

JOINT OWNERSHIP AND LOAN AGREEMENT

THIS JOINT OWNERSHIP AND LOAN AGREEMENT dated as of _____, 2023 (together with all supplements, modifications and amendments thereto, this “**Agreement**”), is made by and between the **CITY OF CHARLOTTESVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**City**”), and the **CHARLOTTESVILLE REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the “**Authority**”).

WITNESSETH:

WHEREAS, the Authority is authorized under the laws of the Commonwealth of Virginia to, among other purposes, promote the availability of affordable housing in the City of Charlottesville; and

WHEREAS, pursuant to Virginia Code § 36-6(g) and Virginia Code § 36-7, the City is authorized, for the purpose of aiding and cooperating in the planning, undertaking, construction or operation of housing projects located within the City, to purchase bonds of the Authority and lend money to the Authority to enable or assist the Authority to carry out its purposes; and

WHEREAS, pursuant to Virginia Code § 36-6(h), the City is authorized to do any and all things, necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of the Authority's housing projects; and

WHEREAS, pursuant to Virginia Code § 36-6(i), the City is authorized to enter into agreements with the Authority respecting action to be taken by the City pursuant to any of the powers granted by Virginia Code, Title 36, Chapter 1, Virginia Code § 36-1, *et seq.*; and

WHEREAS, the City previously loaned Eight Hundred, Fifty Thousand and no/100 Dollars (\$850,000.00) (the “**Woodward Loan**”) to Piedmont Housing Alliance, a Virginia nonprofit charitable organization for the purpose of providing such funds to Renaissance Investment Corporation, a now inactive Virginia corporation doing business as Woodward Properties (Charlottesville CI) (“**Woodward Properties**”) for the acquisition of certain real properties for use as affordable rental housing; and

WHEREAS, Woodward Properties is the owner of 74 units of affordable housing located in the City of Charlottesville, Virginia, identified on Exhibit A attached hereto and incorporated herein by reference (the “**Dogwood Portfolio**”); and

WHEREAS, by Resolution adopted by the City Council of the City of Charlottesville at a duly noticed public meeting on April 17, 2023, the City appropriated to the Authority Five Million Dollars and No Cents (\$5,000,000.00) (the “**Dogwood Funds**”) to provide funding for the joint acquisition by the City and the Authority of the Dogwood Portfolio from Woodward Properties; and

WHEREAS, pursuant to this Agreement, the Authority has agreed to (i) assume the Woodward Loan in partial consideration for the joint acquisition of the Dogwood Portfolio, (ii),

jointly title the Dogwood Portfolio with the City so that each has a one-half undivided interest in the real properties comprising the Dogwood Portfolio, and (iii) observe the other covenants and agreements set forth herein; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto covenant and agree as follows.

ARTICLE I

ACQUISITION OF DOGWOOD PORTFOLIO

Section 1.1. Acquisition of Dogwood Portfolio. The Authority will, at its expense, complete the joint acquisition of the Dogwood Portfolio.

Section 1.2. Title. Title to the Dogwood Portfolio shall be held by the City and the Authority as Tenants in Common, each having a one-half undivided interest in the real properties comprising the Dogwood Portfolio.

Section 1.3. Title Insurance. The Authority shall, at its expense, obtain at closing on the acquisition of the Dogwood Portfolio ("Closing") an ALTA standard form title insurance policy for the benefit of the City and the Authority, their successors and assigns, as their interests may appear insuring that the City and the Authority jointly hold marketable fee simple title to the Dogwood Portfolio, subject only to such exceptions as the City may approve, and containing such endorsements and affirmative insurance as the City in its discretion may require.

Section 1.4. Closing Costs. The Authority shall pay all costs and expenses of Closing other than those paid by Woodward Properties.

Section 1.5. Consideration for Acquisition. At Closing, the City will pay the Dogwood Funds to the Authority to use as part of the consideration for the acquisition of the Dogwood Portfolio, and the Authority will assume the Woodward Loan as the remainder of the consideration for the acquisition of the Dogwood Portfolio either (a) by an assumption of the existing promissory note evidencing the Woodward Loan or (b) enter into a new promissory note having essentially the same terms or terms more beneficial to the City as set forth in Sec. 2.1 below.

