

LOAN AGREEMENT FOR 1025 PARK STREET/MACAA SITE

This Loan Agreement (this “Agreement”) is by and between Piedmont Housing Alliance (“PHA”) and the City of Charlottesville, Virginia (the “City”) dated as of this ____ day of _____, 2026.

RECITALS

WHEREAS, the production of new housing for persons of low and moderate income is a public purpose and use for which public money may be spent, and such production is a governmental function of concern to the Commonwealth of Virginia and the City; and

WHEREAS, pursuant to Virginia Code §15.2-958 the City of Charlottesville may, by ordinance, make grants or loans to the owners of residential rental property occupied, or to be occupied, following construction, by persons of low or moderate income, for the purpose of producing such property; and

WHEREAS, an owner assisted in this manner must provide a minimum of 20 percent of the units for low and moderate income person as defined by the City for a minimum of 10 years and participation by an owner is voluntary; and

WHEREAS, Piedmont Housing Alliance (“PHA”) is a private, nonprofit 501(c)(3) organization (corporation) organized and operating under the laws of the Commonwealth of Virginia, having as its mission the creation of affordable housing opportunities by developing new housing and by preserving existing affordable housing; and

WHEREAS, PHA is planning the development of 1025 Park Street, a/k/a MACAA site, funded by Low Income Housing Tax Credits, private donations, grants, local government funding from the City of Charlottesville, and one or more mortgage loans; and

WHEREAS, PHA has requested the City of Charlottesville (the “City”) to award local public funding for the Project (as defined below), in an amount sufficient to subsidize the development of for-rent and for-sale affordable units and the leasing of for-rent affordable units on the property; and

WHEREAS, the City desires to loan up to \$3,770,000 at an interest rate of 3.00% per annum for a term of approximately 40 years (the “Loan”) to PHA pursuant to the terms and conditions of this agreement (the “Agreement”) and the Declaration of Affordable Housing Covenants, to be approved by the City prior to recordation; and

WHEREAS, the Loan will be secured by a subordinate interest in the land for the Project granted by PHA to the City as further described in the Agreement; and

NOW, THEREFORE, for good and valuable consideration, the receipt of which has been acknowledged by the parties, the following is agreed:

Section 1. Public purpose of the Loan

This Loan is provided to Piedmont Housing Alliance (“Recipient” or “PHA”) to be used for the public purposes of providing funding to assist the property acquisition, development and construction of new for-rental and for-sale housing units within the land located at 1025 Park Street/MACAA site (the “Subject Property”) and to provide project-based rental assistance for the for-rental housing units (collectively, the “Project”). The Project shall be diligently prosecuted by the Recipient, to the end that, upon completion of construction, the Project will include 66 Rental Affordable Units (as defined below) and 20 For-Sale Affordable Units (as defined below). **One hundred percent (100%) of the city-subsidized dwelling units within the Project will be for rental by low- and moderate-income persons, for a period not less than ninety-nine (99) years; or for ownership by low- and moderate-income persons, for a period not less than thirty (30) years.**

Section 2. Representations and Warranties by the Recipient

To induce the City to make the Loan, Recipient makes the following as its representations and warranties to the City:

- (A) Recipient is a corporation organized under the laws of the Commonwealth of Virginia, active and in good standing as of the date of its execution of this Agreement.
- (B) Recipient is a nonprofit 501(c)(3) organization whose 501(c)(3) status remains in effect as of the date of its execution of this Agreement.
- (C) Recipient will use its best efforts to ensure the Loan funds will be used only for the public purposes referenced in Section 1. Recipient may expend the Loan funds itself, or Recipient may loan the funds to a third party who is legally obligated to use the funds only for the public purpose referenced in Section 1. Recipient shall execute any deed of trust or security agreement reasonably requested by the City as further security for the Loan from the City, subject to certain requirements of lenders, including this Agreement and the Declaration of Affordable Housing Covenants being subordinate and subject to the lien of all lenders to the Project and including the forbearance of certain creditor’s rights and remedies during the applicable federal tax credit “compliance period” when the investor member has an ownership interest in the Project.
- (D) Recipient shall in good faith take all measures necessary to ensure that the Project contains 66 Rental Affordable Units and 20 For-Sale Affordable Units (as defined in Section 3(B) below) for low- and moderate-income persons, in accordance with the Declaration of

Affordable Housing Covenants, to be recorded following approval by the City prior to recordation, and any amendments thereto.

