

Prepared by and Return to:
Premier Circle PSH, LLC
1900 Cool Lane, Suite B
Richmond, Virginia 23223

Re: Albemarle County Real Estate Parcel Id. No. 061M0-00-00-006A0

DECLARATION
OF AFFORDABLE HOUSING COVENANTS
(RENTAL)

THIS **DECLARATION OF AFFORDABLE HOUSING COVENANTS (RENTAL)** (hereinafter, "**Covenant**") is made as of the ____ day of _____, 2026 ("**Effective Date**"), by Premier Circle PSH, LLC ("**Premier Circle PSH**", and sometimes referred to herein as the "**Project Owner**" and/or "**Grantor**"), having an address of 1900 Cool Lane, Suite B, Richmond, Virginia 23223, and by SupportWorks Housing ("**SupportWorks**" or "**Grantor**" or "**Recipient**"), having an address of 1900 Cool Lane, Suite B, Richmond, Virginia 23223, for the benefit of the CITY OF CHARLOTTESVILLE, a municipal corporation, located at 605 East Main Street, City Hall, Charlottesville, Virginia, 22902 (the "**City**" or "**Grantee**").

RECITALS

R-1. Project Owner is the fee simple owner of certain real property located in Albemarle County, Virginia ("the County") as further described in **Exhibit A** (the "Property") attached to this Covenant, which Property will include the development of affordable residential rental units and called **Vista 29**, which development, including the Property and all assets of whatsoever nature situated, owned, or used in or arising out of or otherwise related to the construction and the ownership or operation of the development (hereinafter referred to as the "**Project**").

R-2. To further the public purpose of increasing the affordable housing stock within the region and, in particular, on the Property, the City is willing to loan certain public funding to Recipient, in accordance with the provisions of Virginia Code §15.2-958.

R-3. The City and Project Owner desire to set forth herein the terms, restrictions, and conditions upon which Project Owner will construct, maintain, and lease the Rental Affordable Units within the Project.

R-4. By Ordinance adopted on August 5, 2024, and any amendments made thereto, the City agreed to loan public funding pursuant to the provisions of Va. Code §15.2-958, to subsidize construction of streets, utilities and other site improvements essential to the Project and to support the production of new units of residential rental property within the Project, to be occupied following construction by persons of low and moderate income. The City's adoption of the City Ordinance was induced by the Project Owner's representation that all

the residential units within the Project will be Affordable Units.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereby declare, covenant and agree as follows, with respect to the Property described within Exhibit A to this Covenant:

ARTICLE I

DEFINITIONS

For the purposes of this Covenant, the capitalized terms used herein shall have the meanings ascribed to them below and, unless the context clearly indicates otherwise, shall include the plural as well as, the singular.

Affordability Period: is thirty (30) years, calculated as set forth within Article X.

Affordability Requirement: has the meaning given in Section 2.1

Affordable Unit: means a residential dwelling unit for occupancy by a household having household income at or below 60% of Area Median Income who are paying no more than 30% of income for for-rent, which housing will be used to satisfy the Affordability Requirement, all of which shall be identified in the Affordable Unit Index. Where the term “Committed Affordable Unit” or “Committed Rental Affordable Unit” is used, said term refers to an Affordable Unit or Rental Affordable Unit committed by means of this Covenant to satisfy the Affordability Requirement throughout the Affordability Period.

Affordable Unit Marketing Plan: means Project Owners’ plan(s) for marketing the rental of the Affordable Units, as approved by the Agency pursuant to Section 2.3.

Affordable Unit Occupant: means a Qualified Tenant who lease(s) a Rental Affordable Unit.

Agency: means the Office of the Charlottesville City Manager, and any successor department whose mission includes administration of the City’s Affordable Housing Program.

Area Median Income (AMI): means median family income limits for the City of Charlottesville, Virginia, established and adjusted by the U.S. Department of Housing and Urban Development (HUD) annually by household size.

Annual Household Income: means the aggregate annual income of a Household as determined by using the standards set forth in 24 CFR § 5.609, as may be amended, or as otherwise set forth by the Agency.

Annual Report: has the meaning given in Section 4.10.

Business Day means Monday through Friday, inclusive, other than holidays recognized by the City of Charlottesville government.

CAO means the Office of the City Attorney for the City of Charlottesville, Virginia.

Certificate of Tenant Eligibility means a certification by a Household at its initial occupancy of an Affordable Unit, in a form approved by the Agency, that shall be given to the Agency, Landowner, and the Certifying Authority, representing and warranting the following: (a) the Household is a Qualified Tenant and has disclosed all of its Annual Household Income to the Certifying Authority, (b) the Household's Annual Household Income is at or below the maximum Annual Household Income for the applicable Affordable Unit, (c) the Household has been informed of its rights and obligations under this Covenant, (d) the Household intends to occupy the Affordable Unit as its principal residence, (e) that the Household size is within the Occupancy Standard for the Affordable Unit, and (f) any other reasonable and customary representations requested by the Agency.

Certification of Income: means a certification made by a Certifying Authority that verifies the Annual Household Income of a Qualified Tenant meets the Designated Affordability Level for an applicable Affordable Unit and meets the requirements of Section 4.5 or Section 5.2.1, as applicable, in such form as the Agency approves.

Certification of Inspection: means a certification by Project Owner that it has performed or caused to be performed an inspection of a Rental Affordable Unit and that, to the best of Landowner's knowledge, such Rental Affordable Unit is in compliance with all applicable statutory and regulatory requirements, in such form as the Agency approves.

Certifying Authority: means SupportWorks Housing or any entity or entities approved by the Agency pursuant to Section 2.4.

City Ordinance: means that certain ordinance adopted by the Charlottesville City Council on June 17, 2024, pursuant to Virginia Code §15.2-958, and any amendments made thereto, to approve and establish guidelines for the production of new housing for persons of low and moderate income within the Project and to assure that such housing will be occupied following construction by low and moderate income persons throughout the Affordability Period.

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

Designated Affordability Level (DAL): means the percentage of AMI assigned to each Affordable Unit, at or below which a Qualified Tenant's Annual Household Income must fall.

Household(s): means all individuals who will occupy the Affordable Unit, including all individuals over eighteen (18) years of age whose names will appear on the lease, the purchaser's or tenant's as applicable, spouse or domestic partner and children under eighteen (18) years of age. A Household may be a single family, one (1) individual living alone, two (2) or more families living together, or any other group of related or unrelated individuals who share living arrangements as allowable by this Covenant.

Household Size Adjustment Factor (HAF): means the factor related to the number of individuals in a Household for the purpose of establishing the Maximum Annual Household income of an Affordable Unit, as set forth in the following table:

Household Size	Household Adjustment Factor
1	0.7
2	0.8
3	0.9
4	1
5	1.1
6	1.2

Housing Cost: means the total monthly payments for rent and Utilities for Rental Affordable Units.

HUD: means the United States Department of Housing and Urban Development.

Levels of Affordability refers to the Tiers of Affordable Housing defined in terms of AMI. Families earning: between 120 and 80% AMI are considered “moderate-income”; between 80 and 50% AMI, “low-income”; between 50 and 30% AMI, “very low-income” and below 30% AMI, “extremely low-income.”

Loan Acceptance Agreement: means that certain loan agreement by and between SupportWorks Housing (formerly Virginia Supportive Housing) and the City to be dated and executed following closing of the acquisition of the fee simple interest in the Property by the Project Owner, approved by Ordinance adopted by Charlottesville City Council on August 5, 2024, and any amendments made thereto, including the promise to construct the Affordable Units in accordance with this Covenant.

Market Rate Unit: means each Residential Unit that is not an Affordable Unit.

Maximum Allowable Rent: as defined in Section 4.4.2.

MAXI: is the maximum Annual Household Income of a Household occupying an Affordable Unit as calculated pursuant to Section 4 for Rental Affordable Units.

Occupancy Standard: means the minimum and maximum number of individuals permitted to occupy any given Affordable Unit, as identified in the following chart:

Affordable Unit Size (Number of Bedrooms)	Minimum Number of Individuals in Affordable Unit	Maximum Number of Individuals in Affordable Unit
Studio/Efficiency	1	1
1	1	2
2	2	4
3	4	6
4	6	8
5	8	10
6	10	12

Occupancy Standard Factor: means the factor related to the assumed number of occupants for the purpose of establishing the Maximum Allowable Rent or Maximum Allowable of an Affordable Unit as set forth in the following table:

Size of Affordable Unit	Occupancy Pricing Standard	Occupancy Standard Factor
Efficiency Studio	1	.7
1 Bedroom	2	.8
2 Bedroom	3	.9
3 Bedroom	5	1.1

Over-income Tenant: as defined in Section 4.6.5.

Person: means any individual, corporation, limited liability company, trust, partnership, limited partnership, or other legal entity.

Project: means the structures, landscaping, hardscape and/or site improvements to be constructed or placed on the Property developed and owned by a Project Owner, including without limitation the Rental Affordable Units referred to within the definition of “**Affordability Requirement.**”

Project Owner: means any person that has an interest in the Property deriving from the Option described with the Recital(s), including, without limitation all of the Project Owner’s assignees, transferees, sublessees, subtenants, successors in interest.

Property: refers to the land described on Exhibit A, incorporated herein by reference.

Qualified Tenant: each means a Household that (i) has an Annual Household Income, as certified by the Certifying Authority, less than or equal to the Maximum Annual Household Income for the applicable Affordable Unit at the time of leasing and subsequent lease renewals, (ii) shall occupy the Affordable Unit as its principal residence, (iii) shall not permit exclusive occupancy of the Affordable Unit by any other individual(s), (iv) shall use and occupy the Affordable Unit as an Affordable Unit subject to the Affordability Requirement and this Covenant and (v) shall occupy the Affordable Unit within the Occupancy Standard.

Rental Affordable Unit: means an Affordable Unit that shall be leased to a Qualified Tenant.

Rental Affordable Unit Lease Rider: is that certain lease rider, which is attached to this Covenant as **Exhibit B** and incorporated herein, as the same may be amended from time to time with the written approval of the Agency.

Rental Formula: is defined in Section 4.4.2.

Residential Unit: means a residential dwelling unit constructed within the Project for residential occupancy by one or more individuals who comprise a household.

Utilities: means water, sewer, electricity, and natural gas.

