BARCROFT

MASTER FINANCING AND DEVELOPMENT PLAN

July 2024

JairLynch
Real Estate Partners

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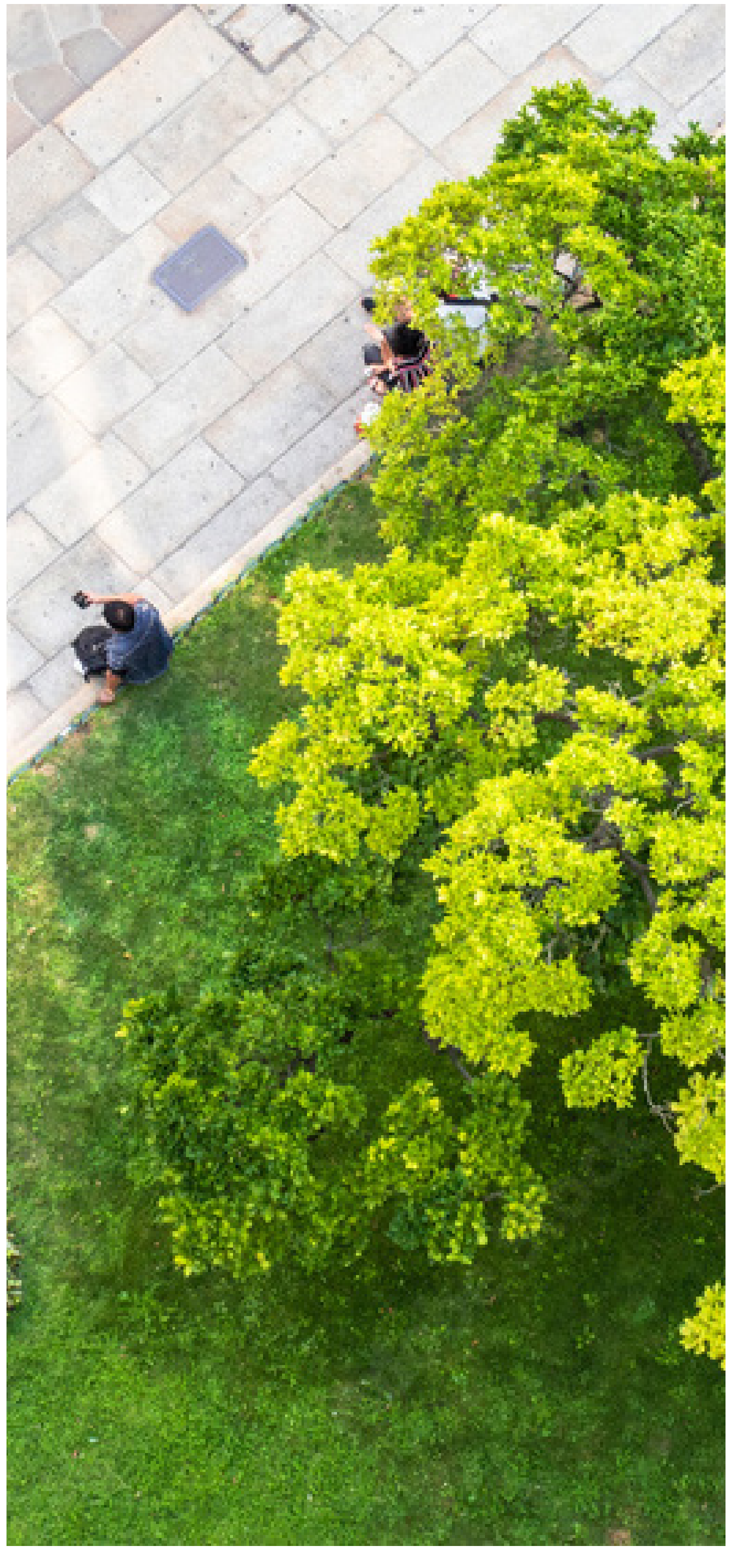
THE OPPORTUNITY