- (E) The Declaration of Affordable Housing Covenants shall be recorded in the land records of Charlottesville Circuit Court, prior to issuance of a building permit. The City Manager and City Attorney shall approve the Declaration of Affordable Housing Covenants prior to recordation.
- (F) Monticello Area Community Action Agency (the “Landowner”) currently owns the land comprising the development site of the Project. The Landowner entered into that certain Purchase and Sale Agreement with PHA dated March 13, 2023 (the “PSA”). Recipient has verified that the Landowner does not intend to transfer or convey title to any such land to any third party, other than the Recipient, or an entity of which PHA is a controlling member.
- (G) Recipient will use its best efforts to ensure the development of the Project shall be consistent with the final site plan developed by the Recipient with public input from the community and approved by the City pursuant to Article 4 of the Development Code of the City of Charlottesville, Virginia (as amended, the “Development Code”), a copy of which is depicted in ***Illustration 1***, following below, as such final site plan may be amended from time to time consistent with the Development Code, the provisions of the Declaration of Affordable Housing Covenants and the public purposes for which this Loan is offered pursuant to Virginia Code §15.2-958.



Illustration 1.

- (H) Recipient will ensure the development of the Project shall comply with all relevant Federal, State and local laws and regulations.
- (I) Recipient will execute any and all documents reasonably requested by the City to finalize the Loan authorized by this Agreement, including, without limitation, any note, deed of trust, security agreement or guaranty.
- (J) The representations set forth within paragraphs (A) through (I) preceding above are material provisions of this Agreement.

Section 3. Authorized Expenditures; Budget

- (A) The Project is planned as redevelopment of a portion of the land currently identified by Tax Parcel Identification Nos. 470008000, 470011000, and 470007100, currently assigned the street addresses of 1021 Park Street, 1023 Park Street, and 1025 Park Street, Charlottesville, Virginia. See Exhibit A for a legal description for the Subject Property.

(B) The Project shall include no fewer than eighty-six (86) for-rent or for-sale affordable dwelling units, of which: (i) a minimum of thirty-two (32) will be Rental Affordable dwelling units for rental to households having incomes at or below sixty percent (60%) AMI; and (ii) a minimum of twenty-four (24) will be Rental Affordable dwelling units for rental to households having incomes at or below fifty percent (50%) AMI; and (iii) a minimum of ten (10) will be Rental Affordable dwelling units for rental to households having incomes at or below thirty percent (30%) AMI (collectively, the “Rental Affordable Units”); and (iv) a minimum of twenty (20) For-Sale Affordable dwelling units will be Greater Charlottesville Habitat for Humanity, Inc. for-sale homes for sale to households having incomes at or below fifty percent (50%) AMI (the “For-Sale Affordable Units”). In addition, there will be eight (8) for-sale, market-rate homes, for which the City will not provide Loan proceeds. The Rental Affordable Units and the For-Sale Affordable Units are collectively referred to as “Affordable Units”.

(C) The City will provide **\$3,770,000.00** in Loan proceeds for the Project. Loan proceeds may be expended as follows:

- i. Up to **\$3,630,000.00** may be expended for property acquisition. Any portion of this amount not expended for acquisition may be expended in accordance with (ii), below.
- ii. Funding may be used for site work (demolition of existing buildings, grading, erosion, and sediment control measures, etc.), the installation, construction, or reconstruction of streets (inclusive of sidewalk, curb and gutter, stormwater, landscaping), utilities, essential to the Project, and/or for construction of new affordable housing units for low- and moderate-income persons.
- iii. Up to **\$140,000.00** may be expended to support project-based rental assistance for up to five (5) apartment units for a minimum of five (5) years for qualified households for monthly rental assistance. Any portion of this amount not expended for rental assistance may be expended in accordance with (ii), above.