ARTICLE II

AFFORDABILITY REQUIREMENT

2.1 Requirement of Affordability. All of the Residential Units within the Project shall be constructed and reserved as Rental Affordable Units, subject to the Affordability Requirement. For all purposes of this Covenant, the term “**Affordability Requirement**” means and refers to all of the following:

2.1.1. All Residential Units within the Project shall be Rental Affordable Units.

2.1.2. All Rental Affordable Units are subject to the Affordability Period.

2.1.3. All Rental Affordable Units are subject to the income limitations under subsection (g)(1) and the rent restrictions under subsection (g)(2) of Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”).

2.1.4. Rental Affordable Units shall be subject to the following:

(a) The eighty (“80”) Residential Units within the Project shall be Rental Affordable Units (“**Required Rental Affordable Units**”). The Required Rental Affordable Units are further subject to the following conditions:

(i) no fewer than 12 Required Rental Affordable Units shall be rented to Households with a MAXI of 40% Area Median Gross Income; and

(ii) no fewer than 28 Required Rental Affordable Units shall be rented to Households with a MAXI of 50% Area Median Gross Income; and

(iii) no fewer than 40 Required Rental Affordable Units shall be rented to Households with a MAXI of 60% Area Median Gross Income;

(b) Additional Rental Affordable Units may be provided within the Project.

2.2 Affordable Unit Standards and Location.

2.2.1 *[Reserved]*

2.2.2 *[Reserved]*

2.2.3 *[Reserved]*

2.2.4 *Exterior Finishes.* Exterior finishes of Affordable Units will be consistent across tiers of affordability.

2.2.5 *Interior Finishes.* Interior base finishes, appliances and equipment in the Affordable Units shall be similar across tiers of affordability.

2.2.6 *Affordable Unit Location.* As allowed within the parameters of LIHTC compliance guidelines or other federal law, Affordable Units of various tiers shall be dispersed throughout the Project and

shall not be concentrated on any one floor within a building, or within a section of the Project.

2.3 Marketing Affordable Units. Project Owner shall create an Affordable Unit Marketing Plan that sets forth its plan for marketing the Affordable Units to Households who may be Qualified Tenants. The Affordable Unit Marketing Plan shall be subject to the Agency's prior written approval and shall be submitted to and approved by the Agency prior to marketing any Affordable Units for rent. Project Owner may contract with the Certifying Authority to implement the Affordable Unit Marketing Plan.

2.4 Certifying Authority. Project Owner shall select a Certifying Authority, which shall be subject to the Agency's prior written approval, not to be unreasonably withheld, conditioned, or delayed. Project Owner may contact the Agency with questions and information about the selection of a Certifying Authority. The Certifying Authority shall review documentation and verify a Household's Annual Household Income and Household's size to determine whether that Household is a Qualified Tenant. If a Household is determined to be a Qualified Tenant, the Certifying Authority shall issue a Certification of Income for the subject Household.

ARTICLE III

USE

3.1 Use. Except as provided herein, all occupants of Rental Affordable Units shall have the same and equal use of all the amenities of the Parcel and services provided at the Parcel (except if unique services are required for certain tenants as approved by the Agency). No restrictions, requirements, or rules shall be imposed on occupants of Rental Affordable Units at any tier of affordability that are not imposed equally on the tenants of the Rental Affordable Units within other tiers of affordability. If amenities, services, upgrades, or ownership or rental of parking and other facilities are offered as an option to occupants of the Rental Affordable Units at any tier of affordability, such amenities, services, upgrades, or rental of parking and other facilities shall be offered to occupants of the Rental Affordable Units at other tiers of affordability. If there is no cost or fee charged to the occupants of the Rental Affordable Units at one tier of affordability for such amenities, services, upgrades, or rental of parking and other facilities, there shall not be a cost or fee charged to occupants of Rental Affordable Units at other tiers of affordability.

3.2 Demolition/Alteration. Subject to normal wear and tear, Project Owner shall maintain, upkeep, repair and replace interior components (including fixtures, appliances, flooring, and cabinetry) of each Rental Affordable Unit with interior components of equal or better quality than those interior components being replaced.

ARTICLE IV

RENTAL OF AFFORDABLE UNITS

4.1 Lease of Rental Affordable Units. Project Owner shall reserve, maintain, and lease the Rental Affordable Units to Qualified Tenants (a) in accordance with this Covenant, and (b) at a rate paid by the Qualified Tenant at or below the Maximum Allowable Rent.

4.2 Rental Affordable Unit Lease Requirements.

4.2.1 *Form of Lease.* To lease a Rental Affordable Unit to a Qualified Tenant, Project Owner shall use a lease agreement to which is attached and incorporated a Rental Affordable Unit Lease Rider, as may be amended from time to time. The Rental Affordable Unit Lease Rider shall be executed by Project Owner and each Qualified Tenant prior to the Qualified Tenant's occupancy of the Rental Affordable Unit. Any occupant of the Rental Affordable Unit who is eighteen (18) years or older shall be a party to the lease agreement and shall execute the Rental Affordable Unit Lease Rider.

4.2.2 *Effectiveness of Lease.* The lease of a Rental Affordable Unit shall only be effective if a Rental Affordable Lease Rider, a Certification of Income, and a Certificate of Tenant Eligibility are attached as exhibits to the lease agreement. Failure to attach the foregoing shall render the lease null and void *ab initio*.

4.2.3 *Requirement to Maintain Copies of Leases of Rental Affordable Units.* Project Owner shall maintain or cause to be maintained copies of all initial and renewed leases executed with Qualified Tenants for a period of no less than five (5) years from the expiration or termination of such lease.

4.3 Rental Affordable Unit Admissions Process.

4.3.1 *Referrals.* Project Owner may obtain referrals of prospective tenants of Rental Affordable Units from federal, County, City of Charlottesville, and Virginia Housing Development Authority (Virginia Housing) agencies, provided such referrals comply with the requirements of this Covenant, Fair Housing laws, and the requirement that units be generally available to the public. In all events, before a prospective tenant leases a Rental Affordable Unit, their Annual Household Income shall be verified by a Certifying Authority.

4.3.2 *Consideration of Applicants.* For the initial occupancy of the Rental Affordable Units, Project Owner shall select Qualified Tenants through a first-come, first-served system, or other system approved by the Agency, as shall be further provided in the Affordable Unit Marketing Plan. Following the initial occupancy of the Affordable Units, Project Owner shall consider each applicant in the order in which received, whether received pursuant to the Affordable Unit Marketing Plan or referred pursuant to Section 4.3.1. Tenants of Rental Affordable Units participating in the Project-Based Section 8 Program shall be selected in accordance with requirements of that federal program. Any and all of the foregoing shall be consistent with federal Fair Housing laws and regulations and any units financed under the Code (tax credit or tax-exempt bond financed projects) must be generally available to the public.

4.3.3 *Rejection of Applicants.* In connection with the leasing of a Rental Affordable Unit, Project Owner may reject any applicant if, after diligent review of such applicant's application, Project Owner determines in good faith that such applicant does not meet criteria to lease or occupy a Rental Affordable Unit, provided such criteria do not violate applicable County, City of Charlottesville and federal laws and is the same criteria used to lease or occupy any Market-Rate Units. In the event any rejected applicant raises an objection or challenges Project Owner's rejection of such applicant, Project Owner shall be solely responsible for ensuring that its rejection of such applicant is not in

violation of federal or local law. Project Owner shall provide the Agency with all documents evidencing Project Owner's review and rejection of an applicant, upon the request of the Agency.

4.3.4 Determination of Eligibility. Each tenant seeking to occupy a Rental Affordable Unit shall have its Annual Household Income verified by and obtain a Certification of Income from the Certifying Authority prior to leasing such unit. Housing Choice Vouchers (or vouchers from similar programs) shall be an acceptable source of verifiable household income, for the Rental Affordable Units.

4.4 Initial Rental Affordable Unit Lease Terms.

4.4.1 Term. The term of any new Rental Affordable Unit lease agreement shall be for a period of one (1) year.

4.4.2 Establishment of Maximum Rent—Rental Formula. Rents on Rental Affordable Units shall be rent restricted. Rents for units with project-based rental subsidies or 811 rental assistance contracts will be based on 100%-110% of Fair Market Rent (FMR). Tenant will pay 30% of their income in rent. Rents for the remaining 18 units will be based on affordable rent for the income, usually set at \$750. Utilities are paid by the property.

4.5 Income Determinations. The Annual Household Income for a prospective tenant of a Rental Affordable Unit shall be determined as of the date of the lease or lease renewals for such Rental Affordable Unit annually. A household's income eligibility will be determined using the applicable HUD AMI for the relevant household size.

