Conducting outreach to potential landlords and identifying comparable replacement housing
- Issuing Combined Notice of Eligibility & 90-Day Notice to Vacate
- Providing referrals to appropriate third-party supportive services for social services related barriers to relocation
- Assisting with completed required paperwork, including, but not limited to, rental applications and leases
- Accompanying residents on pre-inspection of units to ensure decent, safe and sanitary conditions
- Coordinating transportation to facilitate the relocation process, as necessary
- Helping with arranging for moves, including utility disconnection and connection, completing post office “change of address forms”, providing packing and unpacking assistance for elderly and disabled households requiring such assistance, and arranging for storage, as appropriate
- Providing residents with packing materials
- Scheduling moves and working closely with moving contractors to ensure moves are completed on schedule

D. Resident Notifications

Throughout the pre-construction and construction periods, the development team will work with HOU Relocation staff to communicate with residents to keep them informed of progress and to answer questions about the rehabilitation plan and the implementation of this Temporary Relocation Plan through periodic meetings, notices and other avenues of personal communication. A copy of this relocation plan will be distributed to each household and available, as requested, through Arna Valley View Apartment Management office. The property management team alongside HOU will organize community meetings within reason given the limitations set forth by national and local authorities prior to construction start to inform residents of the upcoming renovations and explain the temporary relocation process.

Residents of Arna Valley View Apartments will receive the following notifications:

- **General Information Notice (GIN)** – Written notice indicating that ownership is applying to complete the rehabilitation project, advises residents not to move, explains the nature of

the proposed rehabilitation project and describes in general terms the relocation assistance available to all residents. This notice will either be hand-delivered and signed for by each resident or mailed via certified mail, return receipt requested to all occupied households at The Arna Valley View Apartments. Along with the GIN will be a cover letter sent to households to explain the notice. As an additional method of delivery given COVID-19, a copy of the notice will be sent out regular mail with the instruction to sign a colored copy of the notice to drop off at the Management office. See *Appendix B and C*.

- **Notice of Non-displacement** – Written notice indicating that federal funding has been secured for the rehabilitation project. Notice also indicates that the household will not be displaced from the property because of the rehabilitation project but will need to be temporarily relocated while unit renovations are occurring. This notice will be hand-delivered and signed for by each resident or sent certified first-class mail, return receipt requested. As an additional method of delivery given COVID-19, a copy of the notice will be sent out regular mail with the instruction to sign a colored copy of the notice to drop off at the Management office. See *Appendix D*.
- **120-Day Notice to Relocate** – Written notice provided at least 120 days in advance of the resident's move that informs them of the location of their temporary relocation unit, anticipated duration of the temporary relocation, move date to temporary unit and expected return date. These notices will be hand-delivered and signed for by each resident. See *Appendix E*.
- **30-Day Notice to Relocate** – Written notice provided at least 30 days in advance of the resident's move that informs them of the location of their temporary relocation unit, anticipated duration of the temporary relocation, move date to temporary unit and expected return date. These notices will be hand-delivered and signed for by each resident.

Signed copies of the above notices will be kept in the relocation file for each household. Along with the required notices above, residents will receive the following additional notification prior to their temporary relocation and move back to a renovated unit.

- No less than **2 days** before the temporary relocation, the Affected residents will be given a written notice that confirms the day of their move and the address of their temporary relocation as well as the anticipated time frame of their move start.
- Written notice about any changes to their 30-Day Notice to Relocate. This includes if their move date has been delayed and/or if their anticipated move date from the temporary host unit has changed.

E. Moving Assistance

The following details the moving assistance and covered relocation expenses that will be provided, at no cost, to all Affected Residents of Arna Valley View Apartments:

- Services of a licensed, professional moving company that will move belongings of households temporarily relocating from their current apartment to their host unit and back to a renovated unit.
- Packing supplies (boxes, wrap, and tape) for packing personal property.
- Packing and unpacking assistance for households requiring such assistance.
- Cost of setting up utility services (phone, cable, internet) in temporary host units.
- Moving company will transfer all resident's household belongings to their temporary host unit.
- Coordinate household storage transfer to and from Arna Valley Apartments. Storage will be offered for residents who have opted to stay with friends and family or for residents who may be downsized during relocation process.

V. COVID-19 Response Protocol

HOU has developed a comprehensive plan to relocate residents that has been reviewed and approved by Colden Corporation. Colden is a team of Certified Industrial Hygienists, Certified Safety Professionals, Certified Professional Environmental Auditors, and doctoral-trained environmental and occupational health scientists highly trained in the latest techniques, procedures, and laws to help ensure a safe and healthy workplace. Due to current concerns regarding COVID-19 the following protocols will be taken to minimize risk and exposure at Arna Valley View Apartments during the renovations:

1. Relocation units and rental furniture, if used, will be cleaned, and disinfected between phases of household relocation. This will be done by a third-party cleaning company that will comply with CDC cleaning/disinfection guidelines. The areas to clean will include but not be limited to bathrooms, kitchens, shared electronic equipment (remote controls, TV) and especially focusing on frequently touched surfaces like doorknobs and counters.
2. During moves, residents will be required to wear a face covering and keep at least 6ft of distance between themselves and movers. HOU will set up a day space (if possible) where they can relax in during the move to maintain safe distance from others that may be present. After the move, a light cleaning of frequently touched surfaces will be done before the resident returns to the apartment.
3. Renovated apartments will be cleaned and disinfected after construction has completed work in the unit and before the household returns.
4. Contractors, cleaners, movers, HOU staff, and all on-site property management and ownership staff will always wear Personal Protective Equipment (PPE) while at the Arna Valley View Apartments.
5. Self-certification forms may be required and used by contractors and other vendors on-site.

As the CDC, state, and local officials release additional guidance, APAH and HOU will monitor and revise this plan, as necessary. Residents will be provided with information about these protocols prior to their relocation and the strategies will be explained in thorough detail during the one to one assessment.

VI. FAILURE OF RESIDENTS TO ADHERE TO THIS PLAN

Arna Valley View Apartments Management will exercise its authority judiciously to ensure residents comply with this Relocation Plan and enable the rehabilitation activities to occur in a timely fashion. Eviction may be employed only as a last resort and shall be undertaken in conformance with applicable state, federal and local laws. The property manager may initiate actions under the eviction procedures if a resident refuses to comply with the following:

- A. Move or relocate
- B. Meet Property Management/HOU Relocation staff regarding relocation or
- C. Cooperate in the relocation process.

However, Property Management and HOU Relocation staff will undertake every effort to best accommodate resident needs during their relocation and coordinate resident relocation with the support of resident emergency contacts/family members to avoid eviction action.

VII. APPEALS

Grounds for Appeal

If a resident contends that this Relocation Plan is not being implemented properly or believes the Owner has failed to properly consider the person's request for relocation assistance, the resident may file a written appeal to APAH at 4318 N Carlin Springs Road, Arlington, VA 22203 where staff is responsible for ensuring that the Relocation Advisory Agent:

- A. Properly determines whether the resident qualifies or will qualify as a person who is eligible for relocation assistance;
- B. Properly determines the amount of any relocation payment required by this plan;
- C. Properly provides an appropriate temporary relocation unit; and
- D. Properly responds to an appeal in a timely manner.

HOU Relocation staff shall inform residents, in writing, of their right to appeal to Arna Valley View Apartments Management. Grounds for an appeal may include:

1. A determination by the Owner of the individual's eligibility or ineligibility as an Affected Resident, as defined by the Relocation Plan;
2. A determination by the Owner of the scope and amount of relocation assistance made available to an Affected Resident;
3. Any decision to temporarily relocate the family, including the terms and conditions of the temporary move, or the amount and scope of temporary relocation benefits; and/or
4. The Owner's determination that an Affected Resident rejected an offer of a comparable replacement unit without good cause.

Grounds for appeal shall not include suspension of discretionary relocation benefits to former residents.

Filing an Appeal

An appeal must be filed in writing within sixty (60) calendar days of the date of the contested action, or by referral from Arna Valley View Apartments Management in which event written notice from the resident is not required. The date of the contested action is the date on which a determination was communicated to the resident. If the appeal is based on an event for which a date of action cannot be determined, the appeal must be filed within sixty (60) calendar days of the action.

Right to Representation; Right to File Review

Any person requesting an appeal shall have the opportunity to examine and copy all documents, records and regulations that are relevant to the appeal prior to any hearing. The Owner may charge a reasonable fee for copies of more than fifty (50) pages. Any person requesting an appeal shall have the right to be represented by counsel or any other person of their choice.

Conduct of the Appeal

An appeal shall be scheduled as promptly as possible. All requests for appeals shall be heard within ten calendar days from the time of the request for the appeal. The appellant shall have at least five calendar days advance written notice of the date, time, and place of the hearing. If the appellant requires a change in the date of the hearing, the resident must contact the Owner at least forty-seven (48) hours in advance of the scheduled hearing. Upon the resident's showing of good cause, the Owner shall arrange an alternate date and time for the hearing and notify all parties.

The appeal will be conducted by a representative of the Owner who is not the person who took the action under appeal. The hearing shall be informal, and oral or documentary evidence pertinent to the facts and issues raised by the appeal may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. At the appeal, the appellant shall have the right to:

- examine and to copy all documents, records and regulations that are relevant to the appeal prior to any hearing;
- be represented by counsel or any other person of their choice;
- present evidence and arguments in support of the appeal, to controvert evidence relied on by the Owner, and to confront and cross-examine all witnesses on whose testimony or information the Owner relies; and
- a decision based solely and exclusively upon the facts presented at the hearing.

Decision by the Owner

Within five (5) calendar days after the hearing, the hearing officer shall prepare a written decision, which shall include a statement of its findings of fact and specific reasons for the results. A copy of the decision shall be mailed or delivered to the parties or their representatives and a copy shall be kept in the resident's file.

Appeal to HUD

A displaced person who is dissatisfied with the Owner's determination on the appeal may submit a written request for further review with Field Office of the U.S. Department of Housing and Urban Development at:

HECTOR MERCADO
Relocation Specialist- Housing Assistant
Community Planning Housing and Development
Housing Division
Phone: (703) 228-3805
Fax: ((703) 228-3834
2100 Clarendon Blvd
Suit 700
Arlington, VA 22201

APPENDIX A: RELOCATION NEEDS ASSESSMENT



Resident Relocation Needs Assessment

Arlington, VA

The purpose of the relocation survey is to gather updated information on your household's relocation needs and preferences. This is not a notice to move or an assignment of where you will be moving.

Head of household name: _____

Address (including unit #): _____

Home Phone: _____ Cell: _____

E-mail: _____

Are you currently employed? (Please circle one) Yes No

If so, Place of Work and Address _____

Method of transportation to work? (Personal vehicle, bus, walk, etc.) _____

Best time to be reached: _____ a.m./ p.m. May we call you at work? Y / N

If yes, please list telephone number _____

Alternate/Emergency Contact:

Name: _____ Phone: _____ Relationship: _____

Name: _____ Phone: _____ Relationship: _____

Please list all other occupants on your lease:

Name	Relationship	Sex	Date of Birth	Age	
	Head of Household				

Current unit size: _____ Total # household: _____ Unit size eligible (HOU to calculate): _____

Does any member of your household smoke? (Circle one) Yes No

1) What is the primary language spoken in your household?

- English
- Spanish
- Other (list) _____
- Translations Required: _____

Is there anyone in your household that does not speak English? Yes No

If there is someone in your household who speaks English to provide translation, please provide name and contact information:

Is there anyone else besides yourself (Family, Friend, Case Worker) that you would like to be present during your move?

- No
- Yes

If yes, please provide Name and Contact Information

Do you give us permission to contact them directly and provide information on all relocation activities for your household?

- No
- Yes
- N/A

2) Do you require a unit, which will need special features to accommodate the disability of any household member (i.e., unable to climb stairs, needs assistance rails [grab bars] in bathroom, requires wheelchair accessibility, needs special equipment for vision and/or hearing impairment(s), has a live-in aide, etc.). If yes, please describe special unit needs:

- No modifications to the unit
 - Wheelchair-Accessible Unit
 - A Sensory-Impaired-Accessible Unit
 - Other Physical Adaptations (please explain)
-
-
-

Do you have any reasonable accommodations currently on file with property management? (If the resident needs a RA or adjust their RA they MUST do this through management office)

- No
- Yes

If yes, Please explain

Do you or any family members currently have outside service providers that come into your home (i.e. elder services, homemaking services, personal care services, Meals on Wheels, etc)?

- No
 - Yes
 - If yes, please provide agency name/s and contact information:
-
-
-

4) Do you currently have emergency response services (i.e. Lifeline) in case of a medical emergency?

- No
- Yes
- If yes, please describe: _____

5) Do you currently have any issues with pests in your unit? (mice, cockroaches, bed bugs, etc)

- No
- Yes
- If yes, please describe: _____

6) Do you have any allergies (i.e. dust or other as it pertains to extermination and/or cleaning agents)?

- No
- Yes
- If yes, please describe: _____

7) Do you have any scheduled medical procedures or conditions that might prevent you from moving when scheduled?

- No
- Yes (please provide brief explanation)

8) Do you have any extended travel plans or will be absent from your unit within the next 12 months?

Yes (please provide brief explanation)

9) Will you need assistance in packing your belongings or preparing your unit for renovations?

- No
- Yes. If yes, please check why assistance is required.
 - a. _____ I am elderly
 - b. _____ I am disabled
 - c. _____ Other: _____

Do you plan on discarding any items prior to the move?

- No
- Yes

If yes, please list items

Do you require assistance discarding these items?

- No
- Yes

10) Do you have any specialized equipment or materials that must be moved to your temporary unit? (If yes, list below)

11) Do you have any pet(s)?

- No
- Yes What Kind? _____

Management Approved Companion? _____

12) Do you have a valid driver's license?

- No
- Yes

If so, do you own a car?

- No
- Yes What Kind? _____

Do you currently have transportation services?

- No
- Yes
- If yes, please describe: _____

13) Do you have phone service in your unit that is in your name?

- No
- Yes

14) Do you have cable/internet service that is in your name?

- No
- Yes

Do you have internet service in your unit that is in your name?

- No

- Yes

Will you be transferring services while in your temporary unit?

- No
- Yes
- If yes, what provider do have?

15) During the relocation, would you prefer to temporarily reside with a friend or family member versus host unit?

- No
- Yes
- If yes, please provide contact information:

16) Do you currently have standing medical appointments?

- No
- Yes
- If yes, please provide days/times:

Additional Comments:

The information in this survey will be used to identify your re-housing requirements and preferences. It will also be used to understand the needs of the Weinberg Place community. All information provided in response to this survey is voluntary. By providing information on this form, you hereby consent to the information being shared with Weinberg management and ownership. Your responses will be used to coordinate relocation services with Housing Opportunities Unlimited (HOU). Do you authorize Housing

Opportunities Unlimited to exchange information with Weinberg Place Management and Ownership? This authorization will remain in effect until canceled by you (head of household or lessee) in writing.

(Please initial)

- No
- Yes

Interview date: _____	Time: _____
-----------------------	-------------

Interviewer's Name: _____

Head of Household Signature: _____

Co-Head of Household Signature: *(if any)* _____

APPENDIX B: GENERAL INFORMATION NOTICE (GIN) COVER LETTER



Dear Resident of The Arna Valley View Apartments,

Enclosed with this letter is the **GIN (General Information Notice)** explaining that the owner of The Arna Valley View Apartments, Arlington Partnership for Affordable Housing (APAH) is pursuing federal and local city funding for an upcoming rehabilitation project at the property you currently occupy/. This is a standard notice that is provided to all residents who may be affected by the upcoming project renovations. Although the notice states that you may be displaced, **no one at Arna Valley View Apartments will be permanently displaced from their home because of this project.** When funding has been secured for this project, you will receive another notice informing you that work is set to begin soon. The rehabilitation will include much needed work on your unit. We will set up a meeting soon to inform you of this work once it has been finalized.

During the renovations in your unit, it will be necessary for you to temporarily relocate while improvements are being made to the unit that you currently occupy. APAH has hired Housing Opportunities Unlimited (HOU) to manage the relocation and your relocation needs. **You do not need to move or do anything currently.** HOU is an experienced professional relocation services provider that will assist you in everything regarding your move. **You will not incur any additional costs due to this temporary relocation.**

You do not need to do anything currently. Please continue to pay your rent and comply with your lease. The HOU Relocation Coordinator will contact you soon. Please look out for upcoming notification about a virtual community meeting to meet the HOU team and learn more about the renovations. You will receive plenty of notice in the future about renovations as soon as there is more information.

Please be advised that this notice requires your signature for receipt confirmation. As you receive this please let the HOU team know if you have any additional questions or concerns.

Sincerely,

Jeray Wilson
Project Director
Housing Opportunities Unlimited (HOU)

APPENDIX C: GENERAL INFORMATION NOTICE (GIN)

GENERAL INFORMATION NOTICE RESIDENTIAL TENANT NOT DISPLACED (Grantee or Agency Letterhead)

Date: _____

Dear _____:

Arlington Partnership for Affordable Housing (APAH), is interested in acquiring and rehabilitating the property you currently occupy at (address) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the (_____) program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

If the project application is approved and federal financial assistance provided, you will be required to move temporarily so that the rehabilitation can be completed. Suitable housing will be made available to you for your temporary move and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe, and sanitary apartment in the same building/complex under reasonable terms and conditions.

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections for persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA. This assistance would be in addition to any assistance you

may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not carefully considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation eligibility.**

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact Jeray Wilson, Project Director, Housing Opportunities Unlimited (HOU) at (202) 977-8099 or jwilson@housingopportunities.com.

Sincerely,

Name, Title
APAH

Method of Delivery:
Hand Delivery (Date) _____
Regular Mail (Date sent)

APPENDIX D: NOTICE OF NONDISPLACEMENT

NOTICE OF NONDISPLACEMENT TO RESIDENTIAL TENANT (Grantee or Agency Letterhead)

Date _____

Dear _____:

On (date), Arlington Partnership for Affordable Housing (APAH), notified you of proposed plans to rehabilitate the property you currently occupy at (address) for a project which could receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the () federal program. On (date of program approval), the project was approved and will receive federal funding. Repairs will begin soon.

- **This is a notice of nondisplacement.** You will not be required to move permanently as result of the rehabilitation.
- You will be required to move temporarily for unit renovations and all your moving costs will be covered at no additional cost to you.

This notice guarantees you the following:

1. Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe, and sanitary apartment in the same building/complex under reasonable terms and conditions.
2. You will need to move temporarily so that the rehabilitation can be completed. You will be reimbursed for all your extra expenses, including the cost of moving to and from temporary housing and any increased interim housing costs. The temporary unit will be decent, safe, and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you **not to move from The Arna Valley View Apartments**. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because federal funding is involved in this project, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Of course, you must continue to comply with the terms and conditions of your lease.

If you have any questions, please contact _____, Relocation Coordinator at Housing Opportunities Unlimited (HOU) at (phone) or at (email). This letter is important to you and should be retained.

Sincerely,

Name, Title
APAH

Method of Delivery:
Hand Delivery (Date) _____
Regular Mail (Date sent) _____
Certified Mail (Return Receipt Requested)



Notice to Vacate – Temporary Relocation

120-DAY NOTICE TO VACATE

September 6, 2021

Name:

Dear Arna Valley View Resident:

On _____, Arlington Partnership for Affordable Housing (APAHA), notified you that they intend to rehabilitate the property you currently occupy. The notice also informed you that it may be necessary for you to move temporarily so that the rehabilitation can be completed.

This serves as your 120-day Notice to Vacate the Property. The effective date of this notice is September 6, 2021.

Our records indicate that you have met with Housing Opportunities Unlimited (HOU) Relocation Staff and they have provided you with some initial information related to this process. Based on the information you provided, everyone in your household is a US citizen, or national, or an alien lawfully present in the US and you are entitled to relocation assistance under the Uniform Relocation Act and Real Property Acquisition Policies Act of 1970, as amended (URA), the Relocation Assistance Law of 1967, and the Relocation Assistance Act.

HOU will work with you throughout this process to make sure you are able to relocate **120 days from now**. They will provide you with a comparable temporary unit assignment at least 30 days in advance of your move date. All costs for your temporary unit will be paid by the project. A contracted moving company will move your belongings to your temporary unit and back. In addition to moving assistance, you are also eligible for reimbursement of any costs associated with the transfer, connection and re-establishment of your existing utilities. If you are a person with a handicap or disability, reasonable accommodations will be made to assist you during this process.

You should expect to be out of your apartment for approximately 4-6 weeks. Please continue to pay your current rent to management while you are out of your apartment. If you have any questions, please contact our Project Director, Jeray Wilson at (202) 907-7747

This letter is important and should be retained.

Sincerely,

Arlington Partnership for Affordable Housing (APAHA)

APPENDIX F: 30-DAY NOTICE OF RELOCATION

Dear Resident,

As a resident of The Arna Valley View Apartments, Housing Opportunities Unlimited (HOU) is extremely excited to assist you in the upcoming proceedings of your temporary relocation to as part of the Arna Valley View rehabilitation project.

This notice serves as your notice to temporarily relocate. The effective date of this notice is () You will be relocated for approximately 7 business days and will return to your original unit upon completion.

HOU and The Property Management team are taking all the necessary steps to ensure that your move is carried out as safely and as efficiently as possible despite the unprecedented events of the COVID-19 pandemic. We ask that you remain patient and have confidence in our team as we work diligently to accommodate all matters before we commence. Going forward, we encourage you to review the CDC website for information about COVID-19, including its symptoms, how it spreads, and actions you can take to protect your health: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>.

If they have not done so already, HOU will contact you very soon to complete a resident assessment survey, confirm your anticipated move date, notify you of your temporary address, and make the necessary moving arrangements which will include packing supplies and the assistance of a moving company. If you have any questions, please contact _____, Assistant Project Director or _____@housingopportunities.com. For onsite assistance, please contact () at () or ().

Again, we thank you in advance for your understanding and look forward to relocating you to your new home!

Sincerely,

Assistant Project Director, Housing Opportunities Unlimited

APPENDIX G: AFFECTED RESIDENTS

RENT ROLL

ID	Description	Original Duration	Remaining Duration	Total Float	Start	Finish	Calendar
Marbella							
Milestones							
17	SPR	10	10	0	02/07/22	02/16/22	7 Day
18	Bid Set Recieved	30	30	0	02/17/22	03/18/22	7 Day
19	GMP	5	5	0	03/19/22	03/23/22	7 Day
15	Early Material Release	0	0	85	04/07/22		7 Day
30	LDA Permit	70	70	0	04/11/22	06/19/22	7 Day
16	Building Permit	10	10	74	06/20/22	06/29/22	7 Day
25	Trade Permit	15	15	74	06/30/22	07/14/22	7 Day
10	NTP	0	0	0	09/27/22		7 Day
20	Commence Construction	10	10	0	09/27/22	10/06/22	7 Day
35	Substantial Completion	0	0	0		06/02/23	7 Day

Procurement

Critical Contract Award

970	Cabinets & Tops	10	10	0	03/24/22	04/06/22	5 DAY WORK
1300	HVAC	10	10	0	03/24/22	04/06/22	5 DAY WORK
1310	Doors	10	10	0	03/24/22	04/06/22	5 DAY WORK
1320	Flooring	10	10	0	03/24/22	04/06/22	5 DAY WORK
1330	Electrical	10	10	0	03/24/22	04/06/22	5 DAY WORK
1340	Windows	10	10	0	03/24/22	04/06/22	5 DAY WORK

Subcontractor Prep / Review / Submit

1350	Cabinets & Tops	10	10	60	04/07/22	04/20/22	5 DAY WORK
1420	HVAC	10	10	0	04/07/22	04/20/22	5 DAY WORK
1430	Doors	10	10	50	04/07/22	04/20/22	5 DAY WORK
1440	Flooring	10	10	60	04/07/22	04/20/22	5 DAY WORK
1450	Electrical	10	10	40	04/07/22	04/20/22	5 DAY WORK
1460	Windows	10	10	0	04/07/22	04/20/22	5 DAY WORK

Architect Review / Approvals

1470	Cabinets & Tops	10	10	60	04/21/22	05/04/22	5 DAY WORK
1480	HVAC	10	10	0	04/21/22	05/04/22	5 DAY WORK
1490	Doors	10	10	50	04/21/22	05/04/22	5 DAY WORK
1500	Flooring	10	10	60	04/21/22	05/04/22	5 DAY WORK
1510	Electrical	10	10	40	04/21/22	05/04/22	5 DAY WORK
1520	Windows	10	10	0	04/21/22	05/04/22	5 DAY WORK

Start Date: 06/03/21
 Finish Date: 06/02/23
 Data Date: 06/03/21
 Run Date: 01/27/22



ID	Description	Original Duration	Remaining Duration	Total Float	Start	Finish	Calendar
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Material Release / Lead Times

Flooring

1385	Carpet	40	40	60	05/05/22	06/30/22	5 DAY WORK
1530	LVT Flooring	40	40	60	05/05/22	06/30/22	5 DAY WORK

Cabinets and Countertops

1540	Cabinets & Tops	40	40	60	05/05/22	06/30/22	5 DAY WORK
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Windows

1580	Windows	100	100	0	05/05/22	09/26/22	5 DAY WORK
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Electrical

1405	Panels	60	60	40	05/05/22	07/29/22	5 DAY WORK
1560	Fixtures	40	40	60	05/05/22	06/30/22	5 DAY WORK

HVAC

1167	HVAC Units	100	100	0	05/05/22	09/26/22	5 DAY WORK
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Doors

1395	Hardware	50	50	50	05/05/22	07/15/22	5 DAY WORK
1550	Pre-Hung & HM Doors	50	50	50	05/05/22	07/15/22	5 DAY WORK

Phase 1 - 1230, 1318, 1320 (20 Units)

40	Cut & Cap	3	3	0	10/07/22	10/11/22	Default (5 Day)
50	Demo	4	4	0	10/10/22	10/13/22	Default (5 Day)
60	R&R Ceiling HVAC Units	4	4	0	10/11/22	10/14/22	Default (5 Day)
70	Window R&R	5	5	4	10/11/22	10/17/22	Default (5 Day)
80	MEP Rough-ins	6	6	0	10/12/22	10/19/22	Default (5 Day)
90	MEP Inspections	2	2	0	10/20/22	10/21/22	Default (5 Day)
100	Building Inspection	1	1	0	10/24/22	10/24/22	Default (5 Day)
110	Patch, Hang, Finish Drywall	6	6	0	10/25/22	11/01/22	Default (5 Day)
120	Prime & Paint	5	5	0	10/28/22	11/03/22	Default (5 Day)
130	Cabinets & Hardware	6	6	0	11/01/22	11/08/22	Default (5 Day)
140	LVT Floors	5	5	0	11/03/22	11/09/22	Default (5 Day)
150	MEP Trims	4	4	0	11/04/22	11/09/22	Default (5 Day)
160	Appliance / Shelving / Blinds	3	3	0	11/07/22	11/09/22	Default (5 Day)
170	Harkins Punch & AHJ Inspections	4	4	0	11/08/22	11/11/22	Default (5 Day)
180	Final Clean	2	2	0	11/10/22	11/11/22	Default (5 Day)
190	Owner 1st Walks	3	3	0	11/14/22	11/16/22	Default (5 Day)
200	Punch Lists	3	3	0	11/15/22	11/17/22	Default (5 Day)
210	Turn Over	2	2	0	11/17/22	11/18/22	Default (5 Day)

Start Date: 06/03/21
 Finish Date: 06/02/23
 Data Date: 06/03/21
 Run Date: 01/27/22



ID	Description	Original Duration	Remaining Duration	Total Float	Start	Finish	Calendar
220	Tenant Relocation	5	5	0	11/21/22	11/29/22	Default (5 Day)
Phase 2 - 1220 (11 Units)							
230	Cut & Cap	2	2	0	11/30/22	12/01/22	Default (5 Day)
240	Demo	3	3	0	12/01/22	12/05/22	Default (5 Day)
250	R&R Ceiling HVAC Units	3	3	0	12/02/22	12/06/22	Default (5 Day)
260	Window R&R	4	4	2	12/02/22	12/07/22	Default (5 Day)
270	MEP Rough-ins	3	3	0	12/05/22	12/07/22	Default (5 Day)
280	MEP Inspections	2	2	0	12/08/22	12/09/22	Default (5 Day)
290	Building Inspection	1	1	0	12/12/22	12/12/22	Default (5 Day)
300	Patch, Hang, Finish Drywall	4	4	0	12/13/22	12/16/22	Default (5 Day)
310	Prime & Paint	4	4	0	12/15/22	12/20/22	Default (5 Day)
320	Cabinets & Hardware	4	4	0	12/19/22	12/22/22	Default (5 Day)
330	LVT Floors	5	5	0	12/20/22	12/27/22	Default (5 Day)
340	MEP Trims	3	3	0	12/22/22	12/27/22	Default (5 Day)
350	Appliance / Shelving / Blinds	3	3	0	12/22/22	12/27/22	Default (5 Day)
360	Harkins Punch & AHJ Inspections	3	3	0	12/23/22	12/28/22	Default (5 Day)
370	Final Clean	2	2	0	12/28/22	12/29/22	Default (5 Day)
380	Owner 1st Walks	2	2	0	12/30/22	01/03/23	Default (5 Day)
390	Punch Lists	2	2	0	01/03/23	01/04/23	Default (5 Day)
400	Turn Over	2	2	0	01/04/23	01/05/23	Default (5 Day)
410	Tenant Relocation	5	5	0	01/06/23	01/12/23	Default (5 Day)
Phase 3 - 1235 (10 Units)							
420	Cut & Cap	2	2	0	01/13/23	01/16/23	Default (5 Day)
430	Demo	3	3	0	01/16/23	01/18/23	Default (5 Day)
440	R&R Ceiling HVAC Units	3	3	0	01/17/23	01/19/23	Default (5 Day)
450	Window R&R	4	4	2	01/17/23	01/20/23	Default (5 Day)
460	MEP Rough-ins	3	3	0	01/18/23	01/20/23	Default (5 Day)
470	MEP Inspections	2	2	0	01/23/23	01/24/23	Default (5 Day)
480	Building Inspection	1	1	0	01/25/23	01/25/23	Default (5 Day)
490	Patch, Hang, Finish Drywall	4	4	0	01/26/23	01/31/23	Default (5 Day)
500	Prime & Paint	4	4	0	01/31/23	02/03/23	Default (5 Day)
510	Cabinets & Hardware	4	4	0	02/02/23	02/07/23	Default (5 Day)
520	LVT Floors	5	5	0	02/03/23	02/09/23	Default (5 Day)
530	MEP Trims	4	4	0	02/07/23	02/10/23	Default (5 Day)
540	Appliance / Shelving / Blinds	3	3	0	02/07/23	02/09/23	Default (5 Day)
550	Harkins Punch & AHJ Inspections	4	4	0	02/08/23	02/13/23	Default (5 Day)

Start Date: 06/03/21
 Finish Date: 06/02/23
 Data Date: 06/03/21
 Run Date: 01/27/22



ID	Description	Original Duration	Remaining Duration	Total Float	Start	Finish	Calendar						
560	Final Clean	2	2	0	02/10/23	02/13/23	Default (5 Day)						
570	Owner 1st Walks	3	3	0	02/14/23	02/16/23	Default (5 Day)						
580	Punch Lists	3	3	0	02/15/23	02/17/23	Default (5 Day)						
590	Turn Over	2	2	0	02/17/23	02/20/23	Default (5 Day)						
600	Tenant Relocation	5	5	0	02/21/23	02/27/23	Default (5 Day)						
Phase 4 - 1250 (11 Units)													
610	Cut & Cap	2	2	0	02/28/23	03/01/23	Default (5 Day)						
620	Demo	3	3	0	03/01/23	03/03/23	Default (5 Day)						
625	New PTAC Openings Demo & Masonry / Frame	6	6	0	03/02/23	03/09/23	Default (5 Day)						
640	Window R&R	4	4	2	03/06/23	03/09/23	Default (5 Day)						
650	MEP Rough-ins	3	3	0	03/07/23	03/09/23	Default (5 Day)						
660	MEP Inspections	2	2	0	03/10/23	03/13/23	Default (5 Day)						
670	Building Inspection	1	1	0	03/14/23	03/14/23	Default (5 Day)						
680	Patch, Hang, Finish Drywall	5	5	0	03/15/23	03/21/23	Default (5 Day)						
690	Prime & Paint	4	4	0	03/20/23	03/23/23	Default (5 Day)						
700	Cabinets & Hardware	4	4	0	03/22/23	03/27/23	Default (5 Day)						
710	LVT Floors	5	5	0	03/23/23	03/29/23	Default (5 Day)						
720	MEP Trims	4	4	0	03/27/23	03/30/23	Default (5 Day)						
730	Appliance / Shelving / Blinds	3	3	0	03/27/23	03/29/23	Default (5 Day)						
740	Harkins Punch & AHJ Inspections	4	4	0	03/28/23	03/31/23	Default (5 Day)						
750	Final Clean	2	2	0	03/30/23	03/31/23	Default (5 Day)						
760	Owner 1st Walks	3	3	0	04/03/23	04/05/23	Default (5 Day)						
770	Punch Lists	3	3	0	04/04/23	04/06/23	Default (5 Day)						
780	Turn Over	2	2	0	04/06/23	04/07/23	Default (5 Day)						
790	Tenant Relocation	5	5	0	04/10/23	04/14/23	Default (5 Day)						
Phase 5 - 1240 (11 Units)													
630	Cut & Cap	2	2	0	04/17/23	04/18/23	Default (5 Day)						
800	Demo	3	3	0	04/18/23	04/20/23	Default (5 Day)						
645	New PTAC Openings Demo & Masonry / Frame	6	6	0	04/19/23	04/26/23	Default (5 Day)						
810	Window R&R	4	4	2	04/21/23	04/26/23	Default (5 Day)						
820	MEP Rough-ins	3	3	0	04/24/23	04/26/23	Default (5 Day)						
830	MEP Inspections	2	2	0	04/27/23	04/28/23	Default (5 Day)						
840	Building Inspection	1	1	0	05/01/23	05/01/23	Default (5 Day)						
850	Patch, Hang, Finish Drywall	5	5	0	05/02/23	05/08/23	Default (5 Day)						
860	Prime & Paint	4	4	0	05/05/23	05/10/23	Default (5 Day)						
870	Cabinets & Hardware	4	4	0	05/09/23	05/12/23	Default (5 Day)						

Start Date: 06/03/21
Finish Date: 06/02/23
Data Date: 06/03/21
Run Date: 01/27/22



ID	Description	Original Duration	Remaining Duration	Total Float	Start	Finish	Calendar	2021		2022	
880	LVT Floors	5	5	0	05/10/23	05/16/23	Default (5 Day)				
890	MEP Trims	4	4	0	05/12/23	05/17/23	Default (5 Day)				
900	Appliance / Shelving / Blinds	3	3	0	05/12/23	05/16/23	Default (5 Day)				
910	Harkins Punch & AHJ Inspections	4	4	0	05/15/23	05/18/23	Default (5 Day)				
920	Final Clean	2	2	0	05/17/23	05/18/23	Default (5 Day)				
930	Owner 1st Walks	3	3	0	05/19/23	05/23/23	Default (5 Day)				
940	Punch Lists	3	3	0	05/22/23	05/24/23	Default (5 Day)				
950	Turn Over	2	2	0	05/24/23	05/25/23	Default (5 Day)				
960	Final Closeout	5	5	0	05/26/23	06/02/23	Default (5 Day)				

Start Date: 06/03/21
 Finish Date: 06/02/23
 Data Date: 06/03/21
 Run Date: 01/27/22



Marbella Apartments Relocation Plan

Arlington Partnership for Affordable Housing
Temporary Relocation Plan
Marbella Apartments

Prepared by
Housing Opportunities Unlimited

June 1, 2021

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Arlington Partnership for Affordable Housing (APAH)
RELOCATION PLAN prepared by HOUSING OPPORTUNITIES UNLIMITED (HOU)

I. INTRODUCTION

Arlington Partnership for Affordable Housing (APAH), the owner and managing member of Marbella Apartments, focuses on development and preservation of affordable housing with the intent to make a positive impact on tenants, communities and the environment through thoughtful engagement and integrated development. APAH's mission is to develop, preserve, and own qualify, affordable places to live; to promote stability and opportunity for residents; and to advocate with the people and communities they serve. Their current affordable housing portfolio of 1,800 rental homes and over 700 units in development, navigates through Virginia and Maryland. APAH prides itself on securing funding sources and completing transactions to ensure a suitable quantity of financing that has the capacity to yield sufficient amounts for construction funding and the preservation of affordable rent levels.