ARTICLE II

WOODWARD LOAN

Section 2.1. Issuance and Delivery of Note.

(a) In order to finance a portion of the costs of the acquisition of the Dogwood Portfolio, the Authority will deliver to the City its promissory note payable to the City, or assigns, in the amount owed by Woodward Properties on the Woodward Loan, dated as of the

date of Closing and in form and substance acceptable to the City (as the same may be amended, modified or supplemented from time to time, the “**Note**”), evidencing its obligation to repay the Woodward Loan; and, in consideration of the Note and the conveyance of the Dogwood Portfolio to the Authority and the City, the City will release and forgive the Woodward Loan.

(b) The Note shall not bear interest and shall be payable as provided therein. The Note shall mature and all outstanding principal on the Note shall be due and payable in full on upon demand, all as more fully set forth and provided in the Note.

ARTICLE III

REPRESENTATIONS AND COVENANTS

Section 3.1. Representations by the Authority. The Authority makes the following representations as of the date of the execution and delivery of this Agreement as the basis for the undertakings on its part herein contained:

(a) The Authority is a political subdivision of the Commonwealth of Virginia, duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.

The Authority has the power and lawful authority to enter into and perform its obligations under this Agreement.

(b) The Authority has duly authorized the execution and delivery of the documents required by this Agreement (the “**Authority Documents**”) and the performance of the obligations of the Authority thereunder.

The Authority Documents have been duly executed and delivered by the Authority and constitute the legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights, and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(c) Neither of the Authority nor any director, member, officer or employee of the Authority has any interest, financial, employment or other, in Woodward Properties or the Dogwood Portfolio or the transactions contemplated hereby.

There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Authority, threatened against the Authority by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the territorial jurisdiction of the Authority or the title to office of any member of the Authority; (ii) affects or seeks to prohibit, restrain or enjoin the execution and delivery of any of the Authority Documents, or the issuance, execution or delivery of the Note; (iii) affects or questions the validity or enforceability of any of the Authority Documents or the Note; (iv) questions the exclusion from gross income

for federal income taxation of interest on the Note; or (v) questions the power or authority of the Authority to perform its obligations under any of the Authority Documents or the Note or to carry out the transactions contemplated by any of the Authority Documents or the Note.

(d) That the proceeds of the Woodward Loan, the Dogwood Funds, and other funds available to the Authority will be sufficient to finance the acquisition of the Dogwood Portfolio.

The Authority has used no broker in connection with the execution hereof and the transactions contemplated hereby.

Section 3.2. Representations by the City. The City makes the following representations as of the date of the execution and delivery of this Agreement as the basis for the undertakings on its part herein contained:

(a) The City is a political subdivision of the Commonwealth of Virginia, duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.

The City has the power and lawful authority to enter into and perform its obligations under this Agreement.

(b) The City has duly authorized the execution and delivery of the documents required by this Agreement (the "**City Documents**") and the performance of the obligations of the City thereunder.

The City Documents have been duly executed and delivered by the City and constitute the legal, valid and binding obligations of the City, enforceable against the City in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(c) Neither of the City nor any director, member, officer or employee of the City has any interest, financial, employment or other, in Woodward Properties or the Dogwood Portfolio or the transactions contemplated hereby.

(d) The City has used no broker in connection with the execution hereof and the transactions contemplated hereby.

ARTICLE IV

SPECIAL COVENANTS OF THE AUTHORITY

Section 4.1. Operations. The Authority will be solely responsible for maintaining, operating, and leasing the Dogwood Portfolio and the two properties that are jointly owned by the parties and located on Montrose and Coleman Streets in the City, which together with

Dogwood Portfolio will be referred to herein as the “City Housing Portfolio,” and will pay all sums and perform all such acts as may be necessary or appropriate for such purposes. All expenses of the City Housing Portfolio for monthly utilities, including water, sewer, and trash services, to all units within the City Housing Portfolio shall be charged to the City Housing Portfolio. The Authority shall be paid a Ten percent (10%) monthly management fee of the total amount of rents collected on the City Housing Portfolio during the preceding month to compensate it for performing the functions of leasing, finance and other record keeping, auditing, and administration of the City Housing Portfolio. Any physical changes to the properties comprising the City Housing Portfolio beyond general maintenance and routine repairs will be required to be brought before City Council by the Authority and be approved by it before any expense for the same is incurred by the Authority. The City Housing Portfolio shall be included for evaluation each year in the City’s Sustainability Plan.