4.6 Subsequent Lease Years

4.6.1 Use of Rental Formula. For each lease year after the first lease year, Maximum Allowable Rent shall be determined in the same manner specified within Section 4.4.2, above, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.6.2 Renewal by Tenants of Affordable Units. For each tenant of a Rental Affordable Unit who intends to renew its residential lease, no earlier than ninety (90) days and no later than thirty (30) days before each anniversary of the first day of a residential lease, Project Owner shall obtain a Certification of Income completed by the Certifying Authority. Project Owner shall not permit a renewal of a lease for a Rental Affordable Unit unless the tenant has provided the documents as required herein and the tenant is determined to be a Qualified Tenant. If the tenant fails to provide such documents, Project Owner shall treat such tenant as an Over-Income Tenant and charge market-rate rent, and Project Owner shall designate another unit as a Rental Affordable Unit in accordance with Section 4.6.6. The foregoing Certifications and requirements to be a continuing Qualified Tenant shall be as provided in Section 42 of the Code for any period when the requirements of the Low-Income Housing Tax Credits and the Extended Use Agreement are binding on the Parcel, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.6.3 *Annual Recertification of Tenants.* Upon receipt of renewal documents from the tenant of a Rental Affordable Unit at the time of recertification, Certifying Authority shall determine the tenant's household income eligibility pursuant to Section 4.5 for the subject Rental Affordable Unit and notify the tenant of the same within fifteen (15) days prior to the expiration of the then-current lease term. Any tenant whose Annual Household Income remains at or below the MAXI for the subject Rental Affordable Unit will be eligible to remain in the Rental Affordable Unit and to renew his/her lease at the then-current lease rate for the particular Rental Affordable Unit. The foregoing Certifications and requirements to be a continuing Qualified Tenant shall be as provided in Section 42 of the Code for any period when the requirements of the Low-Income Housing Tax Credits and the Extended Use Agreement are binding on the Parcel, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.6.4 *Annual Recertification of Under Income Tenants.* Upon annual recertification, any tenant whose Annual Household Income remains at or below the MAXI for the subject Rental Affordable Unit may elect either to (i) remain in the Rental Affordable Unit up to the then-current Maximum Allowable Rent for the subject Rental Affordable Unit or (ii) vacate the Rental Affordable Unit at the end of the tenant's lease term, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.6.5 *Annual Recertification of Over-Income Tenants.* Upon annual recertification, if a tenant's Annual Household Income is determined to exceed the MAXI for the subject Rental Affordable Unit (such tenant, an "**Over-Income Tenant**"), then the Over-Income Tenant may elect to remain in the Rental Affordable Unit and pay the rent applicable to (a) a higher Designated Affordability Level, if a higher Designated Affordability Level exists for the Property, for which the Over-Income Tenant's Annual Household Income qualifies, whereupon Project Owner shall change the Designated Affordability Level of the Rental Affordable Unit to the higher Designated Affordability Level pursuant to Section 4.6.6, or (b) a like-sized Market-Rate Unit, if applicable, if the Over-Income Tenant's Annual Household Income does not qualify for a higher Designated Affordability Level, but qualifies for a like-sized Market-Rate Unit, whereupon Project Owner shall designate a Market-Rate Unit as a Rental Affordable Unit pursuant to Section 4.6.6, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.6.6 *Changes to Unit Location.* If applicable, Project Owner may change the designation of a Rental Affordable Unit to a new Designated Affordability Level or to a Market-Rate Unit as necessary to allow an Over-Income Tenant to remain in the unit (i.e., to accommodate an existing tenant). Following any change in designation of a Rental Affordable Unit to a higher Designated Affordability Level or to a Market-Rate Unit of similar size and location in the property to the lower Designated Affordability Level from which the original Rental Affordable Unit had been changed in order to bring the Property in conformity with the Affordability Requirement, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.6.7 *Rent from Subsidies.* Nothing herein shall be construed to prevent Project Owner from collecting rental subsidy or rental-related payments from any federal, state, County, or City of Charlottesville agency paid to Project Owner and/or the tenant of a Rental Affordable Unit, to the extent receipt of such payment is otherwise in compliance with the requirements of this Covenant. Such rental subsidy or rental-related payment shall not be included in determining Maximum Chargeable Rent or the income of an otherwise Qualified Tenant, all as provided in the Code, in accordance with and subject to the applicable LIHTC requirements and local Public Housing Authority administering the project based vouchers or rental assistance as applicable.

4.7 **No Subleasing of Rental Affordable Units.** The tenant of a Rental Affordable Unit may not sublease any portion of its Rental Affordable Unit or assign its lease to any other Household, and Project Owner shall not knowingly allow such Rental Affordable Unit to be subleased, except with the Agency's prior written consent, in the Agency's sole and absolute discretion. No Rental Affordable Unit may be offered or used for any short-term rental or other transient occupancy.

4.8 **Representations of Affordable Unit Tenant.** By execution of a lease the tenant of a Rental Affordable Unit shall be deemed to represent and warrant to the Agency and Project Owner, each of whom may rely thereon, that the tenant's household meets, and will continue to meet, all eligibility requirements contained in this Covenant for a Qualified Tenant of a Rental Affordable Unit.

4.9 **Representations of Project Owner.** By execution of a lease for a Rental Affordable Unit, Project Owner shall be deemed to represent and warrant to the Agency, which may rely on the following, that: (i) the Household is determined to be a Qualified Tenant by the Certifying Authority, and (ii) Project Owner is not collecting more than the Maximum Allowable Rent from the Tenant.

4.10 **Annual Reporting Requirements.** Beginning in the first year that any Rental Affordable Unit is occupied by a tenant, Project Owner shall provide an annual report ("**Annual Report**") to the Agency regarding the Rental Affordable Units, which shall be submitted on each anniversary date of the Effective Date of this Covenant.

4.10.1 *The Annual Report shall include the following:*

- (a) the number and identification of Project Owner's Rental Affordable Units, by bedroom count, that are occupied;
- (b) the number and identification of Project Owner's Rental Affordable Units, by bedroom count, that are vacant;
- (c) for each Rental Affordable Unit that is vacant or that was vacant for a portion of the reporting period, the manner in which the Rental Affordable Unit became vacant (e.g. eviction or voluntary departure), the length of vacancy, and the progress in re-leasing that unit;

(d) a sworn statement that, to the best of Project Owner's information and knowledge, the Household occupying each Affordable Rental Unit meets the eligibility criteria of this Covenant for a Qualified Tenant;

(e) a sworn statement that, to the best of Project Owner's information and knowledge, a copy of each new or revised Certification of Income has been collected for each Household renting a Rental Affordable Unit;

4.10.2 The Annual reports shall be retained by Project Owner for a minimum of five (5) years after submission and shall be available, upon reasonable notice, for inspection by the Agency or its designee. Notwithstanding anything contained herein to the contrary, if Project Owner provides a report to an agency within the City government with content substantially similar to the content of the Annual Reports described in this section, subject to the Agency's prior written approval, then the reporting requirements under this section shall be satisfied upon Project Owner's delivery of such report to the Agency. The Agency may request Project Owner to provide additional information in support of its Annual Report, as necessary for the Project Owner to verify compliance with the requirements of this Covenant.

4.10.3 Recipient shall be accessible and responsible to communication and feedback from the City, including but not limited to inquiries regarding program compliance, monitoring, site visits, and general inquiries related to the project.

4.10.4 Recipient will keep books and accounts documenting how the funding provided as a part of this agreement is expended. All costs shall be supported by properly executed payrolls, time records, invoices with accompanying acceptable satisfaction payment, vouchers or other accounting records, as evidence of the nature and propriety of expenditures of the VCF Funding. All books and accounts pertaining in whole or in part to this agreement shall be clearly identified and readily accessible. Records kept by Recipient shall be based on the activities carried out during the Period of Performance. Recipient shall maintain its books and accounts pertinent to his agreement for a period of 5 years following the expiration of the Period of Performance. The Recipient shall be responsible for the proper maintenance, security, and documentation of all items purchased with the funding provided as a part of this agreement.

4.10.5 At any time during the Period of Performance for a period of 5 years following the expiration of the Period of Performance, following reasonable advance notice to Recipient, the City may conduct an on-site, desk review, or virtual review of Recipient's Activities, may review the books and accounts of the Recipient for the purpose of monitoring how the funding provided as a part of this agreement has been expended by the Recipient, or may take such actions as deemed reasonable necessary by the City to verify the funding has been expended for the purposes for which it was awarded.

4.11 **Confidentiality.** Except as may be required by applicable law, including, without limitation, the Virginia Freedom of Information Act, Project Owner, the Certifying Authority and the Agency shall not disclose to third parties, other than Project Owner's Investor Member, the personal information of the Households, including the identity of the members of the Households, submitted as a part of the Annual

Report.

4.12 Inspection Rights. The Agency or its designee shall have the right to inspect the Rental Affordable Units, upon reasonable advance notice to the Project Owner and during normal business hours as provided in the Leases and each Owner shall include notice of the Agency's right of inspection within all Leases of the Rental Affordable Units. If Project Owner receives such notice, Project Owner shall, in turn, give reasonable advance notice of the inspection to the tenant(s) occupying the specific Rental Affordable Unit(s). The Agency or its designee shall have the right to inspect a random sampling of the Rental Affordable Units to confirm that the units comply with applicable statutory and regulatory housing requirements and the provisions of this Covenant. The Agency or its designee shall have the right to conduct audits of a random sampling of the Rental Affordable Units and associated files and documentation to confirm compliance with the requirements of this Covenant.

4.13 Option to Lease. Following the expiration of any Extended Use Agreement binding on the Property in connection with the allocation of any Low Income Housing Tax Credits, pursuant to Section 42 of the Code, including any extension period thereof, if the Property Owner, or any affiliated successor in interest in the Property, no longer intends to use the Property to provide affordable housing, then the Property Owner, or any affiliated successor in interest in the Property, shall use commercially reasonable efforts to extend to the City the right to lease up to twenty percent (20%) of the Rental Affordable Units for a term of forty (40) years at a rental rate not to exceed that which would be payable by a household of four persons having an income of eighty percent (80%) AMI. In the foregoing sentence, "commercially reasonable efforts" may include requesting approval, as applicable, of Virginia Housing (as hereinafter defined), all lenders of the Property Owner or affiliated successor in interest, and all tax credit investors of the Property Owner or affiliated successor in interest.

ARTICLE V

[RESERVED]

ARTICLE VI

DEFAULT; ENFORCEMENT AND REMEDIES

6.1 Default; Remedies. In the event Project Owner defaults under any term of this Covenant, and Project Owner does not cure such default within sixty (60) days following written notice of such default from the Agency, the City shall have the right to seek specific performance, injunctive relief or other equitable remedies, including compelling the leasing of an Affordable Unit and the disgorgement of rents proceeds in excess of the rental rates permitted hereunder, for any default(s). In the event such cure cannot reasonably be affected within the 60-day period, the Project Owner may request such additional time as may reasonably be necessary to cure such default provided the Project Owner has promptly initiated and diligently pursued such cure. Project Owner shall give notice of any such default to Project Owner's investment member, and any cure provided by such investor member shall be acceptable to the City as if rendered by Project Owner directly.

If Project Owner is in default under the terms of the Covenant, prior to exercising any remedies thereunder, the City shall provide simultaneous written notice of such default to Project Owner's investor member (the "**Investor Member**") if Project Owner or Investor Member has kept the City informed of the name and contact information for the Investor Member. Investor Member shall have the independent right to cure any defaults within the time periods set forth above. City hereby agrees that any cure of any default made or tendered by the Investor Member shall be (i) deemed to be a cure by Project Owner, and (ii) accepted or rejected on the same basis as if made or tendered by Project Owner.

6.2 Right to Attorney's Fees. In any legal action to enforce this Covenant, the non-prevailing party shall pay the prevailing party's reasonable attorney fees and litigation costs incurred in connection with the prevailing party's efforts to enforce this Covenant. If the Charlottesville City Attorney's Office (CAO) serves as counsel for the City in such legal action, the reasonable attorney fees for the City shall be calculated based on the then applicable hourly rates prevailing within private practice within the City of Charlottesville, Virginia, and the number of hours that employees of the CAO prepare for or participated in any such action.

ARTICLE VII

COVENANT BINDING ON SUCCESSORS AND ASSIGNS

This Covenant is and shall be binding upon the Property and shall run with the land and any interest therein as of the Effective Date through the Affordability Period. The rights and obligations of City and Project Owner shall be binding upon and inure to the benefit of the said parties and their respective heirs, successors, and assigns; provided however that all rights of City pertaining to the monitoring and/or enforcement of the obligations of Project Owner shall be retained by City, or such designee of the City as the City may so determine. No sale, transfer or foreclosure shall affect the validity of this Covenant, except as otherwise expressly provided within this Covenant.