Arlington Partnership for Affordable Housing, has engaged Housing Opportunities Unlimited (HOU) to provide temporary relocation services for the residents of Marbella Apartments. HOU is a privately held company that offers relocation services and resident services to clients focused on affordable and mixed income housing communities. HOU also provides direct resident services and consulting around both relocation and resident services.

This Relocation Plan sets forth the procedures for the relocation for the residents of Marbella Apartments (Phase 1) in Arlington, Virginia that will be impacted by the rehabilitation project. This plan is written in accordance with the relevant provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 C.F.R. Part 24, and all applicable state and the city of Arlington regulations.

The underlying objective of this plan is to ensure persons affected as a direct result of the rehabilitation are treated fairly, consistently and equitably, so that they will not suffer disproportionate hardships as a direct result of activities designed for the benefit of the community as a whole.

Persons who may be contacted regarding this relocation plan include the following:

Relocation Agent

Jeray Wilson
Project Director
Housing Opportunities Unlimited
50 Redfield Street, Suite 101
Boston, MA 02122
(202) 907-7747
jwilson@housingopportunities.com

Owner Contact

Kim Painter

Chief of Staff
Arlington Partnership for Affordable Housing
4318 N Carlin Springs Road,
Arlington, VA 22203
(571) 733-9619
kpainter@apah.org

II. DEFINITIONS

1. ***Affected Residents*** – All residents of Marbella Apartments (Phase 1) as of the date the General Information Notice (GIN) is sent.
2. ***Arlington Partnership for Affordable Housing (APAH)*** Owner and managing agent for Marbella Apartments (Phase 1)
3. ***Decent, Safe and Sanitary*** -- A relocation dwelling that is (a) structurally sound, weather tight and in good repair, (b) contains safe electrical wiring and a safe heating system, (c) is adequate in size to meet the space needs of the displaced person, (d) contains safe unobstructed egress that is free from barriers in cases where there is mobility impairment and (e) complies with lead based paint requirements.
4. ***Host Unit*** – The project will entail acquiring temporary offsite units to house residents during the renovation of their unit. Those host units will be suitable, decent, safe, and sanitary and within close proximity to Marbella Apartments (Phase1). These units will be leased in the name of the Owner.
5. ***HOU – Housing Opportunities Unlimited*** – Professional relocation consultant procured by APAH that has experience and expertise in facilitating large-scale federal- and state-assisted relocation projects.
6. ***HUD*** –The United States Department of Housing and Urban Development.
7. ***LIHTC*** – Low Income Housing Tax Credit.
8. ***Person with a disability*** – a person who has a physical or mental impairment which substantially limits one or more major life activities.
9. ***Rehabilitation*** – The act or process of expanding, remodeling, altering or renovating apartments and common areas within the development.
10. ***Relocation*** – A move from one unit to another to accommodate the rehabilitation project.
11. ***Relocation Coordinator*** – An employee of HOU and representative of the owner whose specific task is to monitor and coordinate all relocation activity and implement the

relocation plan to ensure compliance with applicable relocation regulations, guidelines, and laws.

12. ***Suitable Temporary Replacement Housing*** – An onsite or offsite “host” unit that will be used for temporary housing during the relocation period. The “host” unit will be decent, safe, and sanitary and suitable for the household size.
13. ***Temporary Move*** – When residents are not required to move permanently but must relocate for a period of less than 12 months to facilitate unit rehabilitation on the site.
14. ***URA*** – Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), is the federal regulation that provides protections and assistance for people affected by acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

III. PROJECT SUMMARY

Marbella Apartments is located at 1301 N. Queen Road Arlington, VA 22209 and is made up of 12 three-story buildings, located over 4 blocks for a total of 134 units. There are currently 2 studio apartments, 105 one-bedroom apartments, 20 two-bedroom apartments and 7 three-bedroom apartments.

Phase 1 of renovation consists of 62 households located at:

- 1318 N. Pierce Street
- 1320 N. Pierce Street
- 1220 N. Quinn Street
- 1230 N. Quinn Street
- 1235 N. Quinn Street
- 1240 N. Quinn Street
- 1250 N. Quinn Street

A synopsis of the planned renovation scope of work for Marbella Apartments (Phase 1) is below:

SITE WORK

- 30% Improvement in Energy Performance
- Update finishes, fixtures and appliances
- Replace kitchen cabinets
- Replace heating and cooling systems
- Replace central boilers
- Repoint brick facade
- Drainage improvements
- Landscaping improvements and upgrades

BUILDINGS AND COMMON AREAS

- Roof Replacement
- Common area finishes
- Window Replacement
- Building exterior siding and trim

MECHANICAL/ELECTRICAL/PLUMBING

- Smoke detector replacements
- HVAC replacements

UNIT INTERIORS

- Kitchen and bath cabinet replacements
- Appliance upgrades
- Door fixtures and replacement

The project will be financed using 4% Tax Credit and Tax Exempt Bonds. The application for funding is being submitted in Quarter 4 of 2022 and the estimated construction date is Quarter 2 of 2022.

Because of the extent of the renovations, it will be necessary for residents to temporarily relocate to vacant onsite or offsite units for the duration of the construction period. Residents will be temporarily relocated for up to 16 weeks.

When residents move out of the temporary host units, a third-party cleaner will clean, sanitize and disinfect units between turnover. The unit will be vacant for at least 48 hours prior to being re-occupied by another tenant.

As of June 1, 2021, Marbella Apartments is at approximately 99% occupancy. There is no anticipated permanent displacement for the current households at Marbella Apartments.

IV. RELOCATION REQUIREMENTS & IMPLEMENTATION

A. Relocation Phasing Plan

The current construction schedule demonstrates a staggered schedule with buildings being turned over to construction beginning Quarter 2 of 2023. With the anticipated construction length being up to 16 weeks for each building, renovations are set to be completed for the interior unit work prior to the close of 2023.

Temporarily relocated residents will not be required to sign a lease but will be required to sign a Temporary Transfer of Occupancy agreement with Management with respect to the temporary relocation and be required to comply with the terms of their original lease. While living in the temporary host unit, residents need to continue paying the rent under their lease directly to The Marbella Apartments (Phase 1) Property Management. Residents are also expected to comply will all other parts of their lease agreement during their temporary relocation.

After unit renovations are completed, we anticipate households returning to their original unit. Households that are currently in units that do not meet their qualifying bedroom size based on current household composition (over housed or under housed) will return to a renovated unit that meets their qualifying bedroom size, as possible through available units. There will be accommodations made for residents who require lower floors.

B. Relocation Counseling and Relocation Needs Assessment

APAH has procured the services of relocation contractor Housing Opportunities Unlimited (HOU) to provide relocation services to the families who will be affected because of the project. HOU Relocation staff will assume responsibility for administering the relocation plan. The HOU on-site office will be ideally located at Marbella Apartments (Phase 1) or nearby, and the Relocation staff will work a flexible schedule generally between 9am and 5pm as well as some evenings and weekends to be accessible to all households. Residents will have the opportunity to meet personally with the property manager and Relocation Coordinator at their request throughout the relocation and redevelopment process. As all entities involved will carefully observe recommendations from the CDC concerning the Coronavirus pandemic, HOU will use different virtual avenues to gather data from residents on the assessments (virtual meetings, phone calls, group resident meetings via Zoom, etc.) Included in the Relocation Plan is HOU's response plan to COVID-19 that notates precautionary measures taken when interacting with residents when face to face interaction is required.

HOU will provide comprehensive temporary relocation counseling and assistance to households in accordance with the Uniform Relocation Assistance and Real Property Act of 1970 (URA), implementing regulations at 49CFR Part 24, the guidelines set forth in HUD Handbook 1378 on Tenant Assistance Relocation and Real Property Acquisition. Temporary relocation counseling and advisory services may include small community meetings (when appropriate) at the site and personal interviews with each household. HOU Relocation staff are responsible for conducting resident meetings (whether virtual or in-person), providing required and additional resident notices about relocation (including General Information Notice, Notice of Non-displacement and 30-Day Relocation Notices), conducting mobility counseling, scheduling and coordinating temporary relocation moves, coordinating transfer of cable/phone/internet services is applicable, conducting follow-up visits, communicating on an ongoing basis with tenants as needed and documenting the temporary relocation activities.

HOU will conduct a comprehensive relocation needs assessment with each of the households in order to be able to best address any concerns or issues regarding the households' temporary relocation and plan for any issues that could arise during their temporary relocation. During the resident assessment phase of the project, HOU Relocation staff will:

- Meet/speak one-on-one with each individual household to identify their relocation needs. Among information collected in the assessment will include household composition, approved reasonable accommodations, pets, current in-home services, planned vacations/hospitalizations.

- Complete the assessment, preferably with a bilingual HOU employee when English is not the resident's first language. Where a bilingual HOU employee is not available, interpreter/translation services will be used. The major languages currently spoken are English, Spanish and Mongolian.
- Evaluate tenant furniture and belongings, making special note of large furnishings, housekeeping issues, clutter, pest issues and hoarding disorders.
- Determine whether a household needs packing and unpacking services.
- Assess each household individually to identify all obstacles that may affect relocation.

In addition, HOU staff will be responsible for the following tasks regarding Marbella Apartments (Phase 1) temporary relocation planning and implementation:

- Conduct community meetings (virtual or in person) to prepare residents for their upcoming rehabilitation.
- Prepare and distribute written notices, including 30-Day, 14-Day, and 48-Hour Notices for affected households.
- Work closely with construction, property management, development, and contractors to coordinate and ensure all requirements are met prior to scheduled renovations for each unit.
- Conduct advance planning with special needs households (including elderly, disabled, and households with maintenance issues).
- Work with the Development team, Property Management and the Resident Services Coordinator and/or other third-party supportive services to identify and coordinate services for households with special needs and ensure uninterrupted services during relocation for affected households during tenant in-place relocation.
- Establish procedures for minimizing resident property damage and serving as initial point of contact regarding resident claims of damage/loss.
- Work closely with Arlington County Public Schools (mainly the Assistant Superintendent, transportation, and the principals of each school) to keep them updated on Marbella Apartments redevelopment plans and to ensure that all students are able to remain in their home school without interruption during the relocation process.

C. Resident Notifications

Throughout the pre-construction and construction periods, the development team will work with HOU Relocation staff to communicate with residents to keep them informed of progress and to answer questions about the rehabilitation plan and the implementation of this Temporary Relocation Plan through periodic meetings, notices and other avenues of personal communication. A copy of this relocation plan will be distributed to each Phase 1 household and available, as requested, through Marbella Apartment Management office. The property management team alongside HOU will organize community meetings within reason given the limitations set forth by national and local authorities prior to construction start to inform residents of the upcoming renovations and explain the temporary relocation process.

Residents of Marbella Apartments (Phase 1) will receive the following notifications:

- **General Information Notice (GIN)** – Written notice indicating that ownership is applying to complete the rehabilitation project, advises residents not to move, explains the nature of the proposed rehabilitation project and describes in general terms the relocation assistance available to all residents. This notice will either be hand-delivered and signed for by each resident or mailed via certified mail, return receipt requested to all occupied households at The Marbella Apartments. Along with the GIN will be a cover letter sent to households to explain the notice. As an additional method of delivery given COVID-19, a copy of the notice will be sent out regular mail with the instruction to sign a colored copy of the notice to drop off at the Management office. See *Appendix B and C*.
- **Notice of Non-displacement** – Written notice indicating that federal funding has been secured for the rehabilitation project. Notice also indicates that the household will not be displaced from the property because of the rehabilitation project but will need to be temporarily relocated while unit renovations are occurring. This notice will be hand-delivered and signed for by each resident or sent certified first-class mail, return receipt requested. As an additional method of delivery given COVID-19, a copy of the notice will be sent out regular mail with the instruction to sign a colored copy of the notice to drop off at the Management office. See *Appendix D*.
- **30-Day Notice to Relocate** – Written notice provided at least 30 days in advance of the resident's move that informs them of the location of their temporary relocation unit, anticipated duration of the temporary relocation, move date to temporary unit and expected return date. These notices will be hand-delivered and signed for by each resident. See *Appendix E*.

Signed copies of the above notices will be kept in the relocation file for each household. Along with the required notices above, residents will receive the following additional notification prior to their temporary relocation and move back to a renovated unit.

- No less than **2 days** before the temporary relocation, the Affected residents will be given a written notice that confirms the day of their move and the address of their temporary relocation as well as the anticipated time frame of their move start.
- Written notice about any changes to their 30-Day Notice to Relocate. This includes if their move date has been delayed and/or if their anticipated move date from the temporary host unit has changed.

D. Moving Assistance

The following details the moving assistance and covered relocation expenses that will be provided, at no cost, to all Affected Residents of Marbella Apartments:

- Services of a licensed, professional moving company that will move belongings of households temporarily relocating from their current apartment to their host unit and back to a renovated unit.

- Packing supplies (boxes, wrap, and tape) for packing personal property.
- Packing and unpacking assistance for households requiring such assistance.
- Cost of transferring utility services (phone, cable, Internet) to and from host unit or setting up utility service in host units.

V. COVID-19 Response Protocol

HOU has developed a comprehensive plan to relocate residents that has been reviewed and approved by Colden Corporation. Colden is a team of Certified Industrial Hygienists, Certified Safety Professionals, Certified Professional Environmental Auditors, and doctoral-trained environmental and occupational health scientists highly trained in the latest techniques, procedures, and laws to help ensure a safe and healthy workplace. Due to current concerns regarding COVID-19 the following protocols will be taken to minimize risk and exposure at Marbella Apartments (Phase 1) during the renovations:

1. Relocation units and rental furniture, if used, will be cleaned, and disinfected between phases of household relocation. This will be done by a third-party cleaning company that will comply with CDC cleaning/disinfection guidelines. The areas to clean will include but not be limited to bathrooms, kitchens, shared electronic equipment (remote controls, TV) and especially focusing on frequently touched surfaces like doorknobs and counters.
2. During moves, residents will be required to wear a face covering and keep at least 6ft of distance between themselves and movers. HOU will set up a day space they can relax in during the move to maintain safe distance from others that may be present. After the move, a light cleaning of frequently touched surfaces will be done before the resident returns to the apartment.
3. Renovated apartments will be cleaned and disinfected after construction has completed work in the unit and before the household returns.
4. Contractors, cleaners, movers, HOU staff, and all on-site property management and ownership staff will always wear Personal Protective Equipment (PPE) while at the Marbella Apartments.
5. Self-certification forms may be required and used by contractors and other vendors on-site.

As the CDC, state, and local officials release additional guidance, APAH and HOU will monitor and revise this plan, as necessary. Residents will be provided with information about these protocols prior to their relocation and the strategies will be explained in thorough detail during the one to one assessment.

VI. FAILURE OF RESIDENTS TO ADHERE TO THIS PLAN

Marbella Apartments (Phase 1) Management will exercise its authority judiciously to ensure residents comply with this Relocation Plan and enable the rehabilitation activities to occur in a timely fashion. Eviction may be employed only as a last resort and shall be undertaken in conformance with applicable state, federal and local laws. The property manager may initiate actions under the eviction procedures if a resident refuses to comply with the following:

- A. Move or relocate
- B. Meet Property Management/HOU Relocation staff regarding relocation or
- C. Cooperate in the relocation process.

However, Property Management and HOU Relocation staff will undertake every effort to best accommodate resident needs during their relocation and coordinate resident relocation with the support of resident emergency contacts/family members to avoid eviction action.

VII. APPEALS

Grounds for Appeal

If a resident contends that this Relocation Plan is not being implemented properly or believes the Owner has failed to properly consider the person’s request for relocation assistance, the resident may file a written appeal to APAH at 4318 N Carlin Springs Road, Arlington, VA 22203 where staff is responsible for ensuring that the Relocation Advisory Agent:

- A. Properly determines whether the resident qualifies or will qualify as a person who is eligible for relocation assistance;
- B. Properly determines the amount of any relocation payment required by this plan;
- C. Properly provides an appropriate temporary relocation unit; and
- D. Properly responds to an appeal in a timely manner.

HOU Relocation staff shall inform residents, in writing, of their right to appeal to Marbella Apartments (Phase 1) Management. Grounds for an appeal may include:

1. A determination by the Owner of the individual’s eligibility or ineligibility as an Affected Resident, as defined by the Relocation Plan;
2. A determination by the Owner of the scope and amount of relocation assistance made available to an Affected Resident;
3. Any decision to temporarily relocate the family, including the terms and conditions of the temporary move, or the amount and scope of temporary relocation benefits; and/or
4. The Owner’s determination that an Affected Resident rejected an offer of a comparable replacement unit without good cause.

Grounds for appeal shall not include suspension of discretionary relocation benefits to former residents.

Filing an Appeal

An appeal must be filed in writing within sixty (60) calendar days of the date of the contested action, or by referral from Marbella Apartments (Phase 1) Management in which event written notice from the resident is not required. The date of the contested action is the date on which a determination was communicated to the resident. If the appeal is based on an event for which a date of action cannot be determined, the appeal must be filed within sixty (60) calendar days of the action.

Right to Representation; Right to File Review

Any person requesting an appeal shall have the opportunity to examine and copy all documents, records and regulations that are relevant to the appeal prior to any hearing. The Owner may charge a reasonable fee for copies of more than fifty (50) pages. Any person requesting an appeal shall have the right to be represented by counsel or any other person of their choice.

Conduct of the Appeal

An appeal shall be scheduled as promptly as possible. All requests for appeals shall be heard within ten calendar days from the time of the request for the appeal. The appellant shall have at least five calendar days advance written notice of the date, time, and place of the hearing. If the appellant requires a change in the date of the hearing, the resident must contact the Owner at least forty-seven (48) hours in advance of the scheduled hearing. Upon the resident's showing of good cause, the Owner shall arrange an alternate date and time for the hearing and notify all parties.

The appeal will be conducted by a representative of the Owner who is not the person who took the action under appeal. The hearing shall be informal, and oral or documentary evidence pertinent to the facts and issues raised by the appeal may be received without regard to admissibility under the rules of evidence applicable to judicial proceedings. At the appeal, the appellant shall have the right to:

- examine and to copy all documents, records and regulations that are relevant to the appeal prior to any hearing;
- be represented by counsel or any other person of their choice;
- present evidence and arguments in support of the appeal, to controvert evidence relied on by the Owner, and to confront and cross-examine all witnesses on whose testimony or information the Owner relies; and
- a decision based solely and exclusively upon the facts presented at the hearing.

Decision by the Owner

Within five (5) calendar days after the hearing, the hearing officer shall prepare a written decision, which shall include a statement of its findings of fact and specific reasons for the results. A copy of the decision shall be mailed or delivered to the parties or their representatives and a copy shall be kept in the resident's file.

Appeal to HUD

A displaced person who is dissatisfied with the Owner's determination on the appeal may submit a written request for further review with Field Office of the U.S. Department of Housing and Urban Development at:

HECTOR MERCADO
Relocation Specialist- Housing Assistant
Community Planning Housing and Development
Housing Division
Phone: (703) 228-3805
Fax: ((703) 228-3834
2100 Clarendon Blvd
Suit 700

Arlington, VA 22201

APPENDIX A: RELOCATION NEEDS ASSESSMENT



**Resident Relocation Needs Assessment
Marbella Apartments**

Arlington, VA

The purpose of the relocation survey is to gather updated information on your household’s relocation needs and preferences. This is not a notice to move or an assignment of where you will be moving.

Head of household name: _____

Address (including unit #): _____

Home Phone: _____ Cell: _____

E-mail: _____

Are you currently employed? (Please circle one) Yes No

If so, Place of Work and Address _____

Method of transportation to work? (Personal vehicle, bus, walk, etc.) _____

Best time to be reached: _____ a.m./ p.m. May we call you at work? Y / N

If yes, please list telephone number _____

Alternate/Emergency Contact:

Name: _____ Phone: _____ Relationship: _____

Name: _____ Phone: _____ Relationship: _____

Please list all other occupants on your lease:

Name	Relationship	Sex	Date of Birth	Age	
	Head of Household				

Current unit size: _____ Total # household: _____ Unit size eligible (HOU to calculate): _____

Does any member of your household smoke? (Circle one) Yes No

1) What is the primary language spoken in your household?

- English
- Spanish
- Other (list) _____
- Translations Required: _____

Is there anyone in your household that does not speak English? Yes No

If there is someone in your household who speaks English to provide translation, please provide name and contact information:

Is there anyone else besides yourself (Family, Friend, Case Worker) that you would like to be present during your move?

- No
- Yes

If yes, please provide Name and Contact Information

Do you give us permission to contact them directly and provide information on all relocation activities for your household?

- No
- Yes
- N/A

2) Do you require a unit, which will need special features to accommodate the disability of any household member (i.e., unable to climb stairs, needs assistance rails [grab bars] in bathroom, requires wheelchair accessibility, needs special equipment for vision and/or hearing impairment(s), has a live-in aide, etc.). If yes, please describe special unit needs:

- No modifications to the unit

- Wheelchair-Accessible Unit
 - A Sensory-Impaired-Accessible Unit
 - Other Physical Adaptations (please explain)
-
-
-

Do you have any reasonable accommodations currently on file with property management? (If the resident needs a RA or adjust their RA they MUST do this through management office)

- No
- Yes

If yes, Please explain

Do you or any family members currently have outside service providers that come into your home (i.e. elder services, homemaking services, personal care services, Meals on Wheels, etc)?

- No
 - Yes
 - If yes, please provide agency name/s and contact information:
-
-
-
-

4) Do you currently have emergency response services (i.e. Lifeline) in case of a medical emergency?

- No
- Yes
- If yes, please describe: _____

5) Do you currently have any issues with pests in your unit? (mice, cockroaches, bed bugs, etc)

- No
- Yes

If yes, please describe: _____

6) Do you have any allergies (i.e. dust or other as it pertains to extermination and/or cleaning agents)?

- No
- Yes
- If yes, please describe: _____

7) Do you have any scheduled medical procedures or conditions that might prevent you from moving when scheduled?

- No
- Yes (please provide brief explanation)

8) Do you have any extended travel plans or will be absent from your unit within the next 12 months?

Yes (please provide brief explanation)

9) Will you need assistance in packing your belongings or preparing your unit for renovations?

- No
- Yes. If yes, please check why assistance is required.
 - a. _____ I am elderly
 - b. _____ I am disabled
 - c. _____ Other: _____

Do you plan on discarding any items prior to the move?

- No
- Yes

If yes, please list items

Do you require assistance discarding these items?

- No
- Yes

10) Do you have any specialized equipment or materials that must be moved to your temporary unit? (If yes, list below)

11) Do you have any pet(s)?

- No
- Yes What Kind? _____

Management Approved Companion? _____

12) Do you have a valid driver's license?

- No
- Yes

If so, do you own a car?

- No
- Yes What Kind? _____

Do you currently have transportation services?

- No
- Yes
- If yes, please describe: _____

13) Do you have phone service in your unit that is in your name?

- No
- Yes

14) Do you have cable/internet service that is in your name?

- No
- Yes

Do you have internet service in your unit that is in your name?

- No
- Yes

Will you be transferring services while in your temporary unit?

- No
- Yes
- If yes, what provider do have?

15) During the relocation, would you prefer to temporarily reside with a friend or family member versus host unit?

- No
- Yes
- If yes, please provide contact information:

16) Do you currently have standing medical appointments?

- No

- Yes
- If yes, please provide days/times:

Additional Comments:

The information in this survey will be used to identify your re-housing requirements and preferences. It will also be used to understand the needs of the Weinberg Place community. All information provided in response to this survey is voluntary. By providing information on this form, you hereby consent to the information being shared with Weinberg management and ownership. Your responses will be used to coordinate relocation services with Housing Opportunities Unlimited (HOU). Do you authorize Housing

Opportunities Unlimited to exchange information with Weinberg Place Management and Ownership?
This authorization will remain in effect until canceled by you (head of household or lessee) in writing.

(Please initial)

- No
- Yes

Interview date: _____ Time: _____

Interviewer's Name: _____

Head of Household Signature: _____

Co-Head of Household Signature: *(if any)* _____

APPENDIX B: GENERAL INFORMATION NOTICE (GIN) COVER LETTER



Dear Resident of The Marbella Apartments,

Enclosed with this letter is the **GIN (General Information Notice)** explaining that the owner of The Marbella Apartments, Arlington Partnership for Affordable Housing (APAH) is pursuing federal and local city funding for an upcoming rehabilitation project at the property you currently occupy/. This is a standard notice that is provided to all residents who may be affected by the upcoming project renovations. Although the notice states that you may be displaced, **no one at Marbella Apartments (Phase 1) will be permanently displaced from their home because of this project.** When funding has been secured for this project, you will receive another notice informing you that work is set to begin soon. The rehabilitation will include much needed work on your unit. We will set up a meeting soon to inform you of this work once it has been finalized.

During the renovations in your unit, it will be necessary for you to temporarily relocate while improvements are being made to the unit that you currently occupy. APAH has hired Housing Opportunities Unlimited (HOU) to manage the relocation and your relocation needs. **You do not need to move or do anything currently.** HOU is an experienced professional relocation services provider that will assist you in everything regarding your move. **You will not incur any additional costs due to this temporary relocation.**

You do not need to do anything currently. Please continue to pay your rent and comply with your lease. The HOU Relocation Coordinator will contact you soon. Please look out for upcoming notification about a virtual community meeting to meet the HOU team and learn more about the renovations. You will receive plenty of notice in the future about renovations as soon as there is more information.

Please be advised that this notice requires your signature for receipt confirmation. As you receive this please let the HOU team know if you have any additional questions or concerns.

Sincerely,

Jeray Wilson

Project Director
Housing Opportunities Unlimited (HOU)

APPENDIX C: GENERAL INFORMATION NOTICE (GIN)

GENERAL INFORMATION NOTICE RESIDENTIAL
TENANT NOT DISPLACED
(Grantee or Agency Letterhead)

Date: _____

Dear _____:

Arlington Partnership for Affordable Housing (APAH), is interested in acquiring and rehabilitating the property you currently occupy at (address) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the () program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

If the project application is approved and federal financial assistance provided, you will be required to move temporarily so that the rehabilitation can be completed. Suitable housing will be made available to you for your temporary move and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will need to continue to pay your rent and comply with all other lease terms and conditions.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe, and sanitary apartment in the same building/complex under reasonable terms and conditions.

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections for persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA. This assistance would be in addition to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not carefully considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking

relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation eligibility.**

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact Jeray Wilson, Project Director, Housing Opportunities Unlimited (HOU) at (202) 977-8099 or jwilson@housingopportunities.com.

Sincerely,

Name, Title
APAH

Method of Delivery: Hand Delivery (Date)_____
Regular Mail (Date sent)

APPENDIX D: NOTICE OF NONDISPLACEMENT

NOTICE OF NONDISPLACEMENT TO RESIDENTIAL TENANT (Grantee or Agency Letterhead)

Date _____

Dear _____:

On (date) , Arlington Partnership for Affordable Housing (APAH), notified you of proposed plans to rehabilitate the property you currently occupy at (address) for a project which could receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the () federal program. On (date of program approval), the project was approved and will receive federal funding. Repairs will begin soon.

- **This is a notice of nondisplacement.** You will not be required to move permanently as result of the rehabilitation.
- You will be required to move temporarily for unit renovations and all your moving costs will be covered at no additional cost to you.

This notice guarantees you the following:

1. Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment or another suitable, decent, safe, and sanitary apartment in the same building/complex under reasonable terms and conditions.
2. You will need to move temporarily so that the rehabilitation can be completed. You will be reimbursed for all your extra expenses, including the cost of moving to and from temporary housing and any increased interim housing costs. The temporary unit will be decent, safe, and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you **not to move from The Marbella Apartments**. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because federal funding is involved in this project, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Of course, you must continue to comply with the terms and conditions of your lease.

If you have any questions, please contact _____, Relocation Coordinator at Housing Opportunities Unlimited (HOU) at (phone) or at (email). This letter is important to you and should be retained.

Sincerely,

Name, Title
APAH

Method of Delivery:

Hand Delivery
(Date) _____

Regular Mail (Date sent)



Notice to Vacate – Temporary Relocation

Dear Resident,

As a resident of The Marbella Apartments, Housing Opportunities Unlimited (HOU) is extremely excited to assist you in the upcoming proceedings of your temporary relocation to as part of the Marbella rehabilitation project.

This notice serves as your notice to temporarily relocate. The effective date of this notice is () You will be relocated for approximately 7 business days and will return to your original unit upon completion.

HOU and The Property Management team are taking all the necessary steps to ensure that your move is carried out as safely and as efficiently as possible despite the unprecedented events of the COVID-19 pandemic. We ask that you remain patient and have confidence in our team as we work diligently to accommodate all matters before we commence. Going forward, we encourage you to review the CDC website for information about COVID-19, including its symptoms, how it spreads, and actions you can take to protect your health: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>.

If they have not done so already, HOU will contact you very soon to complete a resident assessment survey, confirm your anticipated move date, notify you of your temporary address, and make the necessary moving arrangements which will include packing supplies and the assistance of a moving company. If you have any questions, please contact _____, Assistant Project Director or _____@housingopportunities.com. For onsite assistance, please contact () at () or ().

Again, we thank you in advance for your understanding and look forward to relocating you to your new home!