Section 4.2. The Authority hereby grants to the City a right of first refusal to purchase all or part of the City Housing Portfolio should the Authority ever decide to sell all or any part of it. The Authority shall provide the City with ninety (90) days written advance notice of any intention to sell any or all of the City Housing Portfolio, and written notice and a copy of any bona fide third party offer to purchase the same within five (5) business days of receipt of such offer. Upon receipt of such written notice and offer, the City shall have sixty (60) days to decide whether to match the purchase price and financial terms of such offer and to notify the Authority that it is exercising its right of first refusal to purchase the Authority’s interest in the property that is the subject of such offer.

Section 4.3. Records and Accounts. With regard to the City Housing Portfolio, the Authority will (a) keep true and accurate records and books of account in which full, true and correct entries will be made, which records and books will not be maintained on a consolidated basis with other accounts of the Authority or those of any other person, including any affiliate of the Authority and (b) maintain adequate accounts and reserves for all taxes (including income taxes), depreciation and amortization of the City Housing Portfolio, contingencies, and other reserves applicable thereto, all of which accounts shall not be commingled with other accounts of the Authority or any other person, including any affiliate of the Authority.

Section 4.4. Financial Statements and Information. The Authority will deliver, or cause to be delivered, to the City:

(a) annual financial statements and reports of the City Housing Portfolio for the prior year ending December 31 of each year no later than January 31 of the following year, including without limitation, financial statements for the previous year, an accounting of all leasing activities, operations, major repairs, and any other information requested by the City. All such financial and leasing statements and reports for the City Housing Portfolio will be maintained separately from all other financial accounts of the Authority;

(b) no later than January 31 of each calendar year, (i) a current rent roll and schedule of aging of lease receivables as of the end of such year, in form and level of detail reasonably acceptable to the City, detailing, with respect to each lease of property in the City Housing Portfolio, the tenant’s name, the lease date, the premises demised, the term, the rent, the security deposit, any rent paid more than one month in advance, the household size and income of any

new occupant during the previous year, the percent of current household income to rent amount, and such other information regarding occupancy and tenants as may be requested by the City, (ii) a leasing report setting forth the Authority's efforts to market and lease the then unleased space in the City Housing Portfolio and the results of such efforts, and (iii) an operating report for the City Housing Portfolio, in form and level of detail reasonably acceptable to the City, together with a certification by the chief financial officer that the information in all of the items required pursuant to this Section is true and correct; and

(c) on or before December 1 of each year, a copy of the proposed budget for operation of the City Housing Portfolio for the following year, and on or before January 31 of each year, a copy of the approved budget of the City Housing Portfolio for that year.

Section 4.5. Insurance.

(a) The Authority will obtain and maintain insurance with respect to the City Housing Portfolio and the operations of the Authority as required from time to time by the City. All renewal policies, with premiums paid, shall be delivered to the City at least thirty (30) days before expiration of the existing policies. If any such insurance shall expire or be canceled, or become void or voidable by reason of the breach of any condition of coverage, or if the City determines that any coverage is unsatisfactory by reason of the failure or impairment of the capital of any insurance carrier, or if any insurance is unsatisfactory to the City, in its sole judgment, the Authority shall promptly place new insurance satisfactory to the City.

(b) The Authority will provide the City with certificates evidencing such insurance upon the request of the City. All insurance policies shall provide for thirty (30) days notice of cancellation to the City by the insurance company.

(c) If the Authority fails to provide, maintain, keep in force or deliver to the City the policies of insurance and certificates required by this Agreement, the City may (but shall have no obligation to) procure such insurance, and the Authority will pay all premiums thereon promptly on demand by the City, and until such payment is made by the Authority, the amount of all such premiums shall bear interest at the legal rate of interest then in effect.