ARTICLE VIII

[RESERVED]

ARTICLE IX

AMENDMENT OF COVENANT

Except as otherwise provided herein, neither this Covenant, nor any part hereof, can be amended, modified or released, unless such amendment, modification or release is set forth within a written instrument executed by a duly authorized official of the Agency on behalf of the City, and by a duly authorized representative of a Project Owner and recorded in the respective land records in Albemarle County. Any amendment to this Covenant that alters the terms and conditions set forth herein shall be recorded among the respective land records before it shall be deemed effective.

ARTICLE X

AFFORDABILITY PERIOD

10.1. All Affordable Units in the Project shall be and remain Affordable in accordance with the terms of this Covenant for a **period of thirty (30) years (the “Affordability Period”)**. The Affordability Period for each Rental Affordable Unit shall commence upon the issuance of a certificate of occupancy by the County’s Building Code Official for that unit and shall continue for a period of thirty (30) years thereafter. Notwithstanding the foregoing, this Covenant may be released and extinguished upon the approval of the Agency, in its sole and absolute discretion.

10.2. Notwithstanding the foregoing, in the event the Project, or the Project Owner’s interest in the Property, is foreclosed upon by an institutional or governmental lender following foreclosure by, or deed in lieu of foreclosure to a Mortgagee in a superior position, or a Mortgage in a superior position is assigned to the Secretary of HUD, the terms of this Covenant applicable to such unit shall automatically terminate subject to Sections 10.3.

10.3. Notwithstanding the foregoing Section 10.2, if Virginia Housing Development Authority/VHDA (“**Virginia Housing**”) is first lienholder and senior lender, and Virginia Housing is the successful bidder at foreclosure and becomes the successor in interest in the Property, then the income, rent or use restrictions required by this Covenant shall terminate, except as otherwise agreed to by Virginia Housing and the City. If Virginia Housing becomes the owner of the Property as provided in the foregoing sentence, the City shall negotiate future affordability requirements of the Property directly with Virginia Housing. In such instance, the City desires to maintain affordability of the Property as follows: (i) twenty percent (20%) of the units within the Project to remain at sixty percent (60%) of area median income following such a foreclosure, and (ii) additional units at 60% AMI to survive such a foreclosure, provided that Virginia Housing 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, with the approval of the City Attorney’s Office, shall have the authority to renegotiate income, rent and use restrictions required by this Covenant, and to enter into a binding amendment of this Covenant without the requirement for City Council approval, if necessary to facilitate the Project Owner’s receipt of financing from Virginia Housing, provided that the renegotiated terms are no less than those Virginia Housing itself requires in its own lending policies.

ARTICLE XI

NOTICES

11.1 Any notices given under this Covenant shall be in writing and delivered by United States mail (return receipt requested, postage pre-paid), delivered by hand, or delivered by private overnight commercial courier service to the applicable Person at the addresses specified in this Article, or to such other persons or locations as may be designated in writing by the City or the Project Owner from time to time. All notices to be sent to the City shall be sent to the following address:

CITY: Charlottesville City Manager
P.O. Box 911, Charlottesville, Virginia 22902

With a copy to: Charlottesville City Attorney
P.O. Box 911, Charlottesville, Virginia 22902

11.2 All notices to be given to Project Owner shall be given by email, mail or delivery to:

Premier Circle PSH, LLC
1900 Cool Lane, Suite B
Richmond, VA 23223
Allison Bogdanovic, Executive Director
ABogdanovic@supportworkshousing.org

And to the Project Owner's Investor Member, given by mail or delivery to:

VCDC Equity Fund 28, LLC
An entity of VCDC
115 South 15th Street, Suite 501
Richmond, VA 23219
Attention: Steve Bleile
sbleile@vacdc.org
(804) 482-6231

All notices to be given to the tenant of a Rental Affordable Unit shall be sent to the unit number referenced in its lease. It shall be the responsibility of the applicable person and any successor to give written notice to the City of its mailing and delivery addresses. The failure of the applicable person to keep the City apprised in writing of its mailing and delivery address(es) shall constitute a default under this Covenant.

11.3 Notices shall be deemed delivered as follows: (i) if hand-delivered, then on the date of delivery or refusal thereof; (ii) if by overnight courier service, then on the next business day after deposit with the overnight courier service; and (ii) if by certified mail (return receipt requested, postage pre-paid), then on the date of actual delivery or refusal thereof.

ARTICLE XII

MISCELLANEOUS

12.1 **Applicable Law; Venue.** This Covenant shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without reference to the conflicts of laws provisions thereof. Each of the parties whose signatures are affixed to this Covenant irrevocably agrees on behalf of itself and each of its heirs, successors in interest and assigns, to submit to the jurisdiction of the appropriate Court for the jurisdiction for the purposes of any suit, action or other proceeding arising out of this Covenant or any transaction contemplated hereby. Each of the parties whose signatures are affixed to this Covenant, on behalf of itself and each of its heirs, successors in interest and assigns, irrevocably and

unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Covenant or the transactions contemplated hereby in the appropriate Court of the jurisdiction and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

12.2 Counterparts. This Covenant may be executed in any number of counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

12.3 Time of performance. All dates for performance (including cure of any default) shall expire at 5:00 p.m. (Eastern Time) on the performance or cure date. A performance date which falls on a Saturday, Sunday or City holiday is automatically extended to the next Business Day.

12.4 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, ALL PARTIES HERETO WAIVE THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION ARISING IN RESPECT OF THIS COVENANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.5 Further Assurances. Each party agrees to execute and deliver to the other party such additional documents and instruments as the other party may request in order to fully carry out the purposes and intent of this Covenant; provided that such additional documents and instruments do not materially increase the obligations or burdens upon the second party.

12.6 Severability. If any provision of this Covenant is held to be unenforceable or illegal for any reason, said provision shall be severed from all other provisions; all other provisions shall be and remain in effect without reference to the unenforceable or illegal provision.

12.7 Limitation on Liability. Provided that Project Owner has exercised due diligence in the performance of its obligations and duties herein, Project Owner shall not be liable in the event a Household submits falsified documentation, commits fraud, or breaches any representation or warranty contained in this Covenant. Notwithstanding the foregoing, Project Owner shall be liable if Project Owner has knowledge, or should have knowledge, that a Household submitted falsified documentation, committed fraud, or breached any representation or warranty contained in this Covenant.

12.8 Agency Limitation on Liability. Any review or approval by the City or the Agency shall not be deemed to be an approval, warranty, or other certification by the City or the Agency as to compliance of such submissions, the Project, any Affordable Unit or the Parcel with any building codes, regulations, standards, laws, or any other requirements contained in this Covenant, or any other covenant granted in favor of the city that is filed among the land records or otherwise contractually required. The City shall incur no liability in connection with the Agency's review of any submissions required under this Covenant as its review is solely for the purpose of protecting the City's interest under this Covenant.

12.9 No Third Party Beneficiary. Except as expressly set forth in this Covenant, there are no intended third party beneficiaries of this Covenant, and no Person other than City shall have standing to bring an action for breach of or to enforce the provisions of this Covenant.

12.10 Non-Waiver. The failure of any party to this Covenant to enforce any rights, reservations,

restrictions, easements or conditions contained in this Covenant, regardless of how long such failure shall continue, shall not constitute a waiver of or bar of such right to enforcement. The remedies granted hereunder are cumulative, and the exercise of anyone or more shall not be deemed an election of remedies or waiver of the right to pursue other remedies.

12.11 Representations of Project Owner. As of the date hereof, Project Owner hereby represents and warrants to City as follows:

- (a) This Covenant has been duly executed and delivered by Project Owner, and constitutes the legal, valid and binding obligation of said persons, enforceable against said persons, and their heirs, successors and assigns; and
- (b) Neither the entering into of this Covenant nor performance hereunder will constitute or result in a violation or breach by Project Owner of any agreement or order which is binding on Project Owner; and
- (c) The Project Owner (i) is duly organized, validly existing and in good standing under the laws of its state of jurisdiction and is qualified to do business and is in good standing under the laws of the Commonwealth of Virginia and Albemarle County; (ii) is authorized to perform under this Covenant; and (iii) has all necessary power and authority to execute and deliver this Covenant.

12.12 Federal Affordability Restrictions. In the event the Property is encumbered by other affordability restrictions (“**Federal Affordability Restrictions**”) as a result of federal funding or the issuance of Low-Income Housing Tax Credits for the Project, it is expressly understood that, to the extent, if any, that such Federal Affordability restrictions, requirements, and provisions conflict with any provision(s) of this Covenant, then in the event the conflicting provision(s) in this Covenant would cause a default of or finding of non-compliance with the Federal Affordability Restrictions during the compliance period for the Federal Affordability Restrictions, then the requirements of the Federal Affordability Restrictions shall control to the extent of the conflict. In all other instances, the requirements of this Covenant shall control.

[signatures to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Declaration of Affordable Housing Covenants as of the day and year first above written.

RECIPIENT:

SupportWorks Housing, formerly known as
Virginia Supportive Housing,
a Virginia nonstock corporation,

By: _____
Name: Allison Bogdanovic
Title: Executive Director

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by Allison Bogdanovic, as Executive Director of SupportWorks Housing, formerly known as Virginia Supportive Housing, a Virginia nonstock corporation, on behalf of the corporation.

My Commission Expires: _____
Registration Number: _____

Notary Public

**Premier Circle PSH, LLC,
a Virginia limited liability company**

By: SupportWorks Housing, formerly known as Virginia Supportive Housing,
A Virginia nonstock corporation,
Its Managing Member

COMMONWEALTH OF VIRGINIA)
)
CITY/COUNTY OF)

Notary Public

Commission expires: _____

Registration No.: _____

EXHIBIT A
TO DECLARATION OF AFFORDABLE HOUSING COVENANTS (RENTAL)

Legal Description of the Property
Albemarle County Parcel ID 061M0-00-00-006A0

Parcel 1:

ALL that certain lot, piece or parcel of land, with the improvements thereon and appurtenances thereunto belonging, lying and being in the Rio Magisterial District, Albemarle County, Virginia, containing 0.738 acre, more or less, and described as "New Lot 6A" on a plat by Timmons Group, dated November 18, 2022, last revised December 26, 2023, entitled "PLAT OF SUBDIVISION PREMIER CIRCLE BEING TAX MAP PARCEL 61M-6 IN THE RIO MAGISTERIAL DISTRICT ALBEMARLE COUNTY, VIRGINIA", recorded April 1, 2024 with a Deed of Dedication and Easement in the Clerk's Office, Circuit Court, Albemarle County, Virginia as Instrument No. 202400002459.