Sincerely,

Assistant Project Director, Housing Opportunities Unlimited

APPENDIX F: AFFECTED RESIDENTS

RENT ROLL

ARNA VALLEY VIEW - PROJECT SCHEDULE

6020	Punch List	1	46	02/08/23	02/08/23	5 DAY WORK
6030	2nd Walk w/ Owner	1	46	02/08/23	02/08/23	5 DAY WORK
6040	Tenant Relocation	5	46	02/09/23	02/15/23	5 DAY WORK

Phase 4

Group 10 - Units 403, 303, 203, 103

5610	Selective Demolition and Make Safe	2	0	02/14/23	02/15/23	5 DAY WORK
6415	Install Windows	2	102	02/14/23	02/15/23	5 DAY WORK
5617	Plumbing Rough-ins	6	100	02/16/23	02/23/23	5 DAY WORK
5618	Plumbing Inspection	2	100	02/24/23	02/27/23	5 DAY WORK
7710	Install Den Shield for Tub Surrounds	3	100	02/28/23	03/02/23	5 DAY WORK
7720	Install Tub Surrounds	3	100	02/28/23	03/02/23	5 DAY WORK
7730	Patch and Finish Drywall	5	100	03/03/23	03/09/23	5 DAY WORK
7740	Paint	4	100	03/06/23	03/09/23	5 DAY WORK
6425	Install New Cabinets and Countertops	2	100	03/07/23	03/08/23	5 DAY WORK
6435	Install Plumbing Fixtures	2	100	03/07/23	03/08/23	5 DAY WORK
6445	Install Water Heater / HVAC Unit	3	100	03/07/23	03/09/23	5 DAY WORK
6455	Install Flooring	2	100	03/07/23	03/08/23	5 DAY WORK
7750	Install Light Fixtures	2	100	03/07/23	03/08/23	5 DAY WORK
7760	Install Hardware & Toilet and Bath Accessories	2	100	03/07/23	03/08/23	5 DAY WORK
7770	Install Appliances	2	100	03/07/23	03/08/23	5 DAY WORK
7780	Final Clean	2	100	03/09/23	03/10/23	5 DAY WORK
7790	1st Walk w/ Owner	1	100	03/09/23	03/09/23	5 DAY WORK
7800	Punch List	1	100	03/10/23	03/10/23	5 DAY WORK
7810	2nd Walk w/ Owner	1	100	03/10/23	03/10/23	5 DAY WORK

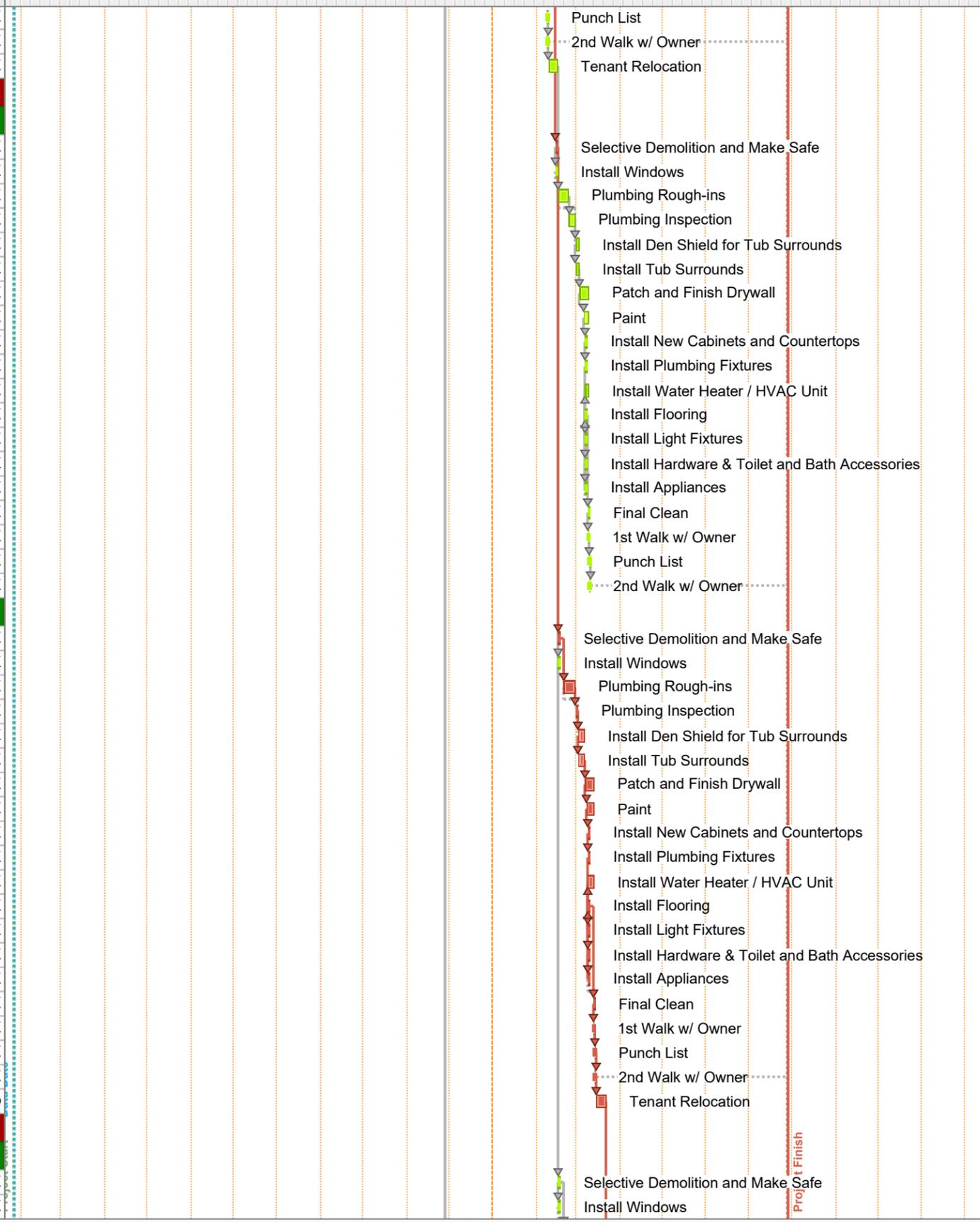
Group 11 - Units 402, 302, 202, 102

5620	Selective Demolition and Make Safe	2	0	02/16/23	02/17/23	5 DAY WORK
6465	Install Windows	2	2	02/16/23	02/17/23	5 DAY WORK
5627	Plumbing Rough-ins	6	0	02/20/23	02/27/23	5 DAY WORK
5628	Plumbing Inspection	2	0	02/28/23	03/01/23	5 DAY WORK
7820	Install Den Shield for Tub Surrounds	3	0	03/02/23	03/06/23	5 DAY WORK
7830	Install Tub Surrounds	3	0	03/02/23	03/06/23	5 DAY WORK
7840	Patch and Finish Drywall	5	0	03/07/23	03/13/23	5 DAY WORK
7850	Paint	4	0	03/08/23	03/13/23	5 DAY WORK
6475	Install New Cabinets and Countertops	2	0	03/09/23	03/10/23	5 DAY WORK
6485	Install Plumbing Fixtures	2	0	03/09/23	03/10/23	5 DAY WORK
6495	Install Water Heater / HVAC Unit	3	0	03/09/23	03/13/23	5 DAY WORK
6505	Install Flooring	2	0	03/09/23	03/10/23	5 DAY WORK
7860	Install Light Fixtures	2	0	03/09/23	03/10/23	5 DAY WORK
7870	Install Hardware & Toilet and Bath Accessories	2	0	03/09/23	03/10/23	5 DAY WORK
7880	Install Appliances	2	0	03/09/23	03/10/23	5 DAY WORK
7890	Final Clean	2	0	03/13/23	03/14/23	5 DAY WORK
7900	1st Walk w/ Owner	1	0	03/13/23	03/13/23	5 DAY WORK
7910	Punch List	1	0	03/14/23	03/14/23	5 DAY WORK
7920	2nd Walk w/ Owner	1	0	03/14/23	03/14/23	5 DAY WORK
7925	Tenant Relocation	5	0	03/15/23	03/21/23	Default (5 Day

Phase 5

Group 12 - Units 401, 301, 201, 101

5630	Selective Demolition and Make Safe	2	46	02/16/23	02/17/23	5 DAY WORK
6515	Install Windows	2	100	02/16/23	02/17/23	5 DAY WORK



Start Date: 01/27/22
 Finish Date: 07/28/23
 Data Date: 01/27/22
 Run Date: 03/23/22



ARNA VALLEY VIEW - UNIT RELOCATION PHASING PLAN

Arna Valley Phasing Plan

Building 8		Units Numbers				Unit Type			Unit Count
Phase 1									
Group 1	403	303	203	103		B9.1		4	
Group 2	402	302	202	102	T02	A9.1	A91.1	5	
Tenant Relocation	Turnover group 1 & 2, receive phase 2								
Group 3	401	301	201	101	T01	C9.1	C91.3	5	
Group 4	407	307	207	107	T04	C9.1.1	C91.3	5	
Tenant Relocation	Turnover group 3 & 4, receive phase 3								
Phase 2									
Group 5	406	306	206	106		A9.1		4	
Group 6	405	305	205	Community Room		B9.1		3	
Tenant Relocation	Turnover phase 2 & receive phase 4								
Phase 3									
Group 7	404	304	204	Leasing Office		C91.1		3	
Building 9		Units Numbers				Unit Type			
Group 8	405	305	205	105		C9.1		4	
Group 9	404	304	204	104		B9.1		4	
Tenant Relocation	Turnover phase 3 & receive phase 5								
Phase 4									
Group 10	403	303	203	103		A9.1		4	
Group 11	402	302	202	102		A9.1		4	
Tenant Relocation	Turnover phase 4 & receive phase 6								
Phase 5									
Group 12	401	301	201	101		C9.1		4	
Group 13	408	308	208	108	T03	C9.1 ADA	C9.1 C91.2	5	
Tenant Relocation	Turnover phase 5 & receive phase 7								
Phase 6									
Group 14	407	307	207	107	T02	A9.1	A9.1 ADA A91.2	5	
Group 15	406	306	206	106	T01	B9.2		5	
Tenant Relocation	Turnover phase 6 & receive phase 8								
Building 9A		Units Numbers				Unit Type			
Phase 7									
Group 16	404	304	204	104	T04	C91.1	C91.3	5	
Group 17	405	305	205	105	T05	B9.1	B91.1	5	
Tenant Relocation	Turnover phase 7 & receive phase 9								
Phase 8									
Group 18	406	306	206	106	T06	A9.1	A91.1	5	
Group 19	407	307	207	107	T07	A9.1	A91 ADA	5	
Tenant Relocation	Turnover phase 8 & receive phase 10								
Phase 9									
Group 20	408	308	208	108	T08	C91.1	C91 ADA	5	
Group 21	401	301	201	101		C91.1		4	
Tenant Relocation	Turnover phase 9.								
Phase 10									
Group 22	402	302	202	102		A9.1		4	
Group 23	403	303	203	103		B9.2	B92.1	4	

MARBELLA - PROJECT SCHEDULE

MARBELLA -UNIT RELOCATION PHASING PLAN

Tab K:

Documentation of Development Location:

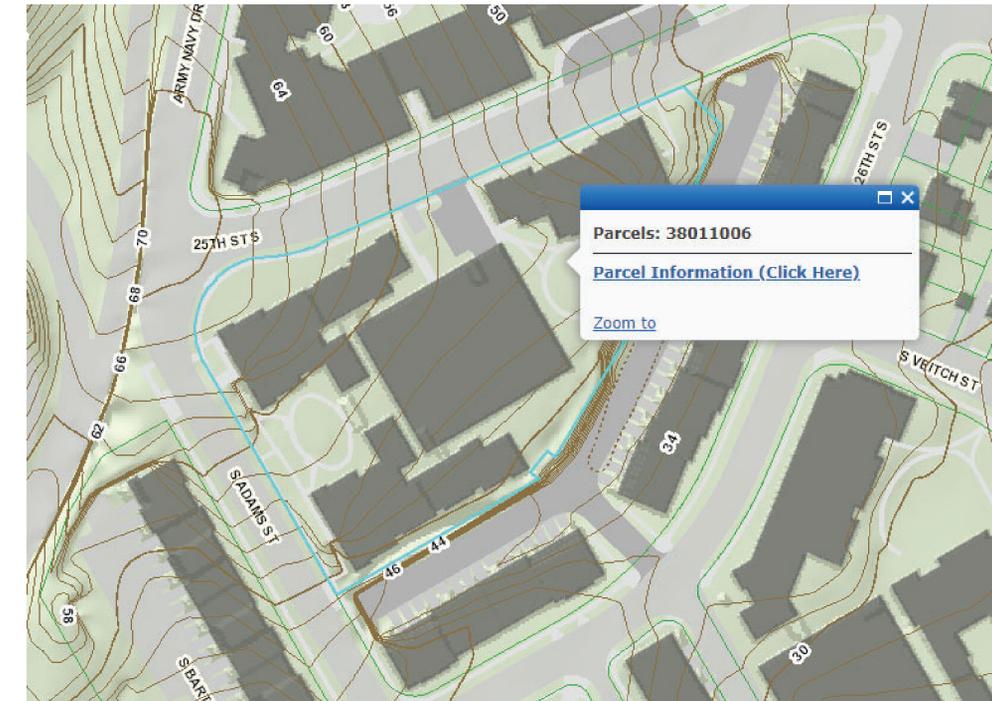
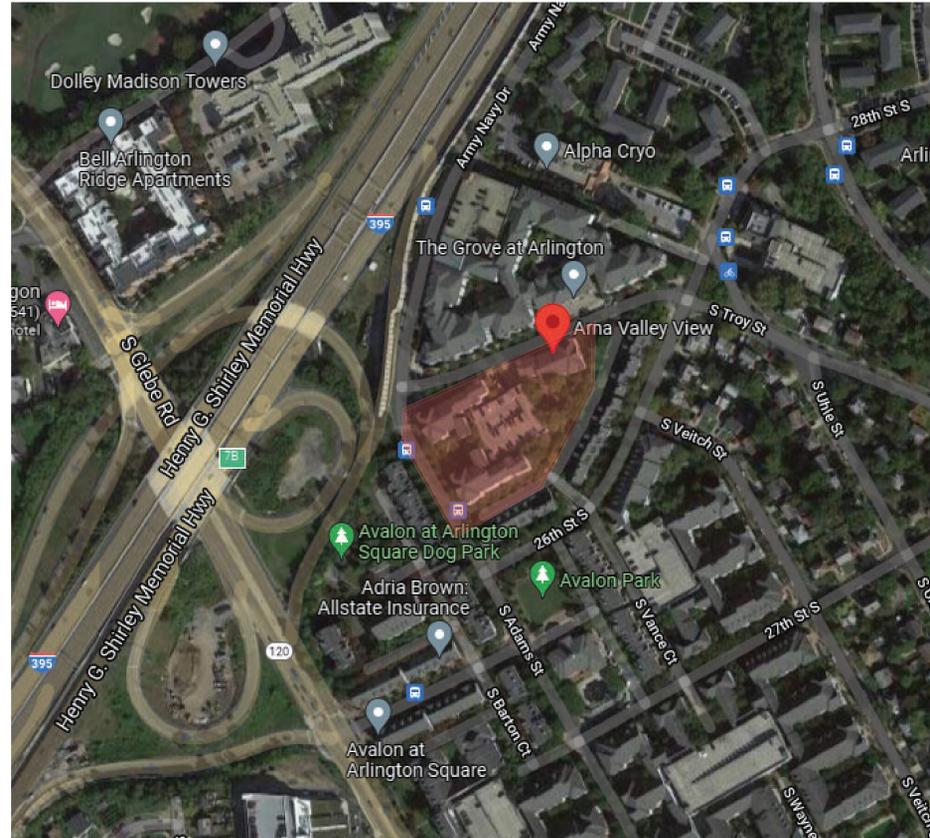
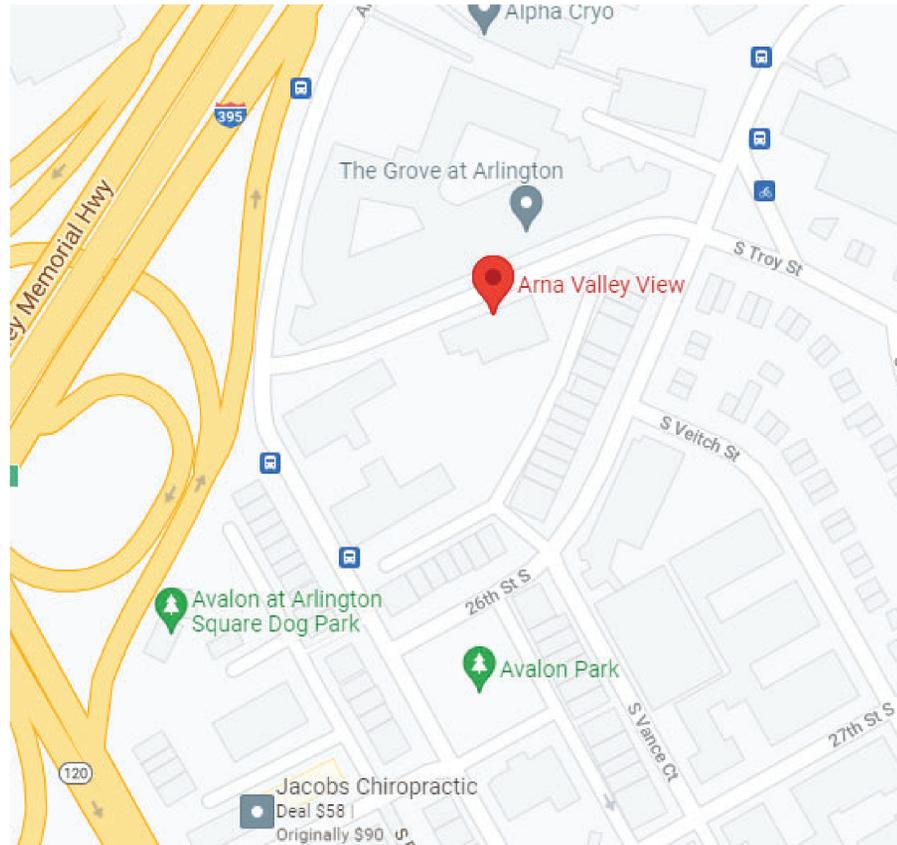
Tab K.1

Revitalization Area Certification

This deal does not require
information behind this tab.

Tab K.2

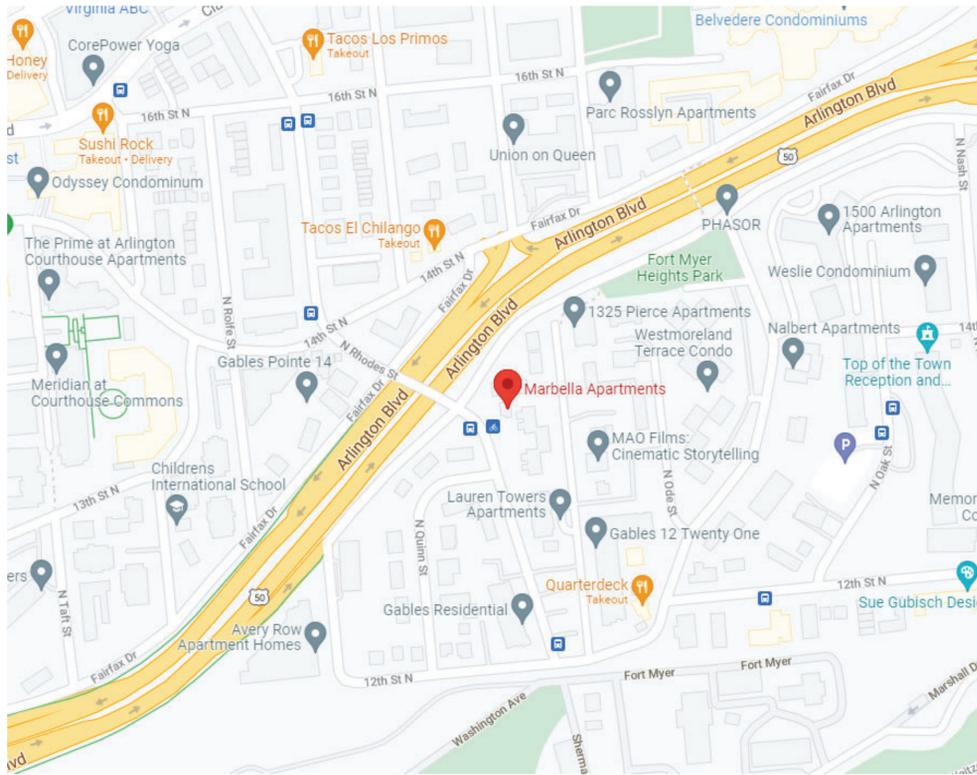
Location Map



Arna Valley View

Project Address: 2300 25th St S, Arlington, VA 22206 - Leasing Office

- 2501. S Adams St.
- 2525 S Adams St.
- 2300 25th St S
- 2310 25th St S (Garage)



Marbella Apartments

Project Address: 1301 N. Queen Road Arlington, VA 22209 - Leasing Office

Rehab for this property only consist of sites C, D and E. Sites A and B are part of a different project and not included in this application. 7 addresses are found within sites C,D, and E.

- 1318 N. Pierce Street
- 1320 N. Pierce Street
- 1220 N. Quinn Street
- 1230 N. Quinn Street
- 1235 N. Quinn Street
- 1240 N. Quinn Street
- 1250 N. Quinn Street

Tab K.3

Surveyor's Certification of Proximity To Public
Transportation

Surveyor's Certification of Proximity to Transportation

DATE: February 2, 2022

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

RE: 2022 Tax Credit Reservation Request
Name of Development: Arna Valley View
Name of Owner: Arna Marbella Limited Partnership

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.

Walter L. Phillips, Inc.

Firm Name

By: _____

Karl J. White

Its: Director of Urban Planning and Engineering

Title

Surveyor's Certification of Proximity to Transportation

DATE: February 11, 2022

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

RE: 2022 Tax Credit Reservation Request
Name of Development: Marbella Apartments
Name of Owner: Arna Marbella Limited Partnership

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.



Walter L. Phillips, Inc.

Firm Name

By:

Karen L. S. White

Its: Director of Urban Planning and Engineering

Title

Tab L:

PHA / Section 8 Notification Letter

This deal does not require
information behind this tab.

Tab M:

Locality CEO Response Letter

This deal does not require
information behind this tab.

Tab N:

Homeownership Plan

This deal does not require
information behind this tab.

Tab O:

Plan of Development Certification Letter

This deal does not require
information behind this tab.

Tab P:

Developer Experience documentation and Partnership agreements

This deal does not require
information behind this tab.

Tab Q:

Documentation of Rental Assistance, Tax Abatement
and/or existing RD or HUD Property

This deal does not require
information behind this tab.

Tab R:

Documentation of Operating Budget and Utility Allowances

I. UTILITIES

1. Utilities Types:

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

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

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

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	7	8	9	10	0
Air Conditioning	2	5	9	12	0
Cooking	4	6	7	9	0
Lighting	20	26	32	39	0
Hot Water	5	11	16	21	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$38	\$56	\$73	\$91	\$0

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

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

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.

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$411
2. Office Salaries		
3. Office Supplies		\$6,847
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$81,241
<u>3.34%</u> of EGI	<u>\$498.41</u> Per Unit	
6. Manager Salaries		\$130,000
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$3,967
9. Auditing		\$17,000
10. Bookkeeping/Accounting Fees		\$0
11. Telephone & Answering Service		\$12,338
12. Tax Credit Monitoring Fee		\$5,705
13. Miscellaneous Administrative		\$36,364
Total Administrative		\$293,873

Utilities

14. Fuel Oil		\$0
15. Electricity		\$32,600
16. Water		\$179,300
17. Gas		\$12,225
18. Sewer		\$0
Total Utility		\$224,125

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$1,765
21. Janitor/Cleaning Contract		\$57,050
22. Exterminating		\$16,000
23. Trash Removal		\$25,000
24. Security Payroll/Contract		\$0
25. Grounds Payroll		\$0
26. Grounds Supplies		\$1,767
27. Grounds Contract		\$14,569
28. Maintenance/Repairs Payroll		\$90,000
29. Repairs/Material		\$32,356
30. Repairs Contract		\$0
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$5,757
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$16,300
35. Decorating/Payroll/Contract		\$1,303
36. Decorating Supplies		\$0
37. Miscellaneous		\$64,475
Totals Operating & Maintenance		\$326,342

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$271,000
39. Payroll Taxes	\$55,000
40. Miscellaneous Taxes/Licenses/Permits	\$8,000
41. Property & Liability Insurance	\$51,852
42. Fidelity Bond	\$1,285
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$0
45. Other Insurance	\$0
Total Taxes & Insurance	\$387,137

Total Operating Expense	\$1,231,477
--------------------------------	--------------------

Total Operating Expenses Per Unit	<u>\$7,555</u>	C. Total Operating Expenses as % of EGI	<u>50.56%</u>
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$48,900
---	----------

Total Expenses	\$1,280,377
-----------------------	--------------------

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

Tab S:

Supportive Housing Certification

This deal does not require
information behind this tab.

Tab T:

Funding Documentation

**MARBELLA DEVELOPMENT LLC
PROMISSORY NOTE**

\$4,031,000.00

Effective: June 17, 2011

FOR VALUE RECEIVED, the undersigned **MARBELLA DEVELOPMENT LLC**, a Virginia limited liability company, or any successor organization or organizations (the "**Borrower**") promises to pay to **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body politic (the "**County**"), in lawful money of the United States of America, the principal sum of up to **FOUR MILLION THIRTY ONE THOUSAND DOLLARS AND 00/100 (\$4,031,000.00)** or so much thereof as may be advanced by the County pursuant to the Affordable Housing Investment Fund and HOME Investment Partnerships Program Loan Agreement, dated of even date herewith and executed by and between Borrower and the County (the "**AHIF/HOME Loan Agreement**"), together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance of this Promissory Note (this "**Promissory Note**") at a rate equal to two and one half percent (2½%) interest per annum, commencing upon the Effective Date of the AHIF/HOME Loan Agreement. Interest shall be calculated on the basis of a year of 365 days, compounded annually and charged for the actual number of days elapsed. This Promissory Note has been executed and delivered pursuant to and in accordance with the AHIF/HOME Loan Agreement and is subject to the terms and conditions of the AHIF/HOME Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the AHIF/HOME Loan Agreement.

This Promissory Note is secured by a Deed of Trust, Assignment of Rents and Leases and Security Agreement conveying the Borrower's interest in the Property as security for this Promissory Note ("**Deed of Trust**") and a Declaration of Restrictive Covenants, Conditions and Restrictions containing covenants, conditions and restrictions regarding the ownership, operation, use, rent and occupancy of **MARBELLA APARTMENTS** during the AHIF Affordability Compliance Period and HOME Affordability Compliance Period ("**Borrower Declarations**"), each dated as of the date hereof and executed by Borrower for the benefit of the County as described therein. The County shall be entitled to the benefits of the security provided by the Deed of Trust and the Borrower Declarations, and shall have the right to enforce the covenants and agreements contained herein, in the Deed of Trust, Borrower Declarations, the AHIF/HOME Loan Agreement and the other AHIF/HOME Loan Documents, if any. The Borrower Declarations shall remain effective for the full term of the AHIF Affordability Compliance Period and shall survive the repayment of this Promissory Note.

1. PAYMENTS.

(a) **Payment Dates; Maturity Date.** Annual Payments are due on this Promissory Note no later than June 1 of each year, beginning no later than June 1, 2012, from the disbursement of Residual Receipts pursuant to the AHIF/HOME Loan Agreement. In no event shall any amount due under this Promissory Note become subject to any rights of offset, deduction or counterclaim on the part of Borrower. The entire outstanding principal balance of this Promissory Note, together with interest accrued thereon and any other sums accrued hereunder shall be payable in full on the date (the "**Maturity Date**") which is the earlier of (i) **June 17, 2041** or (ii) the occurrence of an Event of Default for which the County exercises its rights to cause the entire outstanding principal balance of this Promissory Note, together with interest accrued thereon and any other sums accrued hereunder to become immediately due and payable pursuant to applicable provisions of the AHIF/HOME Loan Agreement.

(b) **Annual Payments from Residual Receipts.** On or by no later than June 1, 2012, Borrower shall disburse to the County fifty percent (50%) of all Residual Receipts generated by the Property from January 1, 2011 through December 31, 2011 as an Annual Payment on the outstanding principal balance of this Promissory Note, and accrued interest thereon. On or by no later than June 1 of each subsequent year during the Term, Borrower shall disburse to the County fifty percent (50%) of all Residual Receipts generated by the Property from the previous calendar year as Annual Payments on the outstanding principal balance of this Promissory Note, and accrued interest thereon, and the remaining fifty percent (50%) of the Residual Receipts generated by the Property during the previous calendar year shall be released to the Borrower.

No later than May 1 of each year, beginning no later than May 1, 2012, Borrower shall provide to the County the Borrower's calculation of Residual Receipts for the previous calendar year, accompanied

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by an independent audit prepared for the Property by a certified public accountant in accordance with generally accepted accounting principles and the AHIF/HOME Loan Agreement setting forth in reasonable detail the computation and total amount of all Residual Receipts during the preceding calendar year. If there are no Residual Receipts for the previous year available for disbursement, Borrower shall provide to the County a Residual Receipts Certificate certified in writing by the Borrower and prepared by a certified public accountant containing the computation detailing that there were no Residual Receipts during the preceding calendar year. The Borrower shall also provide to the County such other supporting documentation as County may reasonably request. No later than November 1 of each year, beginning no later than November 1, 2011, Borrower shall provide to the County an Annual Budget for County Approval, which approval shall not be unreasonably withheld, for the following calendar year which shall include an estimate of Residual Receipts.

i. *"Residual Receipts"* shall mean for each calendar year during the Term of the AHIF/HOME Loan Agreement, the amount by which Gross Revenues exceeds Annual Debt Service Payments and Operating Expenses for the Property. Residual Receipts shall also include net cash proceeds realized from any refinancing of the Property, less fees and closing costs reasonably incurred in connection with such refinancing, and any County-approved uses of the net cash proceeds of the refinancing.

ii. *"Gross Revenue"* shall mean for each calendar year during the Term of the AHIF/HOME Loan Agreement, all revenue, income, receipts and other consideration actually received by Borrower from the operation and leasing of the Property. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by Tenants; Section 8 payments or other rental subsidy payments received for the dwelling units; deposits forfeited by Tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance not required to be paid to the holders of the VHDA Senior Debt (provided however, expenditure of such proceeds for repair or restoration of the Property shall be included within Annual Debt Service Payments and Operating Expenses in the year of the expenditure); condemnation awards for a taking of part or all of the Property or the improvements for a temporary period; and the fair market value of any goods or services provided to Borrower in consideration for the leasing or other use of any part of the Property. Gross Revenue shall include any release of funds from Replacement Reserve and other reserve accounts to Borrower. Gross Revenue shall not include Tenant security deposits, loan proceeds, capital contributions or similar advances.

iii. *"Annual Debt Service Payments and Operating Expenses"* shall mean for each calendar year during Term of the AHIF/HOME Loan Agreement, the following costs reasonably and actually incurred for the operation and maintenance of the Property to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles: (a) property taxes and assessments or payments in lieu thereof; (b) debt service currently due and payable on VHDA Senior Debt; (c) premiums for property damage and liability insurance; (d) utility service costs not paid for directly or indirectly by Tenants; (e) general maintenance and repair costs; (f) fees for licenses and permits required for the operation of the Property; (g) reasonable costs associated with accounting, tax preparation and legal fees of Borrower incurred in the ordinary course of business; (h) reasonable costs associated with expenses for security services; (i) reasonable costs associated with advertising and marketing related to the Property; (j) payment of deductibles in connection with casualty insurance claims not paid from reserves; (k) the amount of uninsured losses actually replaced, repaired or restored and not paid from reserves; (l) cash deposits into a Replacement Reserve Account as defined in the AHIF/HOME Loan Agreement; (m) the Resident Services Fee as defined in the AHIF/HOME Loan Agreement; (n) reasonable property management fees and reimbursements in amounts in accordance with industry standards for similar residential projects, as specifically approved in writing by the County and expected initially to be five percent (5%) of gross rent collections plus an accounting fee of five dollars (\$5.00) per unit per month; and (o) other ordinary and reasonable operating and administrative expenses, as pre-approved in writing by the County. Payments made by the Borrower, including but not limited to payments to APAH or the Borrower's members, in excess of the limitations set forth in this definition shall not be counted toward Annual Debt Service Payments and Operating Expenses for the purpose of calculating Residual Receipts.

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iv. **Exclusions from Annual Debt Service Payments and Operating Expenses.** Annual Debt Service Payments and Operating Expenses shall exclude the following: (a) developer fees and interest on any deferred developer fees; (b) contributions to Property Operating Reserve; (c) debt service payments on any loan which is not the VHDA Senior Debt, including without limitation, unsecured loans or loans secured by deeds of trust which are subordinate to the Deed of Trust; (d) depreciation, amortization, depletion and other non-cash expenses; (e) expenses paid for with disbursements from any reserve account; (f) any amount paid to Borrower, any member of Borrower, or any entity controlled by the persons or entities in control of Borrower or any member of Borrower.

(c) **Cost Savings.** "Excess Proceeds" shall mean the sum of all sources of financing received by Borrower for acquisition of the Property, less the sum of actual uses as shown on the final settlement statement for the acquisition of the Property. The County shall receive one hundred percent (100%) of Excess Proceeds which shall constitute the cost savings.

(d) **Due on Sale.** The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 5.03 of the AHIF/HOME Loan Agreement) absent County consent, of all or any part of the Property or any interest therein other than a Transfer permitted without County consent pursuant to the AHIF/HOME Loan Agreement. Pursuant to the AHIF/HOME Loan Agreement, if the proposed transferee is APAH or an affiliate of APAH, the County's prior written approval of such transfer shall not be unreasonably withheld. Without limiting the generality of the foregoing, this Promissory Note shall not be assumable without the County's prior written consent, which consent may be granted or denied in County's sole discretion.

(e) **Prepayment.** Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this Promissory Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Borrower Declarations and Article IV of the AHIF/HOME Loan Agreement shall remain in full force for the entire Affordability Compliance Period regardless of any prepayment of this Promissory Note.

(f) **Manner of Payment.** All payments of principal and interest on this Promissory Note shall be made to the County at 2100 Clarendon Boulevard, Suite 700, Arlington, Virginia 22201, Attn: Marie Randall, or such other place as the County shall designate to Borrower in writing, or by wire transfer of immediately available funds to an account designated by the County in writing.

2. DEFAULT AND REMEDIES.

(a) **Events of Default.** The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

i. Borrower fails to make an Annual Payment from the Residual Receipts or provide a Residual Receipts Certificate when due, and such failure continues for ten (10) days after County notifies Borrower thereof in writing.

ii. Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower or any member thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any member thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any member thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

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iii. A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any member thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any member thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any member thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property, and in each case the order or decree is not released, vacated, dismissed or fully bonded within sixty (60) days after its issuance.

iv. The occurrence of a Transfer in violation of Section 5.03 of the AHIF/HOME Loan Agreement.

v. A default arises under any debt instrument secured by a mortgage or deed of trust on the Property, and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

vi. Borrower fails to maintain insurance on the Property as required pursuant to the AHIF/HOME Loan Agreement and Borrower fails to cure such default within ten (10) days.

vii. Subject to Borrower's right to contest the following charges, if Borrower fails to pay taxes or assessments due on the Property or fails to pay any other charge that may result in a lien on the Property, and Borrower fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien.

viii. If any representation or warranty contained in the AHIF/HOME Loan Agreement, or any certificate furnished in connection therewith, the AHIF/HOME Loan Documents, or in connection with any request for disbursement of the proceeds of the AHIF/HOME Loan funds proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the County.

ix. An Event of Default shall have been declared under the AHIF/HOME Loan Agreement, the Borrower Declarations or any other AHIF/HOME Loan Documents and remains uncured beyond the expiration of the applicable cure period.