PRESERVE AFFORDABILITY FOR GENERATIONS

In December 2021, an affiliate of Jair Lynch Real Estate Partners ("Jair Lynch"), a leading owner and developer of mixed-use properties and attainable housing, acquired Barcroft Apartments (the "Property") as part of the firm's attainable housing strategy aimed at preserving and increasing affordable and workforce housing for families earning between 30% - 120% of the Area Median Income ("AMI"). The acquisition, supported by Arlington County and the Amazon Housing Equity Fund, represented an opportunity to preserve 1,335 apartment homes for families earning up to 60% of AMI for 99 years.

The 60-acre garden-style apartment community, which was placed on the market in Fall 2021, was the largest remaining naturally occurring affordable housing community in Arlington and stood at risk of being sold to market-rate housing developer(s). Jair Lynch's investment in the Property, in partnership with Arlington County and the Amazon Housing Equity Fund, ensured that the affordability of 1,335 homes would remain in place for generations and committed to ensuring no displacement of approximately 1,100 existing resident families (at the time of the acquisition).

AN UNPRECEDENTED PARTNERSHIP

Jair Lynch's $460 million investment in Barcroft Apartments was supported by $310 million of acquisition financing from the Amazon Housing Equity Fund and Arlington County. The investment and financing created a unique public-private partnership for a reimagined Barcroft neighborhood.

The Amazon Housing Equity Fund, with a more than $2 billion commitment to create and preserve affordable housing in Amazon's hometown communities, provided $160 million as a low interest rate loan to support this preservation effort. The Arlington County Board provided a loan of $150 million. Together, the $310 million of acquisition financing will be restructured and leveraged with other affordable housing sources as Jair Lynch renovates and replaces 1,335 homes on the Property.

Jair Lynch's investment and the financing provided will also be used to address site-wide repairs, add amenities, make property upgrades, and take steps to improve the residents' overall living environment in the Barcroft neighborhood.

OUR COMMITMENT

In addition to the commitment at acquisition to preserve 1,335 apartment homes for individuals and families earning an average of 60% AMI for 99 years, Jair Lynch promised that, regardless of income, existing residents would not be displaced. Jair Lynch also honored its commitment to 0% rental-rate increases for 2022 despite significant inflationary pressures on expenses and capital costs. Also as committed at the time of acquisition, the rent increases that started for all residents in 2023 have been no more than 3% per year up to the cap of 60% AMI until new or renovated homes were provided.

Since acquisition, through working with our partners, community advocates, and residents, Jair Lynch has been able to make additional commitments to our residents and community. They include:

- Committing to stabilize rents for all residents by continuing to cap rent increases at 3% even after moving into new or renovated home to ensure no current residents are displaced.
- Working with residents who cannot afford an up to 3% annual rent increase on a case-by-case basis to connect them to financial resources and, in some cases, further reduce or limit rent increases to ensure individual affordability.
- Providing new or substantially renovated homes to all current residents earning up to 80% AMI.
- Ensuring current residents earning over 80% AMI, and therefore are over-income for Low Income Housing Tax Credit ("LIHTC") financed homes, will have the option to stay at the Property in an un-renovated home or, when all homes have been renovated or replaced, in a newly built market-rate home.
- Extending commitments to all residents who occupy homes as of the date of an approved on-site Resident Relocation Plan for that phase of the project ("Current Residents") and who are in compliance with their leases.
- Deepening affordability by providing a minimum of 10% of affordable homes for individuals and families earning up to 30% AMI (134 homes total).
- Constructing a resident amenity center.
- Providing a minimum of 10% Type A accessible homes for the affordable homes developed in new buildings and strive to include Type A accessible homes in the renovation projects where feasible.
- Finding opportunities to create family-size homes in renovated buildings, where possible.
- Collaborating with County staff to allocate up to 10% of the homes as Permanent Supportive Housing (PSH).
- Reaffirming that our highest priority for our current residents is to provide them with a high quality, stable housing experience.

