

DEED OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CITY OF ALEXANDRIA'S DISCOUNTED SET-ASIDE SALES UNIT HOUSING PROGRAM

CAMBRIA SQUARE CONDOMINIUM
UNIT 5-26, WITH AN ADDRESS OF
5128 CAMBRIA WAY, UNIT 101
ALEXANDRIA, VIRGINIA 22304

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made effective as of this 2nd day of December, 2016, by PULTE HOME CORPORATION ("Declarant") ("Grantor" for indexing purposes only), the owner of certain property located in the City of Alexandria, Virginia, for the benefit of THE CITY OF ALEXANDRIA, a Virginia municipal corporation ("City") ("Grantee" for indexing purposes only).

RECITALS

R-1. As provided by Development Special Use Permit ("DSUP") #2014-00004, the Declarant has agreed to provide a total of four affordable sales units to the City, as well as a contribution of \$200,000 to the City's Housing Trust Fund. The DSUP was approved by the Alexandria City Council on November 15, 2014.

R-2. Declarant has agreed that in consideration of benefits conferred upon Declarant under the DSUP and in compliance with Declarant's obligations under the City's Affordable Housing Policy, the housing unit described in Exhibit A which is attached hereto and made a part hereof (referred to herein as the "Discounted Set-Aside Unit", "Unit", or "Property") shall be designated as an affordable dwelling in compliance with the DSUP and the Affordable Housing Policy. The Declarant is successor in interest to CIA-Pickett Street, LLC.

TAX MAP # 058-02-02-01

Odin, Feldman & Pittleman, P.C
1775 Wiehle Avenue
Suite 400
Reston, Virginia 20190

R-3. Declarant is required, as part of its Affordable Housing Plan (“Plan”), to provide for long-term affordability of four discounted Affordable Set-Aside Homeownership Units at the Property which have been set aside as long-term affordable housing.

R-4. Declarant has agreed to impose the Covenants, Conditions and Restrictions set out below to implement the long-term affordability requirements of the Plan.

NOW, THEREFORE, Declarant hereby declares that the Discounted Set-Aside Unit shall be subject to the covenants, conditions and restrictions set forth herein (“Covenants”) which shall be binding in accordance with the terms herein on Declarant and all Transferees of the Discounted Set-Aside Unit until expiration of the Control Period (as defined in Article II below). For purposes herein, “Transferees” shall be deemed to include all persons and entities that may hereafter acquire any interest whatsoever in the Discounted Set-Aside Unit, or any part thereof, from Declarant, or any successor or assignee of Declarant, or any other party, whether by sale, lease, assignment, or any other means of transfer during the Control Period.

ARTICLE I

DESCRIPTION AND IDENTIFICATION OF DISCOUNTED SET-ASIDE UNIT

Declarant is the owner of the Property described in Exhibit A and made a part hereof. The Property is the subject of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE II

CONTROL PERIOD, CERTAIN RESTRICTIONS ON TRANSFER

For a period of forty (40) years beginning on the date of recordation of the first deed from the Declarant for each such Unit (the "Control Period"), the Discounted Set-Aside Unit shall be subject to the following conditions:

A. The Discounted Set-Aside Unit shall only be sold, transferred, or conveyed to a household, at or below the applicable City Flexible Homeownership Assistance Program ("FHAP") income level which is in effect at the time of any such sale, transfer, or conveyance.

B. Pursuant to the City's Affordable Housing Policy, the Discounted Set-Aside Unit shall only be sold, transferred, or conveyed to households which have at least one household member who lives or works in the City of Alexandria.

C. The sales price or other consideration for such sale, transfer or conveyance shall not exceed the maximum sales price established under the City's home ownership programs and may be further limited under the approved Affordable Housing Plan for this Property.