(b) **Remedies.** Upon the occurrence of an Event of Default hereunder, the County may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this Promissory Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to the County under this Promissory Note, the AHIF/HOME Loan Agreement and the other AHIF/HOME Loan Documents, including without limitation the right to pursue foreclosure under the Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of the County including, without limitation, reasonable attorneys' fees, incurred in connection with the County's enforcement of this Promissory Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the Deed of Trust. The rights and remedies of the County under this Promissory Note shall be cumulative and not alternative.

(c) **Default Rate.** Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of fifteen percent (15%) per annum or the maximum rate permitted by law (the "Default Rate"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this Promissory Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this Promissory Note or prevent the County from exercising any of its other rights or remedies.

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(d) **Notice, Cure Period.** Unless a shorter cure period is specified for a default in the performance of any term, provision, covenant or agreement contained in this Promissory Note, including the obligations enumerated in this Section 2, no default shall mature into an "Event of Default" and the County shall not exercise any right or remedy on account thereof unless the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which the County shall have given written notice of the default to the Borrower; provided, however, if the nonmonetary default is of a nature that cannot be cured within sixty (60) days, an Event of Default shall not arise hereunder if Borrower commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

3. MISCELLANEOUS.

(a) **Waivers; Amendments; Borrower's Waivers.** No waiver by the County of any right or remedy under this Promissory Note shall be effective unless in writing signed by the County Manager. Neither the failure nor any delay in exercising any right, power or privilege under this Promissory Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by the County will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by the County will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of the County to take further action without notice or demand as provided in this Promissory Note. There shall be no amendment to or modification of this Promissory Note except by written instrument executed by Borrower and the County.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this Promissory Note, in whole or in part, whether before or after maturity and with or without notice.

(b) **Notices.** Any notice required or permitted to be given hereunder shall be given in accordance with Section 8.01 of the AHIF/HOME Loan Agreement.

(c) **Severability.** If any provision in this Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Promissory Note will remain in full force and effect. Any provision of this Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(d) **Governing Law; Venue.** This Promissory Note shall be governed by the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any legal action filed in connection with this Promissory Note shall be filed in the Arlington County Circuit Court or in the Federal District Court for the Eastern District of Virginia (Alexandria Division).

(e) **Parties in Interest.** This Promissory Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of the County and its successors and assigns.

(f) **Section Headings, Construction.** The headings of Sections in this Promissory Note are provided for convenience only and will not affect its construction or interpretation.

(g) **Relationship of the Parties.** The relationship of Borrower and the County under this Promissory Note is solely that of borrower and County, and the loan evidenced by this Promissory Note and secured by the Deed of Trust and Borrower Declarations will in no manner make the County the partner or joint venture of Borrower.

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(h) **Time is of the Essence.** Time is of the essence with respect to every provision of this Promissory Note.

(i) **Nonrecourse.** Except as expressly provided in this Section 3(i), the Borrower and its members shall not have personal liability for payment of the principal of, or interest on, this Promissory Note, and the sole recourse of the County with respect to the payment of the principal of, and interest on, this Promissory Note shall be to the the Property and any other collateral held by the County as security for this Promissory Note; provided however, nothing contained in the foregoing limitation of liability shall:

i. impair the enforcement against all such security for the County AHIF/HOME Loan of all the rights and remedies of the County under the Deed of Trust and any financing statements the County files in connection with the County AHIF/HOME Loan as each of the foregoing may be amended, modified, or restated from time to time;

ii. impair the right of the County to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable the County to enforce and realize upon the Deed of Trust, the interest in the Property created thereby and any other collateral given to the County in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

iii. constitute a waiver of any right which the County may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to the County hereunder or to require that the Property shall continue to secure all of the indebtedness owed to County hereunder in accordance with this Promissory Note and the Deed of Trust; or

iv. limit or restrict the ability of County to seek or obtain a judgment against Borrower to enforce against Borrower and its members to:

1. recover under those sections of the AHIF/HOME Loan Agreement that pertain to Borrower's indemnification obligations), or

2. recover from Borrower and its members compensatory damages as well as other costs and expenses incurred by County (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

a. any fraud or material misrepresentation on the part of the Borrower, any member thereof, or any officer, director or authorized representative of Borrower or any affiliate thereof in connection with the request for or creation of the County AHIF/HOME Loan, or in the AHIF/HOME Loan Agreement or any Amended and Restated AHIF/HOME Loan Document, or in connection with any request for any action or consent by the County in connection with the County AHIF/HOME Loan;

b. any failure to maintain insurance on the Property as required pursuant to the AHIF/HOME Loan Agreement;

c. failure to pay taxes, assessments or other charges which may become liens on the Property;

d. the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under the AHIF/HOME Loan Agreement or the Deed of Trust (pertaining to environmental matters);

e. the occurrence of any act or omission of Borrower that results in waste to or of the Property and which has a material adverse effect on the value of the Property;

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f. the material misappropriation of the AHIF/HOME Loan proceeds;

g. the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the Deed of Trust;

h. the material misappropriation of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and

i. the failure of Borrower to pay all amounts payable under this Promissory Note in full if Borrower Transfers the Property in violation of the AHIF/HOME Loan Agreement.

Signatures on Following Page

**MARBELLA DEVELOPMENT LLC
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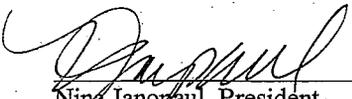
Effective: June 17, 2011

IN WITNESS WHEREOF, Borrower has executed and delivered this Promissory Note as of the date first written above.

BORROWER

Marbella Development LLC, a Virginia limited liability corporation

By: Rosslyn Ridge Development Corporation, its Managing and Sole Member

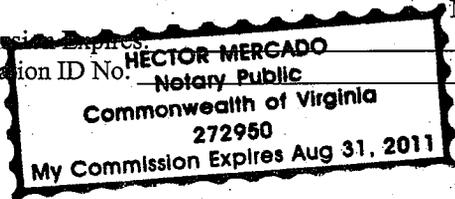
By:  (seal)
Nina Janopaul, President

COMMONWEALTH OF VIRGINIA,
COUNTY OF Arlington, to wit:

The foregoing County Promissory Note was acknowledged before me this 16 day of June, 2011, by NINA JANOPAUL, PRESIDENT of ROSSLYN RIDGE DEVELOPMENT CORPORATION, managing and sole member of MARBELLA DEVELOPMENT LLC, a Virginia limited liability company, for and on behalf of the MARBELLA DEVELOPMENT LLC.

Notary Public

My Commission Expires
My Registration ID No.



ARLINGTON COUNTY, VIRGINIA
AFFORDABLE HOUSING INVESTMENT FUND

and

HOME INVESTMENT PARTNERSHIPS PROGRAM
LOAN AGREEMENT

MARBELLA APARTMENTS

This **AFFORDABLE HOUSING INVESTMENT FUND AND HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN AGREEMENT** (this “**Agreement**”) is entered into as of this 17th day of June, 2011 (the “**Effective Date**”) by and between **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body politic, acting through its County Manager, its Director of Housing Division and its Housing Development Coordinator (the “**County**”) and **MARBELLA DEVELOPMENT LLC**, a Virginia limited liability company (the “**Borrower**”) (the County and the Borrower each a “**Party**” and collectively the “**Parties**”).

RECITALS

WHEREAS, the County established its Affordable Housing Investment Fund (“**AHIF Program**”) for the purpose of providing funds for affordable housing, and programs and services that contribute to the delivery of housing services, for low and moderate income households within Arlington County; and

WHEREAS, pursuant to the federal Home Investment Partnerships Program (the “**HOME Program**”), the County received funds from the United States Department of Housing and Urban Development (“**HUD**”) under the HOME Investment Partnerships Act at Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended (42 U.S.C. §12701, *et seq.*) (the “**HOME Investment Partnerships Act**”) and the implementing regulations (24 C.F.R. §92, *et seq.*) for the purpose of providing funds to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing for very low- and low-income households through the acquisition, rehabilitation or new construction of affordable housing, tenant-based rental assistance and first-time homebuyer assistance; and

WHEREAS, the Arlington Partnership for Affordable Housing (“**APAH**”) was formed and organized as a Virginia non-stock corporation and a 501(c)(3) nonprofit housing sponsor for the purpose of developing and preserving quality affordable housing communities in Arlington County, Virginia; and

WHEREAS, Rosslyn Ridge Development Corporation, a Virginia non-stock corporation and corporate affiliate of APAH, serving as a Community Housing Development Organization (as defined by the HOME Investment Partnerships Act) formed and organized the Borrower as a Virginia limited liability company for the sole purpose of acquiring and operating a 134-unit apartment complex, consisting of twelve (12) three-story brick walk-up garden apartment

buildings located at 1301 North Queen Street in Arlington, Virginia, bordered by Arlington Boulevard, North Quinn Street, and North Ode Street – RPC Numbers 17033006, 17033017, 17033252, 17033005, 17033009, 17038006, and 17033003 (the “**Property**” or “**Marbella Apartments**”), as more particularly described in Exhibit A; and

WHEREAS, the Borrower’s total costs associated with its acquisition of the Property is \$14,311,000.00 and will be permanently financed with a \$10,080,000.00 first mortgage loan (the “**VHDA Senior Debt**”) from the Virginia Housing Development Authority (“**VHDA**” or the “**Senior Lender**”) and a \$200,000.00 equity contribution from APAH; and

WHEREAS, in order to facilitate the acquisition of the Property, on May 14, 2011, the County authorized the allocation of up to \$4,031,000.00 in combined AHIF Program and HOME Program funds to APAH, or its designated County-approved ownership affiliate, to assist with the acquisition of the Property, contingent upon (i) APAH receiving a funding commitment from VHDA and (ii) any allocated AHIF Program funds not expended on or before the Effective Date shall be placed in a County-held contingency account for one year following the Effective Date and shall be disbursed to APAH or its designated County-approved ownership affiliate subject to the written approval of the County Manager; and

WHEREAS, pursuant to the terms of this Agreement the County has agreed to provide the Borrower with a residual receipts loan in an amount of up to \$4,031,000.00, subject to the terms of this Agreement and the AHIF/HOME Loan Documents (as defined below) (the **County AHIF/HOME Loan**”). The AHIF/HOME Loan shall include \$2,775,708.00 in HOME Program funds (the “**HOME Program Loan Funds**”) and \$1,255,292.00 in AHIF Program funds (the “**AHIF Program Loan Funds**”); and

WHEREAS, the County AHIF/HOME Loan shall be evidenced by a Promissory Note from the Borrower to the County, dated as of the Effective Date (the “**County Promissory Note**”), on the condition that Borrower covenants and agrees to place specified restrictions upon the use and transfer of the Property, including without limitations the restrictions and covenants referenced in this Agreement and the AHIF/HOME Loan Documents (as defined below). The Parties intend that the covenants set forth in the Borrower Declarations (as defined below) and Article IV of this Agreement shall run with the land and be binding upon Borrower and Borrower’s successors and assigns, as further provided herein; and

WHEREAS, the obligations of the Borrower under this Agreement, the County Promissory Note and each and every other document delivered to the County by or on behalf of the Borrower with respect to the County AHIF/HOME Loan shall be secured by a Deed of Trust (the “**County Deed of Trust**”), conveying the Borrower’s interest in the Property as security for the County AHIF/HOME Loan, and a Declaration of Restrictive Covenants, Conditions and Restrictions (the “**Borrower Declarations**”) containing covenants, conditions and restrictions regarding the ownership, operation, use, rent and occupancy of the Marbella Apartments during the AHIF Affordability Compliance Period (as defined below), each dated as of the Effective Date, from the Borrower for the benefit of the County, and recorded in the Clerk’s office of the Circuit Court of Arlington County, Virginia; and

WHEREAS, in order to ensure the utilization of the Property for occupancy by Very Low and Low-Income Households under the terms approved by the County on May 14, 2011, the County has agreed to subordinate its County AHIF/HOME Loan to the permanent VHDA Senior Debt; and

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the covenants and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

ARTICLE I
INCORPORATION OF RECITALS; DEFINITIONS; AND EXHIBITS

Section 1.01. Incorporation of Recitals. The foregoing recitals above are an integral part of this Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Agreement. Accordingly, the foregoing recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.

Section 1.02. Specific. In addition to other terms defined herein, each of the following terms shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

“Actual Household Size” means the actual number of persons in the applicable household.

“AHIF Affordability Compliance Period” means the period through June 17, 2071, the sixtieth (60th) anniversary of the Effective Date, during which the Borrower covenants and agrees for itself, its successors and its assigns to comply with each restriction and covenant set forth in Article IV of this Agreement.

“AHIF/HOME Loan Documents” means any and all documents evidencing the County AHIF/HOME Loan, and shall include the County Promissory Note, the County Deed of Trust, and the Borrower Declarations recorded in the official land records of the County.

“Annual Budget” means the Borrower’s final and comprehensive annual budget for the Property for each fiscal year, which shall include the Annual Debt Service Payments and Operating Expenses, the Gross Revenue, and the anticipated Residual Receipts. The Borrower shall submit the Annual Budget to the County for review on or before each November 1st during the Term and, subject to revisions by the County, the County shall approve the Annual Budget in writing no later than thirty (30) days prior to the start of the Borrower’s new fiscal year.

“Annual Debt Service Payments and Operating Expenses” means for each calendar year during Term hereof, the following costs reasonably and actually incurred for the operation and maintenance of the Property to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles: (a) property taxes and assessments or payments in lieu thereof; (b) debt service currently due and payable on VHDA Senior Debt; (c) premiums for property damage and liability insurance; (d) utility service costs not paid for directly or indirectly by Tenants; (e) general maintenance and repair costs; (f) fees for licenses and permits required for the operation of the Property; (g) reasonable costs associated with accounting, tax preparation and legal fees of Borrower incurred in the ordinary course of business; (h) reasonable costs associated with expenses for security services; (i) reasonable costs associated with advertising and marketing related to the Property; (j) payment of deductibles in connection with casualty insurance claims not paid from reserves; (k) the amount of uninsured losses actually replaced, repaired or restored and not paid from reserves; (l) cash deposits into a Replacement Reserve Account; (m) the Resident Services Fee;

(n) reasonable property management fees and reimbursements in amounts in accordance with industry standards for similar residential projects, as specifically approved in writing by the County and expected initially to be five percent (5%) of gross rent collections plus an accounting fee of five dollars (\$5.00) per unit per month; and (o) other ordinary and reasonable operating and administrative expenses, as pre-approved in writing by the County. Payments made by the Borrower, including but not limited to payments to APAH or the Borrower's members, in excess of the limitations set forth in this definition shall not be counted toward Annual Debt Service Payments and Operating Expenses for the purpose of calculating Residual Receipts.

"Area Median Income" or **"AMI"** means the median income for the Washington, DC metropolitan statistical area, adjusted for Actual Household Size, as published from time to time by HUD pursuant to Section 8 of the United States Housing Act of 1937.

"County Affordability Level" means the percentage of Area Median Income (calculated using average family size) at which a unit rent paid by the Tenant would be affordable to households earning 60%, 50% and 40% of the Area Median Income. For this purpose, affordable rents shall be based on family size and shall be calculated using an occupancy factor of 1 person for efficiency, 1.5 persons for 1-bedroom, 3 persons for 2-bedroom and 4.5 persons for 3-bedroom apartments, or as otherwise provided for in Article IV of this Agreement. Notwithstanding the foregoing definition, the Borrower understands that the affordable rents may be annually adjusted on the basis of VHDA/Low Income Housing Tax Credit rent limits set for Arlington County. Contract rents shall not exceed the established affordability level for the gross rents, as published by HUD, minus a utility allowance (if applicable) as per the Utility Allowance Schedule annually approved by HUD for the Arlington County, VA Section 8 Housing Certificate/Voucher Program or other manner as permitted by applicable federal regulations and approved by the County. Rent increases for Tenants continuing in occupancy shall be based on area median income increases as published by HUD.

"Force Majeure" means strikes, acts of God, severe or unusual shortages of labor or materials, enemy action, riot, war, act of terrorism, civil commotion, fire, unavoidable casualty, or other causes beyond the reasonable control of a party. Lack of funds shall not be deemed a cause beyond the control of a party.

"Gross Revenue" means for each calendar year during the Term hereof, all revenue, income, receipts and other consideration actually received by Borrower from the operation and leasing of the Property. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by Tenants; Section 8 payments or other rental subsidy payments received for the dwelling units; deposits forfeited by Tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance not required to be paid to the holders of the VHDA Senior Debt (provided however, expenditure of such proceeds for repair or restoration of the Property shall be included within Annual Debt Service Payments and Operating Expenses in the year of the expenditure); condemnation awards for a taking of part or all of the Property or the improvements for a temporary period; and the fair market value of any goods or services provided to Borrower in consideration for the leasing or other use of any part of the Property. Gross Revenue shall

include any release of funds from Replacement Reserve and other reserve accounts to Borrower. Gross Revenue shall not include Tenant security deposits, loan proceeds, capital contributions or similar advances.

"HOME Affordability Compliance Period" means the period through June 17, 2021, the tenth (10th) anniversary of the Effective Date, during which the Borrower covenants and agrees for itself, its successors and its assigns that each HOME Rental Unit shall meet and comply with all applicable HOME Program Regulations and each applicable restriction and covenant set forth in Article IV of this Agreement.

"HOME Program Regulations" means all applicable laws, regulations and procedures, compliance with which is required by HUD for use of HOME Program funds, as they may be amended from time to time.

"HOME Rental Units" means those Income-Restricted Units which are designated by the Borrower to comply with all applicable HOME Program Regulations during the HOME Affordability Compliance Period.

"Income-Restricted Unit" means one of the one hundred and thirty-four (134) dwelling units in the Marbella Apartments that are reserved for occupancy by a Low-Income Household or a Very Low-Income Household pursuant to Article IV of this Agreement.

"Low-Income Household" means a household whose annual gross income does not exceed sixty percent (60%) of the AMI, adjusted for Actual Household Size.

"Replacement Reserve" means an initial deposit of \$250,000.00 made from the VHDA Senior Debt and a monthly amount of \$3,350.00 (with an annual escalation of no more than three percent (3%) per year) the Borrower shall utilize to fund major repair, capital expenditures and replacement of capital items on the Property. The Replacement Reserve shall be deposited in an interest-bearing bank account which shall be controlled by VHDA. Interest earned on the Replacement Reserve shall be added to the Replacement Reserve.

"Resident Services Fee" means an annual fee of \$20,000.00 paid to APAH for resident services to the Tenants pursuant to that Social Services Agreement between the Borrower and APAH and dated as of June 14, 2011. The Resident Services Fee shall increase at a rate of three percent (3%) per year for the duration of the Term. The Resident Services Fee and continued payment thereof shall be subject to County policy and regulations related thereto.

"Residual Receipts" means for each calendar year during the Term hereof, the amount by which Gross Revenues exceeds Annual Debt Service Payments and Operating Expenses for the Property. Residual Receipts shall also include net cash proceeds realized from any refinancing of the Property, less fees and closing costs reasonably incurred in connection with such refinancing, and any County-approved uses of the net cash proceeds of the refinancing.

"Tenant" means a household occupying an Income-Restricted Unit.

“Utility Allowance” means the applicable utility allowances for the unit type using the current Arlington County Section 8 Program Allowances for Tenant Furnished Utilities and Other Services, as set forth in Exhibit B or as otherwise permitted by applicable federal regulations and approved by the County, including the Dominion allowances approved by VHDA and the County.

“Very Low-Income Household” means a household whose annual gross income does not exceed fifty percent (50%) of the AMI, adjusted for Actual Household Size.

Section 1.03. General. Any other term to which meaning is expressly given in this Agreement shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders.

Section 1.04. Exhibits. The following Exhibits are attached to this Agreement and are fully incorporated into this Agreement by this reference as if fully set forth herein:

Exhibit A	Property Description
Exhibit B	Utility Allowance
Exhibit C	Acquisition Budget and Operating Pro Forma
Exhibit D	Income Certification for Income-Restricted Units
Exhibit E	Annual Rental Occupancy Affidavit
Exhibit F	Income-Restricted Unit Occupancy Report
Exhibit G	Affirmative Marketing Plan

**ARTICLE II
LOAN PROVISIONS**

Section 2.01. County AHIF/HOME Loan. In reliance upon the Borrower's representations, warranties and covenants herein, the County hereby agrees to loan to the Borrower the County AHIF/HOME Loan in an aggregate principal sum which shall not exceed Four-Million Thirty-One Thousand and 00/100 Dollars (\$4,031,000), subject to the terms and conditions of this Agreement and the AHIF/HOME Loan Documents. The County AHIF/HOME Loan shall include \$1,255,292.00 in AHIF Program Loan Funds and \$2,775,708.00 in HOME Program Loan Funds.

Section 2.02. Term of the County AHIF/HOME Loan. Subject to the AHIF Affordability Compliance Period, the County AHIF/HOME Loan and this Agreement shall have a term (the "Term") that expires on the date that is thirty (30) years after the Effective Date.

Section 2.03. Interest on the County AHIF/HOME Loan; Default Rate.

(a) As further set forth in the County Promissory Note and subject to the provisions of Section 2.03(b) below, the unpaid principal balance of the County AHIF/HOME Loan shall accrue interest at the below market rate of two and one half percent (2½%) per annum on the outstanding amount, accruing immediately upon execution of this Agreement and compounded annually as called for in the County Promissory Note.

(b) In the event of a Default, interest on the County AHIF/HOME Loan shall begin to accrue, as of the date of Default and continuing until the earlier of either when the outstanding principal and accrued interest on County AHIF/HOME Loan has been repaid in full to the County or when the Default has been cured, at the default rate of the lesser of fifteen percent (15%) compounded annually, or the highest rate permitted by law (the "Default Rate").

Section 2.04. Security. Borrower's obligation to repay the County AHIF/HOME Loan, as evidenced by the County Promissory Note, is secured by the County Deed of Trust and the Borrower Declarations, both of which shall be recorded as liens against the Property, junior in lien priority only to the deed of trust securing the VHDA Senior Debt.

Section 2.05. Repayment of the County AHIF/HOME Loan.

(a) **Annual Payments.** As set forth in the County Promissory Note, the Borrower shall repay the outstanding principal amount of the County AHIF/HOME Loan of \$4,031,000.00, plus accrued interest, in annual payments beginning June 1, 2012 ("Annual Payments") from the disbursement of Residual Receipts pursuant Section 2.05(b) below. Annual Payments from the disbursement of Residual Receipts shall be due and payable to the County in arrears no later than June 1st of each year with respect to the Residual Receipts from the previous calendar year. If there are no Residual Receipts available for disbursement pursuant to Section 2.05(b) below, the Borrower shall provide the County with a certificate which certifies that there are no Residual Receipts available for disbursement ("**Residual Receipts Certificate**"). Notwithstanding anything in this Agreement to the contrary, the County may

apply Annual Payments made by Borrower in connection with the County AHIF/HOME Loan to the indebtedness owed by Borrower under the County AHIF/HOME Loan in any order as the County sees fit in its sole discretion.

(b) Residual Receipts

(1) Disbursement of Residual Receipts. The Residual Receipts shall be disbursed as follows:

i. On or before June 1, 2012, fifty percent (50%) of the Residual Receipts from the previous calendar year shall be paid by the Borrower to the County in arrears as an Annual Payment on the outstanding principal and accrued interest on the County AHIF/HOME Loan. Thereafter, no later than June 1st of each subsequent year through the end of the Term, fifty percent (50%) of the Residual Receipts from the previous calendar year shall be paid by the Borrower to the County in arrears as Annual Payments on the outstanding principal and accrued interest on the County AHIF/HOME Loan. Any changes to the June 1st due date for Residual Receipts must be pre-approved in writing by the County Manager.

ii. Once all of the outstanding principal and interest on the County AHIF/HOME Loan have been paid in full, the Borrower shall be entitled to retain one hundred percent (100%) of the Residual Receipts.

(2) Reports and Accounting of Residual Receipts.

i. Audited Financial Statement. All Annual Payments made by the Borrower to the County and all Residual Receipts Certificates shall be accompanied by an audited statement, duly certified by an independent firm of certified public accountants that are nationally recognized, setting forth in reasonable detail the computation and total amount of all Residual Receipts during the preceding calendar year or the computation detailing that there were no Residual Receipts during the preceding calendar year.

ii. Books and Records. The Borrower shall keep and maintain on the Property or at its principal place of business, or elsewhere with the County's written consent, full, materially complete and appropriate books, records and accounts relating to the Property, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail Borrower's calculation of Residual Receipts. Books, records and accounts relating to Borrower's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied, and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the County, its auditors or other authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that Borrower may be required to furnish any governmental agency shall at all reasonable times be open to inspection by the County at the place that the books, records and accounts of the Borrower are kept. The Borrower shall preserve records on which any statement of Residual Receipts is based for a period of not less

than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection 2.05(b)(2)(iii) below then pending.

iii. County Audits. The receipt by the County of any audited statement pursuant to subsection 2.05(b)(2)(i) above or acceptance by the County of any loan repayment for any period shall not bind the County as to the correctness of such audited statement or such payment. Within five (5) years after the receipt of any such audited statement by an accounting firm selected by the Borrower, the County or any designated agent or employee of the County at any time upon forty-eight (48) hours advanced notice shall be entitled to audit the Residual Receipts and all books, records, and accounts pertaining thereto. Such audit shall be conducted during normal business hours at the principal place of business of the Borrower and other places where records are kept. If it is determined as a result of such audit that there has been a deficiency in an Annual Payment to the County, then such deficiency shall become immediately due and payable with interest at the Default Rate, determined as of and accruing from the date that said payment should have been made. In addition, if Borrower's auditor's statement for any calendar year shall be found to have understated Residual Receipts by more than five percent (5%) and by at least Two Thousand Five Hundred Dollars (\$2,500), then Borrower shall pay, in addition to the interest charges referenced hereinabove, all of the County's reasonable costs and expenses connected with any audit or review of Borrower's accounts and records.

iv. Maximization of Residual Receipts. Borrower shall, at all times during the Term, continue its operations of the Property and to use its skills and diligence to produce the maximum Residual Receipts, subject to the rent and occupancy requirements of this Agreement as well as legal restrictions of nonprofit affordable housing owners imposed by the federal government. In addition, the Borrower agrees not to receive or distribute any fees or cash flow payments of any kind whatsoever from Residual Receipts to or from any related or non-related outside entities, organizations or individuals ("**Cash Flow Payments**") without the prior written consent of the County. In the event the County approves of any such Cash Flow Payment, the Borrower shall provide evidence thereof satisfactory to the County and will provide any such additional documentation as may be requested by the County to document this Cash Flow Payment in and out of the Property in a clear and transparent manner. Borrower further agrees that prior to funding from capital reserves any unanticipated capital expenses or making any other "material changes" to the Annual Budget, Borrower shall submit to the County, for the County's review and approval, a description and the cost of such unanticipated capital expense or other "material change" to the Annual Budget except for any emergency repair where the life or property of residents are at risk, but after such expenditure, the Borrower shall notify the County as soon as practical thereafter, not to exceed five (5) business days. As used herein, "material change" shall mean (i) any one or more items having an aggregate cost of more than \$10,000, or (ii) any one or more items which cost more than 50% of the value of the original line item for which the change is made.

(c) Payment in Full. Notwithstanding any other provision to the contrary, all outstanding principal and accrued interest on the County AHIF/HOME Loan, together with any other sums evidenced by the County Promissory Note or secured by the County Deed of Trust and/or any other AHIF/HOME Loan Documents, as well as any future advances that may be

made to or on behalf of Borrower by the County, shall be immediately due and payable in full by the Borrower upon the earlier of:

(1) June 1, 2041; or

(2) the occurrence of an event of Default for which the County exercises its right to cause the County AHIF/HOME Loan indebtedness to become immediately due and payable, or for which the County AHIF/HOME Loan indebtedness is automatically specified to become immediately due and payable pursuant to applicable subsections of this Agreement.

(d) **Prepayments.** The Borrower shall have the right to prepay the County AHIF/HOME Loan at any time and from time to time, without penalty or premium, provided that any prepayment of principal must be accompanied by interest accrued but unpaid to the date of prepayment. Prepayments shall be applied first to accrued but unpaid interest and then to principal. Any such prepayment shall have no effect upon the Borrower's obligations and covenants under Article IV of this Agreement which shall survive for the full term of the AHIF Affordability Compliance Period.

Section 2.06. Disbursement of County AHIF/HOME Loan Funds.

(a) **Conditions.** Notwithstanding any other provision of this Agreement to the contrary, the County shall have no obligation to disburse any of the County AHIF/HOME Loan funds to the Borrower unless and until all of the following conditions (collectively the "Funding Conditions") have been satisfied:

(1) Borrower possesses fee title to the Property; and

(2) Intentionally Omitted

(3) Borrower shall have provided the County with written confirmation that the Borrower has secured a commitment for permanent financing from the Senior Lender for the VHDA Senior Debt; and

(4) Borrower shall have provided the County with written documentation that is satisfactory to the County verifying the County AHIF/HOME Loan funds which will be used to reimburse the Borrower for actual acquisition costs and/or expenses pursuant to Section 2.06(b); and

(5) Borrower shall have provided the County with a copy of Borrower's organizational documents satisfactory to the County documenting the power and authority of Borrower to enter into and perform its obligations under this Agreement and the AHIF/HOME Loan Documents; and

(6) Borrower shall have provided the County a copy of a resolution or other corporate document satisfactory to the County authorizing Borrower's authority to own and

operate the Marbella Apartments and to execute this Agreement and the AHIF/HOME Loan Documents; and

(7) APAH shall have provided the County with a copy of its organizational documents satisfactory to the County; and

(8) Borrower shall have executed and delivered to the County all documents, instruments, and policies required under the AHIF/HOME Loan Documents; and

(9) Borrower shall have provided to the County evidence of the insurance coverage meeting the requirements of this Agreement; and

(10) Borrower shall certify in writing that there exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default under this Agreement.

In the event that any of the Funding Conditions are not satisfied on or before June 16, 2011, or such later date as may be approved in writing by the County in the sole and absolute discretion of the County, the County may terminate this Agreement by delivering written notice to the Borrower:

(b) In the event the foregoing Funding Conditions have been satisfied, the County shall disburse the County AHIF/HOME Loan funds to the Borrower by wire transfer as follows:

(1) \$3,723,150.00 in AHIF and HOME funds shall be wired to the Borrower on June 17, 2011 to be used solely by the Borrower to purchase the Property from Briarcliff Manor Associates, L.P.; and

(2) Up to \$307,850.00 shall be placed in a County-held contingency account until June 17, 2012 and shall be disbursed to the Borrower for pre-development costs or Property costs not reimbursable by Gross Revenue or the Replacement Reserve, upon written approval of the County Manager. Any funds remaining in the contingency account after June 17, 2011 that have not been disbursed to the Borrower shall be retained by the County and shall remain County funds; provided, however, subject to authorization of the County Board of Arlington County, Virginia, \$300,000.00 placed in this County-held contingency account shall be transferred to a County-held operating and latent defect reserve account ("**Operating and Latent Defect Reserve Account**") which funds in such Operating and Latent Defect Reserve Account shall be utilized to fund unforeseen and major capital expenditures, property repairs, or operating expenses that are not reimbursable by or exceed available funds from the Replacement Reserve or insurance proceeds pursuant to the terms of an amended and restated AHIF/HOME Loan Agreement.

Section 2.07. Permissible Uses of the County AHIF/HOME Loan Funds.

(a) The Borrower shall use the County AHIF/HOME Loan funds solely to defray such costs and expenses related to the acquisition of the Property. The County shall have the right, but not the obligation, to monitor actual use of the County AHIF/HOME Loan funds from time to time and to require the Borrower to produce records in support thereof and certify in writing that the County AHIF/HOME Loan funds have been used and applied as required by this Agreement. However, the Borrower, not the County, shall be entirely responsible to ensure proper use and application of the County AHIF/HOME Loan funds.

(b) The Borrower shall not use the County AHIF/HOME Loan funds for any other purpose without the prior written consent of the County.

(c) Any "Unspent County AHIF/HOME Loan Funds" shall be returned to the County. "Unspent County AHIF/HOME Loan Funds" shall be calculated as the total Acquisition cost as shown on the Acquisition Budget and Operating Pro Forma document attached hereto as Exhibit C, minus the total Acquisition cost as shown in the final cost certification to be provided by the Borrower to the County on or before September 17, 2011.

(d) Any allocated but undisbursed County AHIF/HOME Loan funds shall be retained by the County and shall remain County funds.

Section 2.08. Subordination of County AHIF/HOME Loan. The County hereby agrees to subordinate the County AHIF/HOME Loan to the permanent VHDA Senior Debt.

Section 2.09. Intentionally Omitted.

Section 2.10. Intentionally Omitted.

**ARTICLE III
INTENTIONALLY OMITTED**

**ARTICLE IV
AFFORDABLE HOUSING PLAN COVENANTS**

Section 4.01. General Covenant. As a material inducement for the County's willingness to enter into this Agreement, and in consideration of the County disbursing County AHIF/HOME Loan funds pursuant to the terms of this Agreement and the AHIF/HOME Loan Documents, the Borrower hereby covenants and agrees for itself, its successors and its assigns, to comply with each restriction and covenant set forth in this Article IV throughout the entire terms of either the AHIF Affordability Compliance Period or, if specifically noted below, the HOME Affordability Compliance Period.

Section 4.02. Marbella Apartment Unit Designations. Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, all of the apartment units in the Marbella Apartments complex shall be designated as Income-Restricted Units. Borrower also covenants and agrees that during the term of the HOME Affordability Compliance Period, seventy (70) of the apartment units in the Marbella Apartments complex designated as Income-Restricted Units shall also be designated as "floating HOME Rental Units" and Borrower shall comply with all HOME Program Regulations for each of the HOME Rental Units. At the conclusion of the HOME Affordability Compliance Period, the HOME Rental Units shall be designated solely as Income-Restricted Units and shall be rented to and occupied by Tenants in accordance with this Article IV for the duration of the AHIF Affordability Compliance Period.

Section 4.02. Occupancy and Rental Affordability Covenants.