These commitments align with Jair Lynch's vision for community prosperity, which is fostered through housing stability, economic empowerment, and supportive resident services. In making these commitments, Jair Lynch strives to ensure the redevelopment of Barcroft Apartments is inclusive, equitable, and enduring. This approach emphasizes the creation of lasting affordability that can be maintained across generations, reflecting a deep investment in the long-term well-being of the community.

ABOUT JAIR LYNCH REAL ESTATE PARTNERS

WHO WE ARE

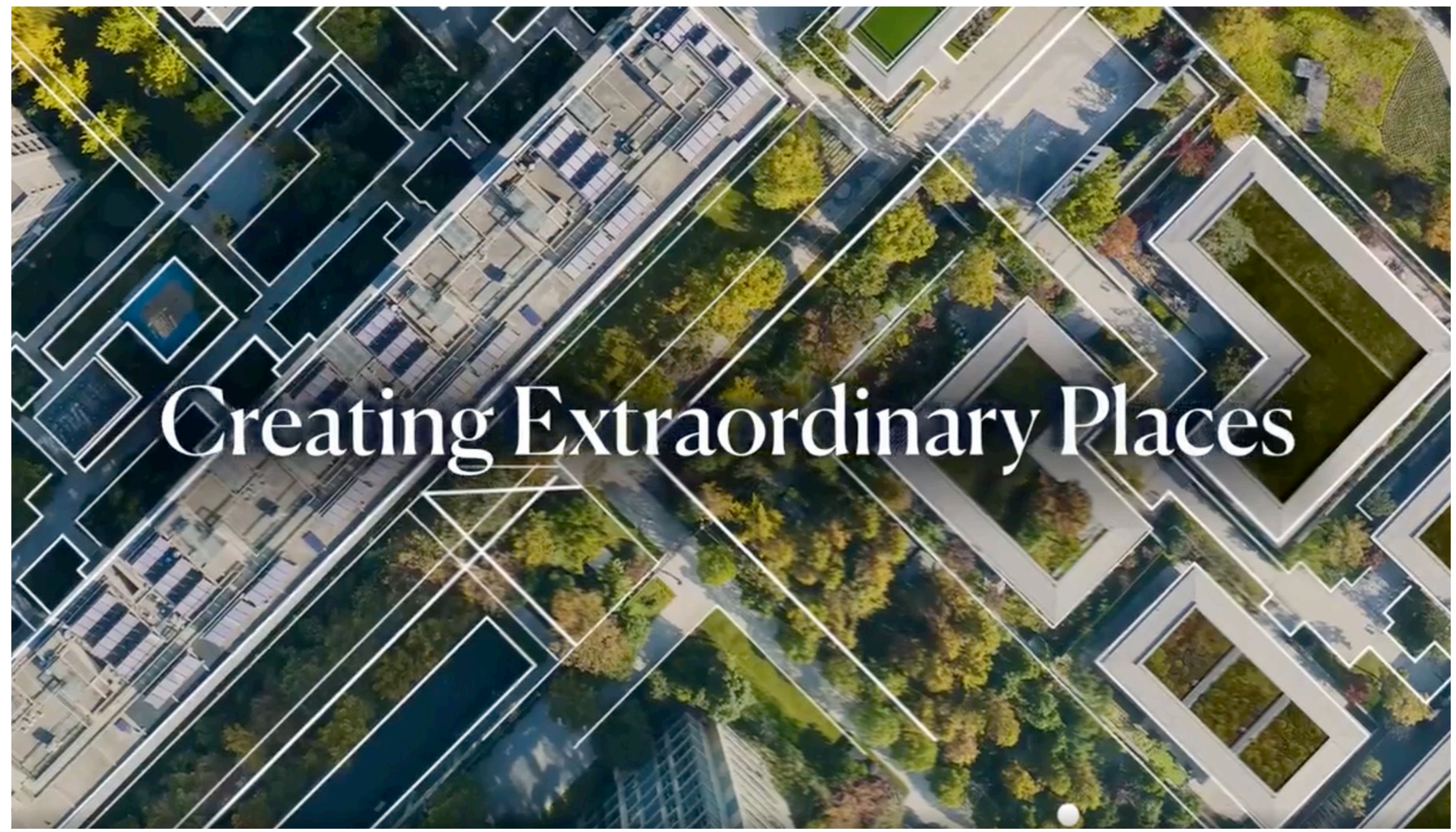
Specializing in the responsible transformation of walkable, urban places, Jair Lynch combines social responsibility with sound economic development to create sustainable, extraordinary neighborhoods that connect to the soul of a place. Founded on the mission to create ideas that inspire, buildings that are resilient, and places that are extraordinary, Jair Lynch seeks to be a catalyst of positive change for the people we serve by investing soundly, celebrating diversity, and creating neighborhood assets that will stand the test of time.