(D) Construction will commence within six months following the later of Recipient’s closing on the purchase of the Subject Property or closing on the construction loan(s) for the Project, and be diligently prosecuted by Recipient to completion.

(E) Recipient shall establish a budget for construction for the Project, and for construction of Rental Affordable Units and For-Sale Affordable Units (the “Budget”), and will submit the Budget to the City for approval. Once the Budget is approved by the City, Recipient will

notify the City of material changes to the Budget which would materially increase the cost of any aspect of construction.

- (F) The Budget shall establish stand-alone line items for construction. The Budget shall also include line items for a Construction Contingency Amount, soft costs and other reserves acceptable to the City.

Section 4. Disbursement of Loan Proceeds

(A) Disbursements for Property Acquisition

Prior to disbursement of loan proceeds for expenses incurred pursuant to Section 3(C)(i), the Recipient shall furnish or cause to be furnished to the City, in form and substance satisfactory to the City:

- (i.) a Disbursement certification in a form approved in advance by the City; and
- (ii.) a copy of the settlement statement and itemization; and
- (iii.) a copy of the Seller's signed settlement documentation; and
- (iv.) Lender's clear to close statement (if financing/lender is applicable)

Following receipt of this complete Disbursement Request, the City shall issue payment of Loan proceeds to the Recipient within fifteen (15) days. Funds will be wired to the closing attorney's escrow account. Recipient will be responsible for providing all wiring instructions. If closing does not occur within three (3) business days, funds will be returned to the City.

Within thirty (30) days following closing, Recipient shall provide the following information to the City:

- (i.) A copy of the final executed closing statement; and
- (ii.) a copy of the recorded deed; and
- (iii.) a copy of the final title policy; and
- (iv.) if financing is applicable, a copy of the recorded deed of trust

(B) Preconditions for Disbursements, General

Prior to the first disbursement of any Loan proceeds for expenses incurred pursuant to Section 3(C)(ii) or (iii), the Recipient shall furnish all of the following documents to the City for the Project, in a form acceptable to the City in all respects, for the City's approval:

- i. Documentation that the Site Plan for the Project has been approved by the City's Neighborhood Development Services Department.

- ii. A copy of the approved building permit issued for the vertical construction of the Rental Affordable Units.
- iii. A Construction Schedule that implements construction of the Rental and For-Sale Affordable Units.
- iv. The Budget required by Section 3, above.
- v. Declaration of Affordable Housing Covenants, approved by the City Attorney and the City Manager prior to execution by Recipient and recorded within the land records of the Circuit Court for the City of Charlottesville.

If the above-referenced documents demonstrate the adequacy of the Budget to complete the construction of the Project, including all Rental and For-Sale Affordable Units, and if the Construction Schedule is realistic, then the City's approval shall not unreasonably be withheld.

(C) Disbursements for Construction of Affordable Housing

Following the date on which the Declaration of Affordable Housing Covenants are recorded within the City's land records, the Recipient may request disbursements of the Loan funds, not expended for property acquisition or rental assistance. Disbursements may be made by the City from time to time during construction of new Affordable Units, as such construction progresses, no more frequently than once per calendar month, until the City has disbursed the aggregate amount specified within Section 3(C)(i) or (iii).