D. During the Control Period, this Declaration shall be senior to all instruments securing financing with respect to the Unit. This Declaration shall be binding upon all assignees, mortgagees, purchasers, and other successors in interest, except that this Declaration shall be released in the event of Foreclosure by (or the execution of a deed in lieu of such foreclosure for) an Eligible Lender, as such term is defined in the next sentence. An "Eligible Lender" is defined as an institutional lender

holding a first priority purchase money deed of trust on the Unit or a refinancing of such institutionally financed purchase money deed of trust by an institutional lender, with respect to whom the City has approved the terms and conditions of the refinancing. In the event of a refinancing, to which the City has not given prior approval to the terms and the conditions of, the City in its discretion may not release the covenants.

During the Control Period, each lender secured by the Unit or other parties who have or may seek to place a lien on the Discounted Set-Aside Unit shall provide the City written notice at least thirty (30) days prior to foreclosure (or acceptance of a deed in lieu of foreclosure) upon the Unit. Further, notwithstanding the foregoing notice requirement, in no event shall failure to provide such notice preclude the lender's right to proceed with its remedies for default under the mortgage or create any liability to or cause of action in favor of the City or any other party.

The City or any nonprofit organization designated by the City or the Alexandria Redevelopment and Housing Authority (ARHA) if designated by the City, shall have the right to purchase the Set-Aside Unit in the event a notice of intent to foreclose a mortgage in first position or the execution of a deed in lieu of foreclosure is recorded in the Land Records. The purchase price shall be an amount that is the greater of (a) the amount of the debt secured by all Mortgages recorded against the subject Unit, including commercially reasonable costs and expenses, if any, incurred by the Eligible Lender as a result of a default and due and payable by the owner under the terms of mortgage or (b) the sale price as determined under Article III.B. below. The City or its designee shall have thirty (30) days from the date a notice of default or a notice of foreclosure sale was

recorded in the Land Records to exercise its option and to purchase the Unit. The City's right to purchase shall automatically expire upon the transfer of the Unit by foreclosure or deed in lieu thereof.

ARTICLE III

RESALE OF A DISCOUNTED SET-ASIDE UNIT

BY OWNER TO QUALIFIED PURCHASER

During the Control Period, the owner of the Unit may sell such Unit, provided that the following conditions are fulfilled:

A. A Unit must be sold to a Qualified Purchaser. A Qualified Purchaser is an individual or household who meets the requirements set forth in Article II (A), above and all applicable eligibility requirements established by the City's Office of Housing.

B. The sale price of the Unit during the Control Period to a Qualified Purchaser shall be determined in accordance with the following requirements:

1. The market value shall be determined by an appraisal which is acceptable to the City. The owner shall reduce the sales price by the amount of the owner's original purchase discount which he or she received as a participant in the City's Affordable Housing Program.
2. The sales price shall be further reduced by an amount equal to the City's share of the market appreciation of the Unit. The market appreciation shall equal the difference between the market value on which the owner's original purchase discount was based (original market value) and the Unit's current market value at the time of sale, whether a sale by the original purchaser or by any successor

in interest. The City's share of the market appreciation of the Unit shall equal the product of the market appreciation multiplied by a fraction, the numerator of which is the owner's original purchase discount and the denominator of which is the Unit's original market value. The City's share of the market appreciation of the Unit shall be repaid to the City by the owner in the form of a further reduction of the sales price of the Unit; in other words, as a sales price write-down. A sales price write-down is calculated by reducing the sales price of the Unit by the amount of funds attributed to the City's share of the market appreciation of the Unit.

- 3. The sum of the owner's original purchase discount and the sales price write-down for market appreciation (the total of paragraphs 1 and 2 above) shall be the Qualified Purchaser's discount. Accordingly, in the event that the Qualified Purchaser sells the Unit during the Control Period, the Qualified Purchaser's discount shall be subtracted from the Unit's sales price.
- 4. In the event that the reductions set forth in paragraphs 2 and 3 above, do not result in an affordable purchase price for a Qualified Purchaser, the City reserves the right to provide Qualified Purchasers with additional subsidies, as determined by the City in the exercise of its sole discretion.