At Jair Lynch, we define prosperity as a state of economic, environmental, and personal well-being. Whether investing in attainable housing, like Barcroft Apartments, generating economic opportunity through the jobs our projects create, implementing sustainable design guidelines, or programming residential projects with robust resident services like health and wellness amenities, we seek to create opportunities for our residents, communities, investors, and partners to prosper.

JairLynch Real Estate Partners

WHAT WE BRING TO OUR RESIDENTS AND COLUMBIA PIKE

Jair Lynch is a mission-driven organization dedicated to generating value and opportunities for our residents, communities, partners, investors, and customers to thrive. Founded nearly 25 years ago on the principles of diversity, creativity, teamwork, and excellence, we have built a long-tenured team of committed and disciplined industry leaders whose collective commitment to do more and do good has resulted in the consistent delivery of neighborhood assets with direct positive impact on the communities we serve.



HOW TO READ THIS DOCUMENT

We create homes and communities, not apartments or buildings

We serve our residents and families, not tenants

We listen to resident feedback to improve our communities and our stewardship of them.

A home is a start; economic empowerment is the end goal

Sustainable living ensures a better future for all

A TEAM YOU CAN RELY ON

Certainty of Execution

With over 6,900 homes serving low- and moderate-income families developed or acquired to date and over 335 homes serving families earning below 30% AMI, we have the expertise, processes, and tools in place to execute on shared goals for the Barcroft and Arlington communities.

Seasoned Expertise & Established Relationships

Collectively, our senior leadership team possesses over 150 years of experience, and our firm has in place strong, committed relationships with respected, reputable financial institutions spanning decades. Our relationships with these valued capital partners provide us the unparalleled ability to ensure long-term project execution and the staying power required to accomplish the long-term goals of a project of this scale.

Dedication to Positive Impact

Our mission-driven dedication to creating a positive impact on the communities we serve is embedded across all facets of our work. We incorporate Environmental, Social, and Governance (ESG) principles across our work to ensure our projects are fair, equitable, and sustainable.

MASTER FINANCING AND DEVELOPMENT PLAN GOALS

PRIMARY PURPOSE

- Reaffirmed that the financing from Arlington County and Amazon will be sufficient to achieve the goals stated above based on today's market conditions.
- Summarize how the renovation and replacement of the 1,335 homes (LIHTC Projects) will be financed with affordable housing tools such as the Low-Income Housing Tax Credit (LIHTC) program, tax exempt bonds, gap financing, and other financing sources.
- Provide a roadmap for how the LIHTC Projects will be executed including minimum underwriting standards, sitewide affordability plan, phasing and on-site Resident Relocation plan, and project betterments.
- Summarize the restructuring of the acquisition sources and uses and terms for future refinancings of the acquisition loans from Arlington County and Amazon in the LIHTC Projects.
- Provide a roadmap for how Jair Lynch will take care of current residents of Barcroft and demonstrate that their housing is secured.
- Provide an updated vision for how the site can be renovated and redeveloped to support the financing plan, achieve the goals for Columbia Pike, implement best-in-class urban design guidelines, and enhance the lives of our current and future residents.