Section 4.6. Liens and Other Charges. The Authority will duly pay and discharge, cause to be paid and discharged, or provide a bond satisfactory to the City to pay or discharge, before the same shall become overdue all claims for labor, materials, or supplies that if unpaid might by law become a lien or charge upon any of the City Housing Portfolio.

Section 4.7. Inspection of Project and Books, Appraisals.

(a) The Authority shall permit the City upon reasonable notice at reasonable times, at the Authority's cost and expense, to visit and inspect the City Housing Portfolio and will cooperate with the City during such inspections; provided that this provision shall not be deemed to impose on the City any obligation to undertake such inspections.

(b) The Authority shall permit the City, upon reasonable notice at reasonable times, at the Authority's cost and expense, to examine the books of account of the Authority relating to

the City Housing Portfolio (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Authority relating to the City Housing Portfolio with, and to be advised as to the same by, its officers, partners, or agents, all at such reasonable times and intervals as the City may reasonably request; provided that so long as no Default or Event of Default shall have occurred and be continuing, the Authority shall only be obligated to pay the expenses associated with one (1) such investigation during any twelve (12) month period.

(c) The City shall have the right to obtain from time to time, at the Authority's cost and expense, updated appraisals of the City Housing Portfolio; provided that so long as no Default or Event of Default shall have occurred and be continuing, the Authority shall only be obligated to pay for the costs and expenses associated with one (1) such appraisal during any five (5) year period.

(d) The costs and expenses incurred by the City in obtaining such appraisals or performing such inspections shall be paid by the Authority promptly upon billing or request by the City for reimbursement.

Section 4.8. Compliance with Laws, Contracts, Licenses, and Permits. The Authority will comply with (a) all legal requirements, (b) the provisions of its organizational documents, (c) all applicable decrees, orders and judgments, and (d) all licenses and permits required by applicable laws and regulations for the conduct of its business or the ownership, use or operation of the City Housing Portfolio.

Section 4.9. Publicity. The Authority will permit the City to obtain publicity in connection with the acquisition of the City Housing Portfolio through press releases and participation in such events as ground breaking and opening ceremonies and placement of signs on the City Housing Portfolio.

Section 4.10. Further Assurances.

(a) Regarding Rehabilitation. The Authority will furnish or cause to be furnished to the City all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, title and other insurance, reports and agreements and each and every other document and instrument required to be furnished by the terms of this Agreement, all at the Authority's expense.

(b) Regarding Preservation of Collateral. The Authority will execute and deliver to the City such further documents, instruments, assignments and other writings, and will do such other acts necessary or desirable, to secure the obligations of the Authority, as the City may require.

(c) Regarding this Agreement. The Authority will cooperate with, and will do such further acts and execute such further instruments and documents as the City shall reasonably request to carry out to their satisfaction the transactions contemplated by this Agreement.

Section 4.11. Notices. The Authority will promptly notify the City in writing of (i) the occurrence of any Default or Event of Default or event which, with the giving of notice or the

passage of time, or both, would constitute a Default or Event of Default; (ii) the Authority's receipt of notice from any governmental authority of any alleged violation of environmental laws or regulations or other legal requirements; (iii) any labor problems with respect to the Authority or the City Housing Portfolio; (iv) the occurrence of any other event which would have a material adverse effect on the City Housing Portfolio or the business or financial condition of the Authority; or (v) the receipt by the Authority of any notice of default or notice of termination with respect to any contract or agreement relating to the ownership, rehabilitation, equipping, operation, or use of the City Housing Portfolio.

Section 4.12. Management Contract.