TOGETHER WITH the right to use the fifty (50) foot Access Easement shown on a plat made by William S. Roudabush, Inc., dated January 1, 1980, last revised March 11, 1980, recorded in said Clerk's Office in Deed Book 797, Page 242 and again in Deed Book 823, page 95 (the "Plat"), subject to the terms and conditions of the Declaration dated November 1, 1983, recorded in said Clerk's Office in Deed Book 797, Page 242; and granted by Deed recorded in said Clerk's Office in Deed Book 899, Page 333.

Parcel 2:

A one-seventh (1/7) interest in and to the fifty-foot (50') access easement shown as Parcel X on the Plat.

BEING a portion of the same real estate conveyed to PHA Premier Circle, LLC, a Virginia limited liability company, by deed from Triota, LTD, a Virginia corporation, dated March 9, 2021, recorded March 15, 2021 in the Clerk's Office, Circuit Court, Albemarle County in Deed Book 5498, Page 22, and by quitclaim deed of correction from Equity Residential, a Maryland real estate investment trust, as successor to The Charlottesville Motel Limited Partnership, an Ohio limited partnership, dated March 17, 2021, recorded March 19, 2021, in said Clerk's Office in Deed Book 5502, Page 389.

Parcel 3:

Reciprocal Access and Parking Easement between PHA Premier Circle, LLC, a Virginia limited liability company, and Premier Circle PSH, LLC, a Virginia limited liability company, dated February 10, 2025, and recorded in said Clerk's Office prior hereto.

Being a portion of the property conveyed to Grantor by deed from PHA Premier Circle, LLC, a Virginia limited liability company, recorded in said Clerk's Office prior hereto.

EXHIBIT B
TO DECLARATION OF AFFORDABLE HOUSING COVENANTS (RENTAL)

VSH LEASE AGREEMENT

Section 1. Parties and Dwelling Unit: The parties to this Agreement, Landlord and Tenant, are set forth below. The Landlord leases to the Tenant the premises set forth below.

TENANT: _____

Unit No: _____

LANDLORD: _____

MANAGING AGENT: Virginia Supportive Housing, P.O. Box 8585 RICHMOND, VIRGINIA 23226

<u>Term of Lease</u>			<u>Utility or Service (Paid By)</u>			
<u>Date of Lease</u>	<u>Begins</u>	<u>Ends</u>	<u>Monthly Payment</u>	<u>Tenant</u>	<u>Owner</u>	<u>Security Deposit</u>
_____	_____	_____	Rent \$ _____	_____ Heat	<u>X</u>	\$ _____
			Total \$ _____	_____ Lights/ Electric	<u>X</u>	
			(due 1 st day of Month)	_____ Gas	<u>X</u>	
				_____ Water/Sewer	<u>X</u>	
				_____ Trash	<u>X</u>	

After initial term ends, Agreement will continue for successive terms of one month each unless terminated per Paragraph 23.

I have read or have had read to me the entire contents of this Agreement. The Landlord's representative has reviewed the Agreement with me, and I have been given ample opportunity to ask questions about the Agreement. I affirm by my signature below that I understand the provisions of the Agreement and my obligation as a tenant.

Signatures:

TENANT: _____

DATE SIGNED: _____

LANDLORD: _____

DATE SIGNED: _____

Section 2. Length of the (Term): The initial term of this Agreement shall begin and end on the date set forth in the chart above. After initial term ends, the Agreement will continue for successive terms of one month each unless automatically terminated as permitted by Paragraph 23 of this Agreement.

Section 3. Rent: The Tenant agrees to pay \$_____ on the date hereof for the partial month beginning _____ and ending _____ for the number of days occupied. Thereafter, the Tenant agrees to pay a full month's rent of \$_____ per month. This amount is due on the (1st) day of the month at the office site. The Tenant understands that this monthly rent is less than the market (unsubsidized) rent due on this unit. This lower rent is available because HUD makes monthly payments to the Landlord on behalf of the Tenant.

Section 4. Changes in the Tenant's Share of Rent: The Tenant's rent will be adjusted in accordance with HUD's regulation for the Section 8 Housing Choice Voucher Program as administered by the Contract Administrator. The Contract Administrator will give at least 30 days advance written notice of any rent increase to the Tenant and the Landlord. Such notice will indicate the Tenant's portion of the new rent and the corresponding Assistant Payment. The Tenant agrees that the amount of rent the Tenant pays and/or the amount of assistance that HUD pays on behalf of the Tenant may be changed during the term of this Agreement if:

- a. HUD or the Contract Administrator determines, in accordance with HUD procedures, that an increase in rent is needed;
- b. The income, or other factors considered in calculation the Tenant's rent change and HUD procedures provide that the Tenant's rent or assistance payment be adjusted to reflect the change;
- c. Changes in the Tenant's rent or assistance payment are required by HUD's recertification or subsidy termination procedures;
- d. HUD's procedures for computing the Tenant's assistance payment or rent change; or
- e. The Tenant fails to provide information on his/her income, or other factors as required by HUD or the Contract Administrator.

The Landlord agrees to implement changes in the Tenant's rent or tenant assistance payment only in accordance with the time frames and administrative procedures set forth in HUD's handbook instructions and regulations related to administration of subsidy and the reason for the changes in rent. The notice will also advise the Tenant that he/she may meet with the Contract Administrator to discuss the rent change.

Section 5. Charges for Late Payments and Returned Checks: If the Tenant does not pay the full amount of the rent shown in Paragraph 3 by the end of the 5th day of the month, the Landlord may collect a fee of \$ 20.00 on the 6th day of the month. The Landlord may terminate this Agreement for non-payment of rent, as explained in Paragraph 24. The Landlord may collect a fee of \$30.00 for any check returned for insufficient funds, and the Owner may require that future rental payments be made by certified check or money order. The charges discussed in this paragraph are in addition to the regular monthly payable by the Tenant.

Section 6. Condition of Dwelling Unit: By signing this Agreement, the Tenant acknowledges that the unit is safe, clean and in good condition. The Tenant agrees that all appliances and equipment in the unit are in good working order, except as described on the Unit Inspection Report. The Tenant also agrees that the Landlord has made no promises to decorate, alter, or improve the unit, except as listed on the Unit Inspection Report.

Section 7. Care of Premises: Tenant shall not cause or permit any waste, damage or injury to the unit. Tenant is and shall be responsible and liable for any injury done to the unit by Tenant, Tenant's invitee, or other persons whom Tenant permits to be in or about the unit. Tenant agrees to return same in good condition and repair, normal wear and tear expected.

Section 8. Security Deposits: The Tenant has deposited the amount shown in the chart on Page 1 with the Owner for full and faithful performance by the Family of every provision, covenant, and condition of this Lease. The Owner shall deposit such security in an insured depository in an interest bearing account separate from the accounts of the Owner. After the Tenant has moved from the unit, the Landlord will determine whether the Tenant is eligible for a refund of any or all of the security deposit. The amount of the refund will be determined in accordance with the following conditions and procedures.

Tenant will be eligible for a refund of the security deposit only if Tenant provides the Landlord with the required thirty (30) day written notice to move under Section 24 (a). In the event the family defaults with respect to any such provisions, covenants, or conditions, including but not limited to payment of rent and other charges, the Owner may use, apply, or retain all or any part of such security deposited, plus any accrued interest required by law, for the payment of any rent and other charges in default, for any sums due or to become due, for any damages or costs for which the Family is liable or responsible under this Lease, or for any other sum which the Owner may expend or be required to expend by reason of default by the Family. Upon the termination of this Lease, such security deposit, plus any accrued interest required by law, and less all or portion used, applied or retained by the Owner in accordance with the foregoing sentence, shall be returned to the family within thirty days after the termination of tenancy and delivery of possession. (In order to be considered for the return of the security deposit, the Family shall provide the Owner with the forwarding address.) The Owner shall, within thirty days after termination of tenancy and delivery of possession, give to the family written notice itemizing the security deposit, any accrued interest thereon, any unpaid rent, damages to the Dwelling Unit, estimated cost for repair, other amounts to which the security deposit is to be applied, and any amount due the Family. If the Dwelling Unit is sold by the Owner during the term of this lease or any continuation of such term, the Family Consents to the transfer of such security deposited by the Family, plus accrued interest required by law, to the purchaser thereof. The provisions of this Section 8 shall not be deemed to preclude the Owner or the Family from recovering other damages to which either may be entitled under the Lease or state law.

Section 9. Keys and Locks: The Tenant agrees not to install additional or different locks on any doors or windows of the unit. When this Agreement ends, the Tenant agrees to return all keys to the dwelling unit to the Landlord. The Landlord may charge the Tenant ten dollars (\$10.00) for each key not returned.

Section 10. Maintenance:

- a. The Landlord agrees to:
 - 1) Regularly clean all common areas of the property;
 - 2) Maintain the common areas and Facilities in a safe condition;
 - 3) Arrange for collection and removal of trash and garbage;
 - 4) Maintain all equipment and appliances in safe and working order;
 - 5) Make the necessary repairs with reasonable promptness;
 - 6) Maintain interior and exterior lighting in good working order;
 - 7) Provide extermination services on a monthly basis;
 - 8) Maintain grounds and shrubs;
 - 9) Furnish all utilities.
- b. The Tenant agrees to:
 - 1) keep the unit clean;
 - 2) use all appliances, fixtures and equipment in a safe manner and only for the purposes for which they are intended;
 - 3) not to litter the grounds or common areas of the project;
 - 4) not destroy, deface, damage or remove any part of the unit, common areas or grounds;
 - 5) give the Landlord prompt notice of any defects in the plumbing fixtures, appliances, heating or cooling equipment or any other part of the unit or related facilities;
 - 6) remove garbage, trash and other waste daily from the unit in a clean and safe manner.

Section 11. Damages: Whenever damage is caused by carelessness, misuse, or neglect on the part of the Tenant, Or his/her visitors, the Tenant agrees to pay:

- a. The cost of all repairs and do so within 30 days after receipt of the Landlord's demand for The repair charges.