THE PROCESS

Since acquisition, Jair Lynch has brought forward ideas and tools to enable discussion with our partners, community, and residents about additional benefits and placemaking for the larger community that could be achieved and how those benefits can be realized through financing tools and land use changes.

- **December 2021** – Property Acquisition by Jair Lynch
- **January 2022 – October 2022** – Resident Outreach and Engagement
- **October 2022** – Master Financing and Development Plan ("MFDP") Submission by Jair Lynch
- **November 2022 – December 2023** – Additional Analysis, Resident and Community Meetings
- **December 2023** – Affordable Housing Financing Plan ("Financing Plan")
- **January 2024 – July 2024** – Land Use Review Process
- **July 2024** – County Board considers approval of the MFDP, adoption of 2024 updates to the Columbia Pike Initiative – A Revitalization Plan and the Columbia Pike Neighborhoods Area Plan, and authorize advertisement of public hearings to consider proposed amendments to the General Land Use Plan (GLUP) and Master Transportation Plan (MTP).

- Jair Lynch and our team of expert planners, designers, and engineers have studied the site in depth as well as the current guidance for future development of portions of the Property as envisioned in the Columbia Pike Commercial Form Based Code ("FBC") and Neighborhood FBC ("N-FBC"). From this strong baseline, the team looked for opportunities to adjust the land use plan to achieve and enhance the plan based on the vision for Columbia Pike and the needs and desires of our residents. The team also explored a range of other goals around significant topics for discussion including sustainability and environment, open space, transportation and connectivity, digital equity and inclusion, and community uses which would be funded through gap financing or other funding sources.
- Once the Financing Plan was approved by the County Board, a six-month community engagement process was initiated to evaluate the remaining Site Redevelopment Plan. The goals and the process for this plan are further described in Section 5.

HOW TO READ THIS DOCUMENT

This Master Financing and Development Plan ("MFDP") has been created to summarize and share our vision, goals, analysis, findings, and opportunities for the preservation and future new construction throughout the Barcroft Apartments community with Arlington County and the Arlington community at large.

- **Section 1: Introduction** details the inception of this generational preservation and new construction opportunity, summary of our commitments, and the purposes of the MFDP.
- **Section 2: Property Background** provides a background and context for the Property including an overview and analysis of the existing site, structures, and current policy guidance.
- **Section 3: Our Residents** details what our team has learned about our valued Barcroft residents and the multitude of ways in which we have engaged with residents and community advocates to gather critical information that will better inform the needs and desires we are committed to serving long-term and receive feedback on our plans.
- **Section 4: Affordable Housing Financing Plan** outlines the Affordable Housing Financing Plan approved in December 2023 that makes the achievement of our collective goals possible. The entire approved Affordable Housing Financing Plan is also included as an appendix.
- **Section 5: Site Redevelopment Plan** outlines the updated vision for the renovation and redevelopment of Barcroft for the betterment of the financing plan, residents' quality of life, the surrounding community, and Arlington County. This section also outlines the six-month engagement process to gather community input to help shape the new vision.
- **Section 6: Phasing Plan** explains and illustrates how our resident first approach drives our phasing plan.
- **Section 7: Looking Ahead** focuses on how the MFDP will be implemented and near- term next steps.
- **Section 8: Acknowledgments** recognizes all who are making this once-in-a-generation project a reality.
- **Section 9: Appendix** Barcroft Apartments Program Wide Affordable Housing Financing Plan approved by Arlington County Board in December 2023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02 | PROPERTY BACKGROUND

- Property Overview
- Site Analysis
- Current Land Use Guidance and Goals

PROPERTY OVERVIEW

The Barcroft Apartment site is a 60-acre site located on the Columbia Pike corridor in the Douglas Park Civic Association boundary. Most of the site is bound by Columbia Pike, South George Mason Drive, and South Four Mile Run Drive. The site continues, extending along South Four Mile Run Drive across the street from the Barcroft Community Center. Within the Property, South Thomas Street, South Wakefield Street, and 16th Street South bisect the site with a private street network connecting the buildings.