(a) At all times during the term of this Agreement, the City Housing Portfolio shall be managed pursuant to a management contract with a property manager, which contract shall be terminable with or without cause by the Authority or the City as owners of the City Housing Portfolio and shall otherwise be in form and substance satisfactory to the City. The Authority acknowledges that the City will rely on a property manager's experience in operating the City Housing Portfolio as a means of maintaining the value of the collateral. In connection with the approval of a property manager, or any replacement management company:

(i) a property manager or holder of the stock or partnership interest therein, shall be a Person whose character, financial strength, stability and experience is acceptable to the City and who shall have experience managing properties of a type and size reasonably similar to the City Housing Portfolio;

(ii) a property manager shall deliver all organizational documentation and other materials evidencing its experience acceptable to the City; and

(iii) the terms of any management contract must be acceptable to the City in all respects.

(b) With the City's prior consent, the property manager described in subparagraph (a) above may be an employee of the Authority.

Section 4.13. Negative Covenants of the Authority. The Authority covenants and agrees that:

(a) Restrictions on Easements and Covenants. The Authority will not create or suffer to be created or to exist any easement, right of way, restriction, covenant, condition, license or other right in favor of any Person which affects or might affect title to the City Housing Portfolio or the use and occupancy of the City Housing Portfolio or any part thereof without obtaining the prior written consent of the City, which shall not be unreasonably withheld or delayed so long as the proposed action is necessary for the operation of the City Housing Portfolio for the purposes contemplated hereby and the proposed action does not materially impair the interests of the City.

(b) Restrictions on Indebtedness. Without obtaining the prior written consent of the City, the Authority will not create, incur, assume, guarantee or be or remain liable, contingently

or otherwise, with respect to any indebtedness regarding or related to the City Housing Portfolio other than:

- (i) Indebtedness arising under the Note or this Agreement;
 - (ii) A \$5 million loan to the Authority for acquisition and operating expenses of the City Housing Portfolio that will be secured by the City Housing Portfolio and be repayable as an operating expense of the City Housing Portfolio;
 - (iii) Liabilities of the Authority relating to the City Housing Portfolio, incurred in the ordinary course of business but not incurred through (A) the borrowing of money, or (B) the obtaining of credit except for credit on an open account basis customarily extended and in fact extended in connection with normal purchases of goods and services; and
 - (iv) Indebtedness relating to the City Housing Portfolio, in respect of taxes, assessments, governmental charges or levies and claims for labor, materials and supplies to the extent that payment therefor shall not at the time be required to be made.
- (c) Restrictions on Liens The Authority shall not subject the City Housing Portfolio, or permit the City Housing Portfolio to be subjected, to any lien or encumbrance.
- (d) Transfers. The Authority shall not transfer the City Housing Portfolio or any interest in the City Housing Portfolio, other than leases in the ordinary course business, without the prior written consent of the City.

Section 4.14. Leasing.

- (a) The City (and all other parties whose approval is required) must approve the Authority's standard form of residential lease or rental agreement prior to its use by the Authority. The Authority may not materially modify the approved standard form of residential lease without the City's prior written consent in each instance (which consent shall not be unreasonably withheld), together with the approval of all other parties whose consent is required. Each lease, other than leases on the Authority's standard form of residential lease, of any part of the City Housing Portfolio is subject to the City's written approval as to form and substance prior to execution and delivery. Despite the foregoing, the Authority may enter into residential leases (and amendments) in the ordinary course of business with bona fide third party tenants without the City's prior written consent if the Authority uses the approved standard form of residential lease.
- (b) The City's approval of any lease is for the sole purpose of protecting the City's security and preserving the City's rights. No approval by the City will result in a waiver of any default of the Authority. In no event will the City's approval of any lease be a representation of any kind with regard to the lease, its enforceability or the financial capacity of any tenant or guarantor.
- (c) The Authority must perform all obligations required to be performed by it as landlord under any lease affecting any part of the City Housing Portfolio.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.1. Events of Default. The following shall be “**Events of Default**” under this Agreement, and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Authority to pay any amounts required to be paid on the Note when due;

(b) Any failure by the Authority to pay as and when due and payable any other sums to be paid by the Authority under this Agreement and the continuation of such failure for a period of five (5) days after the same are due; or

(c) Any failure of any representation or warranty made in this Agreement to be true and correct; or