As a condition precedent to each disbursement of loan proceeds, the Recipient shall furnish or cause to be furnished to the City all of the following documents for each disbursement, in form and substance satisfactory to the City: **(a)** a Disbursement Certification in a form approved in advance by the City; **(b)** copies of payment approval forms, certified by an architect or engineer authorizing payment of specific amount(s), and documentation that such amount(s) have actually been paid to construction contractor(s) and subcontractor(s), for work completed; **(c)** certification by an architect or a professional engineer licensed by the Commonwealth of Virginia, that construction of the improvements and facilities that are the subject(s) requested of loan disbursements is in conformity with the approved final plan and applicable city standards; **(d)** a budget-to-actual expenditure report for the construction, current through the date of the disbursement request; **(e)** a Construction Schedule report, documenting the actual progress of construction compared with the approved Construction Schedule. In the aggregate, items (a)-(e) shall constitute a "Disbursement Request".

Following receipt of a complete Disbursement Request, the City shall issue payment of Loan proceeds to the Recipient reimbursing amounts documented within the Disbursement Request as

having actually been paid for construction. Payment shall be made within 30 days of the City's receipt of a complete Disbursement Request.

(D) Disbursements for Rental Assistance

Following the date on which the Certificate of Occupancy for the Rental Affordable Unit(s) has been issued, the Recipient may request disbursements of the Loan funds for that portion of the quarterly amount of in-advance rental assistance, and disbursements may be made by the City quarterly, until the City has disbursed the aggregate amount specified within Section 3(C)(iii).

As a condition precedent to the first disbursement of rental assistance loan proceeds, the Recipient shall furnish or cause to be furnished to the City all of the following documents for each disbursement, in form and substance satisfactory to the City: **(a)** a Disbursement Certification in a form approved in advance by the City; **(b)** documentation that the Rental Affordable Unit(s) for which rental assistance will be applied have been leased to qualified household(s). In the aggregate, items (a)-(b) shall constitute a "Disbursement Request".

As a condition precedent to each subsequent disbursement of rental assistance loan proceeds, the Recipient shall furnish or cause to be furnished to the City all of the following documents for each disbursement, in form and substance satisfactory to the City: **(a)** a Disbursement Certification in a form approved in advance by the City; **(b)** an annual report documenting the expenditure of rental assistance for the previous year; including, but not limited to:

- Date unit leased
- Name (head of household)
- Unit Address
- Total Monthly Rent
- Amount of Monthly Rental Assistance Provided
- Household Income
- Household %AMI
- Employment Status
- Number of Wage Earners
- Household Composition
 - Number of Adults
 - Number of Children
 - Number of Children Under 5-years
 - Number of Elderly (65 years+)
 - Number of Disabled
 - Race/Ethnicity
- Refugee status (if applicable)
- Unit vacancy (if applicable)

(c) documentation that rental assistance was applied to the Rental Affordable Unit(s); (d) a budget-to-actual expenditure report for rental of the Rental Affordable Unit(s) for which the rental assistance was applied. In the aggregate, items (a)-(d) shall constitute a “Disbursement Request”.

Following receipt of a complete Disbursement Request, the City shall issue payment of Loan proceeds to the Recipient for the annual amount requested within the Disbursement Request for rental assistance. Payment shall be made within 30 days of the City’s receipt of a complete Disbursement Request.

(E) Execution of Loan Instruments

This Loan is in the amount of the total disbursements made by the City to the Recipient, pursuant to Section 3(C) preceding above. Disbursement shall be made up to the Loan maximum specified in Section 3(C), above. All disbursements shall be added to the principal of the Loan, and interest at the rate of this Loan shall accrue thereon from the date each disbursement is made. The City shall not disburse any loan proceeds to the Recipient unless and until the Recipient has executed and delivered to the City all documents or legal instruments deemed by the City to be necessary to effectuate the Loan and to secure the City’s ability to enforce the requirements of this Loan Agreement. The following terms and conditions are material to the City’s agreement to enter into this Loan Agreement and shall be requirements of this Agreement enforceable in accordance with this Loan Agreement as well as through any documents or legal instruments that effect and secure the Loan of public funds to the Recipient:

- (i) Recipient will use commercially available best efforts to negotiate provisions in a subordination agreement with the senior lender(s) for the acquisition, construction and/or development of the Project that provide the City with the right to cure a default under such senior loan(s), with wording acceptable to the City Manager and City Attorney. The income, rent and use restrictions required by this Agreement and the Declaration of Affordable Housing shall terminate upon a foreclosure of any such senior loan, except: (i) twenty percent (20%) of the units within the Project may remain at sixty percent (60%) of area median income following such a foreclosure, and (ii) VHDA may permit additional units at 60% AMI to survive such a foreclosure, provided that VHDA determines, in its sole discretion, that the development will achieve a targeted debt service coverage rate (DCSR) of at least 1.25 while subject to such additional set-aside. The City Manager, after consultation with the City Attorney’s Office, is the City official hereby designated as having authority as the agent of City Council to renegotiate income, rent and use restrictions required by this Agreement and the Declaration of Affordable Housing Covenants, and any amendments thereto, and to enter into a binding amendment of this Agreement, if such renegotiation or amendment is necessary to facilitate Recipient’s receipt of financing from VHDA, provided that (i) the renegotiated terms are no less

than those VHDA itself requires in its own Lending Policy and (ii) in accordance with Virginia Code §15.2-958, a minimum of twenty percent (20%) of the housing units within the Project shall be Rental or For Sale Affordable Units for a minimum of ten (10) years.

(ii) Deferred Payment Loan; Payment Date. This Loan shall be a deferred payment loan. The deferral period shall commence on the Commencement Date specified in subparagraph (iii), below, and shall expire at midnight on December 31 of the fortieth (40th) calendar year thereafter (“Deferral Period”). Interest shall accrue during the Deferral Period, in the amount specified in subparagraph (iv) following below.

(iii) Each Disbursement of funds made by the City to the Recipient shall constitute loan proceeds (individually and collectively, the “Loan”) of the Loan that is the subject of this Agreement. The term of the Loan shall be forty (40) years, commencing on the date of the final disbursement of Loan proceeds by the City to the Recipient pursuant to this Agreement (“Commencement Date”). If the Project is completed and operated continuously in accordance with the requirements of this Agreement and the Declaration of Affordable Housing Covenants, and any amendments thereto, throughout the entire Deferral Period (i.e., continuously from the Commencement Date through the expiration of the Deferral Period) then the Loan shall be forgiven. Recipient will grant to the City, as security for the Loan, an assignment of its subordinate interest in the Project, which secures its Sponsor Loan to the Project Owner. The assignment shall be subordinate to loans from VHDA or any federal agency.

(iv) Interest shall accrue on outstanding amounts of the Loan, at the annual rate of three percent (3%), beginning on the Commencement Date specified in (iii), above. If the Project is completed and operated continuously in accordance with the requirements of this Agreement and the Declaration of Affordable Housing Covenants, and any amendments thereto, throughout the entire Deferral Period referenced in paragraph (ii) preceding above (i.e., continuously from the Commencement Date through the expiration of the Deferral Period) then the accrued interest shall be forgiven.

(v) Payment. All Loan proceeds disbursed to the Recipient shall immediately become due and owing to the City in full, in each case following any applicable notice and cure period:

a. on the date of any Uncured Event of Default on the Loan;

- b. upon the insolvency or dissolution of the Recipient;
- c. on the date of any foreclosure of the Project; or
- d. upon the sale or transfer of the property, or any portion(s) thereof, to any person other than a related entity, or other assignee, who has been approved by the City in advance. For purposes of this Agreement, the term “related entity” means any transferee that is controlled by the Recipient, the Landowner, or both.