(a) **Income Eligibility and Occupancy Requirements – General.** Borrower covenants and agrees that (i) fourteen (14) of the Income-Restricted Units shall immediately be rented to and occupied by or, if vacant, held available for occupancy by Very Low-Income Households with annual incomes at or below forty percent (40%) of the Area Median Income, (ii) twenty-six (26) of the Income-Restricted Units shall immediately be rented to and occupied by or, if vacant, held available for occupancy by Very Low-Income Households with annual incomes at or below fifty percent (50%) of the Area Median Income, (iii) ninety (90) of the Income-Restricted Units shall immediately be rented to and occupied by or, if vacant, held available for occupancy by Low-Income Households with annual incomes at or below sixty percent (60%) of the Area Median Income, and (iv) four (4) of the Income-Restricted Units, which as of the Effective Date are rented to and occupied by "over-income" households with annual incomes exceeding sixty percent (60%) of the Area Median Income, shall be rented to and occupied by or, if vacant, held available for occupancy by Low-Income Households each with an annual income at or below sixty percent (60%) of the Area Median Income when each of such units first becomes available as a result of a vacancy by the current "over-income" household occupying the unit as of the Effective Date. The distribution of the Income-Restricted Units in the Marbella Apartments complex shall be as follows:

Unit Size	Maximum Household Annual Area Median Income				Total
	40%	50%	60%	Greater than 60%*	
Efficiency Units	00	00	02	00	02
1 Bedroom Units	12	19	71	03	105
2 Bedroom Units	02	05	12	01	20
3 Bedroom Units	00	02	05	00	07
Total:	14	26	90	04	134

*Borrower shall convert the units which are currently occupied by households with annual incomes greater than 60% of the AMI to Income-Restricted Units which are designated for Low-Income Households with incomes at or below 60% of the AMI when such units first become available as a result of vacancies by the Tenants occupying the units as of the Effective Date.

(b) Income Eligibility and Occupancy Requirements – HOME Rental Units.

Borrower covenants and agrees that during the term of the HOME Affordability Compliance Period, twenty percent (20%) of the HOME Rental Units shall be rented to and occupied by or, if vacant, available for occupancy by Very Low-Income Households with annual incomes at or below fifty percent (50%) of the Area Median Income (“**Low HOME Rental Units**”) and eighty percent (80%) of the designated HOME Rental Units shall be rented to and occupied by or, if vacant, available for occupancy by Low-Income Households with annual incomes at or below sixty percent (60%) of the Area Median Income (“**High HOME Rental Units**”), with adjustments for smaller and larger families. All HOME Rental Units in the Marbella Apartments complex shall be designated as “floating HOME units,” as defined in 24 C.F.R.92.252(j) of the implementing regulations of the HOME Investment Partnerships Act, provided, however, that the Borrower shall at all times maintain the following unit distribution of HOME Rental Units:

Distribution of HOME Rental Units			
Unit Size	High HOME Rental Units	Low HOME Rental Units	Total
Efficiency Units	01	00	01
1 Bedroom Units	44	11	55
2 Bedroom Units	08	02	10
3 Bedroom Units	03	01	04
Total:	56	14	70

(c) Rental Rate Requirements.

(1) *Income Restricted Units Not Designated as HOME Rental Units.*

Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, the rental rates charged of Tenants for all of the Income-Restricted Units in the Marbella Apartments which are not designated as HOME Rental Units shall (i) be established in accordance with HUD rent limits set for Arlington County, (ii) be indexed for household income and adjusted for family size as described under the definition of “County Affordability Level,” (iii) not exceed the established affordability level for the gross rents, as published by HUD, and

(iv) through the later of the conclusion of the tax credit compliance period or 2028, not exceed the "tax credit rents" established by VHDA.

(2) *HOME Rental Units.* Borrower covenants and agrees that during the term of the HOME Affordability Compliance Period, the rental rates for all of the HOME Rental Units shall be indexed in accordance with the implementing regulations (24 C.F.R. §92, *et seq.*) of the HOME Investment Partnerships Act. In addition, the rental rates for Low HOME Rental Units shall be established at the "Low HOME rent level" published by HUD for the Washington DC metropolitan area, and the rental rates for High HOME Rental Units shall be established at the lesser of the (i) "High HOME rent level" published by HUD for the Washington DC metropolitan area, (ii) VHDA published rents for the tax credit program, or (iii) fair market rents for the Washington DC metropolitan area as published by HUD.

(3) *Borrower's Responsibility to Establish Rental Rates.* It shall be the responsibility of the Borrower and not the County to establish rents for the Income-Restricted Units and the HOME Rental Units in accordance with this Agreement and HOME Program Regulations. Borrower may seek approval of rents for Income-Restricted Units which are not also designated as HOME Rental Units from the County's Housing Division prior to establishing such rents in order to assure that they are no greater than the maximum rents allowed pursuant to this Agreement.

(d) Required Acceptance of Certain Grants and Vouchers. Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, the Borrower shall accept Arlington County Housing Grants and Section 8 Housing Choice Vouchers as part of the rental payment from qualified households and to suspend any requirement for minimum income for prospective Tenants who are participants in the Arlington County Housing Grants and Section 8 Housing Choice Vouchers programs; provided, however, that the Borrower shall not be required to give preference to such participants over other qualified Income-Restricted Unit households.

(e) Utility Allowance. Borrower covenants and agrees that during the AHIF Affordability Compliance Period, to the extent that Tenants pay their own utility charges, the maximum monthly rent shall be reduced by a VHDA-approved utility allowance which shall be documented in each Tenant file and provided annually to the County. In the absence of a VHDA-approved utility allowance, Borrower shall use a utility allowance that follows the current guidelines in the Arlington County Section 8 Program Allowances for Tenant Furnished Utilities and Other Services, as renewed periodically, in accordance with the U.S. Department of Housing and Urban Development ("HUD") guidelines or as otherwise permitted by governing federal regulations and approved by the County. See Exhibit B, Utility Allowances.

(f) Rental Rate Increases. Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, rental rates shall be adjusted no more frequently than annually, per the lease agreement. Rent increases may not allow rents paid by Tenants to exceed the rental rate requirements established in Section 4.02(c) above, and shall be based on area median income increases for the household sizes and income levels specified in this Article IV, as published annually by HUD for the Washington, D.C. Metropolitan area.

Tenants must be provided a written notice of a minimum of thirty (30) days prior to any increase in their rent schedule.

Section 4.03. Tenants, Income Certification and Reporting.

(a) Tenants Qualification. Borrower covenants and agrees that at the time of the initial occupancy of an Income-Restricted Unit by a qualified Tenant, the Borrower shall have established that each household that leases an Income-Restricted Unit covered by this Agreement has an income that qualifies it for occupancy of such Income-Restricted Unit as set forth in this Agreement. Annually thereafter, the Borrower shall obtain from each household that leases an Income-Restricted Unit a signed Income Certification for Income-Restricted Units Form, attached hereto as Exhibit D, establishing the continued eligibility of such household, based on then current income, to occupy the Income-Restricted Unit under the terms of this Agreement, together with a signed Annual Rental Occupancy Affidavit, a form of which is provided by the County and attached hereto as Exhibit E, certifying that such household continues to occupy the Income-Restricted Unit. For all HOME Rental Units, the Borrower or its designated agent, must complete initial Tenant income determinations and Tenant income determinations in project year six using source documentation for HOME Program compliance, per 24 CFR 92.203 and 24 CFR 92.252(h), as amended.

(b) Continued Occupancy by Overqualified Tenants.

(1) Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, if the annual income of a household residing in an Income-Restricted Unit which is not designated as a HOME Rental Unit increases above the qualifying income level, upon lease renewal that household shall be considered "over-income," and that household would no longer qualify to occupy such Income-Restricted Unit, except as permitted in Section 4.02(a)(iv) above. Such household may nevertheless be permitted by the Borrower to remain in residence in the unit at the then-prevailing tax credit rent, subject to Section 42 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), or any corresponding provision or provisions of succeeding law.

(2) Borrower covenants and agrees that during the term of the HOME Affordability Compliance Period, if the annual income of a household residing in a Low HOME Rental Unit is deemed "over-income," but still earns less than sixty percent (60%) of AMI, the Borrower shall re-designate the Low HOME Rental Unit to a High HOME Rental Unit once a comparable unit that is eligible to be designated as a Low HOME Rental Unit becomes available.

(3) Borrower covenants and agrees that during the term of the HOME Affordability Compliance Period, if the annual income of a household residing in a High HOME Rental Unit is deemed "over-income," but still earns less than one hundred forty percent (140%) of the Low Income Housing Tax Credit ("LIHTC") income limit, as published by VHDA, the Borrower shall re-designate the High HOME Rental Unit as an Income-Restricted Unit which is not subject to HOME Program Regulations (i.e. a non-HOME Rental Unit) once a comparable unit that is eligible to be a High HOME Rental Unit becomes available. If the annual income of a household residing in a High HOME Rental Unit is over one hundred forty percent (140%) of

the LIHTC income limit as published by VHDA and thus is deemed "over-income," then the Borrower shall comply with the then applicable guidelines of Section 42 of the Internal Revenue Code for the LIHTC program.

(4) In the event that a previously qualified Tenant is being evicted or removed for a default involving non-compliance with the occupancy requirements/income restrictions or lease terms described in this Article IV, the Borrower will continue to be considered in compliance with this document as long as the Borrower is pursuing possession of the Income-Restricted Unit occupied by such Tenant through all available legal means.

(c) Income Certification. Borrower covenants and agrees to verify that the income provided by an applicant or occupying household in an income certification is in compliance with the guidelines of Section 42 of the Code for the Low Income Housing Tax Credit Program or 24 CFR 92.203 and 24 CFR 92.252(h) for HOME Rental Units, as applicable.

(d) Annual Report to the County. Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, Borrower shall submit to the County or its designee, not later than the sixtieth (60th) day after the close of each fiscal year; or such other date as may be requested by the County, an Income-Restricted Unit Occupancy Report, a form of which is attached hereto as Exhibit F, listing the names of each household member occupying an Income-Restricted Unit, the qualifying income level of the household occupying such Income-Restricted Unit and the rental amount then being charged by Borrower for such Income-Restricted Unit. Further, the submitted Income-Restricted Unit Occupancy Report shall also contain the recertification date, unit number and any other information that the County deems reasonably necessary. In addition, during the AHIF Affordability Compliance Period, the Borrower shall also submit to the County or its designee any other information or completed forms requested by the County, including, but not limited to (i) a copy of the Tenant's rental application, (ii) a copy of the executed rental agreement (lease), (iii) the Income Certification for Income-Restricted Unit form, including all supporting documentation, and (iv) a copy of any Annual Rental Occupancy Affidavit.

(e) Additional Information; Records. Borrower covenants and agrees to provide any additional information reasonably requested by the County. The County shall have the right to examine and make copies of all books, records or other documents of the Borrower which pertain to the Property. Borrower shall materially maintain complete, accurate and current records pertaining to the Property, and shall permit any duly authorized representative of the County to inspect records, including records pertaining to income and household size of Tenants. All Tenant lists, applications and waiting lists relating to the Property shall at all times be kept separate and identifiable from any other business of the Borrower and shall be maintained as required by the County in a reasonable condition for proper audit and subject to examination during business hours by representatives of the County. Borrower shall retain copies of all materials obtained or produced with respect to occupancy of the Income-Restricted Units for a period of at least three (3) years.

(f) On-Site Inspections. The County shall have the right to perform an on-site inspection of the Property at least one time per year. Borrower agrees to cooperate in such inspection.

(g) Conflict of Interest. Pursuant to the HOME Investment Partnerships Act's implementing regulations, no officer, employee, agent or consultant of the Borrower, APAH, Rosslyn Ridge Development Corporation, developer, or sponsor may occupy a HOME Rental Unit without a written exception provided by the County.

Section 4.04. Miscellaneous Restrictions, Covenants and Terms of Affordable Housing Plan.

(a) Conversion of Non-Income-Restricted Units to Condominiums. If at any time prior to the expiration of the AHIF Affordability Compliance Period, and subject to Section 5.03, the Borrower causes non-Income-Restricted Units on the Property to be converted to ownership units (e.g. condominium conversion), such conversion shall not affect the Borrower's obligation to continue to operate the Income-Restricted Units as rental units subject to the terms and conditions of this Agreement and the Borrower Declarations for the remainder of the AHIF Affordability Compliance Period. Further, prior to recording the Declaration converting the non-Income-Restricted Units to ownership units, Borrower covenants and agrees to record a document in the Arlington County land records, subject to County's prior written approval of such document, indicating which of the Property units will be preserved as Income-Restricted Units and subject to the restriction and covenant set forth in this Article IV for the remainder of the AHIF Affordability Compliance Period.

(b) Lease Provisions

(1) Borrower shall use a rental lease form approved by the County. The rental lease form shall comply with all requirements of this Agreement and the AHIF/HOME Loan Documents and shall, among other matters:

i. provide for termination of the lease for failure: (1) to provide any information required under this Agreement or reasonably requested by the Borrower to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, for occupancy in the Property in accordance with the standards set forth in this Agreement, or (2) to qualify as a Low Income Household, as the case may be, as a result of any material misrepresentation made by such Tenant with respect to the income computation or certification;

ii. provide that residents of all Income-Restricted Units have full access to all amenities provided to other residents of the Property, if any, subject to the rules, regulations and conditions (including fees) governing the use of these facilities for all other Tenants as reasonably established by the Borrower;

iii. be for a term of not less than one (1) year, and provide for no rent increase during such year other than as permitted by federal regulations. Borrower will provide each Tenant with at least thirty (30) days' written notice of any increase in rent

applicable to such Tenant, and with such further notice as may be required by Section 4.02(d) above; and

iv. include the nondiscrimination language required pursuant to Section 4.04(f) below.

(2) Subject to the income eligibility and occupancy requirements for Tenants as outlined in this Section 4.02, the Borrower reserves the right to establish certain rental occupancy requirements and limitations in the leases, as approved by the County. Specifically, but without limitation, Borrower reserves the right to (a) to apply Borrower's typical credit and background check requirements to prospective Tenants, (b) limit household size for each Income-Restricted Unit in accordance with Borrower's maximum occupancy standard or County standard, as Borrower may choose; and (c) prohibit the subletting or assigning of Income-Restricted Units. In addition, Borrower shall comply with all of the guidelines listed in Section 3-23 of the 4350.3 HUD Occupancy Handbook to ensure that Tenants residing in Income-Restricted Units have a household size appropriate to the size of the unit being leased.

(3) Borrower shall comply with and enforce all lease provisions outlined in 24 CFR 92.253 for all HOME Rental Units.

(c) Affirmative Marketing Plan. Borrower covenants and agrees to implement an Affirmative Marketing Plan in substantially that form attached hereto as Exhibit G and as required by HUD.

(d) Non-Discrimination.

(1) Borrower shall not, in the selection of Tenants, in the provision of services, or in any other manner, discriminate against any person on the grounds of Race, National Origin, Color, Marital Status, Sex, Religion, Age/Elderliness, Disability (physical or mental), Sexual Orientation, or Familial Status (being pregnant or having children under age 18), or discriminate in violation of any applicable law or regulation. The Borrower shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations.

(2) Borrower shall not discriminate against prospective Tenants on the basis that they receive or are eligible to receive housing assistance under any Federal, State, or local housing assistance program and not to discriminate against or deny occupancy to any Tenant or prospective Tenant by reason that the Tenant has a minor child or children who will be residing with them.

(e) Covenants to Run with the Land. The County and the Borrower hereby declare their express intent that the covenants and restrictions set forth in this Article IV shall run with the land, and shall bind all successors in title to the Property during the AHIF Affordability Compliance Period, provided however, that upon the expiration of the AHIF Affordability Compliance Period, said covenants and restrictions shall automatically expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any

portion thereof during the AHIF Affordability Compliance Period, shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the County expressly releases such conveyed portion of the Property from the requirements of this Agreement or such contract, deed or other instrument is executed after the expiration of the AHIF Affordability Compliance Period.

**ARTICLE V
ADDITIONAL COVENANTS**

Section 5.01. Intentionally Omitted.

Section 5.02. Insurance Requirements.

(a) Borrower covenants and agrees that throughout the Term, Borrower shall maintain the following insurance coverage throughout the Term:

i. To the extent required by law, Workers' Compensation insurance in accordance with the Virginia Workers' Compensation Act; and

ii. Commercial General Liability insurance with limits not less than \$2,000,000 per occurrence and \$5,000,000 in the aggregate, including coverage for contractual liability, personal injury, broadform property damage, products and completed operations; and

iii. Automobile Liability insurance with limits not less than \$1,000,000, including coverage for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Borrower does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required; and

iv. All Risk / Property and Fire insurance covering the entire Property for full replacement value.

v. Crime insurance, to include employee dishonesty, in the amount of \$250,000 per occurrence, with a deductible not to exceed \$25,000.

(b) All insurance required by this Agreement shall be with a company acceptable to the County and authorized to transact business in the Commonwealth of Virginia. The required insurance shall be provided under an occurrence form, and shall be maintained continuously so long as any County Promissory Note relating to this Agreement is outstanding. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be three times the occurrence limits specified above.

(c) Commercial, General Liability, All Risk / Property, Fire and Automobile Liability insurance policies shall be endorsed to name as an "Additional Insured" the County, and its respective officers, agents and employees and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the County's insurance.

(d) Prior to disbursement of any funds pursuant to this Agreement, Borrower shall deliver certificates of insurance to the County showing that Borrower has in effect the insurance required by this Agreement. The Borrower shall deliver a new or amended certificate

of insurance promptly after any change is made in any insurance policy which would alter the information on the certificate previously delivered to the County. Acceptance or approval of insurance shall in no way modify or change the indemnification clause contained in Section 8.04 of this Agreement, which shall remain in full force and effect.

(e) All policies and bonds shall be endorsed to provide thirty (30) days prior written notice to the County of cancellation, reduction in coverage, or intent not to renew and such written notice shall be provided to the address for notices to the County.

(f) Borrower covenants and agrees that during the pendency of the Borrower Declarations recorded against the Property, Borrower and any successor shall use any insurance proceeds awarded to repair or replace any damage to the Property.

Section 5.03. Restriction of Assignment and Transfer by Borrower.

(a) **Definition.** As used in this Agreement the term “**Transfer**” means:

i. any total or partial sale, lease, assignment, or other conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or of any part of or interest in the Property, or any agreement to do any of the foregoing; or

ii. any total or partial sale, assignment, or other conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to any ownership interest in the Borrower or any agreement to do any of the foregoing.

(b) **Purpose of Restrictions on Transfer.** This Agreement is entered into solely for the purpose of providing the Borrower with the County AHIF/HOME Loan to help facilitate the acquisition of the Property by the Borrower in accordance with the terms of this Agreement and the AHIF/HOME Loan Documents. The qualifications and identity of Borrower and APAH, as an affiliate of Rosslyn Ridge Development Corporation – sole and managing member of the Borrower, is of particular concern to the County, in view of:

i. the importance of the acquisition and continued operation of the Property as an affordable housing project to the general welfare of the community;

ii. the HOME Program funds and AHIF Program funds that have been made available by the County for the purpose of making such acquisition and continued operation possible;

iii. the reliance by the County upon the unique qualifications and ability of APAH and the Borrower to serve as the catalyst for the acquisition of the Property and upon the continuing interest which the Borrower will have in the Property to assure the quality of the use, operation, and maintenance deemed critical by the County in the development of the Property;

iv. the fact that a change in ownership or control of the owner of the Property, or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties in control of the Borrower or the degree thereof, is for practical purposes a transfer or disposition of the Property; and

v. the importance to the County of the standards of use, operation, and maintenance of the Property.

It is because of the qualifications and identity of APAH and the Borrower that the County is entering into this Agreement and that Transfers are permitted only as provided in this Agreement.

(c) Prohibited Transfers. The limitations on Transfers set forth in this Section 5.03 shall apply throughout the Term. Except as expressly permitted in this Agreement, the Borrower represents that it has not made or created, and covenants and agrees that it will not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law, without the prior written approval of the County. Any Transfer made in contravention of this Section 5.03 shall at the County's discretion be void and shall be deemed to be a Default under this Agreement, whether or not Borrower knew of or participated in such Transfer.

(d) Permitted Transfers Without Prior County Approval. The Borrower covenants and agrees that the only Transfer permitted at any time without the prior approval of the County is for the rental of an Income-Restricted Unit by the Borrower in the ordinary course of business and in compliance with this Agreement.

(e) Permitted Transfers With Prior County Approval. Except as permitted under Section 5.03(d), the Borrower covenants and agrees that any Transfer shall be permitted only after (i) the County, in its sole discretion, has delivered to the Borrower its prior written approval of such Transfer, and (ii) the transferee has assumed the Borrower's obligations under this Agreement by signing this Agreement or such other reasonable documentation as the County may require. If the proposed transferee is APAH or an affiliate of APAH, the County's prior written approval of such transfer shall not be unreasonably withheld.

Section 5.04. County Right of First Refusal (ROFR).

(a) Intentionally Omitted.

(b) County Right of First Refusal. Borrower covenants and agrees that during the term of the AHIF Affordability Compliance Period, and subject to Section 5.03 above, if Borrower receives a bona fide offer to purchase the Property from a purchaser that is not affiliated with either the Borrower or APAH ("**Bona Fide Offer**") before the conclusion of the term of the AHIF Affordability Compliance Period (the "**ROFR Term**"), which offer the Borrower desires to accept, the County shall have a right of first refusal to purchase the Property (the "**Refusal Right**") pursuant to the terms and conditions set forth in this Section 5.04 and at

ninety percent (90%) the fair market value price (the “**ROFR Term Purchase Price**”). The ROFR Term Purchase Price shall be determined as follows:

Determination of the Fair Market Value Price of the Property

i. The fair market value of the Property, appraised as an affordable housing project to the extent continuation of such use is required pursuant to use restrictions applicable to the Project, with such appraisal to be made by a licensed appraiser, selected as set forth in subparagraph (ii) below, who has at least five years experience in Arlington County, Virginia, is a member of the Master Appraiser Institute (MAI), and who has substantial experience appraising affordable housing tax credit projects. The fair market value shall be calculated considering the nature of the reserves and any existing restrictions on the use or availability of such reserves.

ii. Borrower and the County shall select a mutually acceptable appraiser who has the qualifications set forth in subparagraph (i) above, who shall determine the fair market value of the Property (the “**FMV ROFR Purchase Price**”) in accordance with the requirements set forth in this Section 5.04. If the Borrower and the County are unable to agree upon an appraiser, Borrower and the County shall each select an appraiser. If the difference between the two appraisals is less than or equal to ten percent (10%) of the lower of the two appraisals, then the FMV ROFR Purchase Price shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser. If the two appraisers are unable jointly to select a third appraiser, then either the Borrower or the County may, upon written notice to the other, apply to any court having jurisdiction to appoint a third appraiser. If the third appraisal is less than either of the first two, then the FMV ROFR Purchase Price shall be the average of the two lowest appraisals. If the third appraisal is greater than the first two, then the FMV ROFR Purchase Price shall be the average of the two highest appraisals. If the third appraisal falls between the previous two appraisals, the FMV ROFR Purchase Price shall be the value established by the third appraisal. Borrower and County shall share the cost equally of any appraiser jointly selected or shall pay the costs of the appraiser they each select and shall share the cost equally of any third appraiser. The appraiser(s) shall have access to all books and records, this Agreement and the financial information and valuations reports of the Borrower.

(c) Manner of Exercise.

i. *Notice of Bona Fide Offer.* Subject to Section 5.03 above, prior to accepting any Bona Fide Offer to purchase the Property, Borrower shall notify County of such Bona Fide Offer and deliver a copy thereof (“**Notice of Bona Fide Offer**”).

ii. *Notice of Intent to Exercise Subsequent Refusal Right.* County may exercise its Refusal Right by first giving a notice of preliminary intent to exercise its Refusal Right, subject to the fair market value price of the Property, (the “**Preliminary RR Notice of Intent**”) within sixty (60) days after County has received the Borrower’s Notice of Bona Fide Offer. If, after the determination of the fair market value price of the Property, pursuant to Section 5.04(b), the County determines to exercise its Refusal Right, the County

shall provide the Borrower with a final intent to exercise its Refusal Right (the “**Final RR Notice of Intent**”) within fifteen (15) days of such determination. The Final RR Notice of Intent shall specify a closing date that is within ninety (90) days immediately following the delivery of the Final RR Notice of Intent.

iii. Borrower shall not accept any Bona Fide Offer unless and until the County’s applicable Refusal Right has expired without exercise by County in accordance with this Section 5.04(c)(ii) above.

(d) Assignment of Right of Refusal. Borrower hereby covenants and agrees to permit the County to assign any of its rights under this Section 5.04 to a party which is a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code or a government agency. Upon any assignment hereunder, references in this Section 5.04 to the County shall mean the permitted assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Section 5.04 and so assigned. No assignment of County’s rights hereunder shall be effective unless and until the permitted assignee enters into a written agreement accepting the assignment and assuming all of County’s obligations under this Section 5.04 and copies of such written agreement are delivered to the Borrower.

Section 5.05. County’s Role as Lender. Borrower hereby covenants, agrees and acknowledges that County has entered into this Agreement in its role as lender under this Agreement and not as a governing authority. Accordingly, County’s execution of this Agreement shall neither constitute nor be deemed to be governmental approval for any actions or interests contemplated herein, including, without limitation, for the renovation of the Property or the construction of any improvements. Whenever in this Agreement County is required to join in, consent, give its approval, or otherwise act under this Agreement, it is understood that such obligations are meant to apply to County acting in its capacity as a lender and not in its capacity as a governing authority. Further, Borrower hereby acknowledges that any and all decisions, determinations, consents, notifications or any other actions taken or to be taken by County pursuant to this Agreement, whether or not specifically contemplated hereunder, may be taken by the County Manager or by another Arlington County official or body pursuant to any means, mechanism or process as determined by Arlington County in its sole discretion, and Borrower shall have no right to question or challenge the propriety, authority or legality of any such Arlington County official or body, or means, mechanism or process by which any such decision, determination, consent, notification, or other action is taken or to be taken hereunder by County; provided such decision, determination, consent, notification, or other action by County is taken in accordance with all applicable laws, rules, regulations, ordinances, codes, procedures, processes and orders. Notwithstanding the foregoing, nothing in this Agreement shall be construed to waive any of County’s powers, rights or obligations as a governing authority or local governing body, whether or not affecting the Property, including, but not limited to, its police power, right to grant or deny permits, right to collect taxes or other fees, or any other power, right or obligation whatsoever.

Section 5.06. Intentionally Omitted.

Section 5.07. Release of Hazardous Substances. Borrower covenants and agrees that it shall not release or permit any release or threat of release of any Hazardous Substances (as defined in Section 6.14 below) on the Property, nor generate or permit any Hazardous Substances to be generated on the Property; nor store or permit any Hazardous Substances to be stored on the Property (unless such substance is customarily used in connection with construction or operation of a housing development and either a permit is issued therefor or such storage is allowed by applicable law). The Borrower shall provide the County with prompt written notice: (a) upon the Borrower's becoming aware of any release or threat of release of any Hazardous Substances upon, under or from the Property; (b) upon the Borrower's receipt of any notice from any federal, state, municipal or other governmental agency or authority in connection with any Hazardous Substance located upon or under the Property, or emanating from the Property; and (c) upon the Borrower's obtaining knowledge of the incurring of any expense by any governmental authority in connection with the assessment, containment or removal of any Hazardous Substances located upon or under the Property or emanating from the Property. The Borrower hereby covenants and agrees, at its sole cost and expense, to promptly take all remedial action necessary to assess, contain, monitor, remediate and remove all Hazardous Substances which are located upon or released at the Property in such a manner as to bring the Property in compliance with applicable legal requirements, and to take all actions necessary or appropriate to avoid any liability of or claims against the Borrower, or any subsequent owner of the Property, and to avoid the imposition of any liens on the Property as a result of the presence of Hazardous Substances thereon. The Borrower hereby covenants and agrees, at its sole cost and expense, to provide to the County all professional environmental assessments prepared with respect to the Property at any time while the County AHIF/HOME Loan is outstanding and such other information with respect to Hazardous Substances at the Property the County from time to time may require.

Section 5.08. Property Condition. Borrower covenants and agrees that all Income-Restricted Units, including HOME Rental Units, shall comply with all applicable local, state and federal laws, statutes, ordinances and regulations and any other applicable property standards necessary to permit occupancy of the Income-Restricted Units.

(a) **Maintenance.** The Borrower covenants and agrees to perform or cause to be performed normal and routine maintenance and repair on the Property during the AHIF Affordability Compliance Period and to make the Property habitable and available to a new Tenant after any vacancy occurs. The Borrower agrees to maintain the Property in compliance with Chapter 29 of the Housing Standards Ordinance of Arlington County, the Building Officials and Code Administrators (BOCA)'s National Property Maintenance Code, as adopted by Arlington County, and the Housing Quality Standards of the Section 8 Program so as to provide housing that is safe and sanitary for its tenants.

(b) **Physical Inspection.** Upon advanced notice of at least forty-eight (48) hours, Borrower covenants and agrees that the County or its designee shall have the right during Borrower's normal business hours to inspect the Property, all books and records related thereto including, but not limited to, rental applications, rent rolls, and all other relevant documents which pertain to rents paid, occupancy, and incomes of all Tenants.

(c) Lead-Based Paint. Borrower covenants and agrees to comply with HOME Lead-Based Paint requirements, including the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of the HOME Investment Partnerships Act, as amended, and all subsequent applicable rules and regulations.

(d) Substantial Renovations of Property. Borrower covenants and agrees that during the HOME Affordability Compliance Period, it shall not substantially renovate the Property without the prior written consent of the County Manager, with approval from the County Attorney.

Section 5.09. Minority Outreach Program. Borrower covenants and agrees to encourage the use of, and provide the opportunity for, Minority and Women Business Enterprises in the selection of real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants and providers of legal services for the project according to the HOME Investment Partnerships Act. The Borrower shall supply to the County evidence of compliance in the form of newspaper advertisements, request for proposal lists or other documentation as required by the County to ensure compliance with this Section.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

As a material inducement to the County's entry into this Agreement, the Borrower hereby (i) makes the following representations and warranties to the County, as of the Effective Date, (ii) covenants that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Agreement not to be true, Borrower shall immediately give written notice of such fact or condition to the County, (iii) acknowledges that the County shall rely upon Borrower's representations made herein notwithstanding any investigation made by or on behalf of the County, and (iv) agrees that such representations and warranties shall survive termination of this Agreement:

Section 6.01. Organization. Borrower is duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and has the power and authority to own the Property and carry on its business as now being conducted. The Borrower's general partner is a duly organized and validly existing non-stock corporation and is in good standing under the laws of the Commonwealth of Virginia.

Section 6.02. Authority of the Borrower. Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the AHIF/HOME Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

Section 6.03. Authority of Persons Executing Documents. This Agreement and the AHIF/HOME Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the AHIF/HOME Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

Section 6.04. Valid Binding Agreements. This Agreement and the AHIF/HOME Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms, subject to laws affecting creditors rights and principles of equity.

Section 6.05. No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the AHIF/HOME Loan Documents or any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the

performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Borrower, or any provision of the organizational documents of Borrower, or will materially conflict with or constitute a material breach of or a material default under any agreement to which Borrower is a party, or will result in the creation or imposition of any lien upon assets or property of Borrower, other than liens established pursuant hereto.

Section 6.06. Intentionally Omitted.

Section 6.07. Pending Proceedings. Borrower is not in default in any material respect under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Marbella Apartments, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Borrower, materially affect Borrower's ability to repay the County AHIF/HOME Loan or renovate, operate or maintain the Property, or impair the security to be given to the County pursuant hereto.

Section 6.08. Title to Land. At the time of recordation of the County Deed of Trust, Borrower shall have good and marketable fee title to the Property and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than those liens approved by the County, liens for current real property taxes and assessments not yet due and payable, and liens in favor of the County or approved in writing by the County.

Section 6.09. Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the County at any time during the Term fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Borrower from that shown by such financial statements and other data and information delivered to the County at or before the Effective Date.

Section 6.10. Loan Proceeds and Adequacy. The proceeds from the County AHIF/HOME Loan, together with the other funding identified herein are sufficient cover the costs associated with the Acquisition of the Property.

Section 6.11. Accuracy. All reports, documents, instruments, information and forms of evidence delivered to the County concerning the County AHIF/HOME Loan or required by the AHIF/HOME Loan Documents and this Agreement are accurate, correct and sufficiently complete to give the County true and accurate knowledge of their subject matter, and do not contain any material misrepresentation or omission.

Section 6.12. Tax Liability. Borrower has filed all required federal, state, county and municipal tax returns and has paid all taxes and assessments owed and payable, and Borrower

has no knowledge of any basis for any additional payment with respect to any such taxes and assessments.

Section 6.13. Permits. All permits, consents, permissions and licenses required by any federal, state or local government or agency to which the Borrower or the Property is subject, which may be necessary in relation to this Agreement or the acquisition, renovation, construction, operation or ownership of the Property have been, or will be, obtained and none of such consents, permissions and licenses are subject to appeal or to conditions which have not been met.

Section 6.14. No Hazardous Substances. To the best of the Borrower's knowledge, no oil, asbestos, urea formaldehyde foam insulation, nor any other hazardous material, hazardous waste or hazardous substance (hereinafter collectively called "**Hazardous Substances**"), as those terms are defined by any applicable law, rule or regulation including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Sections 9601 et seq., and the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901 et seq., has been or is being generated, stored, released or disposed of on, under or from the Property, except for certain hazardous substances as previously disclosed to the County in written environmental reports delivered to the County, as to all of which Hazardous Substances the Borrower shall undertake and complete all necessary and appropriate response actions (including without limitation removal, encapsulation and/or remediation) in accordance with all applicable legal requirements in order to achieve a level of no significant risk to human health, public welfare or the environment, prior to completion of any renovation as approved by the County and occupancy of any units therein.