Section 12. Restrictions on Alterations: The tenant agrees not to do any of the following without first obtaining The Landlords' written permission:

- a. change or remove any part of the appliances, fixtures or equipment in the unit;
- b. paint, feather paint, or install wallpaper or contact paper in the unit;
- c. attach or place any fixtures, signs or fences on the building, the common areas, or grounds
- d. attach any shelves, or other permanent improvements in the unit;
- e. place any aerials, antennas or other electrical connections on or around the unit.

Section 13. General Restrictions: The Tenant must live in the unit and the unit must be the Tenant's only place of residence. The Tenant shall use the premises only as a private dwelling for himself/herself. The Tenant agrees Not to:

- a. use the unit for any unlawful purpose.
- b. engage in or permit unlawful activities in the unit, in the common areas or on the grounds;
- c. have pets or animals of any kind in the unit unless deemed necessary by a physician, i.e. seeing eye dog,
- d. make or allow Tenant's Guest to make noises or acts that will disturb the rights or comfort of neighbors. The Tenant agrees to keep the volume of any radio, phonograph, television or musical instrument at a level which will not disturb the neighbors.
- e. use or store any inflammable, gasoline, solvents, etc. in the unit;
- f. park in other than designated areas;
- g. discharge any firearm on the premises;
- h. threaten or assault any person on the premises;
- i. act violently or in such manner as to threaten the health safety, or welfare of other persons or their property on the premises or;
- j. violate any provision of the Virginia residential Landlord and Tenant Act as adopted by the state of Virginia, as amended from time to time, and all other obligations which are now or hereafter imposed upon the Family by state statute or local ordinance in connection with his occupancy of the Dwelling Unit and which, if not so carried out, may constitute grounds for eviction under such statute or ordinance.

Section 14. Rules: The Tenant agrees to obey the House Rules to this Agreement. The Tenant agrees to obey additional rules established after the effective date of the Agreement if;

- a. The rules are reasonably related to the safety, care and cleanliness of the building and the safety, comfort and convenience of the Tenants; and
- b. The Tenant receives written notice of the proposed rule at least 30 days before the rule is enforced.

Section 15. Regularly Scheduled Recertification: Every year approximately 60 days prior to the Tenant's anniversary date, the Contract Administrator will request the Tenant to report the income and composition of the Tenant's household and to supply any other information required by HUD or the Contract Administrator for the purposes of determining the Tenant's rent and assistance payment, if any.

The Tenant agrees to provide accurate statements of this information and to do so by the date specified in the request. The Contract Administrator will use this information to recomputed the amount of the Tenant's rent and assistance payment, if any.

- a. If the Tenant does not submit the required recertification information by the date specified in the request, the following penalties may be imposed. These penalties may be implemented only in accordance with the administrative procedures and time frames specified in HUD's regulations, handbooks and instructions related to the administration of subsidy programs.
 - 1. Implement any increases in rent resulting from the recertification processing without providing the 30-day Notice otherwise required by Paragraph 4 of this Agreement.
- b. The tenant may request to meet with the Contract Administrator to discuss any change in rent or assistance payment resulting from the recertification processing. If the Tenant requests such a meeting, the Contract Administrator agrees to meet with the Tenant and discuss how the Tenant's rent and assistance payment, if any, were computed.

Section 16. Reporting Changes Between Regularly Scheduled Recertification:

- a. If any of the following changes occur, the Tenant agrees to advise the Contract Administrator immediately.
 1. the adult member of the household who was reported as unemployed on the most recent certification or Recertification obtains employment.
 2. the household's income increases.
- b. The Tenant may report any decrease in income or any change in other factors considered in calculating the Tenant's rent. If the Contract Administrator has confirmation that the decrease in income or change in other factors will last more than one month, the Contract Administrator will verify the information and make appropriate rent reduction. If the decrease in income or change in other factors considered in calculating the Tenant's rent will last less than one month, the Contract Administrator will only verify information and not reduce rent.
- c. The Tenant may request to meet with the Contract Administrator to discuss how any change in income or other factors affected his/her rent or assistance payment, if any. If the Tenant requests such a meeting, the Contract Administrator agrees to meet with the Tenant and explain how the Tenant's rent or assistance payment, if any, was computed.

Section 17. Termination of Assistance:

- a. The Tenant understands that assistance made available on his/her behalf may be terminated if any of the following events happen. Termination of assistance means that the Landlord may make the assistance available to another Tenant and the Tenant's rent will be recalculated. In addition, if the Tenant's assistance is terminated because of criteria (1) or (2) below, the Tenant will be required to pay HUD approved market rent for the unit.
 - 1) The Tenant deliberately submits false information on any application, certification, recertification or request for Interim adjustment for the purpose of obtaining a higher assistance payment or lower rent.
 - 2) The Tenant does not provide the Contract Administrator with information or reports required by Paragraph 15 and 16 within 10 calendar days after receipt of the notice of intent to terminate the Tenant's-assistance payment.
 - 3) The amount the Tenant would be required to pay towards rent under HUD rules as regulations equals the Total Tenant Payment shown on page 1.
- b. The Landlord agrees to give the Tenant written notice of the proposed termination. The notice of termination to Tenant shall state the reasons for the termination and shall inform tenant of his right to make such reply as he may wish, and of his right to request a hearing in accordance with Management's grievance procedure. The notice will advise the tenant that during the 15 calendar days following the date of the notice, he/she may request to meet with the Landlord to discuss the proposed termination of assistance. If the Tenant requests a discussion of the proposed termination, the Landlord agrees to meet with the Tenant.
- c. Termination of assistance shall not affect the Tenant's other rights under this Agreement, including the right to occupy the unit. If assistance is terminated, Pursuant to Paragraph 17a. (2) or 17 a. (3), assistance may subsequently be reinstated if the Tenant submits the income or other data required by HUD procedures, the Contract Administrator determines the Tenant is eligible for assistance, and assistance is available.

Section 18. Tenant Obligation to Repay: If the Tenant submits false information on any application, certification or request for interim adjustment or does not report interim changes in family income or other factors as required by Paragraph 15 of this Agreement, and as a result is charged a rent less than the amount required by HUD's rent formulas, the Tenant agrees to reimburse the Landlord for the difference between the rent he/she was charged. The Tenant is not required to reimburse the Landlord for undercharges caused solely by the Contract Administrator's failure to follow HUD's procedures for computing rent or assistance payments.

Section 19. Size of Dwelling: All units are one room efficiencies that include a bath and kitchenette.

Section 20. Access By Landlord: The Landlord agrees to enter the unit only during reasonable hours, to provide reasonable advance notice of his/her intent to enter the unit, except when emergency situations make such impossible or except under Paragraph (c) and (d) below.

- a. The Tenant agrees to permit the Landlord, his/her agents or other persons- when authorized by the Landlord to enter the unit for the purpose of making reasonable repairs and periodic inspections.
- b. If the Tenant moves before this Agreement ends, the Landlord may enter the unit to decorate, remodel, alter Or otherwise prepare the unit for re-occupancy.
- c. If at the Tenant's request, maintenance is to be provided.
- d. For the purpose of monthly preventive extermination services.

Section 21. Discrimination Prohibited: The Landlord agrees not to discriminate based upon race, color, religion, creed, national origin, sex, age, handicap, familial status, or membership in a class, or recipients of public assistance.

Section 22. Change in Rental Agreement: The Landlord may, with prior approval of HUD, change the terms and conditions of this Agreement. Any changes will become effective only at the end of the initial term or successive term. The Landlord must notify the Tenant of any change and must offer the Tenant a new Agreement or an amendment to the existing Agreement. The Tenant must receive the notice at least 60 days before the proposed effective date of the change. The Tenant may accept the changed terms and conditions by signing the new Agreement or the amendment to the existing Agreement and returning it to Landlord.

The Tenant may reject the changed terms and conditions by giving the Landlord written notice that he/she intends to terminate the tenancy. The Tenant must give such notice at least 30 days before the proposed change will go into effect. If the tenant does not accept the amended agreement, the Landlord may require the Tenant to move from the project, as provided in Paragraph 23.

Section 23. Termination of Tenancy:

- a. To terminate this Agreement, the Tenant must give the Landlord 30-days written notice, no later than the 1st day of the month in which Tenant intends- to terminate the last day of the month. If the Tenant does not give the full 30-day notice, the Tenant shall be liable for rent up to the end of the 30 days for which notice was required or to the date the unit is re-rented, whichever date come first.
- b. Any termination of this Agreement by the Landlord must be carried out in accordance with HUD regulations, state and local law, and the terms of this Agreement. The Landlord may terminate this Agreement only for:
 - 1) the Tenant's material noncompliance with the terms of this Agreement;
 - 2) the Tenant material failure to carry out obligations under the Virginia Residential and Landlord Tenant Act; or
 - 3) other good cause, which includes but not limited to the Tenant's refusal to accept the Landlord's proposed change to this Agreement. Terminations for "other good cause may only be effective as of the end of any initial or successive term"

Material noncompliance included, but is not limited to, nonpayment of rent beyond the five (5) day grace period Available under state law; repeated late payment of rent; serious or repeated damage to the unit or common areas; creation of physical hazards, serious or repeated interference with the rights and quiet enjoyment of Tenants; failure to repay unauthorized assistance payment; and/or giving the Contract Administrator false information regarding income or other factors considered in determining the Tenant's rent.

G-2. If the Landlord proposes to terminate this Agreement, the Landlord agrees to give the Tenant written notice of the proposed termination. If the Landlord is terminating this Agreement for "other good cause", the termination notice must be received by the Tenant at least 30 days before the Tenant will be required to move from the unit. Notices of proposed termination for other reasons must be given in accordance with times frames set forth in State and local law. Any HUD required notice period may run concurrently with any notice period required by state or local law.

All termination notices must:

- 1) specify the date this Agreement will be terminated;
 - 2) state the grounds for termination with enough detail for the Tenant to prepare a defense;
 - 3) state that if the breach is not remedied in 21 days, the Agreement shall terminate as provided in the notice subject to the following. If the breach is remediable by repairs or the payment of damages or otherwise and the Tenant adequately remedies the breach prior to the date specified in the notice, the Agreement will not terminate;
 - 4) advise the Tenant of his/her right to defend the action in court.
- c. If an eviction is initiated, the Landlord agrees to rely only upon the grounds cited in the termination notice required by

Paragraph G-2.

Section 24. Abandonment: The Tenant's unexplained and/or extended absence from the premises for thirty (30) days or more without payment of rent as due shall be prima facie evidence of abandonment. The Landlord is then expressly authorized to enter, remove and store all personal items belonging to Tenant. If the Tenant does not claim said personal property within an additional thirty (30) days. Landlord may sell or dispose of said personal property and apply the proceeds of said sale to the unpaid rents, damages, storage fees, sale costs, and attorney fees. Any balances are to be held by the Landlord for a period of six (6) months thereafter.