ARTICLE IV

MARKETING REQUIREMENTS FOR RESALE
OF DISCOUNTED SET-ASIDE UNIT

Under certain limited circumstances set out below, the City may elect in its sole

and absolute discretion to waive the requirements of Articles II and III, provided that the following conditions are fulfilled:

A. For six (6) months from the date that the Unit has been listed for sale in the multiple listing service, the owner shall attempt to locate a Qualified Purchaser. The owner must notify the City's Office of Housing in writing of his/her decision to sell the Unit before it is listed for sale. Within fifteen (15) business days after notification, the City will inform the owner of the maximum income level eligibility for a Qualified Purchaser. The owner shall retain a licensed real estate agent and market the Unit through the multiple listing service. In addition, the City will attempt to market the Unit to Qualified Purchasers, including, but not limited to, City employees.

B. In special circumstances, the owner may request in writing, that the City permit the owner to sell the Unit to a non-qualified purchaser in the event the owner has not located a Qualified Purchaser within ninety (90) days of listing the Property for sale. Special circumstances warranting release from the condition that the Unit must be sold to a Qualified Purchaser may include, but are not limited to: (1) the owner's employment transfer outside of the Washington metropolitan area; (2) a medical or other unforeseen event or crisis which drastically affects the owner's financial condition; or (3) a change in the household which results in overcrowding conditions in the Unit. The City shall review and determine in its sole discretion, whether to grant the owner's request for release from the condition requiring the owner to sell to a Qualified Purchaser. Within thirty (30) days, the City will notify the owner in writing of its decision.

C. When the owner has located a purchaser that he/she believes to be a Qualified

Purchaser, the owner and prospective purchaser may enter into a sales contract for the sale and purchase of the Unit that shall be contingent upon a written determination by the prospective purchaser's mortgage lender that such purchaser's income does not exceed the required maximum eligible income, which determination shall be forwarded by the owner to the City's Office of Housing.

D. In the event the owner does not enter into a sales contract with a Qualified Purchaser within six (6) months (or within ninety (90) days, as set forth in paragraph B, above), the owner may not sell the Unit to a non-qualified purchaser unless the owner makes a written offer to sell the Unit to the City (the "Right to Acquire"). The Right to Acquire shall entitle the City, any nonprofit organization if designated by the City or the Alexandria Redevelopment and Housing Authority (ARHA) if designated by the City, in the event the City elects not to exercise its rights, to acquire the Unit at the price available to a Qualified Purchaser. The City shall notify the owner whether it will exercise its Right to Acquire within sixty (60) days of receipt of the written offer to sell from the owner.

E. In the event (1) that the marketing period established by paragraph A, above, has expired and (2) the City has been offered the Right to Acquire and has not exercised it, the owner may sell the Unit to a non-qualified purchaser in accordance with the requirements and conditions set forth in Article V below.

ARTICLE V

RESALE OF DISCOUNTED SET-ASIDE UNIT
TO NON-QUALIFIED PURCHASER

The following provisions shall apply to a sale, transfer, or conveyance of a Unit only after the owner has complied with the provisions set forth in Article IV above and the City has given the owner written notice that it will not exercise its Right to Acquire the Unit. In such event, the owner may sell a Unit to a non-qualified purchaser, provided that the following conditions are fulfilled:

A. The market value for sale of the Unit to a non-qualified purchaser shall be determined by an appraisal that is acceptable to the City; however, the owner may market the Unit for sale with no restrictions on the sales price.

B. The owner's original purchase discount on the Unit granted by the City shall be repaid to the City's Housing Trust Fund.

C. The City may forgo repayment of the original purchase discount, or any portion thereof, if the City determines in its sole discretion, that the owner's attempt to sell the Unit to a Qualified Purchaser at the discounted price prevented the Unit from being sold at market value after expiration of the restricted marketing period.