The Property is located one mile south of Route 50, two miles East of Bailey's Crossroads, and seven miles west of downtown DC. The Barcroft apartment community also has proximity to the Washington and Old Dominion (W&OD) Trail allowing for pedestrian and bicyclist access across Arlington County. Doctor's Run Park borders the site along South George Mason Drive. Barcroft Park and Allie S. Freed Park are directly across the street from the southern portion of the site with additional parks in the greater neighborhood.

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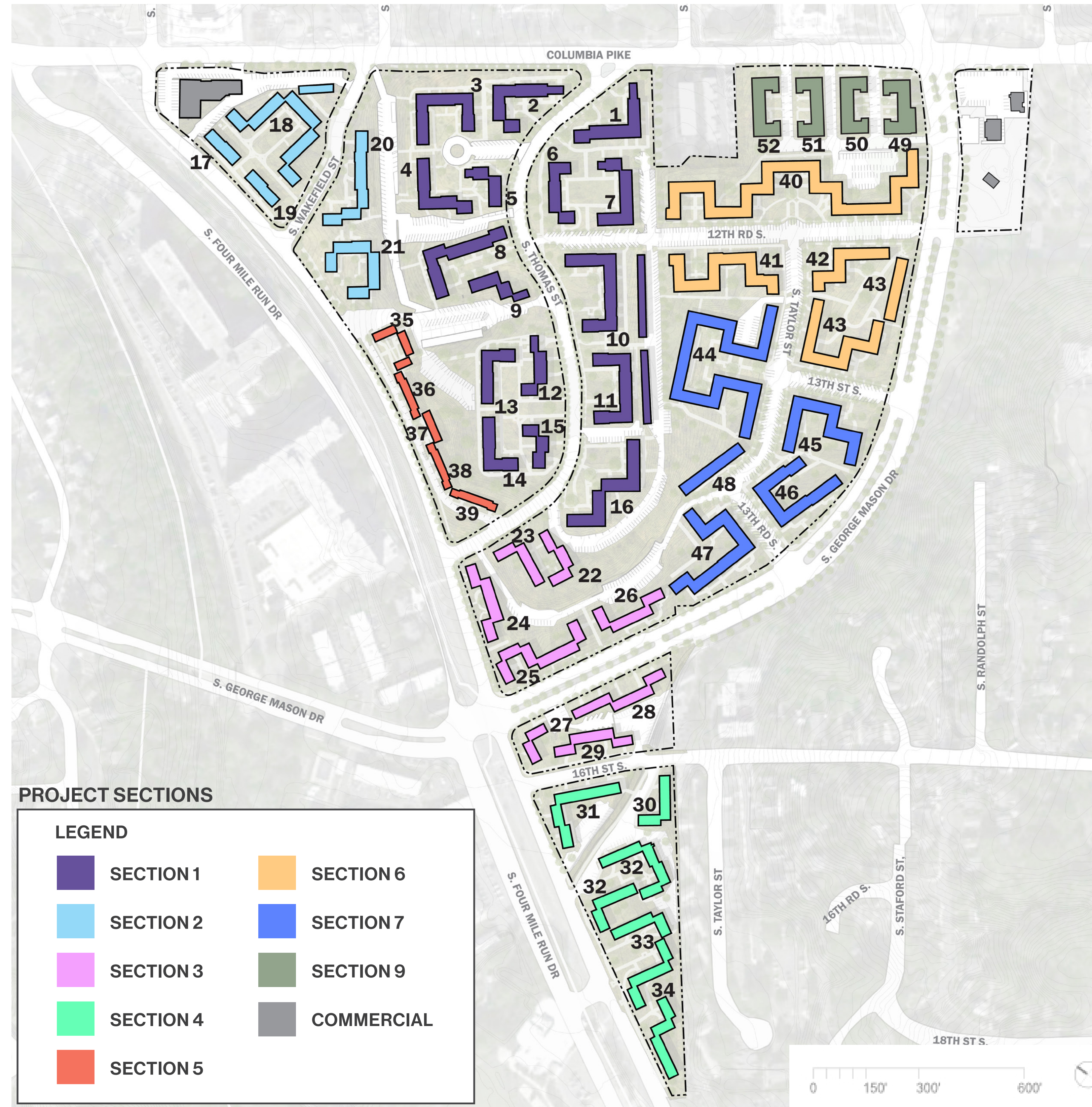
PROPERTY DETAIL