**ARTICLE VII
DEFAULT AND TERMINATION**

Section 7.01. Events of Default. Each of the following shall constitute an event of default on the part of Borrower ("Event of Default"):

- (a) Intentionally Omitted.
- (b) Non-Permissible Uses of the County AHIF/HOME Loan Funds. Any use of the County AHIF/HOME funds by the Borrower other than for permissible uses referenced in Section 2.07(a).
- (c) Failure to Make Annual Payment or Provide Residual Receipts Certificate. Failure to make an Annual Payment from the Residual Receipts or provide a Residual Receipts Certificate when due, pursuant to this Agreement and the AHIF/HOME Loan Documents, provided that, in case of a failure to make an Annual Payment on the County AHIF/HOME Loan or provide a Residual Receipts Certificate, a Default shall not exist if cured within ten (10) calendar days.
- (d) Failure to Make Payment in Full. Failure to pay all outstanding principal and accrued interest on the County AHIF/HOME Loan, together with any other sums evidenced by the County Promissory Note or secured by the County Deed of Trust and/or any other AHIF/HOME Loan Documents, when immediately due and payable in full pursuant to this Agreement and the AHIF/HOME Loan Documents.
- (e) Transfer. A Transfer occurs, either voluntarily or involuntarily, in violation of Section 5.03.
- (f) Delinquent Taxes. Subject to Borrower's right to contest the following charges, if Borrower fails to pay prior to delinquency taxes or assessments due on the Property or fails to pay when due any other charge that may result in a lien on the Property, and Borrower fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien.
- (g) Default on Secured Debt. Following Borrower's acquisition of the Property, a default arises under any loan secured by a mortgage, deed of trust or other security instrument recorded against the Property or Borrower's interest therein, and remains uncured beyond any applicable cure period such that the holder of such security instrument has the right to accelerate repayment of such loan.
- (h) Representation or Warranty Incorrect. Any Borrower representation or warranty contained in this Agreement, the AHIF/HOME Loan Documents, or in any application, financial statement, certificate, or report submitted to the County in connection with this Agreement or any of the AHIF/HOME Loan Documents, proving to have been incorrect in any material and adverse respect when made and continues to be materially adverse to the County.

(i) Insolvency. A court having jurisdiction shall have made or entered any decree or order (i) adjudging Borrower to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Borrower or seeking any arrangement for Borrower under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (iii) appointing a receiver, trustee, liquidator, or assignee of Borrower in bankruptcy or insolvency for any of its properties; (iv) directing the winding up or liquidation of Borrower, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of sixty (60) days; or Borrower shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically the indebtedness evidenced by the Borrower's promissory notes to the County, without need for any action by the County.

(j) Assignment; Attachments. Borrower shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution of any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attached or execution. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically the indebtedness evidenced by the Borrower's promissory notes to the County, without need for any action by the County.

(k) Suspension; Termination. Borrower shall have voluntarily suspended its business or, if Borrower is a partnership, the partnership shall have been dissolved or terminated, other than a technical termination of the partnership for tax purposes.

(l) Liens on Property. There shall be filed any claim of lien (other than liens approved in writing by the County) against the Property of any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the County AHIF/HOME Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days without discharge or satisfaction thereof or provision therefor satisfactory to the County.

(m) Mismanagement of Housing Units. Failure to manage and operate the Property in a prudent or businesslike manner.

(n) Breach of Covenants. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Agreement or any of the AHIF/HOME Loan Documents.

(o) Default Under Other Agreements. Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any agreement entered into between Borrower and any other party, which agreement provides financing for, or otherwise facilitates, the development, renovation or operation of the Property.

(p) Notice, Cure Period. Unless a shorter cure period is specified for a default in the performance of any term, provision, covenant or agreement contained in this Agreement, including the obligations enumerated in this Section 7.01, no default shall mature into an "Event of Default" and the County shall not exercise any right or remedy on account thereof unless the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which the County shall have given written notice of the default to the Borrower; provided, however, if the nonmonetary default is of a nature that cannot be cured within sixty (60) days, an Event of Default shall not arise hereunder if Borrower commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

Section 7.02. Remedies. The occurrence of any Default, following the expiration of all applicable notice and cure periods will, either at the option of the County or automatically when so specified, relieve the County of any obligation to make or continue disbursements pursuant to any County loan and shall give the County the right to proceed with any and all remedies set forth in this Agreement and the various AHIF/HOME Loan Documents, including but not limited to the following:

(a) Acceleration of Note. The County shall have the right to declare and cause all indebtedness of the Borrower to the County under this Agreement and the County Promissory Note, together with any accrued interest thereon, to become immediately due and payable. After such declaration, interest on the County AHIF/HOME Loan and any outstanding amount shall immediately begin to accrue interest at the Default Rate until paid to the County. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The County may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the County as a creditor under the law including the Uniform Commercial Code. The Borrower shall be liable to pay the County on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the County in connection with the collection of the County AHIF/HOME Loan or any other indebtedness related to this Agreement.

(b) Specific Performance. The County shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations and covenants under this Agreement, including the various AHIF/HOME Loan Documents, or to enjoin acts on things which may be unlawful or in violation of the provisions of this Agreement or the AHIF/HOME Loan Documents.

(c) Right to Cure Borrower's Expense. The County shall have the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the County AHIF/HOME Loan. The Borrower agrees to reimburse the County for any funds advanced by the County to cure a monetary default by Borrower upon demand therefor, together with interest thereon at the Default Rate until the date of reimbursement.

(d) Replacement of Housing Management. The County shall have the right (but not the obligation) to substitute those associated with operating and managing the Property,

including on-site and off-site personnel, with other personnel of the County's selection, and charge Borrower with any costs associated therewith.

(e) All Other Remedies. The County shall have the right to pursue any other remedy provided in any of the other AHIF/HOME Loan Documents or allowed by law or equity.

Section 7.03. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different time, of any other right or remedy for the same default or any other default by the other party.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

Section 8.01. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between the Borrower and the County shall be given either by (a) personal service, (b) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (c) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (d) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed to:

To the County: Department of Community Planning, Housing, and Development
2100 Clarendon Boulevard, Suite 700
Arlington, Virginia 22201
Attn: Ken Aughenbaugh
Email: KAughenbaugh@ArlingtonVA.US

With a Copy to: Office of the Arlington County Attorney
2100 Clarendon Blvd, Suite 403
Arlington, Virginia 22201
Attn: Robert E. Dawson, Assistant County Attorney
Fax: (703) 228-7106
Email: RDawson@ArlingtonVA.US

To the Borrower: Marbella Development LLC
2704 North Pershing Drive
Arlington, Virginia 22201
Attn: Nina Janopaul
Fax: (703) 276-7444
Email: njanopaul@apah.org

With a Copy to: Erik T. Hoffman
Klein Hornig, LLC
1275 K Street, NW, Suite 1200
Washington, DC 20005
Email: ehoffman@kleinhornig.com

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices delivered by facsimile or email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing.

Section 8.02. Relationship of Parties. The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the Parties as lender and borrower and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to this Agreement.

Section 8.03. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement.

Section 8.04. Indemnification. The Borrower shall indemnify, defend and hold the County and its respective Board members, officers, employees, agents, successors and assigns harmless from and against: (a) any and all claims, liabilities and losses whatsoever (together with any expenses related thereto, including but not limited to, damages, court costs and attorneys fees) occurring to or resulting from any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, (b) any and all claims, liabilities and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the Borrower's performance of this Agreement, including but not limited to any such claims, liabilities or losses which occur on or adjacent to the Property, and (c) such claims, liabilities, or losses which arise out of the renovation, construction and operation of the Property. "Borrower's performance" includes Borrower's action or inaction and the action or inaction of Borrower's officers, employees, agents, contractors, and subcontractors. This indemnification and hold harmless obligation shall not extend to any claim arising solely out of the gross negligence or willful misconduct of the County and its respective employees and agents. The provision of this Section 8.04 shall survive the expiration of the Term or other termination and the re-conveyance of the County Deed of Trust.

Section 8.05. Non-Liability of Officials, Employees and Agents. No member, official, employee or agent of the County shall be personally liable to Borrower in the event of any default or breach by the County or for any amount which may become due to Borrower or its successors or assigns or on any obligation under the terms of this Agreement.

Section 8.06. No Third-Party Beneficiaries. No provision of this Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

Section 8.07. Parties Bound. Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and, subject to Section 5.03 above, shall bind Borrower and its successors and assigns in the Property for the entire Term, and the benefit hereof shall inure to the benefit of the County and its successors and assigns.

Section 8.08. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. In the event that all or any portion of this Agreement is found to be unenforceable, this Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Agreement or that portion which is found to be unenforceable.

Section 8.09. Governing Law. This Agreement and the AHIF/HOME Loan Documents shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia. The parties consent to the jurisdiction and venue of the courts of the Circuit Court for the County of Arlington, Virginia.

Section 8.10. Liability of the County. The County, by the acceptance and performance of this Agreement does not assume any liability, and the Borrower and APAH hereby release the County and any of its individual agents or employees from any such liability, and no claim shall be made by the Borrower or APAH upon the County or such employees or agents for or on account of any matter or thing.

Section 8.11. Exhibits. All Exhibits referred to in this Agreement are by such references fully incorporated herein.

Section 8.12. Entire Agreement, Waivers and Amendments. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to the County AHIF/HOME Loan. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

Section 8.13. Time of the Essence. Time is of the essence in the performance of this Agreement.

Section 8.14. Language Construction. The language of each and all paragraphs, terms and/or provisions of this Agreement, shall in all cases and for any and all purposes, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any Party and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

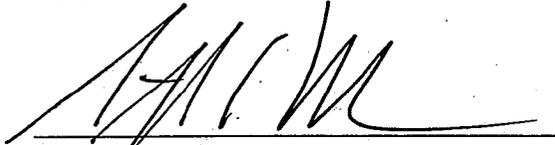
Section 8.15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 8.16. No Waiver of Sovereign Immunity by County. Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement nor any action taken by County pursuant to this Agreement nor any document which arises out of this Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the County's elected and appointed officials, officers and employees.

THE SIGNATURE(S) OF THE PERSON(S) EXECUTING THIS AHIF/HOME LOAN AGREEMENT ON BEHALF OF THE BORROWER AND THE COUNTY ARE SET FORTH ON THE EXECUTION PAGE(S) IMMEDIATELY FOLLOWING THIS PAGE.

IN WITNESS WHEREOF, the County and the Borrower have each executed, or caused to be duly executed, this Agreement under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives, as the case may be, thereunto duly authorized) as of the day and year first written above.

Approved as to form:


County Attorney

**THE COUNTY BOARD OF
ARLINGTON COUNTY, VIRGINIA, a
body politic**

By:  (seal)
Name: Barbara M. Donnellan
Title: COUNTY MANAGER

**MARBELLA DEVELOPMENT LLC, a
Virginia limited liability company**

By: Rosslyn Ridge Development
Corporation, a Virginia non-stock
corporation, its sole and Managing
Member.

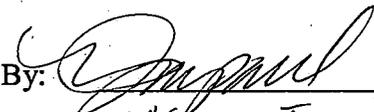
By:  (seal)
Name: Nina Janopaul
Title: President

Exhibit A
PROPERTY DESCRIPTION

Property Description

The same property as the current Marbella Apartments development described in Exhibit A to the deed of trust recorded in Deed Book 2932, at page 1933, in the Clerk's Office of the Circuit Court of Arlington County, Virginia. The Property contains approximately 3.438 acres and is located at 1301 North Pierce Street in Arlington, Virginia.

Exhibit B
UTILITY ALLOWANCE

Allowances for Tenant-Furnished Utilities and Other Services
U.S. Department of Housing and Urban Development - Office of Public and Indian Housing

**Allowances for
Tenant-Furnished Utilities
And Other Services**

**U.S. Department of Housing and Urban
Development
Office of Public and Indian Housing**

Locality:	Arlington	UnitType:	Apartment	Date:	07/01/2010		
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	22	27	32	36	43	48
	b. LPG/Propane	35	49	63	77	94	108
	c. Oil	26	36	47	57	73	83
	d. Electric	12	17	21	26	33	37
	e. Heat Pump	9	13	20	23	29	33
Cooking	a. Natural Gas	4	6	7	9	11	13
	b. LPG/Propane	14	20	26	31	40	45
	c. Electric	5	7	9	11	15	17
	d. Coal/Other						
Other Electric/Lighting		24	31	38	44	55	61
Air Conditioning		5	7	10	12	15	17
Water Heating	a. Natural Gas	9	12	16	19	24	28
	b. LPG/Propane	30	42	55	67	85	97
	c. Oil	22	31	40	49	62	71
	d. Electric	13	18	24	29	37	42
	e. Coal/Other						
Water		6	9	15	25	34	43
Sewer		14	21	35	56	77	98
Trash Collection		27	27	27	27	27	27
Range/Microwave		NA	NA	NA	NA	NA	NA
Refrigerator		NA	NA	NA	NA	NA	NA
Other--Specify							

Actual Family Allowances To be used to compute allowance. Complete below for the actual unit rented.
Name of Family
Address of Unit
Number of Bedrooms

Utility or Service	Monthly Cost
Heating	
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	

Exhibit C
ACQUISITION BUDGET AND OPERATING PRO FORMA

Please See Attached

Marbella Apartments Final Acquisition Budget

SOURCES	\$	Interest	DSCR	Term	Per Unit
VHDA	6,580,000	7.04%	1.47	35	49,104
Sparc	1,500,000	4.25%	1.26	35	11,194
Reach	2,000,000	2.00%	1.11	35	14,925
Arlington County AHIF	4,031,000	2.50%			30,082
Sponsor Equity	200,000				1,493
	-				-
Total	14,311,000				106,799
USES				Per Unit	
ACQUISITION RELATED COSTS					
Acquisition	13,000,000		97,015		
Title & Recording	103,021		769		
Prepayment Penalty	-		-		
Acquisition Costs Subtotal	13,103,021		97,784		
NEW CONSTRUCTION COSTS					
Hard Costs	-		-		
Hard Cost Contingency	-		-		
Parking Contribution	-		-		
FFE	25,000		187		
Earthcraft	-		-		
Letter of Credit, Cost Cert & Tax	-		-		
Construction Cost Subtotal	25,000		187		
DUE DILIGENCE RELATED COSTS					
Architect & Engineering (Zoning & Massing Analysis)	4,602		34		
Zoning Compliance Letter	362		3		
Civil Engineering/Survey	5,800		43		
Landscape Architect	-		-		
Construction Supervision	-		-		
Construction Inspections	-		-		
Soil Borings	-		-		
Environmental	3,480		26		
Builder's Risk Insurance	-		-		
Compliance Review Fee (A.J. Johnson)	6,927		52		
Structural Study/Analysis	3,255		24		
Property Needs Assessment	2,720		20		
Construction Related Costs Subtotal	27,146		203		
FINANCING COSTS					
VHDA Fees	83,300		622		
Mortgage Broker	50,000		373		
NHT Sinking Fund	-		-		
Capitalized Interest (During Construction)	-		-		
Capitalized Interest (During Acquisition)	-		-		
Legal	38,150		285		
Appraisal/Market Study	3,617		27		
Tax Credit Consultant	-		-		
Financing Costs Subtotal	175,067		1,306		
RESERVES, SOFT COSTS & DEVELOPMENT FEES					
Tax Credit Fees	-		-		
Audits & Accounting	-		-		
Property Insurance	18,978		142		
Construction Period Taxes	-		-		
Deposit to Replacement Reserves	250,000		1,866		
Pre Paid Escrows	20,421		152		
Property Reserves	300,000		2,239		
Soft Cost Contingency	-		-		
Project Management Fees	350,000		2,612		
Miscellaneous (Shipping, Postage, etc.)	60		0		
County Escrow	7,850		59		
Working Capital	33,456		250		
Reserves, Soft Costs & Dev Fees Subtotal	980,765		7,319		
TOTAL DEVELOPMENT COSTS	14,311,000.00		106,799		
GAP					

Marbella Apartments - Projected Cash Flow											4/1/21																						
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041		
INCOME																																	
Affordable Rent	1,728,540	1,763,111	1,798,373	1,834,340	1,871,027	1,908,448	1,946,617	1,985,549	2,025,260	2,065,765	2,107,081	2,149,222	2,192,207	2,236,051	2,280,772	2,326,387	2,372,915	2,420,373	2,468,781	2,518,156	2,568,520	2,619,890	2,672,288	2,725,733	2,780,248	2,835,853	2,892,570	2,950,422	3,009,430	3,069,619	3,131,011		
Program Space Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parking Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income	40,621	41,433	42,262	43,107	43,969	44,849	45,745	46,660	47,594	48,545	49,516	50,507	51,517	52,547	53,598	54,670	55,764	56,879	58,016	59,177	60,360	61,567	62,799	64,055	65,336	66,643	67,975	69,335	70,722	72,136	73,579		
Less Vacancy	(85,458)	(92,227)	(97,032)	(101,872)	(106,750)	(111,665)	(116,619)	(121,610)	(126,643)	(131,716)	(136,830)	(141,985)	(147,181)	(152,419)	(157,700)	(163,024)	(168,392)	(173,805)	(179,264)	(184,769)	(190,322)	(195,924)	(201,575)	(207,276)	(213,027)	(218,829)	(224,682)	(230,587)	(236,544)	(242,553)	(248,615)		
Effective Gross Income	1,680,703	1,714,317	1,748,603	1,783,575	1,819,247	1,855,832	1,892,744	1,930,599	1,969,211	2,008,595	2,048,767	2,089,740	2,131,537	2,174,168	2,217,651	2,262,004	2,307,245	2,353,389	2,400,457	2,448,466	2,497,436	2,547,384	2,598,332	2,650,299	2,703,305	2,757,371	2,812,518	2,868,769	2,926,144	2,984,657	3,044,360		
Operating Expenses	897,800	924,734	952,476	981,050	1,010,482	1,040,796	1,072,020	1,104,181	1,137,306	1,171,425	1,206,568	1,242,765	1,280,046	1,318,450	1,358,003	1,398,743	1,440,705	1,483,927	1,528,444	1,574,298	1,621,527	1,670,172	1,720,278	1,771,886	1,825,043	1,879,794	1,936,188	1,994,273	2,054,101	2,115,725	2,179,196		
Reserves	40,200	41,406	42,648	43,928	45,245	46,603	48,001	49,441	50,924	52,452	54,025	55,646	57,316	59,035	60,806	62,630	64,509	66,444	68,438	70,491	72,606	74,784	77,027	79,338	81,718	84,170	86,695	89,296	91,975	94,734	97,576		
NOI	742,703	748,177	753,479	758,597	763,519	768,232	772,723	777,376	782,091	786,718	791,331	795,974	800,657	805,380	810,143	814,946	819,789	824,672	829,595	834,558	839,561	844,604	849,687	854,810	859,973	865,176	870,419	875,702	881,025	886,388	891,791		
DIS - 1st Trust	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657	506,657		
CF	236,046	241,520	246,822	251,940	256,862	261,576	266,066	270,320	274,324	278,061	281,517	284,674	287,517	290,027	292,185	293,974	295,373	296,345	296,918	297,021	296,646	295,771	294,370	292,418	289,887	286,750	282,979	278,543	273,411	267,552	260,931		
DSCR	1.47	1.48	1.49	1.50	1.51	1.52	1.53	1.53	1.54	1.55	1.56	1.57	1.57	1.57	1.58	1.58	1.59	1.59	1.59	1.59	1.59	1.58	1.58	1.58	1.57	1.57	1.56	1.55	1.54	1.53	1.52		
CF	236,046	241,520	246,822	251,940	256,862	261,576	266,066	270,320	274,324	278,061	281,517	284,674	287,517	290,027	292,185	293,974	295,373	296,345	296,918	297,021	296,646	295,771	294,370	292,418	289,887	286,750	282,979	278,543	273,411	267,552	260,931		
DIS - SPARC	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421	82,421		
CF2	153,625	159,099	164,401	169,519	174,441	179,155	183,645	187,900	191,903	195,640	199,096	202,253	205,096	207,606	209,764	211,553	212,952	213,941	214,497	214,600	214,226	213,350	211,949	209,997	207,466	204,329	200,558	196,122	190,990	185,131	178,510		
DSCR	1.26	1.27	1.28	1.29	1.30	1.30	1.31	1.32	1.33	1.33	1.34	1.34	1.35	1.35	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.35	1.35	1.34	1.33	1.32	1.31		
CF2	153,625	159,099	164,401	169,519	174,441	179,155	183,645	187,900	191,903	195,640	199,096	202,253	205,096	207,606	209,764	211,553	212,952	213,941	214,497	214,600	214,226	213,350	211,949	209,997	207,466	204,329	200,558	196,122	190,990	185,131	178,510		
DIS - REACH	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503	79,503		
CF3	74,122	79,596	84,898	90,016	94,938	99,652	104,142	108,396	112,400	116,137	119,593	122,750	125,593	128,103	130,261	132,050	133,449	134,437	134,994	135,097	134,722	133,847	132,446	130,494	127,963	124,826	121,055	116,619	111,487	105,628	99,007		
DSCR	1.11	1.12	1.13	1.13	1.14	1.15	1.16	1.16	1.17	1.17	1.18	1.18	1.19	1.19	1.19	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.19	1.19	1.18	1.17	1.17	1.16	1.15		
Resident Services Fees	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070	36,122	37,206	38,322	39,471	40,656	41,876	43,132	44,426	45,759	47,131	48,545		
Net Cash Flow	54,122	58,996	63,680	68,162	72,428	76,466	80,261	83,799	87,064	90,042	92,714	95,066	97,078	98,732	100,010	100,891	101,355	101,381	100,945	100,027	98,600	96,541	94,124	91,022	87,307	82,951	77,923	72,493	65,728	58,496	50,462		
Arlington Co. Cash Flow Split	27,061	29,498	31,840	34,081	36,214	38,233	40,131	41,899	43,532	45,021	46,357	47,533	48,539	49,366	50,005	50,445	50,677	50,690	50,473	50,013	49,200	48,321	47,062	45,511	43,654	41,475	38,961	36,096	32,864	29,248	25,231		
APAH Cash Flow Split	27,061	29,498	31,840	34,081	36,214	38,233	40,131	41,899	43,532	45,021	46,357	47,533	48,539	49,366	50,005	50,445	50,677	50,690	50,473	50,013	49,200	48,321	47,062	45,511	43,654	41,475	38,961	36,096	32,864	29,248	25,231		
County Loan																																	
Balance	\$ 4,031,000	\$ 4,054,327	\$ 4,126,187	\$ 4,197,502	\$ 4,268,358	\$ 4,338,853	\$ 4,409,091	\$ 4,479,188	\$ 4,549,268	\$ 4,619,468	\$ 4,689,834	\$ 4,760,225	\$ 4,832,313	\$ 4,904,882	\$ 4,977,830	\$ 5,052,271	\$ 5,128,133	\$ 5,205,659	\$ 5,285,110	\$ 5,366,765	\$ 5,450,921	\$ 5,537,894	\$ 5,628,020	\$ 5,721,659	\$ 5,819,189	\$ 5,921,015	\$ 6,027,565	\$ 6,139,293	\$ 6,256,679	\$ 6,380,232	\$ 6,510,489		
Interest	\$ 50,388	\$ 101,358	\$ 103,156	\$ 104,938	\$ 106,709	\$ 108,471	\$ 110,227	\$ 111,980	\$ 113,732	\$ 115,487	\$ 117,248	\$ 119,021	\$ 120,806	\$ 122,615	\$ 124,445	\$ 126,307	\$ 128,203	\$ 130,141	\$ 132,128	\$ 134,169	\$ 136,273	\$ 138,447	\$ 140,701	\$ 143,041	\$ 145,480	\$ 148,025	\$ 150,688	\$ 153,482	\$ 156,417	\$ 159,506	\$ 162,762		
Balance + Interest	\$ 4,081,388	\$ 4,155,685	\$ 4,229,342	\$ 4,302,439	\$ 4,375,067	\$ 4,447,324	\$ 4,519,319	\$ 4,591,168	\$ 4,663,000	\$ 4,734,955	\$ 4,807,182	\$ 4,879,846	\$ 4,953,121	\$ 5,027,196	\$ 5,102,276	\$ 5,178,578	\$ 5,256,336	\$ 5,335,800	\$ 5,417,238	\$ 5,500,934	\$ 5,587,194	\$ 5,676,341	\$ 5,768,721	\$ 5,864,700	\$ 5,964,689	\$ 6,069,041	\$ 6,178,254	\$ 6,292,775	\$ 6,413,096	\$ 6,539,737	\$ 6,673,252		
Cumulative repayments	\$ 27,061	\$ 56,559	\$ 88,399	\$ 122,480	\$ 158,694	\$ 196,927	\$ 237,057	\$ 278,957	\$ 322,489	\$ 367,510	\$ 413,867	\$ 461,400	\$ 509,939	\$ 559,304	\$ 608,309	\$ 658,755	\$ 710,432	\$ 763,122	\$ 811,595	\$ 861,698	\$ 910,909	\$ 959,229	\$ 1,006,291	\$ 1,051,802	\$ 1,096,456	\$ 1,136,931	\$ 1,175,893	\$ 1,211,989	\$ 1,244,853	\$ 1,274,101	\$ 1,298,332		

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY
APPLICATION FOR DISBURSEMENT OF MORTGAGE LOAN PROCEEDS**

PROJECT NUMBER(S):

Development Name: Marbella Apartments
 Location: Arlington County
 Mortgagor:
 Contractor:

TO: Virginia Housing Development Authority
 601 S. Belvidere Street
 Richmond, VA 23220

Application No. 1

You are hereby requested to approve the application of the amounts, if any, set forth below to (a) the Mortgagor's initial equity investment and (b) disburse Mortgage Loan proceeds for funding of costs, if any, set forth below:

	200,000	\$10,080,000.00	4,031,000
	To Be Applied To Initial Equity Investment	To Be Funded From Mortgage Loan Proceeds	To Be Funded From Home/AHIF Loan Proceeds
1. ACQUISITION	\$100,000.00	\$10,080,000.00	\$2,820,000.00
2. PROPERTY RESERVE	\$0.00		\$300,000.00
3. Deposit to Replacement Reserves	\$0.00		\$250,000.00
4. ARCHITECTURAL	\$4,964.33	\$0.00	
5. COUNTY RESERVE	\$0.00	\$0.00	\$7,850.00
6. Pre Paid Escrows	\$0.00	\$0.00	
7. FINANCING FEE	\$0.00	\$0.00	\$83,300.00
8. MORTGAGE BANKER	\$0.00		\$50,000.00
9. TITLE & RECORDING	\$0.00	\$0.00	\$103,021.25
10. DEVELOPER LEGAL	\$4,150.00	\$0.00	\$34,000.00
11. APPRAISAL	\$0.00	\$0.00	\$3,617.00
12. Compliance Review	\$6,927.12	\$0.00	
13. Project Management Fees	\$0.00	\$0.00	\$350,000.00
14. Engineering/Survey	\$0.00	\$0.00	\$5,800.00
15. Environmental	\$0.00	\$0.00	\$3,480.00
16. Prepaid Tax And Insurance Plus Escrows	\$20,421.33		
17. Structural and Property Needs	\$671.25		\$5,303.75
18. FFE	\$25,000.00	\$0.00	
19. Working Capital	\$33,455.97		
20. Property Insurance (Prepaid)	\$4,350.00		\$14,628.00
21. Miscellaneous	\$60.00		
TOTAL	\$200,000.00	\$10,080,000.00	\$4,031,000.00
	\$0.00	\$0.00	\$0.00

The undersigned hereby certifies that the amounts set forth are eligible under the provisions of the Construction Loan Agreement for application to the Mortgagor's initial equity investment or for funding from the Mortgage Loan Proceeds, as the case may be.

After disbursement of the amount requested herein, the total amount of \$10,080,000.00 will have been disbursed from Mortgage Loan proceeds and a total amount of \$200,000.00 will be deemed to have been funded from the Mortgagor's initial equity investment in accordance with the Construction Loan Agreement. The remaining balance of such initial equity investment to be made by the Mortgagor is \$0.00.

The undersigned further certifies that hazard insurance required under the Construction Loan Agreement is in full force and effect upon any improvements now located upon the mortgaged premises, including, but not limited to, materials stored on the site for which disbursement is being requested.

It is also certified that any and all prior work, labor, and materials to be funded pursuant to this Application for Disbursement are satisfactory and in accordance with the Contract Documents.

Date:

MORTGAGOR: enter mortgagor here

By:

Its:

Exhibit D
INCOME CERTIFICATION FOR INCOME-RESTRICTED UNITS

The Borrower or its designated agent shall obtain from each Tenant leasing a Income-Restricted Unit in Marbella Apartments information regarding annual income in order to ensure that the Tenant meets the income eligibility criteria for the Income-Restricted Unit. The Tenant must continue to meet these criteria in order to continue to lease the Income-Restricted Unit. The Tenant's income must be certified annually at the beginning of each lease year.

The attached form is to be used for the initial certification of income and each annual recertification. Third party verification of income is required and copies of Federal and State income tax returns, W-2 forms, pay stubs or statements from employers may be requested. The certification form must be notarized.

The Borrower or its designated agent shall maintain on file for the Arlington County Housing Development Office the initial income certification for each Income-Restricted Unit and the annual recertification that establishes continuing eligibility of each Tenant to lease the Income-Restricted Unit.

INCOME CERTIFICATION FORM

Property Name: MARBELLA APARTMENTS

Building Number, Unit Number _____

I/We, the undersigned, certify that this Income Certification is being prepared to determine eligibility for occupancy of an Income-Restricted Unit.

NEW _____ RECERTIFICATION _____ DATE LAST CERTIFIED _____

PART I – OCCUPANTS

Household Name Member	Relationship to Applicant	Age	Full-time Student (Yes/ No)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____

PART II – INCOME

It is the responsibility of the individual or household to demonstrate eligibility under the requirements of the Income-Restricted Unit Program. In order to verify that an individual or household satisfies these requirements, Arlington County Department of Community Planning, Housing & Development, Housing Division, requires the property owner to obtain third party verification of income. Such documentation includes, but is not limited to, copies of Federal and State income tax returns; W-2 forms, pay stubs, and statements from employers.

Exhibit D
INCOME CERTIFICATION FOR INCOME-RESTRICTED UNITS

Income includes, but is not necessarily limited to, the following sources. Please check "yes" or "no" to indicate all sources of income for all household members.

Income Certification Form

- | | | |
|--------------------------|--------------------------|--|
| Yes | No | |
| <input type="checkbox"/> | <input type="checkbox"/> | 1. Wages and salary, gross amounts (full and part-time employment) |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. Child support |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. Alimony |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Interest on assets (interest-bearing checking accounts, savings accounts, certificates of deposit, etc.) which have balances of \$5,000 or more |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. Dividends from stocks, bonds |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. Social Security income |
| <input type="checkbox"/> | <input type="checkbox"/> | 7. Veterans benefits |
| <input type="checkbox"/> | <input type="checkbox"/> | 8. Overtime, commissions, tips and bonus payments |
| <input type="checkbox"/> | <input type="checkbox"/> | 9. Unemployment insurance |
| <input type="checkbox"/> | <input type="checkbox"/> | 10. Pension and retirement payments |
| <input type="checkbox"/> | <input type="checkbox"/> | 11. Disability payments |
| <input type="checkbox"/> | <input type="checkbox"/> | 12. Any other annuities or stipends received |
| <input type="checkbox"/> | <input type="checkbox"/> | 13. Income from real estate investments |
| <input type="checkbox"/> | <input type="checkbox"/> | 14. Income from a business or partnership owned or operated by a household member |
| <input type="checkbox"/> | <input type="checkbox"/> | 15. Regular gifts or contributions from persons not members of the household |
| <input type="checkbox"/> | <input type="checkbox"/> | 16. Net income from business operations |
| <input type="checkbox"/> | <input type="checkbox"/> | 17. Public assistance |
| <input type="checkbox"/> | <input type="checkbox"/> | 18. Other Income _____ |

Please list all items checked "yes":

Household Member	Employment income	Social Security or pensions	Income from assets	Other
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Totals	\$	\$	\$	\$

TOTAL ANTICIPATED ANNUAL HOUSEHOLD INCOME _____

TENANT'S STATEMENT: The information on this form is to be used to determine maximum income for eligibility. I/We certify that the statements above are true and complete to the best of my/our knowledge and belief and are given under the penalty of perjury.

Exhibit D
INCOME CERTIFICATION FOR INCOME-RESTRICTED UNITS

Signature of each person 18 and over

Date

COMMONWEALTH of VIRGINIA

The foregoing instrument was acknowledged before me in the _____ of
_____, Virginia this _____ day of _____
by _____.

My commission expires the _____ day of _____, _____.

PART III – OWNER CERTIFICATION

Signature of Owner's Authorized Representative

Date

Exhibit E
ANNUAL RENTAL OCCUPANCY AFFIDAVIT

INCOME-RESTRICTED UNIT ANNUAL RENTAL OCCUPANCY AFFIDAVIT

I/We _____ hereby certify that: (insert name or names of lessees)

1. I/We rent the Income-Restricted Unit located at _____
(Insert complete address of the Income-Restricted Unit including apartment number)
2. I/We occupy the Income-Restricted as my/our domicile, and
3. I/We have occupied the Income-Restricted on this basis continuously since renting it.

By: _____ (signature of lessee and date) _____ (type or print name)

By: _____ (signature of lessee and date) _____ (type or print name)

By: _____ (signature of lessee and date) _____ (type or print name)

NOTE: All those named on the lease must sign. Add more lines if needed.