D. The City's share of market appreciation of the Unit as calculated in accordance with Section III(B)(2) shall be repaid by the owner to the City's Housing Trust Fund, provided, in no event shall the amount repaid to the City exceed the owner's actual net proceeds of sale.

E. The owner shall repay to the City all City-funded purchase assistance loans

on the Unit.

F. Upon the owner's compliance with paragraphs A through and including E above this Declaration shall be released by the City.

ARTICLE VI

EXPIRATION OF CONTROL PERIOD

Upon receipt of the payment required to be made to the City under Article V, above or upon the expiration of the forty (40) year Control Period, this Declaration shall be released by the City.

ARTICLE VII

PRINCIPAL DOMICILE REQUIREMENTS

During the entire forty (40) year Control Period set forth in this Declaration, the Discounted Set-Aside Unit shall be continuously and exclusively used as the owner's principal residence, except under temporary circumstances as may be approved in writing by the City.

ARTICLE VIII

DEED AND CONTRACT RESTRICTIONS

A. At the time of the initial sale of the Unit, the Declarant shall provide in the sales contract for such Unit that the Declarant shall deliver to the purchaser under such contract a copy of the recorded Declaration within ten (10) days of full execution of such contract.

B. The Declarant and any and all subsequent sellers of a Unit during the Control Period shall provide written notice of this Declaration to each contract purchaser in the

sales contract for the Unit. A copy of all sales contracts signed by all parties with respect to the Unit shall be delivered to the Office of Housing at least thirty (30) days prior to the date of settlement.

C. During the Control Period, the Declarant, any and all subsequent sellers and purchasers shall include in the deed for the Unit an express statement that such Unit is subject to the terms and conditions of this Declaration with a specific reference to the instrument number where such Declaration is recorded in the land records of the City of Alexandria, Virginia.

D. Failure to comply with the terms of this Article VIII shall not in any way diminish or invalidate this Declaration as to the Unit.

ARTICLE IX

ASSIGNMENT OF RIGHTS TO THE CITY

Declarant, for itself and its heirs, assigns, and successors, hereby irrevocably assigns, transfers, and conveys unto the City, any and all of its right, title, interest, or obligation to enforce and maintain in full force and effect the terms, conditions, and requirements of this Declaration.

ARTICLE X

BINDING ON ALL SUCCESSORS

This Declaration is binding upon the Discounted Set-Aside Unit herein described, upon Declarant and its heirs, successors, and assigns, and upon all transferees and transferors of the title to the Discounted Set-Aside Unit as a covenant running with the land for the Control Period and until the fulfillment of all other provisions and conditions

contained herein, including all payments the Declarant is required to make to the City's Housing Trust Fund pursuant to the DSUP.

ARTICLE XI

NO AMENDMENTS

This Declaration cannot be amended or released, except upon the expiration of the Control Period, or any extension thereof, and receipt by the City of the proper payment of an amount of funds to be determined at the time of execution of a sales contract with respect to a Unit to the Housing Trust Fund, without prior written consent of the City and as recorded in the land records of the City of Alexandria, Virginia. However, if a Unit described in this Declaration should become a unit not subject to discount under the terms of this Declaration due to change in market conditions at a future date, then the City may in its sole and absolute discretion, amend this Declaration as to such unit or release such unit from any or all of the Covenants contained in this Declaration without consent or joinder of any other party. Notwithstanding anything to the contrary contained in this Declaration, a secured Eligible Lender foreclosing its lien on the Unit or accepting a deed in lieu of foreclosure on the Unit is exempt from all sales restrictions contained in this Declaration, and upon the conveyance of the Unit to a bona fide purchaser for value at a foreclosure sale or by deed in lieu of foreclosure, the restrictions contained in this Declaration with regard to such Unit shall terminate.