(vi) For so long as the City Loan proceeds are subsidizing the Project, Recipient, on behalf of itself and its heirs, successors and assigns (collectively, “Owner”) agree that, prior to the first refinancing of the senior lien debt, or prior to the next new tax credit financing (but subject to any senior lender approvals, in their sole discretion, if such new tax credit financing does not include a refinancing of the senior debt) it will propose an Affordability Analysis to the City for the City’s review and approval; provided, however, that if such refinancing or new tax credit financing results in the payoff of the City Loan, no Affordability Analysis will be required. The Affordability Analysis will determine and detail if any qualified tenants have incomes permitted under the federal low income housing tax credit program that are one hundred forty percent (140%) in excess of the applicable imputed income over the program’s AMI limit. For example, if there is a 60% AMI unit, an “over-income” tenant would be considered to be over 140% above the 60% limit. In other words: Assume Area Median Income is \$100,000 and at 60% the unit income would be \$60,000, then 140% over income would be \$84,000. In such case(s) where it is determined that there are “over-income” tenants, the Owner will agree to propose further income restriction to the other restricted units to the reasonable satisfaction of the City.

(vii) **Default.** If any Event of Default shall occur pursuant to this Loan Agreement and is not cured within sixty (60) days from the date that written notice of such Event of Default is given by the City to the Recipient or such longer period as was reasonably necessary for cure, provided the Recipient requested an extension prior the expiration of the 60-day cure period and the City approved the request in writing (“Uncured Event of Default”), the Loan shall immediately become due and payable in full to the City. Each of the following shall constitute an Event of Default:

- a. Use of Loan funds for any purpose(s) other than those articulated within Section 1 of this Loan Agreement;

- b. Failure to comply with the terms and conditions of this Loan Agreement;
- c. Failure to comply with the requirements of the Declaration of Affordable Housing Covenants, as it may be amended;
- d. Failure to perform any of Recipient's obligations under this Loan Agreement with respect to construction of the Project;
- e. A successful legal challenge initiated by the Landowner or Recipient, asserting that the Declaration of Affordable Housing Covenants, and any amendments thereto, is invalid or unenforceable, in whole or as applied to such person;
- f. Failure of Recipient to perform any obligation required by any document that secures this Loan;
- g. Failure of Recipient to give the City notice of any anticipated sale of all or any portion of the Project to any person that is not controlled by the Recipient, and who will use it for any purpose other than that specified within Section 1 of this Agreement.

(viii) **Remedies for Default.** If Recipient fails to pay the Loan or fails to cure any Event of Default prior to the end of the 60-day notice period, the City may invoke foreclosure of this Loan Agreement or any other remedy allowed by the Loan Agreement, any document related to this Loan, or by the laws of the Commonwealth of Virginia. All of the City's rights and remedies are distinct and cumulative to any other rights and remedies under this Agreement, or otherwise at law, and may be exercised concurrently, independently, or successively.

(ix) **No Waiver.** No forbearance by the City in exercising any right or remedy hereunder, or otherwise afforded by Virginia law, shall constitute a waiver of, nor shall forbearance preclude the exercise of, any right or remedy.

Section 5. General Terms and Conditions

(A) **Non-Appropriations Condition.** The obligations of the City as to any funding beyond the end of Fiscal Year 2026 (June 30, 2026) are expressly made subject to the availability of and appropriation by the City Council of sufficient public funds to support continued performance of this agreement by the City in succeeding fiscal years. When public funds are not appropriated or are otherwise unavailable to support continuation of payment(s) by the City to Recipient in a subsequent fiscal year, the City's obligations hereunder shall automatically expire, without liability or penalty to the City. Within a reasonable time following City Council's adoption of a budget, the City shall provide the Recipient with

written notice of any non-appropriation or unavailability of funds affecting this Loan agreement.