COMMONWEALTH of VIRGINIA, to wit:

Submitted, sworn to and acknowledged before me

by _____
_____ this _____ day of _____

Notary Public

My commission expires:
My registration number is

Exhibit F
INCOME-RESTRICTED UNIT OCCUPANCY REPORT

Period Ending:											
	Unit Address	Bedroom Size	Target Income Limit	Household Name	Number of Adults	Number of Dependents	Initial Review Date	Recertification Review Date	Recertification Household Income	Program Income Limit	Current Ten
Move-in											
Recertification											
Existing											
Move-out											
Vacant											

Exhibit G
AFFIRMATIVE MARKETING PLAN

In accordance with Article IV of the Affordable Housing Investment Fund and HOME Investment Partnerships Program Loan Agreement (the "Agreement") between The County Board of Arlington County, Virginia and Marbella Development LLC, the following is the Affirmative Marketing Plan:

1. The Affirmative Marketing Plan shall be submitted to the Housing Development office for approval within thirty (30) days of the Effective Date of the Agreement. The marketing program shall be designed to target tenants who would qualify for occupancy of the Income-Restricted Units pursuant to Article IV of the Agreement.
2. Borrower or its Agent shall place advertisements in appropriate media including, but not limited to the Washington Post, El Tiempo Latino, local newspapers, apartment guides and directories, Craig's List and similar internet advertising services, and other publications that are intended to reach the target market. Once it is determined which publications and/or other media produce the best results, the breadth of publications may be narrowed.
3. The advertisements shall include the rental price range of the available units, the income ranges needed to qualify for the units, a note that Section 8 Housing Choice Vouchers and Housing Grants are accepted, and the Equal Housing Opportunity logo.
4. The Borrower shall also conduct outreach to social service agencies and targeted marketing efforts to local police, fire and school employees. The Borrower will look to the Arlington County Housing Division for assistance with this outreach program. The Housing Division has provided Borrower with a "Resources for Advertising" document which lists relevant government and nonprofit offices, web sites, and media outlets.
5. In the event that an Income-Restricted Unit becomes vacant or is scheduled to be vacated for any reason, the Owner agrees to follow the same marketing program as outlined above in order to relet the Income-Restricted Unit on a priority basis to a qualified household pursuant to the rent provisions of this Agreement. If an income-eligible household on a waiting list is able to lease the vacant unit, the Owner need not re-start the marketing program.

The Equal Housing Opportunity logo is available at:
<http://www.hud.gov/library/bookshelf11/hudgraphics/fheologo.cfm>

**AVV APARTMENTS, LLC
AHIF PROMISSORY NOTE**

\$4,502,199.00

Effective: February 28, 2014

FOR VALUE RECEIVED, the undersigned **AVV APARTMENTS, LLC**, a Virginia limited liability company, or any assigns, successors, successor organization or organizations (the "**Borrower**") promises to pay to **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body politic (the "**County**"), in lawful money of the United States of America, the principal sum of **FOUR MILLION FIVE HUNDRED TWO THOUSAND ONE HUNDRED NINETY NINE AND 00/100 (\$4,502,199.00)** or so much thereof as may be advanced by the County pursuant to the Community Development Block Grant, HOME Investment Partnership Programs and Affordable Housing Investment Fund Loan Agreement, dated of even date herewith and executed by and between the Borrower and the County (the "**Loan Agreement**"), together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance of this AHIF Promissory Note (this "**AHIF Promissory Note**") at a rate equal to two percent (2%) interest per annum, commencing on February 28, 2014, provided however, that interest shall not accrue on any County AHIF Loan proceeds used to fund the Long Term Capital Improvement Reserve until such County AHIF Loan proceeds are actually disbursed from the Long Term Capital Improvement Reserve to the Borrower. Interest shall be calculated on the basis of a year of 365 days, compounded annually and charged for the actual number of days elapsed. This AHIF Promissory Note has been executed and delivered pursuant to and in accordance with the Loan Agreement and is subject to the terms and conditions of the Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This AHIF Promissory Note is secured by the County Deed of Trust conveying the Borrower's interest in the Property as security for this AHIF Promissory Note and the Borrower Declarations containing covenants, conditions and restrictions regarding the ownership, operation, use, rent and occupancy of the Arna Valley View Apartments during the AHIF Affordability Compliance Period, each dated as of the date hereof and executed by the Borrower for the benefit of the County as described therein. The County shall be entitled to the benefits of the security provided by the County Deed of Trust and the Borrower Declarations, and shall have the right to enforce the covenants and agreements contained herein, in the County Deed of Trust, Borrower Declarations, the Loan Agreement and the other Loan Documents, if any. The Borrower Declarations shall remain effective for the full term of the AHIF Affordability Compliance Period and shall survive the repayment of this AHIF Promissory Note.

1. PAYMENTS.

(a) **Payment Dates; Maturity Date.** Annual Payments are due and payable to the County on this AHIF Promissory Note no later than June 1st of each year, beginning no later than June 1, 2015, from the disbursement of Residual Receipts pursuant to the Loan Agreement. In no event shall any amount due under this AHIF Promissory Note become subject to any rights of offset, deduction or counterclaim on the part of the Borrower. The entire outstanding principal balance of this AHIF Promissory Note, together with interest accrued thereon and any other sums accrued hereunder shall be payable in full on the date (the "**Maturity Date**") which is the earlier of (i) **February 28, 2044**, or (ii) the occurrence of an Event of Default for which the County exercises its rights to cause the entire outstanding principal balance of this AHIF Promissory Note, together with interest accrued thereon and any other sums accrued hereunder to become immediately due and payable pursuant to applicable provisions of the Loan Agreement, or (iii) a Transfer that is not permitted or approved by the County as provided in Section 5.03 of the Loan Agreement.

(b) **Annual Payments from Residual Receipts.** On or before June 1, 2015, the Borrower shall disburse to the County twenty-five percent (25%) of the Residual Receipts from the previous calendar year as an Annual Payment on the outstanding principal balance and accrued interest on this AHIF Promissory Note, twenty-five percent (25%) of the Residual Receipts from the previous calendar year as an Annual Payment on the outstanding principal balance and accrued interest on the CDBG Promissory Note, and the remaining fifty percent (50%) of the Residual Receipts from the previous calendar year shall be released to the Borrower. Thereafter, no later than June 1st of each subsequent year and ending June 1, 2029, twenty-five percent (25%) of the Residual

**AVV APARTMENTS, LLC
AHIF PROMISSORY NOTE**

\$4,502,199.00

Effective: February 28, 2014

Receipts from the previous calendar year shall be paid by the Borrower to the County in arrears as Annual Payments on the outstanding principal balance and accrued interest on this AHIF Promissory Note, twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be paid by the Borrower to the County in arrears as Annual Payments on the outstanding principal balance and accrued interest on the CDBG Promissory Note, and the remaining fifty percent (50%) of the Residual Receipts from the previous calendar year shall be released to the Borrower. Beginning June 1, 2030, the Borrower shall disburse to the County thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as an Annual Payment on the outstanding principal balance and accrued interest on of this AHIF Promissory Note, thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as Annual Payments on the outstanding principal balance and accrued interest on the CDBG Promissory Note, and the remaining twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be released to the Borrower. Thereafter, no later than June 1st of each subsequent year through the end of the Term, the Borrower shall disburse to the County thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as Annual Payments on the outstanding principal balance and accrued interest on this AHIF Promissory Note, thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as Annual Payments on the outstanding principal balance and accrued interest on the CDBG Promissory Note, and the remaining twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be released to the Borrower.

All Annual Payments made by the Borrower to the County Board and all Residual Receipts Certificates shall be accompanied by (i) Annual Audited Financial Statements duly certified by an independent firm of certified public accountants that are nationally recognized, setting forth in reasonable detail the computation and total amount of all Residual Receipts (as defined in the Loan Agreement) during the preceding calendar year or the computation detailing that there were no Residual Receipts during the preceding calendar year, and (ii) an independent audit of the Property prepared for the Borrower by a certified independent firm of certified public accountants that are nationally recognized, in accordance with generally accepted accounting principles. If there are no Residual Receipts for the previous year available for disbursement, the Borrower shall also provide to the County Manager or her designee a Residual Receipts Certificate certified in writing by the Borrower and prepared by a certified public accountant containing the computation detailing that there were no Residual Receipts (as defined in the Loan Agreement) during the preceding calendar year. The Borrower shall also provide to the County Manager or her designee such other supporting documentation as the County Staff may reasonably request.

No later than sixty (60) days before the beginning of each Budget Year, the Borrower shall submit to the County Manager or her designee, in a form reasonably acceptable to the County Manager or her designee, a proposed operating budget for the Property for the County Manager or her designee's approval, such approval not to be unreasonably withheld, conditioned or delayed. The proposed operating budget shall show with particularity all projected (i) Gross Revenue, (ii) Approved Operating Expenses, (iii) Senior Debt Service Payments, (iv) payments to or withdrawals from the Replacement Reserve, the Short Term Capital Improvement Reserve, and the Long Term Capital Improvement Reserve, (v) the APAH Asset Management and Resident Services Fee, (vi) Property Management Fee and (vii) Residual Receipts, on a month-by-month basis for the applicable Budget Year. The proposed payments of any compensation or fee to any person, firm or corporation of \$15,000.00 or more shall be specifically set forth therein. The proposed operating budget for a Budget Year, as approved in writing by the County Manager or her designee, is referred to herein as the "**Annual Budget**" for that Budget Year. In the event the County Manager or her designee does not approve the submitted proposed operating budget before the start of the next Budget Year, the Borrower shall continue to use the previously approved Annual Budget from the prior Budget Year until a new Annual Budget is approved in writing by the County Manager or her designee.

(c) **Intentionally Omitted.**

(d) **Due on Sale.** The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 5.03 of the Loan Agreement), absent the written consent of the County, of all or any part of the Property or any interest therein other than a Transfer permitted without County consent pursuant to the Loan Agreement. Pursuant to the Loan Agreement, if the proposed transferee is APAH, Inc. ("**APAH**") or an ownership affiliate of APAH, the County's prior written

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approval of such transfer shall not be unreasonably withheld. Without limiting the generality of the foregoing, this AHIF Promissory Note shall not be assumable without the County's prior written consent, which consent may be granted or denied in the County's sole discretion.

(e) **Prepayment.** Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this AHIF Promissory Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Borrower Declarations and Article IV of the Loan Agreement shall remain in full force for the entire AHIF Affordability Compliance Period regardless of any prepayment of this AHIF Promissory Note.

(f) **Manner of Payment.** All payments of principal and interest on this AHIF Promissory Note shall be made in U.S. dollars to the County:

Arlington County Department of Community Planning, Housing and Development
2100 Clarendon Boulevard, Suite 700
Arlington, Virginia 22201
Attn: David Cristeal

or by wire transfer as arranged by County Staff.

2. DEFAULT AND REMEDIES.

(a) **Events of Default.** The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

i. Borrower fails to make an Annual Payment from the Residual Receipts or fails to provide a Residual Receipts Certificate when due, and such failure continues for ten (10) days after County notifies Borrower thereof in writing.

ii. Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower or any managing member thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any managing member thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any managing member thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

iii. A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any managing member thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any managing member thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any managing member thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property, and in each case the order or decree is not released, vacated, stayed, dismissed or fully bonded within sixty (60) days after its issuance.

iv. The occurrence of a Transfer in violation of Section 5.03 of the Loan Agreement.

v. A default arises under any debt instrument secured by a mortgage or deed of trust on the Property, and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

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vi. Borrower fails to maintain insurance on the Property as required pursuant to the Loan Agreement and Borrower fails to cure such default within ten (10) days.

vii. Subject to Borrower's right to contest the following charges, if Borrower fails to pay taxes or assessments due on the Property or fails to pay any other charge that may result in a lien on the Property, and Borrower fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien.

viii. If any representation or warranty contained in the Loan Agreement, or any certificate furnished in connection therewith, the Loan Documents, or in connection with any request for disbursement of the proceeds of the County Loans funds proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the County.

ix. An Event of Default shall have been declared under the Loan Agreement, the Borrower Declarations or any other Loan Documents and remains uncured beyond the expiration of the applicable cure period.

(b) Remedies. Upon the occurrence of an Event of Default hereunder, the County may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this AHIF Promissory Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to the County under this AHIF Promissory Note, the Loan Agreement and the other Loan Documents, including without limitation the right to pursue foreclosure under the County Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of the County including, without limitation, reasonable attorneys' fees, incurred in connection with the County's enforcement of this AHIF Promissory Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the County Deed of Trust. The rights and remedies of the County under this AHIF Promissory Note shall be cumulative and not alternative.

(c) Default Rate. Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of fifteen percent (15%) per annum or the maximum rate permitted by law (the "Default Rate"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this AHIF Promissory Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this AHIF Promissory Note or prevent the County from exercising any of its other rights or remedies.

(d) Notice, Cure Period. Unless a shorter cure period is specified for a default in the performance of any term, provision, covenant or agreement contained in this AHIF Promissory Note, including the obligations enumerated in this Section 2, no default shall mature into an "Event of Default" and the County shall not exercise any right or remedy on account thereof unless the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which the County shall have given written notice of the default to the Borrower; provided, however, if the nonmonetary default is of a nature that cannot be cured within sixty (60) days, an Event of Default shall not arise hereunder if Borrower commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

3. MISCELLANEOUS.

**AVV APARTMENTS, LLC
AHIF PROMISSORY NOTE**

\$4,502,199.00

Effective: February 28, 2014

(a) **Waivers; Amendments; Borrower's Waivers.** No waiver by the County of any right or remedy under this AHIF Promissory Note shall be effective unless in writing signed by the County Manager at the direction of the County Board. Neither the failure nor any delay in exercising any right, power or privilege under this AHIF Promissory Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by the County will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by the County will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of the County to take further action without notice or demand as provided in this AHIF Promissory Note. There shall be no amendment to or modification of this AHIF Promissory Note except by written instrument executed by Borrower and the County.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this AHIF Promissory Note, in whole or in part, whether before or after maturity and with or without notice.

(b) **Notices.** Any notice required or permitted to be given hereunder shall be given in accordance with Section 9.01 of the Loan Agreement.

(c) **Severability.** If any provision in this AHIF Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this AHIF Promissory Note will remain in full force and effect. Any provision of this AHIF Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(d) **Governing Law; Venue.** This AHIF Promissory Note shall be governed by the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any legal action filed in connection with this AHIF Promissory Note shall be filed in the Arlington County Circuit Court or in the Federal District Court for the Eastern District of Virginia (Alexandria Division).

(e) **Parties in Interest.** This AHIF Promissory Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of the County and its successors and assigns.

(f) **Section Headings, Construction.** The headings of Sections in this AHIF Promissory Note are provided for convenience only and will not affect its construction or interpretation.

(g) **Relationship of the Parties.** The relationship of Borrower and the County under this AHIF Promissory Note is solely that of borrower and County, and the loan evidenced by this AHIF Promissory Note and secured by the County Deed of Trust and Borrower Declarations will in no manner make the County the partner, member or joint venture of Borrower.

(h) **Time is of the Essence.** Time is of the essence with respect to every provision of this AHIF Promissory Note.

(i) **Nonrecourse.** Except as expressly provided in this Section 3(i), the Borrower and its members shall not have personal liability for payment of the principal of, or interest on, this AHIF Promissory Note, and the sole recourse of the County with respect to the payment of the principal of, and interest on, this AHIF Promissory Note shall be to the Property and any other collateral held by the County as security for this AHIF Promissory Note; provided however, nothing contained in the foregoing limitation of liability shall:

i. impair the enforcement against all such security for the County Loans of all the rights and remedies of the County under the County Deed of Trust and any financing statements the County files in connection with the County Loans as each of the foregoing may be amended, modified, or restated from time to time;

**AVV APARTMENTS, LLC
AHIF PROMISSORY NOTE**

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ii. impair the right of the County to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable the County to enforce and realize upon the County Deed of Trust, the interest in the Property created thereby and any other collateral given to the County in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

iii. constitute a waiver of any right which the County may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to the County hereunder or to require that the Property shall continue to secure all of the indebtedness owed to County hereunder in accordance with this AHIF Promissory Note and the County Deed of Trust; or

iv. limit or restrict the ability of County to seek or obtain a judgment against Borrower to enforce against Borrower and its managing members to:

1. recover under those sections of the Loan Agreement that pertain to Borrower's indemnification obligations), or

2. recover from Borrower and its managing members compensatory damages as well as other costs and expenses incurred by County (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

a. any fraud or material misrepresentation on the part of the Borrower, any managing member thereof, or any officer, director or authorized representative of Borrower or any affiliate thereof in connection with the request for or creation of the County Loans, or in the Loan Agreement or any other Loan Documents, or in connection with any request for any action or consent by the County in connection with the County Loans;

b. any failure to maintain insurance on the Property as required pursuant to the Loan Agreement;

c. failure to pay taxes, assessments or other charges which may become liens on the Property;

d. the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under the Loan Agreement or the County Deed of Trust (pertaining to environmental matters);

e. the occurrence of any act or omission of Borrower that results in waste to or of the Property and which has a material adverse effect on the value of the Property;

f. the material misappropriation of the County Loans proceeds;

g. the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the County Deed of Trust;

h. the material misappropriation of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and

i. the failure of Borrower to pay all amounts payable under this AHIF Promissory Note in full if Borrower Transfers the Property in violation of the Loan Agreement.

Signatures on Following Page

**AVV APARTMENTS, LLC
AHIF PROMISSORY NOTE**

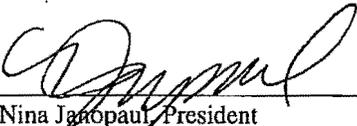
Effective: February 28, 2014

IN WITNESS WHEREOF, Borrower has executed and delivered this AHIF Promissory Note as of the date first written above.

BORROWER

AVV Apartments, LLC, a Virginia limited liability company

By: Rosslyn Ridge Development Corporation, a Virginia nonstock corporation, its sole member

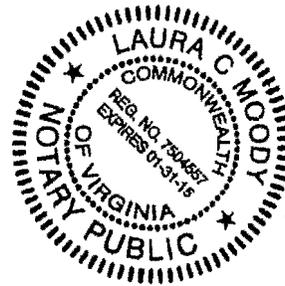
By: 
Nina Janopaul, President

COMMONWEALTH OF VIRGINIA,
COUNTY OF Arlington, to wit:

The foregoing AHIF Promissory Note was acknowledged before me this 24 day of February, 2014, by Nina Janopaul, President of the Rosslyn Ridge Development Corporation, a Virginia nonstock corporation and sole member of AVV Apartments, LLC, a Virginia limited liability company, and for and on behalf of AVV APARTMENTS, LLC.


Notary Public

My Commission Expires: 04/31/15
My Registration ID No. 7504557



COPY

AVV APARTMENTS, LLC
CDBG PROMISSORY NOTE

\$1,000,000.00

Effective: February 28, 2014

FOR VALUE RECEIVED, the undersigned **AVV APARTMENTS, LLC**, a Virginia limited liability company, or any assigns, successors, successor organization or organizations (the "**Borrower**") promises to pay to **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body politic (the "**County**"), in lawful money of the United States of America, the principal sum of **ONE MILLION AND 00/100 (\$1,000,000.00)** or so much thereof as may be advanced by the County pursuant to the Community Development Block Grant, HOME Investment Partnership Programs and Affordable Housing Investment Fund Loan Agreement, dated of even date herewith and executed by and between the Borrower and the County (the "**Loan Agreement**"), together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance of this CDBG Promissory Note (this "**CDBG Promissory Note**") at a rate equal to two percent (2%) interest per annum, commencing on February 28, 2014. Interest shall be calculated on the basis of a year of 365 days, compounded annually and charged for the actual number of days elapsed. This CDBG Promissory Note has been executed and delivered pursuant to and in accordance with the Loan Agreement and is subject to the terms and conditions of the Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This CDBG Promissory Note is secured by the County Deed of Trust conveying the Borrower's interest in the Property as security for this CDBG Promissory Note and the Borrower Declarations containing covenants, conditions and restrictions regarding the ownership, operation, use, rent and occupancy of the Arna Valley View Apartments during the AHIF Affordability Compliance Period, each dated as of the date hereof and executed by the Borrower for the benefit of the County as described therein. The County shall be entitled to the benefits of the security provided by the County Deed of Trust and the Borrower Declarations, and shall have the right to enforce the covenants and agreements contained herein, in the County Deed of Trust, Borrower Declarations, the Loan Agreement and the other Loan Documents, if any. The Borrower Declarations shall remain effective for the full term of the AHIF Affordability Compliance Period and shall survive the repayment of this CDBG Promissory Note.

1. PAYMENTS.

(a) Payment Dates; Maturity Date. Annual Payments are due and payable to the County on this CDBG Promissory Note no later than June 1st of each year, beginning no later than June 1, 2015, from the disbursement of Residual Receipts pursuant to the Loan Agreement. In no event shall any amount due under this CDBG Promissory Note become subject to any rights of offset, deduction or counterclaim on the part of the Borrower. The entire outstanding principal balance of this CDBG Promissory Note, together with interest accrued thereon and any other sums accrued hereunder shall be payable in full on the date (the "**Maturity Date**") which is the earlier of (i) **February 28, 2044**, or (ii) the occurrence of an Event of Default for which the County exercises its rights to cause the entire outstanding principal balance of this CDBG Promissory Note, together with interest accrued thereon and any other sums accrued hereunder to become immediately due and payable pursuant to applicable provisions of the Loan Agreement, or (iii) a Transfer that is not permitted or approved by the County as provided in Section 5.03 of the Loan Agreement.

(b) Annual Payments from Residual Receipts. On or before June 1, 2015, the Borrower shall disburse to the County twenty-five percent (25%) of the Residual Receipts from the previous calendar year as an Annual Payment on the outstanding principal balance and accrued interest on this CDBG Promissory Note, twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be paid by the Borrower to the County in arrears as Annual Payments on the outstanding principal balance and accrued interest on the AHIF Promissory Note, and the remaining fifty percent (50%) of the Residual Receipts from the previous calendar year shall be released to the Borrower. Thereafter, no later than June 1st of each subsequent year and ending June 1, 2029, twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be paid by the Borrower to the County in arrears as Annual Payments on the outstanding principal balance and accrued interest on this CDBG Promissory Note, twenty-five percent (25%) of the Residual Receipts from the previous calendar year

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CDBG PROMISSORY NOTE**

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shall be paid by the Borrower to the County in arrears as Annual Payments on the outstanding principal balance and accrued interest on the AHIF Promissory Note, and the remaining fifty percent (50%) of the Residual Receipts from the previous calendar year shall be released to the Borrower. Beginning June 1, 2030, the Borrower shall disburse to the County thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as an Annual Payment on the outstanding principal balance and accrued interest on of this CDBG Promissory Note, thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as Annual Payments on the outstanding principal balance and accrued interest on the AHIF Promissory Note, and the remaining twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be released to the Borrower. Thereafter, no later than June 1st of each subsequent year through the end of the Term, the Borrower shall disburse to the County thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as Annual Payments on the outstanding principal balance and accrued interest on this CDBG Promissory Note, thirty-seven and one-half percent (37½%) of the Residual Receipts from the previous calendar year as Annual Payments on the outstanding principal balance and accrued interest on the AHIF Promissory Note, and the remaining twenty-five percent (25%) of the Residual Receipts from the previous calendar year shall be released to the Borrower.

All Annual Payments made by the Borrower to the County Board and all Residual Receipts Certificates shall be accompanied by (i) Annual Audited Financial Statements duly certified by an independent firm of certified public accountants that are nationally recognized, setting forth in reasonable detail the computation and total amount of all Residual Receipts (as defined in the Loan Agreement) during the preceding calendar year or the computation detailing that there were no Residual Receipts during the preceding calendar year, and (ii) an independent audit of the Property prepared for the Borrower by a certified independent firm of certified public accountants that are nationally recognized, in accordance with generally accepted accounting principles. If there are no Residual Receipts for the previous year available for disbursement, the Borrower shall also provide to the County Manager or her designee a Residual Receipts Certificate certified in writing by the Borrower and prepared by a certified public accountant containing the computation detailing that there were no Residual Receipts (as defined in the Loan Agreement) during the preceding calendar year. The Borrower shall also provide to the County Manager or her designee such other supporting documentation as the County Staff may reasonably request.

No later than sixty (60) days before the beginning of each Budget Year, the Borrower shall submit to the County Manager or her designee, in a form reasonably acceptable to the County Manager or her designee, a proposed operating budget for the Property for the County Manager or her designee's approval, such approval not to be unreasonably withheld, conditioned or delayed. The proposed operating budget shall show with particularity all projected (i) Gross Revenue, (ii) Approved Operating Expenses, (iii) Senior Debt Service Payments, (iv) payments to or withdrawals from the Replacement Reserve, the Short Term Capital Improvement Reserve, and the Long Term Capital Improvement Reserve, (v) the APAH Asset Management and Resident Services Fee, (vi) Property Management Fee and (vii) Residual Receipts, on a month-by-month basis for the applicable Budget Year. The proposed payments of any compensation or fee to any person, firm or corporation of \$15,000.00 or more shall be specifically set forth therein. The proposed operating budget for a Budget Year, as approved in writing by the County Manager or her designee, is referred to herein as the "**Annual Budget**" for that Budget Year. In the event the County Manager or her designee does not approve the submitted proposed operating budget before the start of the next Budget Year, the Borrower shall continue to use the previously approved Annual Budget from the prior Budget Year until a new Annual Budget is approved in writing by the County Manager or her designee.

(c) **Intentionally Omitted.**

(d) **Due on Sale.** The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 5.03 of the Loan Agreement), absent the written consent of the County, of all or any part of the Property or any interest therein other than a Transfer permitted without County consent pursuant to the Loan Agreement. Pursuant to the Loan Agreement, if the proposed transferee is APAH, Inc. ("**APAH**") or an ownership affiliate of APAH, the County's prior written approval of such transfer shall not be unreasonably withheld. Without limiting the generality of the foregoing, this CDBG Promissory Note shall not be assumable without the County's prior written consent, which consent may be granted or denied in the County's sole discretion.

**AVV APARTMENTS, LLC
CDBG PROMISSORY NOTE**

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(e) **Prepayment.** Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this CDBG Promissory Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Borrower Declarations and Article IV of the Loan Agreement shall remain in full force for the entire AHIF Affordability Compliance Period regardless of any prepayment of this CDBG Promissory Note.

(f) **Manner of Payment.** All payments of principal and interest on this CDBG Promissory Note shall be made in U.S. dollars to the County:

Arlington County Department of Community Planning, Housing and Development
2100 Clarendon Boulevard, Suite 700
Arlington, Virginia 22201
Attn: David Cristeal

or by wire transfer as arranged by County Staff.

2. DEFAULT AND REMEDIES.

(a) **Events of Default.** The occurrence of any one or more of the following events shall constitute an event of default hereunder ("**Event of Default**"):

i. Borrower fails to make an Annual Payment from the Residual Receipts or fails to provide a Residual Receipts Certificate when due, and such failure continues for ten (10) days after County notifies Borrower thereof in writing.

ii. Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower or any managing member thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any managing member thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any managing member thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

iii. A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any managing member thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any managing member thereof or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any managing member thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property, and in each case the order or decree is not released, vacated, stayed, dismissed or fully bonded within sixty (60) days after its issuance.

iv. The occurrence of a Transfer in violation of Section 5.03 of the Loan Agreement.

v. A default arises under any debt instrument secured by a mortgage or deed of trust on the Property, and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

vi. Borrower fails to maintain insurance on the Property as required pursuant to the Loan Agreement and Borrower fails to cure such default within ten (10) days.

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CDBG PROMISSORY NOTE**

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vii. Subject to Borrower's right to contest the following charges, if Borrower fails to pay taxes or assessments due on the Property or fails to pay any other charge that may result in a lien on the Property, and Borrower fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien.

viii. If any representation or warranty contained in the Loan Agreement, or any certificate furnished in connection therewith, the Loan Documents, or in connection with any request for disbursement of the proceeds of the County Loans funds proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the County.

ix. An Event of Default shall have been declared under the Loan Agreement, the Borrower Declarations or any other Loan Documents and remains uncured beyond the expiration of the applicable cure period.

(b) **Remedies.** Upon the occurrence of an Event of Default hereunder, the County may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this CDBG Promissory Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to the County under this CDBG Promissory Note, the Loan Agreement and the other Loan Documents, including without limitation the right to pursue foreclosure under the County Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of the County including, without limitation, reasonable attorneys' fees, incurred in connection with the County's enforcement of this CDBG Promissory Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the County Deed of Trust. The rights and remedies of the County under this CDBG Promissory Note shall be cumulative and not alternative.

(c) **Default Rate.** Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of fifteen percent (15%) per annum or the maximum rate permitted by law (the "Default Rate"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this CDBG Promissory Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this CDBG Promissory Note or prevent the County from exercising any of its other rights or remedies.

(d) **Notice, Cure Period.** Unless a shorter cure period is specified for a default in the performance of any term, provision, covenant or agreement contained in this CDBG Promissory Note, including the obligations enumerated in this Section 2, no default shall mature into an "Event of Default" and the County shall not exercise any right or remedy on account thereof unless the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which the County shall have given written notice of the default to the Borrower; provided, however, if the nonmonetary default is of a nature that cannot be cured within sixty (60) days, an Event of Default shall not arise hereunder if Borrower commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

3. MISCELLANEOUS.

(a) **Waivers; Amendments; Borrower's Waivers.** No waiver by the County of any right or remedy under this CDBG Promissory Note shall be effective unless in writing signed by the County Manager at the direction of the County Board. Neither the failure nor any delay in exercising any right, power or privilege under this CDBG Promissory Note will operate as a waiver of such right, power or privilege, and no single or partial

**AVV APARTMENTS, LLC
CDBG PROMISSORY NOTE**

\$1,000,000.00

Effective: February 28, 2014

exercise of any such right, power or privilege by the County will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by the County will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of the County to take further action without notice or demand as provided in this CDBG Promissory Note. There shall be no amendment to or modification of this CDBG Promissory Note except by written instrument executed by Borrower and the County.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this CDBG Promissory Note, in whole or in part, whether before or after maturity and with or without notice.

(b) **Notices.** Any notice required or permitted to be given hereunder shall be given in accordance with Section 9.01 of the Loan Agreement.

(c) **Severability.** If any provision in this CDBG Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this CDBG Promissory Note will remain in full force and effect. Any provision of this CDBG Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(d) **Governing Law; Venue.** This CDBG Promissory Note shall be governed by the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any legal action filed in connection with this CDBG Promissory Note shall be filed in the Arlington County Circuit Court or in the Federal District Court for the Eastern District of Virginia (Alexandria Division).

(e) **Parties in Interest.** This CDBG Promissory Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of the County and its successors and assigns.

(f) **Section Headings, Construction.** The headings of Sections in this CDBG Promissory Note are provided for convenience only and will not affect its construction or interpretation.

(g) **Relationship of the Parties.** The relationship of Borrower and the County under this CDBG Promissory Note is solely that of borrower and County, and the loan evidenced by this CDBG Promissory Note and secured by the County Deed of Trust and Borrower Declarations will in no manner make the County the partner, member or joint venture of Borrower.

(h) **Time is of the Essence.** Time is of the essence with respect to every provision of this CDBG Promissory Note.

(i) **Nonrecourse.** Except as expressly provided in this Section 3(i), the Borrower and its members shall not have personal liability for payment of the principal of, or interest on, this CDBG Promissory Note, and the sole recourse of the County with respect to the payment of the principal of, and interest on, this CDBG Promissory Note shall be to the Property and any other collateral held by the County as security for this CDBG Promissory Note; provided however, nothing contained in the foregoing limitation of liability shall:

i. impair the enforcement against all such security for the County Loans of all the rights and remedies of the County under the County Deed of Trust and any financing statements the County files in connection with the County Loans as each of the foregoing may be amended, modified, or restated from time to time;

ii. impair the right of the County to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable the County to enforce and realize upon the County

**AVV APARTMENTS, LLC
CDBG PROMISSORY NOTE**

\$1,000,000.00

Effective: February 28, 2014

Deed of Trust, the interest in the Property created thereby and any other collateral given to the County in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

iii. constitute a waiver of any right which the County may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to the County hereunder or to require that the Property shall continue to secure all of the indebtedness owed to County hereunder in accordance with this CDBG Promissory Note and the County Deed of Trust; or

iv. limit or restrict the ability of County to seek or obtain a judgment against Borrower to enforce against Borrower and its managing members to:

1. recover under those sections of the Loan Agreement that pertain to Borrower's indemnification obligations), or

2. recover from Borrower and its managing members compensatory damages as well as other costs and expenses incurred by County (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

a. any fraud or material misrepresentation on the part of the Borrower, any managing member thereof, or any officer, director or authorized representative of Borrower or any affiliate thereof in connection with the request for or creation of the County Loans, or in the Loan Agreement or any other Loan Documents, or in connection with any request for any action or consent by the County in connection with the County Loans;

b. any failure to maintain insurance on the Property as required pursuant to the Loan Agreement;

c. failure to pay taxes, assessments or other charges which may become liens on the Property;

d. the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under the Loan Agreement or the County Deed of Trust (pertaining to environmental matters);

e. the occurrence of any act or omission of Borrower that results in waste to or of the Property and which has a material adverse effect on the value of the Property;

f. the material misappropriation of the County Loans proceeds;

g. the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the County Deed of Trust;

h. the material misappropriation of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and

i. the failure of Borrower to pay all amounts payable under this CDBG Promissory Note in full if Borrower Transfers the Property in violation of the Loan Agreement.

Signatures on Following Page

AVV APARTMENTS, LLC
CDBG PROMISSORY NOTE

\$1,000,000.00

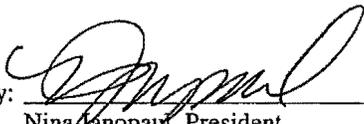
Effective: February 28, 2014

IN WITNESS WHEREOF, Borrower has executed and delivered this CDBG Promissory Note as of the date first written above.

BORROWER

AVV Apartments, LLC, a Virginia limited liability company

By: **Rosslyn Ridge Development Corporation,**
a Virginia nonstock corporation, its sole member

By: 
Nina Janopaul, President

COMMONWEALTH OF VIRGINIA,
COUNTY OF Arlington, to wit:

The foregoing CDBG Promissory Note was acknowledged before me this 24 day of February, 2014, by Nina Janopaul, President of the Rosslyn Ridge Development Corporation, a Virginia nonstock corporation and sole member of AVV Apartments, LLC, a Virginia limited liability company, and for and on behalf of AVV APARTMENTS, LLC.