Section 25. Damage to Personal Property: Any property of any kind belonging to the Tenant which shall be brought upon the apartment grounds during the terms of this Agreement, or any extension thereof, shall be at the complete and sole risk of the Tenant to obtain the necessary insurance to protect such property. Anything in this Agreement to the contrary notwithstanding, the Landlord shall not be responsible for any loss or damage to such personal property, including contents in the apartments caused by or due to fire or other casualty unless the same was a direct result of any negligent act of the Landlord. When used in the Agreement, the term "casualty" means any sudden, unexpected or unusual event arising from human or natural causes.

Section 26. Landlord's Limitation of Liability: Landlord shall not be responsible or liable to Tenant, Tenant's invitee, any authorized occupant, or any other person claiming by or through Tenant for any injury or damage resulting from acts or omissions of persons occupying properly adjoining the unit or for any injury or damage resulting to Tenant or Tenant's property from bursting, stoppage or leaking of water, gas, sewer or steam pipes, except where such loss or damage occurs from the willful or negligent misconduct of Landlord, Landlord's agents servants or employees in maintenance of the unit.

Section 27. Attorneys Fees: Should Landlord deem it necessary or appropriate to retain an attorney for the collection of rent or other payments due hereunder, or to enforce or defend any provision of this Lease, Tenant agrees to pay, in addition to his/her other obligations hereunder, all expense, including but not limited to court costs and reasonable attorneys' fee incurred by Landlord in defending or enforcing this Agreement, but Tenant shall be required to make said payments only where Landlord is found to be in the prevailing party, by the court having jurisdiction over the Landlord/Tenant dispute at issue.

Section 28. Waiver: Failure of the Landlord to enforce any term or condition of this Agreement, or any of its rights re remedies arising here from, shall not constitute a waiver of any of Tenant's duties or obligation hereunder.

Section 29. Hazards: The Tenant shall not undertake, or permit guests to undertake, any hazardous acts or do anything that will increase the facilities' insurance premiums. If the unit is damaged by fire, wind, or rain to the extent that the unit cannot be lived in, he/she must immediately vacate the apartment or be subject to termination procedures as set forth in Section 23, and if the damage is not caused or made worse by the Tenant, the Tenant will be responsible for rent only up to the date of the destruction. Additional rent will not accrue until the unit has been repaired to a livable condition.

Section 30. Penalties for Submitting False Information: If the Tenant deliberately submits false information regarding income, or other data on which the Tenant's eligibility or rent is determined, the Landlord may, with HUD approval, require the Tenant to pay the higher HUD approved market rent for as long as the Tenant remains in the apartment. In addition, the Tenant could become subject to penalties available under federal law. Those penalties include fines up to \$10,000 and imprisonment for up to five years.

Section 31. Contents of this Agreement: This Agreement and its attachments make up the entire Agreement between the Tenant and the Landlord regarding the unit. If any court declares a particular provision of this Agreement to be invalid or illegal, all other terms of this Agreement will remain in effect and both the Landlord and the Tenant will continue to be bound by them.

Section 32. Drug-Free Housing: The Landlord and the Tenant agree as follows:

- a. The Tenant, or guest or other person under the Tenant's control, shall not engage in or facilitate criminal activity on or Near the building, including, but not limited to, violent criminal activity or illegal drug-related criminal activity.
- b. The Tenant or a guest or other person under the Tenant's control, shall not permit the dwelling unit to be used for or to Facilitate criminal activity, including, but not limited to, violent criminal activity or illegal drug-related criminal activity.
- c. "Violent criminal activity" means

1. The commission of any act of physical violence to persons or property on or off Premises;
 2. The manufacture, sale, use or possession of explosive on or off Premises;
 3. The illegal manufacture, use, sale or distribution of alcoholic beverage on the Premises;
 4. Engaging in child abuse or neglect within the meaning of Virginia Code Section 18.2-371.1;
 5. Engaging in spousal abuse as defined in Virginia Code Section 63.1-316; or
 6. Drug Related Criminal Activity.
- d. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, or use, or possession with intent to Manufacture, sell, distribute or use, of a controlled substance as defined in section 102 of the Controlled Substance Act (21 U.S.C.802).
- e. One or more violations of subsection a or subsection b of this Lease Section constitutes a substantial violation of the Lease and a material noncompliance with the Lease. Any such violation is grounds for termination of tenancy and eviction from the unit.
- f. Proof of violation shall be by a preponderance of the evidence, unless otherwise provided by law.
- g. In case of any conflict between the provisions of this Lease Section and any other provisions of the Lease, the provisions of this Lease Section shall govern.

Section 33. Attachments to the Agreement: The Tenant certifies that he/she has received a copy of this Agreement and the House Rules.

All apartments are equipped with a Refrigerator, Range and Heating ventilation and air conditioning system,_____.

TENANT INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification
☐ Other _____

Effective Date: _____

Move-in Date: _____
(MM-DD-YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____ PISD: _____
BIN Address: _____ City: _____ Zip: _____
Unit Number: _____ # Bedrooms: _____ Square Footage: _____

PART II. HOUSEHOLD COMPOSITION

(DEMOGRAPHIC INFORMATION IS FOR LIHTC ONLY)

Household Member #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student?	SS# Last 4 Digits	Race	Ethnic	Disabled?
1				HEAD						
2										
3										
4										
5										
6										
7										

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

Household Member #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D), above				TOTAL INCOME (E) \$

PART IV. INCOME FROM ASSETS

Household Member #	(F) Type of Asset	(G) Net Value of Asset	(H) Actual income (if applicable), imputed by .40% if no actual and total assets are above \$50K
TOTALS:		\$	Enter (H) total below
TOTAL INCOME FROM ASSETS (I)			\$

(J) Total Annual Household Income from all Sources [Add (E) + (I)] \$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY**RECERTIFICATION ONLY:**

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$	Household Meets Income Restriction at:	Current Income Limit x 140% \$
Current LIHTC Income Limit per Family Size for the federal 50% or 60% set aside:	\$	<input type="checkbox"/> 60% <input type="checkbox"/> 50%	Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Hhold Income at LIHTC Qualification Date:	\$	<input type="checkbox"/> 40% <input type="checkbox"/> 30%	
Hhold Size at LIHTC Qualification Date:		<input type="checkbox"/> %	

PART VI. RENT

Tenant Paid Rent	\$	Federal Rent Assistance Amount: \$ _____ *Source: _____
Utility Allowance	\$	Non-Federal Rent Assistance Amount: \$ _____ (*1-8)
Other non-optional charges:	\$	TOTAL RENT ASSISTANCE: \$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$	* Source of Federal Assistance 1 **HUD Multi-Family Project-Based Rental Assistance (PBRA) 2 Section 8 Moderate Rehabilitation 3 Public Housing Operating Subsidy 4 HOME Rental Assistance 5 HUD Housing Choice Voucher (HCV), tenant-based 6 HUD Project-Based Voucher (PBV) 7 USDA Section 521 Rental Assistance Program 8 Other Federal Rental Assistance
Maximum Rent Limit for this unit:	\$	** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)
Unit Meets Rent Restriction at:	<input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> %	

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, Enter student explanation* (also attach documentation) *Enter 1-6: _____	*Student Explanation: 1 TANF assistance 2 Job Training Program 3 Single parent/dependent child 4 Married/joint return 5 Formerly in foster care 6 Extended-Use Period
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PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. <input type="checkbox"/> _____ (Name of Program) <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
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**Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
Move-in Date	Enter the date the tenant has or will take occupancy of the unit. (This date should reflect the most recent <i>Initial Certification Date</i> when the tenant was certified for occupancy of a tax credit unit.)
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609). This is expected to be in the following format: ME-87-00001, ME-87-00002, ME-87-00003, etc. Where - ME is the state allocating agency's two character state designation. In this case Maine. - 87 is the last two digits of the BIN's year of allocation (1987) - 00001, 00002, 00003 is a 5 digit serial number usually sequential.
Address	Enter the street address, city and zip code of the building.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.
Square Footage	Enter the square footage of the unit.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	Head of Household	S	Spouse
A	Co-Head (Adult co-tenant)	O	Other family member
C	Child	F	Foster Child/Adult
L	Live-in caretaker	N	None of the above

Enter the date of birth, student status, and last four numbers of each household member's social security number or alien registration number. Enter 0000 (4 zeros) if the household member does not have a security number or alien registration number.

Race: Enter each household member's race by using at least one of the following coded definitions: 1 – White; 2 – Black/African American; 3 – American Indian/Alaska Native; 4 – Asian (4a – Asian India; 4b – Chinese; 4c – Filipino; 4d – Japanese; 4e – Korean; 4f – Vietnamese; 4g – Other Asian); 5 – Native Hawaiian/Other Pacific Islander (5a – Native Hawaiian; 5b – Guamanian or Chamorro; 5c – Samoan; 5d – Other Pacific Islander); 6 – Other; or 8 – Tenant did not respond.

Ethnicity: Enter each household member's ethnicity by using one of the following coded definitions: 1 – Hispanic or Latino; 2 – not Hispanic or Latino or 3 – Tenant did not respond.

Disabled?: Enter 1 - (Yes) if the household member is disabled according to Fair Housing Act definition for handicap (disability)
Enter 2 - (No) if the household member is not disabled.
Enter 3 - Tenant Did Not Respond

Fair Housing Act definition for handicap (disability)

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment, or being regarded as having such an impairment. For a definition of “physical or mental impairment” and other terms used in this definition, please see 24 CFR 100.201, available at http://www.fairhousing.com/index.cfm?method=page.display&pagename=regs_fhu_100-201.
- “Handicap” does not include current, illegal use of or addiction to a controlled substance.
- An individual shall not be considered to have a handicap solely because that individual is a transvestite.