- (B) Assignments. The City reserves the right to approve in advance any assignment of this Agreement by the Recipient to any individual or entity, and the ownership and membership of any such entity must be disclosed to the City. Any change in the Recipient's organizational structure, and any change in the Recipient's status or Recipient's relationship to the Project shall also be subject to approval by the City. Notwithstanding the foregoing, the City hereby consents to the assignment of this Agreement to 1025-A Park Street, LLC and 1025-B Park Street LLC ("Permitted Assignees") and so long as PHA is a controlling member of the Permitted Assignees no additional consent is required. Any such assignee shall be bound by all the terms and conditions of this Agreement.
- (C) Public Disclosure of Agreement Documents. The Recipient acknowledges and understands that this agreement, and all related public proceedings and records, shall be open to the inspection of any citizen or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act (Va. Code §2.2-3700 et seq.) and the Virginia Public Procurement Act (Va. Code §2.2-4300 et seq.) to the extent that either of those laws applies.
- (D) No Waiver of Rights. No failure on the part of the City to enforce any of the terms or conditions set forth in this agreement shall be construed as or deemed to be a waiver of the right to enforce such terms or conditions. No waiver by the City of any default or failure to perform by the Recipient shall be construed as or deemed to be a waiver of any other and/or subsequent default or failure to perform. The acceptance of the performance of all or any part of this Agreement by the City, for or during any period(s) following a default or failure to perform by the Recipient, shall not be construed as or deemed to be a waiver by the City of any rights hereunder, including, without limitation, the City's right to terminate this Agreement.
- (E) Force Majeure. All dates in this Agreement shall be extended for a period of time equal to the period of any delay directly affecting such date which is caused by fire, earthquake or other acts of God, strike, lockout, acts of public enemy, riot, insurrection, pandemic, disease, work shortages, acts beyond the control of the parties, declared state of emergency or public emergency, government mandated quarantine or travel ban, government shutdown or governmental regulation. All federal extensions permitted due to any pandemic, declared state of emergency or public emergency, government mandated quarantine or travel ban, or any other similar event, shall also apply to the dates in this Loan Agreement.

- (F) Severability. In the event that any term, provision, or condition of this Agreement, or the application thereof to any person or circumstance shall be held by a Court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, and the application of any term, provision or condition contained herein to any person or circumstance other than those to which it has been held invalid or unenforceable, shall not be affected thereby.
- (G) Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia, and, in the event of litigation, jurisdiction and venue shall be in the Circuit Court of the City of Charlottesville, Virginia, and all legal actions involving this Agreement shall be brought only in such court. All parties hereto agree that in the event of any action brought to enforce the terms and provisions hereof, the prevailing party shall be entitled to reimbursement of reasonable attorney's fees and court costs. All parties to this Agreement have standing to enforce any covenants, terms, provisions, and agreements set forth herein.
- (H) Entire Agreement. This Agreement is the entire agreement between the parties hereto, sets forth all of promises, agreements, conditions, and understandings between the parties respecting the subject matter hereof and supersedes all prior and contemporaneous negotiations, conversations, discussions, correspondence, memoranda, and agreements between the parties concerning such subject matter.
- (I) Authorized City Signature. By its approval of this Agreement, the Charlottesville City Council authorizes the Charlottesville City Manager to execute Agreements to effectuate the requirements herein on its behalf.
- (J) Amendments. The City Manager is hereby authorized to modify terms and conditions set forth within this Agreement, without Council review and approval, but only if such amendment(s) do **not** materially modify: **(i)** the number or level of affordability of Affordable Units to be provided by Recipient, or the length of the Affordability Period, **(ii)** the layout of land uses, or the general or approximate location of the proposed buildings and streets, as depicted in *Illustration 1*, above, within this Agreement, or **(iii)** the dollar amount(s) of the Loan, as set forth within Section 3(C) of this Agreement. Any amendments of the terms referenced in clauses (i) – (iii) preceding above within this paragraph must be approved by ordinance of City Council in the same manner as this Agreement.
- (K) Notices. All notices required under this Agreement shall be given in writing, and shall be deemed to be received five (5) business days after being mailed by first class mail, postage prepaid, return receipt requested, or one (1) business day after being placed for next day delivery with a nationally recognized overnight courier service, or upon receipt when

delivered by hand, addressed as follows: (i) if given to the City—to the City Manager, with a copy to the City Attorney, each to: 605 East Main Street, Second Floor, City Hall (P.O. Box 911), Charlottesville, Virginia, 22902, or (ii) if given to the Recipient—to Piedmont Housing Alliance, Attention: Executive Director, 682 Berkmar Circle, Charlottesville, Virginia, 22901, with a copy to Doruk Onvural, Klein Hornig, LLP, 1325 G Street, N.W., Suite 770, Washington, DC, 20005 and a copy to the other financing parties at the address(es) provided by the Recipient.