Notary Public

My Commission Expires: 01/31/15
My Registration ID No. 7304557



COPY

AVV APARTMENTS, LLC
HOME PROMISSORY NOTE

\$2,800,000.00

Effective: February 28, 2014

FOR VALUE RECEIVED, the undersigned AVV APARTMENTS, LLC, a Virginia limited liability company, or any assigns, successors, successor organization or organizations (the "Borrower") promises to pay to THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body politic (the "County"), in lawful money of the United States of America, the principal sum of TWO MILLION EIGHT HUNDRED THOUSAND AND 00/100 (\$2,800,000.00) or so much thereof as may be advanced by the County pursuant to the Community Development Block Grant, HOME Investment Partnership Programs and Affordable Housing Investment Fund Loan Agreement, dated of even date herewith and executed by and between the Borrower and the County (the "Loan Agreement"), together with interest on the outstanding principal balance in accordance with the terms and conditions described herein. Interest shall accrue on the outstanding principal balance of this HOME Promissory Note (this "HOME Promissory Note") at a rate equal to zero percent (0%) interest per annum, commencing on February 28, 2014. Interest shall be calculated on the basis of a year of 365 days, compounded annually and charged for the actual number of days elapsed. This HOME Promissory Note has been executed and delivered pursuant to and in accordance with the Loan Agreement and is subject to the terms and conditions of the Loan Agreement, which is by this reference incorporated herein and made a part hereof. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

This HOME Promissory Note is secured by the County Deed of Trust conveying the Borrower's interest in the Property as security for this HOME Promissory Note and the Borrower Declarations containing covenants, conditions and restrictions regarding the ownership, operation, use, rent and occupancy of the Arna Valley View Apartments during the AHIF Affordability Compliance Period, each dated as of the date hereof and executed by the Borrower for the benefit of the County as described therein. The County shall be entitled to the benefits of the security provided by the County Deed of Trust and the Borrower Declarations, and shall have the right to enforce the covenants and agreements contained herein, in the County Deed of Trust, Borrower Declarations, the Loan Agreement and the other Loan Documents, if any. The Borrower Declarations shall remain effective for the full term of the AHIF Affordability Compliance Period and shall survive the repayment of this HOME Promissory Note.

1. PAYMENTS.

(a) Maturity Date. The entire outstanding principal balance of this HOME Promissory Note, together with interest accrued thereon and any other sums accrued hereunder shall be payable in full on the date (the "Maturity Date") which is the earlier of (i) February 28, 2044, or (ii) the occurrence of an Event of Default for which the County exercises its rights to cause the entire outstanding principal balance of this HOME Promissory Note, together with interest accrued thereon and any other sums accrued hereunder to become immediately due and payable pursuant to applicable provisions of the Loan Agreement, or (iii) a Transfer that is not permitted or approved by the County as provided in Section 5.03 of the Loan Agreement. In no event shall any amount due under this HOME Promissory Note become subject to any rights of offset, deduction or counterclaim on the part of the Borrower. No payments of principal shall be due prior to the Maturity Date.

(b) Intentionally Omitted.

(c) Intentionally Omitted.

(d) Due on Sale. The entire unpaid principal balance and all interest and other sums accrued hereunder shall be due and payable upon the Transfer (as defined in Section 5.03 of the Loan Agreement), absent the written consent of the County, of all or any part of the Property or any interest therein other than a Transfer permitted without County consent pursuant to the Loan Agreement. Pursuant to the Loan Agreement, if the proposed transferee is APAH, Inc. ("APAH") or an ownership affiliate of APAH, the County's prior written approval of such transfer shall not be unreasonably withheld. Without limiting the generality of the foregoing, this HOME Promissory Note shall not be assumable without the County's prior written consent, which consent may be granted or denied in the County's sole discretion.

**AVV APARTMENTS, LLC
HOME PROMISSORY NOTE**

\$2,800,000.00

Effective: February 28, 2014

(e) **Prepayment.** Borrower may, without premium or penalty, at any time and from time to time, prepay all or any portion of the outstanding principal balance due under this HOME Promissory Note, provided that each such prepayment is accompanied by accrued interest on the amount of principal prepaid calculated to the date of such prepayment. Prepayments shall be applied first to any unpaid late charges and other costs and fees then due, then to accrued but unpaid interest, and then to principal. The Borrower Declarations and Article IV of the Loan Agreement shall remain in full force for the entire AHIF Affordability Compliance Period regardless of any prepayment of this HOME Promissory Note.

(f) **Manner of Payment.** All payments of principal and interest on this HOME Promissory Note shall be made in U.S. dollars to the County:

Arlington County Department of Community Planning, Housing and Development
2100 Clarendon Boulevard, Suite 700
Arlington, Virginia 22201
Attn: David Cristeal

or by wire transfer as arranged by County Staff.

2. DEFAULT AND REMEDIES.

(a) **Events of Default.** The occurrence of any one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

i. *Intentionally Omitted*

ii. Pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("**Bankruptcy Law**"), Borrower or any managing member thereof (i) commences a voluntary case or proceeding; (ii) consents to the entry of an order for relief against Borrower or any managing member thereof in an involuntary case; (iii) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official for Borrower or any managing member thereof; (iv) makes an assignment for the benefit of its creditors; or (v) admits in writing its inability to pay its debts as they become due.

iii. A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (i) is for relief against Borrower or any managing member thereof in an involuntary case, (ii) appoints a trustee, receiver, assignee, liquidator or similar official for Borrower or any managing member thereof, or substantially all of such entity's assets, (iii) orders the liquidation of Borrower or any managing member thereof, or (iv) issues or levies a judgment, writ, warrant of attachment or similar process against the Property, and in each case the order or decree is not released, vacated, stayed, dismissed or fully bonded within sixty (60) days after its issuance.

iv. The occurrence of a Transfer in violation of Section 5.03 of the Loan Agreement.

v. A default arises under any debt instrument secured by a mortgage or deed of trust on the Property, and remains uncured beyond any applicable cure period such that the holder of such instrument has the right to accelerate payment thereunder.

vi. Borrower fails to maintain insurance on the Property as required pursuant to the Loan Agreement and Borrower fails to cure such default within ten (10) days.

vii. Subject to Borrower's right to contest the following charges, if Borrower fails to pay taxes or assessments due on the Property or fails to pay any other charge that may result in a lien on the

AVV APARTMENTS, LLC
HOME PROMISSORY NOTE

\$2,800,000.00

Effective: February 28, 2014

Property, and Borrower fails to cure such default within thirty (30) days of date of delinquency, but in all events upon the imposition of any such tax or other lien.

viii. If any representation or warranty contained in the Loan Agreement, or any certificate furnished in connection therewith, the Loan Documents, or in connection with any request for disbursement of the proceeds of the County Loans funds proves to have been false or misleading in any material adverse respect when made and continues to be materially adverse to the County.

ix. An Event of Default shall have been declared under the Loan Agreement, the Borrower Declarations or any other Loan Documents and remains uncured beyond the expiration of the applicable cure period.

(b) **Remedies.** Upon the occurrence of an Event of Default hereunder, the County may, at its option (i) by written notice to Borrower, declare the entire unpaid principal balance of this HOME Promissory Note, together with all accrued interest thereon and all sums due hereunder, immediately due and payable regardless of any prior forbearance, (ii) exercise any and all rights and remedies available to it under applicable law, and (iii) exercise any and all rights and remedies available to the County under this HOME Promissory Note, the Loan Agreement and the other Loan Documents, including without limitation the right to pursue foreclosure under the County Deed of Trust. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of the County including, without limitation, reasonable attorneys' fees, incurred in connection with the County's enforcement of this HOME Promissory Note and the exercise of any or all of its rights and remedies hereunder and all such sums shall be a part of the indebtedness secured by the County Deed of Trust. The rights and remedies of the County under this HOME Promissory Note shall be cumulative and not alternative.

(c) **Default Rate.** Upon the occurrence of an Event of Default, interest shall automatically be increased without notice to the rate of the lesser of fifteen percent (15%) per annum or the maximum rate permitted by law (the "Default Rate"); provided however, if any payment due hereunder is not paid when due, the Default Rate shall apply commencing upon the due date for such payment. When Borrower is no longer in default, the Default Rate shall no longer apply, and the interest rate shall once again be the rate specified in the first paragraph of this HOME Promissory Note. Notwithstanding the foregoing provisions, if the interest rate charged exceeds the maximum legal rate of interest, the rate shall be the maximum rate permitted by law. The imposition or acceptance of the Default Rate shall in no event constitute a waiver of a default under this HOME Promissory Note or prevent the County from exercising any of its other rights or remedies.

(d) **Notice, Cure Period.** Unless a shorter cure period is specified for a default in the performance of any term, provision, covenant or agreement contained in this HOME Promissory Note, including the obligations enumerated in this Section 2, no default shall mature into an "Event of Default" and the County shall not exercise any right or remedy on account thereof unless the default continues for ten (10) days in the event of a monetary default or sixty (60) days in the event of a nonmonetary default after the date upon which the County shall have given written notice of the default to the Borrower; provided, however, if the nonmonetary default is of a nature that cannot be cured within sixty (60) days, an Event of Default shall not arise hereunder if Borrower commences to cure the default within sixty (60) days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than one hundred twenty (120) days after receipt of notice of the default.

3. **MISCELLANEOUS.**

(a) **Waivers; Amendments; Borrower's Waivers.** No waiver by the County of any right or remedy under this HOME Promissory Note shall be effective unless in writing signed by the County Manager at the direction of the County Board. Neither the failure nor any delay in exercising any right, power or privilege under this HOME Promissory Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege by the County will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver that may be given by the County

**AVV APARTMENTS, LLC
HOME PROMISSORY NOTE**

\$2,800,000.00

Effective: February 28, 2014

will be applicable except in the specific instance for which it is given. No notice to or demand on Borrower will be deemed to be a waiver of any obligation of Borrower or of the right of the County to take further action without notice or demand as provided in this HOME Promissory Note. There shall be no amendment to or modification of this HOME Promissory Note except by written instrument executed by Borrower and the County.

To the maximum extent permitted by applicable law Borrower hereby waives presentment, demand, protest, notices of dishonor and of protest and all defenses and pleas on the grounds of any extension or extensions of the time of payment or of any due date under this HOME Promissory Note, in whole or in part, whether before or after maturity and with or without notice.

(b) **Notices.** Any notice required or permitted to be given hereunder shall be given in accordance with Section 9.01 of the Loan Agreement.

(c) **Severability.** If any provision in this HOME Promissory Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this HOME Promissory Note will remain in full force and effect. Any provision of this HOME Promissory Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(d) **Governing Law; Venue.** This HOME Promissory Note shall be governed by the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any legal action filed in connection with this HOME Promissory Note shall be filed in the Arlington County Circuit Court or in the Federal District Court for the Eastern District of Virginia (Alexandria Division).

(e) **Parties in Interest.** This HOME Promissory Note shall bind Borrower and its successors and assigns and shall accrue to the benefit of the County and its successors and assigns.

(f) **Section Headings, Construction.** The headings of Sections in this HOME Promissory Note are provided for convenience only and will not affect its construction or interpretation.

(g) **Relationship of the Parties.** The relationship of Borrower and the County under this HOME Promissory Note is solely that of borrower and County, and the loan evidenced by this HOME Promissory Note and secured by the County Deed of Trust and Borrower Declarations will in no manner make the County the partner, member or joint venture of Borrower.

(h) **Time is of the Essence.** Time is of the essence with respect to every provision of this HOME Promissory Note.

(i) **Nonrecourse.** Except as expressly provided in this Section 3(i), the Borrower and its members shall not have personal liability for payment of the principal of, or interest on, this HOME Promissory Note, and the sole recourse of the County with respect to the payment of the principal of, and interest on, this HOME Promissory Note shall be to the Property and any other collateral held by the County as security for this HOME Promissory Note; provided however, nothing contained in the foregoing limitation of liability shall:

i. impair the enforcement against all such security for the County Loans of all the rights and remedies of the County under the County Deed of Trust and any financing statements the County files in connection with the County Loans as each of the foregoing may be amended, modified, or restated from time to time;

ii. impair the right of the County to bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable the County to enforce and realize upon the County Deed of Trust, the interest in the Property created thereby and any other collateral given to the County in connection with the indebtedness evidenced hereby and to name the Borrower as party defendant in any such action;

**AVV APARTMENTS, LLC
HOME PROMISSORY NOTE**

\$2,800,000.00

Effective: February 28, 2014

iii. constitute a waiver of any right which the County may have under any bankruptcy law to file a claim for the full amount of the indebtedness owed to the County hereunder or to require that the Property shall continue to secure all of the indebtedness owed to County hereunder in accordance with this HOME Promissory Note and the County Deed of Trust; or

iv. limit or restrict the ability of County to seek or obtain a judgment against Borrower to enforce against Borrower and its managing members to:

1. recover under those sections of the Loan Agreement that pertain to Borrower's indemnification obligations), or

2. recover from Borrower and its managing members compensatory damages as well as other costs and expenses incurred by County (including without limitation attorney's fees and expenses) arising as a result of the occurrence of any of the following:

a. any fraud or material misrepresentation on the part of the Borrower, any managing member thereof, or any officer, director or authorized representative of Borrower or any affiliate thereof in connection with the request for or creation of the County Loans, or in the Loan Agreement or any other Loan Documents, or in connection with any request for any action or consent by the County in connection with the County Loans;

b. any failure to maintain insurance on the Property as required pursuant to the Loan Agreement;

c. failure to pay taxes, assessments or other charges which may become liens on the Property;

d. the presence of Hazardous Materials on the Property or other violation of the Borrower's obligations under the Loan Agreement or the County Deed of Trust (pertaining to environmental matters);

e. the occurrence of any act or omission of Borrower that results in waste to or of the Property and which has a material adverse effect on the value of the Property;

f. the material misappropriation of the County Loans proceeds;

g. the removal or disposal of any personal property or fixtures or the retention of rents, insurance proceeds, or condemnation awards in violation of the County Deed of Trust;

h. the material misappropriation of the proceeds of any insurance policy or award resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and

i. the failure of Borrower to pay all amounts payable under this HOME Promissory Note in full if Borrower Transfers the Property in violation of the Loan Agreement.

Signatures on Following Page

AVV APARTMENTS, LLC
HOME PROMISSORY NOTE

\$2,800,000.00

Effective: February 28, 2014

IN WITNESS WHEREOF, Borrower has executed and delivered this HOME Promissory Note as of the date first written above.

BORROWER

AVV Apartments, LLC, a Virginia limited liability company

By: **Rosslyn Ridge Development Corporation,**
a Virginia nonstock corporation, its sole member

By: 

Nina Janopaul, President

COMMONWEALTH OF VIRGINIA,
COUNTY OF Arlington, to wit:

The foregoing HOME Promissory Note was acknowledged before me this 24 day of February, 2014, by Nina Janopaul, President of the Rosslyn Ridge Development Corporation, a Virginia nonstock corporation and sole member of AVV Apartments, LLC, a Virginia limited liability company, and for and on behalf of AVV APARTMENTS, LLC.



Notary Public

My Commission Expires: 01/31/15
My Registration ID No. 750-1557



Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing

This deal does not require
information behind this tab.

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

RIGHT OF FIRST REFUSAL AGREEMENT
(Arna Marbella Apartments)

RIGHT OF FIRST REFUSAL AGREEMENT (the "Agreement") dated as of [Closing Date] by and among ARNA MARBELLA LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Commonwealth of Virginia, (the "Owner" or the "Partnership"), ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC., a Virginia non-stock nonprofit corporation (the "Grantee"), and is consented to by ARNA MARBELLA GP DEVELOPMENT CORPORATION, a Virginia corporation (the "General Partner"), [INVESTOR ENTITY], a [[_____]] limited liability company (the "Investor Limited Partner") and [[_____]] SPECIAL LIMITED PARTNER, L.L.C., a [_____]] limited liability company (the "Special Limited Partner"). The General Partner, the Investor Limited Partner and the Special Limited Partner are sometimes collectively referred to herein as the "Consenting Partners." The Investor Limited Partner and Special Limited Partner are sometimes collectively referred to herein as the "Non-General Partners". This Agreement shall be fully binding upon and inure to the benefit of the parties and their successors and assigns to the foregoing.

Recitals

A. The Owner, pursuant to its [Amended and Restated] Agreement of Limited Partnership dated on or about the date hereof by and among the Consenting Partners (the "Partnership Agreement"), is engaged in the ownership and operation of a one hundred sixty-three (163)-unit apartment project for families located in Arlington County, Virginia and commonly known as "Arna Marbella Apartments" (the "Project"). The real property comprising the Project is legally defined on Exhibit A.

B. The Grantee controls, via appointment of the board of directors, the sole shareholder of the General Partner of the Owner and is instrumental to the development and operation of the Project; and

C. The Owner desires to give, grant, bargain, sell and convey to the Grantee certain rights of first refusal to purchase the Project on the terms and conditions set forth herein;

D. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Partnership Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which the parties hereto acknowledge, the parties hereby agree as follows:

Section 1. Right of First Refusal

The Owner hereby grants to the Grantee a right of first refusal (the "Refusal Right") to purchase the real estate, fixtures, and personal property comprising the Project or associated with the physical operation thereof and owned by the Owner at the time (the "Property"), for the price and subject to the other terms and conditions set forth below. The Property will include any reserves of the Partnership that is required by the Virginia Housing Development Authority ("Virginia Housing" or the "Credit Authority") or any lender of a loan being assumed in connection with the exercise of the Refusal Right to remain with the Project.

Section 2. Exercise of Refusal Right; Purchase Price

A. After the end of the Compliance Period, the Owner agrees that it will not sell the Property or any portion thereof to any Person without first offering the Property to the Grantee (the "Refusal Right"), for the Purchase Price (as defined in Section 3); *provided, however*, that such Refusal Right shall be conditioned upon the receipt by the Owner of a "bona fide offer" (the acceptance or rejection of which shall not require the Consent of the Partners). The Owner shall give the notice of its receipt of such offer (the "Offer Notice") and shall deliver a copy of the Offer Notice to the Grantee. Upon receipt by the Grantee of the Offer Notice, the Grantee shall have 90 days to deliver to the Owner a written notice of its intent to exercise the Refusal Right (the "Election Notice"). An offer made with the purchase price and basic terms of the proposed sale from a third party shall constitute a "bona fide offer" for purposes of this Agreement. Such offer (i) may be solicited by the Grantee or the General Partner (with such solicitation permitted to begin at any time following the end of the fourteenth (14th) year of the Compliance Period provided that the Election Notice may not be sent until the end of the Compliance Period) and (ii) may contain customary due diligence, financing, and other contingencies. Notwithstanding anything to the contrary herein, a sale of the Project pursuant to the Refusal Right shall not require the Consent of the Non-General Partners or of Virginia Housing.

B. If the Grantee fails to deliver the Election Notice within ninety (90) days of receipt of the Offer Notice, or if such Election Notice is delivered but the Grantee does not consummate the purchase of the Project within 270 days from the date of delivery of the Election Notice (each, individually, a "Terminating Event"), then its Refusal Right shall terminate and the Owner shall be permitted to sell the Property free of the Refusal Right.

Section 3. Purchase Price; Closing

A. The purchase price for the Property pursuant to the Refusal Right (the "Purchase Price") shall equal the sum of (i) the principal amount of all outstanding indebtedness secured by the Project, and any accrued interest on any of such debts and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners or members of the Non-General Partners. Notwithstanding the foregoing, however, the Purchase Price shall never be less than the amount of the "minimum purchase price" as defined in Section 42(i)(7)(B) of the Code. The Refusal Right granted hereunder is intended to satisfy the requirements of Section 42(i)(7) of the Code and shall be interpreted consistently therewith. In computing such price, it shall be assumed that each of the Non-General Partners of the Owner (or their constituent partners or members) has an effective combined federal, state and local income tax rate equal to the maximum of such rates in effect on the date of Closing.

B. All costs of the Grantee's purchase of the Property pursuant to the Refusal Right,

including any filing fees, shall be paid by Grantee.

C. The Purchase Price shall be paid at Closing in one of the following methods:

(i) the payment of all cash or immediately available funds at Closing,
or

(ii) the assumption of any assumable Loans if Grantee has obtained the consent of the lenders to the assumption of such Loans, which consent shall be secured at the sole cost and expense of Grantee; provided, however, that any Purchase Price balance remaining after the assumption of the Loans shall be paid by Grantee in immediately available funds.

Section 4. Conditions Precedent; Termination

A. Notwithstanding anything in this Agreement to the contrary, the right of the Grantee to exercise the Refusal Right and consummate any purchase pursuant thereto is contingent on each of the following being true and correct at the time of exercise of the Refusal Right and any purchase pursuant thereto:

(i) the Grantee or its assignee shall be a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a “Qualified Beneficiary”); and

(ii) the Project continues to be a “qualified low-income housing project” within the meaning of Section 42 of the Code.

B. This Agreement shall automatically terminate upon the occurrence of any of the following events and, if terminated, shall not be reinstated unless such reinstatement is agreed to in a writing signed by the Grantee and each of the Consenting Partners:

(i) the transfer of the Property to a lender in total or partial satisfaction of any loan; or

(ii) any transfer or attempted transfer of all or any part of the Refusal Right by the Grantee, whether by operation of law or otherwise, except as otherwise permitted under Section 7 of this Agreement; or

(iii) the Project ceases to be a “qualified low-income housing project” within the meaning of Section 42 of the Code, or

(iv) the Grantee fails to deliver its Election Notice or consummate the purchase of the Property within the timeframes set forth in Section 2 above.

Section 5. Contract and Closing

Upon determination of the purchase price, the Owner and the Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with the terms of this Agreement and containing such other terms and conditions as are standard and customary for

similar commercial transactions in the geographic area which the Property is located, providing for a closing (the “Closing”) to occur in Arlington County, Virginia not later than the timeframes set forth in Section 2. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Refusal Right.

Section 6. Conveyance and Condition of the Property

The Owner’s right, title and interest in the Property shall be conveyed by quitclaim deed, subject to such liens, encumbrances and parties in possession as shall exist as of the date of Closing. The Grantee shall accept the Property “**AS IS, WHERE IS**” and “**WITH ALL FAULTS AND DEFECTS**,” latent or otherwise, without any warranty or representation as to the condition thereof whatsoever, including without limitation, without any warranty as to fitness for a particular purpose, habitability, or otherwise and no indemnity for hazardous waste or other conditions with respect to the Property will be provided. It is a condition to Closing that all amounts due to the Owner and the Investor Limited Partner from the Grantee or its Affiliates be paid in full. The Grantee shall pay all closing costs, including, without limitation, the Owner’s attorney’s fees. Upon closing, the Owner shall deliver to the Grantee, along with the deed to the property, an ALTA owner’s title insurance policy dated as of the close of escrow in the amount of the purchase price, subject to the liens, encumbrances and other exceptions then affecting the title.

Section 7. Transfer

The Refusal Right shall not be transferred to any Person without the Consent of the Investor Limited Partner, except that the Grantee may assign all or any of its rights under this Agreement to an Affiliate of Grantee (a “Permitted Assignee”) at the election and direction of the Grantee or to any assignee that shall be a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code or another qualified purchaser described in Section 42(i)(7)(A) of the Code (collectively, each, a “Qualified Beneficiary”).

In the case of any transfer of the Refusal Right (i) all conditions and restrictions applicable to the exercise of the Refusal Right or the purchase of the Property pursuant thereto shall also apply to such transferee, and (ii) such transferee shall be disqualified from the exercise of any rights hereunder at all times during which Grantee would have been ineligible to exercise such rights hereunder had it not effected such transfer.

Section 8. Rights Subordinate; Priority of Requirements of Section 42 of the Code

This Agreement is subordinate in all respects to any regulatory agreements and to the terms and conditions of the Mortgage Loans encumbering the Property. In addition, it is the intention of the parties that nothing in this Agreement be construed to affect the Owner’s status as owner of the Property for federal income tax purposes prior to exercise of the Refusal Right granted hereunder. Accordingly, notwithstanding anything to the contrary contained herein, both the grant and the exercise of the Refusal Right shall be subject in all respects to all applicable provisions of Section 42 of the Code, including, in particular, Section 42(i)(7). In the event of a conflict between the provisions contained in this Agreement and Section 42 of the Code, the provisions of Section 42 shall control.

Section 9. Option to Purchase

A. The parties hereto agree that if the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant an “option to purchase” pursuant to Section 42(i)(7) of the Code as opposed to a “right of first refusal” without adversely affecting the status of such owner as owner of its project for federal income tax purposes, then the parties shall amend this Agreement and the Owner shall grant the Grantee an option to purchase the Property at the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42(i)(7).

B. If the Service hereafter issues public authority to permit the owner of a low-income housing tax credit project to grant a “right of first refusal to purchase partner interests” and/or “purchase option to purchase partner interests” pursuant to Section 42(i)(7) of the Code (or other applicable provision) as opposed to a “right of first refusal to purchase the Project” without adversely affecting the status of such owner as owner of its project for federal income tax purposes (or the status of the Investor Limited Partner as a partner of the Owner for federal income tax purposes) then the parties shall amend this Agreement and the Investor Limited Partners shall provide a right of first refusal and/or purchase option, as the case may be, to acquire their Interests for the Purchase Price provided in Section 3 hereof and that meets the requirements of Code Section 42(i)(7).

Section 10. Notice

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and shall be deemed to have been given and received (i) two (2) business days after being deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) one (1) business day after being delivered to a nationally recognized overnight delivery service, (iii) on the day sent by telecopier or other facsimile transmission, answer back requested, or (iv) on the day delivered personally, in each case, to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the other party:

(i) If to the Owner, at the principal office of the Owner set forth in Article II of the Partnership Agreement or such other section setting forth the principal office of the Owner;

(ii) If to a Consenting Partner, at their respective addresses set forth in Schedule A of the Partnership Agreement or such other schedule or section setting forth the notice address for such Consenting Partner; and

(iii) If to the Grantee, 4318 N. Carlin Springs Road, Arlington, VA 22203.

Section 11. Severability of Provisions

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

Section 12. Binding Provisions

The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

Section 13. Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 14. Governing Law

This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of law. Notwithstanding the foregoing, the Partnership, Investor Limited Partner and Grantee do not intend the Refusal Right in this Agreement to be a common law right of first refusal but rather intend it to be understood and interpreted as a mechanism authorized by Section 42 of the Code to allow non-profit entities to preserve affordable housing for low-income families in accordance with Grantee's charitable objectives.

Section 15. Headings

All headings in this Agreement are for convenience of reference only. Masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 16. Amendments

This Agreement shall not be amended except by written agreement between Grantee and the Owner with the consent of each of the Consenting Partners.

Section 17. Time

Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.

Section 18. Legal Fees

Except as otherwise provided herein, in the event that legal proceedings are commenced by the Owner against the Grantee or by the Grantee against the Owner in connection with this Agreement or the transactions contemplated hereby, the prevailing party shall be entitled to recover all reasonable attorney's fees and expenses.

Section 19. Subordination

This Agreement is and shall remain automatically subject and subordinate to any bona fide mortgage to (or assigned to) an institutional or governmental lender with respect to the Project and, in the event of a foreclosure of any such mortgage, or of the giving of a deed in lieu of foreclosure to any such mortgagee, this Agreement shall become void and shall be of no further force or effect.

Section 20. Rule Against Perpetuities Savings Clause

The term of this Agreement will be ninety years commencing on the date first written above unless sooner terminated pursuant to the provisions hereof. If any provision of this Agreement is construed as violating and applicable "Rule Against Perpetuities" by statute or common law, such provision will be deemed to remain in effect only until the death of the last survivor of the now living descendants of any member of the 116th Congress of the United States, plus twenty-one (21) years thereafter. This Agreement and the Refusal Right herein granted are covenants running with the land and the terms and provisions hereof will be binding upon, inure to the benefits of and be enforceable by the parties hereto and their respective successors and assigns.

Section 21. Third Party Beneficiary; Virginia Housing Rights and Powers

The Virginia Housing Development Authority ("Virginia Housing") shall be a third party beneficiary to this Agreement, and the benefits of all of the covenants and restrictions hereof shall inure to the benefit of Virginia Housing, including the right, in addition to all other remedies provided by law or in equity, to apply to any court of competent jurisdiction within the Commonwealth of Virginia to enforce specific performance by the parties or to obtain an injunction against any violations hereof, or to obtain such other relief as may be appropriate. The Authority and its agents shall have those rights and powers with respect to the Project as set forth in the Act and the Virginia Housing Rules and Regulations promulgated thereunder, including without limitation, those rights and powers set forth in Chapter 1.2 of Title 365 of the Code of Virginia (1950), as amended, and 13VAC10-180-10 et seq., as amended.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Right of First Refusal Agreement as of the date first stated above.

OWNER:

ARNA MARBELLA LIMITED PARTNERSHIP, a Virginia limited partnership

By: Arna Marbella GP Development Corporation, its general partner

By: 
Name: Kyle McCandless
Title: Assistant Treasurer

COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF Arlington)

On April 19, 2022, before me, the undersigned, a notary public in and for said state, personally appeared Kyle McCandless, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as the Assistant Treasurer of Arna Marbella GP Development Corporation, which is the General Partner of Arna Marbella Limited Partnership, and that by his signature on the instrument, the entity, individual or the person on behalf of which the individual acted, executed the instrument.



Notary Public

Commission expires: August 31, 2022

Registration No.: 7770865

TyReisha E. Pugh
NOTARY PUBLIC
REG. #7770865
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES AUG. 31, 2022

EXHIBIT A

LEGAL DESCRIPTION

All that certain lot or parcel of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate and being in Arlington County, Virginia, being more particularly described as follows:

Parcel 2A, Avalon at Arlington Square, as the same appears duly dedicated, platted and recorded per Deed of Vacation, Rededication, Resubdivision, Consolidation, Public Storm Drain Easement, Public Waterline Easement, Public Sanitary Sewer Easement, Temporary Public Utility Easements, and Dedication of Public Rights-of-Way recorded February 10, 2000 in Deed Book 3039 at page 2053, among the Land Records of Arlington County, Virginia.

All those certain pieces or parcels lying, being and situate in Arlington County, Virginia and being more particularly described as follows:

Parcel 1:

Lots lettered —B1 and —C1 of a Resubdivision of part of Lots 1 to 6 inclusive, Block Twenty-four (24) of the Subdivision of —Fort Myer Heights1, as said Resubdivision is duly dedicated, platted and recorded among the land records of Arlington County, Virginia in Deed Book 388, page 265, the original plat of —Fort Myer Heights1 being recorded among said land records in Deed Book N-4, page 50, et seq.

LESS AND EXCEPT a portion of the property conveyed to the State Highway Commission recorded in Deed Book 1536 at page 106, among the aforesaid land records.

RPC Number 17033005

Parcel 4:

Tract One:

Lot One (1), Seven (7) and Eight (8), in Block 22, of the Subdivision of Fort Myer Heights, as the same appears duly dedicated, platted and recorded in Deed Book N—4, page 50, among the land records of Arlington County, Virginia.

RPC Number 17038006

Tract Two:

Parts of Lots 15, 16 and 17 in Block 23, Ft. Myer Heights, as the same appears of record in Deed Book N—4, at page 50, of the land records of Arlington County, Virginia and being more particularly described by metes and bounds according to Edgar C. Shawon, certified land surveyor, dated June 1964 as follows:

Beginning at the intersection of the westerly line of N. Queen Street, with the northerly line of N. Quinn Street, which point of beginning is also the southeast corner of Lot 15, Block 23, Ft. Myer Heights, as the same is duly platted and recorded among the land records of Arlington County, Virginia; thence running with the said northerly line of N. Quinn Street S 88 degrees 25' W 80.50' to the P.C. of a curve to the left; thence running 109.0' along the arc of said curve to the left, which curve has a radius of 140.0' and the chord of which arc bears S 66 degrees 06' 45'. W 106.27' to the front corner common to lots 17 and 18, Block 23, Ft. Myer Heights; thence departing from said northerly line of N. Quinn Street and running with a portion of the line common to said lots 17 and 18, N 46 degrees 11' 30" W 84.67' to a point in the South line of the proposed new service road for Arlington Boulevard, U.S. Route 50 as established by acquisition by the Commonwealth of Virginia by an instrument recorded in Deed Book 1546 at page 569 of the said land records for the construction of Project 0050-000-101 RW 201; thence running through Lots 17, 16 and 15, Block 23, Ft. Myer Heights, with said South line of the said proposed new service road on the following courses and distances: 76.33' along the arc of a curve to the right which curve has a radius of 1123.42' and the chord of which arc bears N 51 degrees 01' 43" E 76.31' to the P.T. of said curve (said point being opposite and 22.5' distance southerly from P.C. Station 34 + 58.19' on the center line of said proposed service road as established by the Virginia Department of Highways in May, 1964; thence continuing with said south line of said service road N 52 degrees 58' 30" E. 78.76' to the P.C. of a curve to the left (said point being opposite 22.5' distant southerly from P.T. Station 34 + 79.43 on the center line of said proposed road established aforesaid thence continuing 45.22' along the arc of said curve to the left which curve has a radius of 595.46' and the chord of which arc bears N 50 degrees 47' 58.5" E 45.21' to the intersection of said curve with the aforementioned westerly line of N. Queen Street; thence departing from said south line of said service road and running with said westerly line of N. Queen Street S 60 degrees 37' E 43.35' to the P.C. of a curve to the right; thence running 39.15' along the arc of said curve to the right, which curve has a radius of 47.72' and the chord of which arc bears S 37 degrees 6' 45" E 38.06' to the P.T. thence continuing with said westerly line of N. Queen Street S 13 degrees 36' 30" E. 88.20' to the point of beginning, containing 22,613 square feet, more or less.

RPC Number 17033003.

Tab W:

Internet Safety Plan and Resident Information Form (if internet amenities selected)

This deal does not require
information behind this tab.

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

This deal does not require
information behind this tab.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

This deal does not require
information behind this tab.

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

This deal does not require
information behind this tab.