ARTICLE XII

RIGHT TO ENFORCE

If the City determines that any default has occurred under this Declaration, the City or its successors, may enforce this Declaration by proceeding at law or in equity, in

any state or federal court having jurisdiction for specific performance of this Declaration, for an injunction against any violation of this Declaration, or for such other relief at law or in equity as may be appropriate and consistent with the applicable requirements of this Declaration. No remedy conferred upon or reserved to the City by this Declaration is intended to be exclusive of any other available remedy or remedies, but each and every such remedy is cumulative and is in addition to every other remedy given under this Declaration, existing at law or in equity. No delay or omission to exercise any right or power accruing upon failure to perform under this Declaration will impair any such right or power or will be construed to be a waiver thereof. If, upon or after the occurrence of any default hereunder, the City incurs expenses for the enforcement or performance or observance of any obligation or agreement on the part of others contained herein, the City shall be reimbursed upon demand by the defaulting party or parties for reasonable expenses, including court costs and attorneys' fees.

ARTICLE XIII

SEVERABILITY

In the event any provision of this Declaration shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

ARTICLE XIV

HEADINGS

The headings are for reference purposes only and shall not affect the meaning or interpretation of the covenants, terms, and conditions hereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

PULTE HOME CORPORATION,
a Michigan corporation

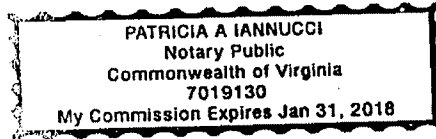
By Rian McClevey
Name Rian McClevey
Title VP of Sales

STATE OF VIRGINIA
City/County of FAIRFAX

The foregoing document was acknowledged before me in my jurisdiction
aforesaid by RIAN McClevey, who is the V.P. Sales of
Pulte Home Corporation, on behalf of said corporation, on this 1ST day of
December, 2016.

Patricia A. Iannucci
Notary Public

My Commission expires: 1-31-2018



CITY OF ALEXANDRIA
A Virginia municipal corporation

APPROVED AS TO FORM:

Cristina Adamson Bream
ASSISTANT CITY ATTORNEY

By: [Signature]
Emily Baker
Deputy City Manager

STATE OF Virginia

City/County of Alexandria to-wit:

This foregoing document was acknowledged before me in my jurisdiction aforesaid by Emily Baker (name), who is the Deputy City Manager (title), of City of Alexandria (corporation), on behalf of said corporation this 29 day of November, 2016.

[Signature]
Notary Public

My Commission expires: 12/31/18



EXHIBIT A - LEGAL DESCRIPTION

Unit 5-26, CAMBRIA SQUARE CONDOMINIUM, with an address of 5128 Cambria Way, Unit 101, as established by the Declaration for Cambria Square Condominium recorded on October 6, 2016 as Instrument Number 160015490, with Plats and Plans, among the Land Records of the City of Alexandria, Virginia, as amended from time to time, including that certain Amendment to Condominium Instruments for Cambria Square Condominium Adding Additional Land Phase 5 recorded immediately prior hereto.

INSTRUMENT #160019426
RECORDED IN THE CLERK'S OFFICE OF
ALEXANDRIA ON
DECEMBER 14, 2016 AT 12:03PM

EDWARD SEMONIAN, CLERK
RECORDED BY: AAD

Plats attached

A COPY TESTE: EDWARD SEMONIAN, CLERK

BY: *Chad Swygert*
DEPUTY CLERK

ANY PROVISION CONTAINED HEREIN WHICH purports to
DISTRICT OR AFFECT THE ENJOYMENT, OCCUPANCY,
OWNERSHIP, RENTAL, LEASE OR TRANSFER OF ANY INTEREST
ON THE BASIS OF RACE, COLOR, SEX, RELIGION, ANCESTRY,
NATIONAL ORIGIN, MARITAL STATUS, AGE, SEXUAL
ORIENTATION OR DISABILITY IS HEREBY REVOKED AND UNENFORCEABLE.