[Signatures on next page]

CITY OF CHARLOTTESVILLE, VIRGINIA

By: _____
City Manager

PIEDMONT HOUSING ALLIANCE

By: _____

Print Name: _____

Title: _____

Funds are Available:

By: _____
Director of Finance

Date: _____

Approved as to Form:

By: _____

Title: _____

EXHIBIT A

Legal Description of Property

Legal Description of Rental Property

All that those certain lots or parcels of land, together with all improvements thereon and rights and appurtenance thereto, located in the City of Charlottesville, Virginia, shown as "Lot E1" and "Lot F1" on a plat entitled "PLAT SHOWING MAJOR SUBDIVISION KNOWN AS MACAA REDEVELOPMENT AND BEING CITY PIDS 470007100, 470008000, & 470011000 IN THE CITY OF CHARLOTTESVILLE, VIRGINIA" prepared by Timmons Group, dated December 22, 2023, last revised October 25, 2024, and recorded with a deed in the Clerk's Office of the Circuit Court of the City of Charlottesville, Virginia, as Instrument No. 202400003048;

BEING a portion of the same real estate conveyed to Monticello Area Community Action Agency, a Virginia nonstock corporation, by the following instruments: (a) deed from Charlottesville-Albemarle YMCA Inc., a Virginia non-stock corporation, and Christine C. Chapman, Substitute Trustee under Agreement dated April 10, 1989, creating The McIntire Land Trust, dated May 19, 1993, recorded June 10, 1993 in the Clerk's Office, Circuit Court, Charlottesville, Virginia in Deed Book 604, Page 568; (b) deed from Rebecca W. West dated November 22, 2016, recorded December 2, 2016 in said Clerk's Office as Instrument No. 201600004608; and (c) from 1023 Park Street, LLC, a Virginia limited liability company, by a Deed of Gift of Boundary Line Adjustment dated December 18, 2024, recorded December 19, 2024, in said Clerk's Office as Instrument No. 202400003048.

Legal Description of Homeownership Property

All that those certain lots or parcels of land, together with all improvements thereon and rights and appurtenance thereto, located in the City of Charlottesville, Virginia, shown and described on a plat entitled "PLAT SHOWING MAJOR SUBDIVISION KNOWN AS MACAA REDEVELOPMENT AND BEING CITY PIDS 470007100, 470008000, & 470011000 IN THE CITY OF CHARLOTTESVILLE, VIRGINIA" prepared by Timmons Group, dated December 22, 2023, last revised October 25, 2024, and recorded with a deed in the Clerk's Office of the Circuit Court of the City of Charlottesville, Virginia, as Instrument No. 202400003048 as follows:

LOTS A1 through A8

LOTS C1 through C6

LOTS D1 through D6

BEING a portion of the same real estate conveyed to Monticello Area Community Action Agency, a Virginia nonstock corporation, by the following instruments: (a) deed from Charlottesville-Albemarle YMCA Inc., a Virginia non-stock corporation, and Christine C. Chapman, Substitute Trustee under Agreement dated April 10, 1989, creating The McIntire Land Trust, dated May 19, 1993, recorded June 10, 1993 in the Clerk's Office, Circuit Court, Charlottesville, Virginia in Deed Book 604, Page 568; (b) deed from Rebecca W. West dated November 22, 2016, recorded December 2, 2016 in said Clerk's Office as Instrument No. 201600004608; and (c) from 1023 Park Street, LLC, a Virginia limited liability company, by a Deed of Gift of Boundary Line Adjustment dated December 18, 2024, recorded December 19, 2024, in said Clerk's Office as Instrument No. 202400003048.