The housing credit agency administering its low-income housing credit program must, to the best of its ability, provide this disability status information, pursuant to 42 U.S.C. 1437z-8. However, it is the tenant’s voluntary choice whether to provide such information, and questions to the tenant requesting the information must so state. If the tenant declines to provide the information, the housing credit agency shall use its best efforts to provide the information, such as by noting the appearance of a physical disability that is readily apparent and obvious, or by relying on a past year’s information. For purposes of gathering this information, no questions with respect to the nature or severity of the disability are appropriate.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter the net value of the asset
Column (H)	Enter the actual income (interest/dividends) from the asset if any is earned or imputed by .40% if no actual and total assets are above \$50K
Column (I)	Enter total income from assets
Row (J)	Total Annual Household Income from all Sources [Add (E) + (I)]

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Income Limit per Family Size	Enter the Current Move-in Income Limit for the household size.
Household Income at LIHTC Qualification Date	Effective Date of LIHTC Income Certification: If the current Tenant Income Certification (TIC) did not update the tenant's income information and the TIC is reporting previous income, enter the effective date of the income qualification corresponding to the total annual household income. If income certification is not required annually, this may be different from the effective date listed in Part I.
Household Size at LIHTC Qualification Date	If the current Tenant Income Certification (TIC) did not update the tenant's household size information and the TIC is reporting previous information, enter the number of tenants corresponding to the total annual household income entered in Box L. If income certification is not required annually, this may be different from the number of tenants listed in Part II.
Household Meets Income Restriction	Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.
Current Income Limit x 140%	For re-certifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.

Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter both the Federal and Non-Federal amount of rent assistance, if any. Be sure to enter separate amounts for each source.
Source	Enter the source of the Federal rental assistance
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other non-optional charges	Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

**Full time is determined by the school the student attends.*

Part VIII – Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
Tax Exempt	If the property participates in the Tax Exempt Bond program, mark the appropriate box indicating the household's designation.
AHDP	If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

GOVERNMENT DATA COLLECTION AND DISSEMINATION PRACTICES ACT LETTER

MARKET RATE DEVELOPMENTS

Dear (Mr/Mrs/Ms) _____

As provided by the Government Data Collection and Dissemination Practices Act, anyone who is requested to provide personal information about himself must be informed whether he is legally required to provide such information, or whether he may refuse to supply the information requested. As an applicant for housing financed by Virginia Housing, you are requested to provide certain information that will enable _____ to complete a "Tenant Income Certification".

The information requested will be used to determine an adjusted annual income which you and your family receive from all income sources. This is necessary because the Rules and Regulations adopted pursuant to the Authority conferred on Virginia Housing limit eligibility for initial occupancy to families whose adjusted income does not exceed certain established limits. In addition, it is necessary to know the composition of your family (number of dependents) so that the proper size of dwelling unit may be authorized for you and your family.

Although you are not legally required to provide the information requested, your failure to do so will result in our inability to determine your eligibility for housing in this development.

The completed "Tenant Income Certification" is electronically transmitted by this management agent/owner to Virginia Housing, 601 South Belvidere Street, Richmond, VA 23220. It is possible that information provided by you will be revealed to others for the purpose of confirmation or for other purposes in accordance with the Virginia Freedom of Information Act, but any information so supplied is subject to the safeguards of the Government Data Collection and Dissemination Practices Act.

Sincerely,

Management

Received (Date) _____

By: _____

ATTACHMENT No. 1

**LEASE ATTACHMENT
ACCESSIBLE UNIT AVAILABILITY**

This attachment to the Lease Agreement between PROPERTY NAME and _____

entered into on _____ constitutes Attachment No. 1 to the Lease

Agreement.

In order to comply with Section 8.27 of Section 504 of Rehabilitation Act of 1973, MANAGEMENT must first lease vacant accessible units to current occupants requiring the accessibility features of the vacant unit and occupying a unit not having such features. If no such occupant exists, the unit would be leased to an eligible qualified applicant on the waiting list who requires the accessibility features of the vacant unit. When offering an accessible unit to an applicant not having handicaps requiring the accessibility features of the unit, the MANAGEMENT must require the applicant to agree to move to a non-accessible unit when available.

As the RESIDENT noted above has been offered an accessible unit and does not have handicaps requiring such unit, the RESIDENT hereby agrees to move to a non-accessible unit upon the request of the MANAGEMENT. Such request will be made in writing thirty (3) days prior to the effective date of a required move to a non-accessible unit.

By signing the below, RESIDENT agrees to the terms and conditions contained in the Lease Attachment.

AGREED to this the _____ day of _____ 20____.

SIGNATURES

RESIDENT(S)

By:

1. _____ Date Signed _____

2. _____ Date Signed _____

MANAGEMENT/MANAGEMENT'S REPRESENTATIVE

By:

_____ Date Signed _____

LEASE ADDENDUM

VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT OF 2005

TENANT	LANDLORD	UNIT NO. & ADDRESS
--------	----------	--------------------

This lease addendum adds the following paragraphs to the Lease between the above referenced Tenant and Landlord.

Purpose of the Addendum

The lease for the above referenced unit is being amended to include the provisions of the Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA).

Conflicts with Other Provisions of the Lease

In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Term of the Lease Addendum

The effective date of this Lease Addendum is _____. This Lease Addendum shall continue to be in effect until the Lease is terminated.

VAWA Protections

1. The Landlord may not consider incidents of domestic violence, dating violence or stalking as serious or repeated violations of the lease or other "good cause" for termination of assistance, tenancy or occupancy rights of the victim of abuse.
2. The Landlord may not consider criminal activity directly relating to abuse, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse.
3. The Landlord may request in writing that the victim, or a family member on the victim's behalf, certify that the individual is a victim of abuse and that the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-91066, or other documentation as noted on the certification form, be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA. Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction.

Tenant

Date

Landlord

Date

ADDENDUM TO LEASE

Apartment Number _____

Landlord _____

Tenant(s) _____

Date _____

The following provisions shall be incorporated into and made a part of the Lease of even date herewith between Landlord and Tenant and shall control over any inconsistent provisions therein.

1. Eligibility. Tenant hereby acknowledges that Tenant's family income and composition and other matters relating to Tenant's eligibility for occupancy of the Apartment are material to this Lease. Prior to execution of this Lease, Tenant provided Landlord with certain information, documents and certifications with respect to Tenant's eligibility for occupancy of the Apartment. Tenant hereby warrants and confirms that such information, documents and certifications are in all respects true, accurate and complete as of the date hereof. Tenant agrees to comply with all requests hereafter made by the Landlord or the Virginia Housing Development Authority ("Virginia Housing") for information, documents, and certifications concerning Tenant's eligibility for occupancy of the Apartment. Such requests may be made annually (and shall be made no less frequently than every three years) and at such other times as Landlord or Virginia Housing may require. Tenant shall furnish all such information, documents and certifications requested by Landlord or Virginia Housing on or before the date specified in such request, which date shall not be earlier than ten (10) days from the date of receipt by Tenant of such request. Such information, documents and certifications shall in all respects be true, accurate and complete.

Any failure by Tenant to comply with any such request in accordance with the terms of this Paragraph or any falsification, misstatement or misrepresentation by Tenant of any information relating to Tenant's eligibility for occupancy of the Apartment shall be deemed a substantial and material violation of this Lease. Furthermore, in the case of any such violation of this Lease, Landlord may (subject to the prior approval of Virginia Housing and in lieu of exercising its rights or remedies arising under this Lease as a result of such violation) determine that Tenant shall no longer be eligible for occupancy of the Apartment and shall be subject to the provisions set forth below relating to ineligibility.

2. Ineligibility. In the event that (a) at the time of any determination by Landlord as to Tenant's eligibility for occupancy of the Apartment, Tenant's adjusted family income shall exceed the maximum limit then established by Virginia Housing for initial occupancy of the Apartment or (b) Tenant is otherwise determined not to be eligible for occupancy of the Apartment in accordance with criteria then established by Virginia Housing or in accordance with the provisions hereof, this Lease shall remain in full force and effect unless otherwise terminated pursuant to any of the provisions of this Lease; provided, however, that commencing on the first day of the month after Tenant becomes ineligible, Tenant shall pay a surcharge on the rent in the amount set forth in such schedule as shall be prescribed by Virginia Housing; provided, further, that the amount of such surcharge imposed by Virginia Housing shall not cause the rent (including such surcharge) to exceed the limitation imposed by Section 42 of the Internal Revenue Code, if applicable. In the event that such a surcharge is imposed, Tenant shall have the right to terminate this Lease either (a) on the first day of the month in which such surcharge is to commence or (b), upon at least thirty (30) days prior written notice to the Landlord, on the first day of the next succeeding month. For the purposes of this Lease, any such surcharge shall be deemed to be rent and shall be subject to all of the provisions hereof relating to rent. Tenant shall be obligated to pay such surcharge on the first day of each month for such period of time as Tenant shall remain ineligible for occupancy.

3. Assign or Sublease. Tenant may not, without the prior written consent of the Landlord, assign this Lease or sublet the Apartment or any part thereof or give accommodation to any roomer, lodger or other person not herein set forth, nor permit the use of the Apartment for any purposes other than as a private dwelling solely for the use of Tenant and Tenant's family consisting of the following named persons:

4. Rights of Virginia Housing. It is understood and agreed by Landlord and Tenant that Virginia Housing shall have the right (but shall not be obligated) to exercise any and all of the rights of Landlord under this Lease in the event of a breach or violation by Tenant of any of the provisions hereof.

In Witness Whereof, the parties hereto have executed these presents the day and year first above written:

TENANT(s)

_____(SEAL)

_____(SEAL)

LANDLORD

_____(SEAL)

_____(SEAL)

HOME FUNDS

Lease Addendum

This lease addendum adds the following paragraphs to leases between a tenant and an owner of rental housing assisted with HOME funds, as specified under HOME Federal HUD Regulations 24 CFR 92.253(b).

Conflict with Other Provisions of the Lease. In case of any conflict between the provisions of this Addendum and other sections of the Lease, the provisions of this Addendum shall prevail.

Housing Quality Standards. The owner shall maintain the dwelling unit, common areas, equipment, facilities and appliances in decent, safe, and sanitary condition (as determined by Section 8 Housing Quality Standards).

A. Lease. The duration of the lease between the tenant and the owner must be for not less than one year.

B. Prohibited Lease Terms. The lease may not contain any of the following provisions:

- *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- *Treatment of property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with Statelaw;
- *Excusing owner from responsibility.* Agreement by the tenant not to hold the owner or the owners agents legally responsible for any action or failure to act, whether intentional or negligent;
- *Waiver of notice.* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- *Waiver of legal proceedings.* Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- *Waiver of a jury trial.* Agreement by the tenant to waive any right to a trial by jury;
- *Waiver of right to appeal court decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- *Tenant chargeable with cost of legal action regardless of outcome.* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

C. Termination of Tenancy. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

D. Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that:

- Are consistent with the purpose of providing housing for very low-income and low-income families;
- Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
- Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- Give prompt written notification to any rejected applicant of the grounds for any rejection.

(Owner)

Date

(Resident)

Date