(d) Any failure by the Authority to observe and perform any covenant or agreement on its part to be observed or performed hereunder or thereunder, for a period of thirty (30) days after written notice specifying such breach or failure and requesting that it be remedied, given to the Authority by the City; provided, however, that in the event such breach or failure be such that it can be corrected but cannot be corrected within said 30-day period, the same shall not constitute an Event of Default hereunder if corrective action is instituted by the Authority or on behalf of the Authority within said 30-day period and is diligently pursued to completion thereafter; or

(e) Any change in the legal or beneficial ownership of the Authority's interest in the City Housing Portfolio without the written consent of the City; or

(f) Any failure by the Authority to pay at maturity, or within any applicable period of grace, any Indebtedness, or any failure to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing any Indebtedness, for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof; or

(g) If the Authority shall file a voluntary petition in bankruptcy under Title 11 of the United States Code, or an order for relief shall be issued against the Authority in any involuntary petition in bankruptcy under Title 11 of the United States Code, or the Authority shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief of debtors, or the Authority shall seek or consent to or acquiesce in the appointment of any custodian, receiver, conservator or liquidator of the Authority, or of all or any substantial part of its respective property, or the Authority shall make an assignment for the benefit of creditors, or

the Authority shall give notice to any governmental authority or body of insolvency or pending insolvency or suspension of operation; or

(h) An involuntary petition in bankruptcy under Title 11 of the United States Code shall be filed against the Authority and such petition shall not be dismissed within ninety (90) days of the filing thereof; or

(i) A court of competent jurisdiction shall enter any order, judgment or decree approving a petition filed against the Authority seeking any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or appointing any custodian, receiver, conservator or liquidator of all or any substantial part of its property.

Section 5.2. Remedies on Default.

(a) Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing, the City shall:

(i) by notice in writing to the Authority declare the unpaid indebtedness under the Note to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable; and

(ii) take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due under the Note, or to exercise any right or remedy or to enforce performance and observance of any obligation, agreement or covenant of the Authority under this Agreement, the Note.

Section 5.3. No Remedy Exclusive. No remedy conferred herein or in the Note upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it herein or in the Note, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 5.4. Agreement to Pay Fees and Expenses of Counsel. If an Event of Default shall occur under this Agreement or under the Note, and the City should employ counsel or incur other expenses for the collection of the indebtedness or the enforcement of performance or observance of any obligation or agreement on the part of the Authority herein or therein contained, the Authority agrees that it will on demand therefor pay to the City, or, if so directed by any such party, to its counsel, the reasonable actually incurred fees of such counsel and all other out-of-pocket expenses incurred by or on behalf of the City.

Section 5.5. No Additional Waiver Implied by One Waiver; Consents to Waivers. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver.

Section 5.6. Remedies Subject to Applicable Law. All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City and the Authority and their respective successors and permitted assigns.

Section 6.2. Construction. In this Agreement, unless the context otherwise requires, words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa. Whenever used in this Agreement, the word “shall” shall be deemed to connote a mandatory action or context and not a discretionary one.

Section 6.3. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.4. Amendments, Changes and Modifications. The Note and this Agreement may not be amended, changed, modified, altered or terminated by the City or the Authority except in writing.

Section 6.5. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and such invalid or unenforceable provision shall be deemed no longer to be contained in this Agreement.

Section 6.6. Applicable Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 6.7. Debtor-Creditor Relationship. It is expressly understood and agreed that the relationship between the Authority and the City established by the transaction contemplated by this Agreement that of creditor or lender, on the part of the City, and debtor or borrower, on the part of the Authority and is in no way to be construed as a partnership or joint venture of any kind.

IN WITNESS WHEREOF, the Authority and the City have caused this Agreement to be executed in their respective names, all as of the date first above written.

(SEAL)

CITY OF CHARLOTTESVILLE, VIRGINIA

By: _____
Signature

Printed Name

Title

Approved as to Form:

City Attorney

(SEAL)

**CHARLOTTESVILLE REDEVELOPMENT AND
HOUSING AUTHORITY**

By: _____
Signature

Printed Name

Title

EXHIBIT A
IDENTIFICATION OF UNITS IN
THE DOGWOOD PORTFOLIO

[TO BE ATTACHED]