The 52 residential buildings and one commercial building on the site were built in eight sections (1, 2, 3, 4, 5, 6, 7, and 9) over a ten-year period. The existing 1,335 apartment homes include the following apartment mix broken down by section.

SECTION	STUDIOS	1 BEDROOM	2 BED-ROOMS	3 BED-ROOMS	TOTAL
1	7	313	101	0	421
2	0	52	53	0	105
3	0	29	109	0	138
4	1	0	112	0	113
5	0	0	31	0	31
6	1	101	122	0	224
7	5	167	78	0	249
9	0	0	6	47	54
TOTAL	**14**	**662**	**612**	**47**	**1335**



HISTORY

Barcroft Apartments is comprised of 52 Colonial Revival-style Garden apartment buildings set within a 60-acre landscaped setting and one supporting commercial building. The community was constructed to meet the housing needs of a rapidly expanding government workforce during and after World War II. It was developed in two phases and includes eight sections. The first phase, constructed between 1941 and 1945 and designed by architect William H. Harris, includes Sections 1, 2, 3, 4, 5, and the commercial building at the western corner of the Property. The second phase, constructed following World War II between 1947 and 1951 and designed by Albert Leuders, includes Sections 5, 6, 7, and 9 on the eastern side of the development. Both phases of development were designed in keeping with garden apartment planning principles with buildings set within a park-like setting; however, the second phase deviates from the design of the earlier sections with the introduction of much larger and longer buildings and increased parking lots which erode the original garden apartment plan. All buildings were designed in the colonial revival style with variations in the level of detailing and quality of materials reflecting the different architects and construction timeframes.

The Barcroft Apartments complex was determined eligible for listing in the National Register of Historic Places by the Virginia Department of Historic Resources in 2007. Jair Lynch engaged EHT Traceries, Inc. to prepare updated National Register documentation to confirm its eligibility in 2024. The team hopes to have the complex listed on the National Register of Historic Places by the end of 2024.

HISTORICAL CHARACTER-DEFINING ELEMENTS

There are several historical character-defining elements that can be carried through the design of new development and the rehabilitation of existing buildings.

These include:

- “C”- or “L”- shaped blocks forming large exterior courtyards
- Colonial revival style design
- Red brick cladding laid in an American bond
- Cross and side gable roofs
- Detached garages

SITE ANALYSIS

MULTI-MODAL TRANSIT RICH SITE

The Property, although not Metrorail adjacent, is a transportation-rich location. The site is on the Columbia Pike Premium Transit Network, which is served by ten active bus routes including ART and Metrobus routes. As a result, residents can conveniently access the greater Arlington area encompassing Forest Glen, Shirlington, North Arlington, Marymount University, Ballston, Virginia Square, Courthouse, Rosslyn, The Pentagon, Fort Myer, The National Mall, and Downtown DC.

Along with bus routes, there are two Capital Bikeshare locations adjacent to the site, several e-scooter and e-bike corrals, and multi-use trails along South George Mason Drive and the W&OD Trail, allowing safe bike access throughout Arlington and into DC.

The ongoing Columbia Pike Multimodal Street Improvements and South George Mason Drive Multimodal Transportation Study will only continue to improve transportation options for the community.

COMMUNITY FACILITIES

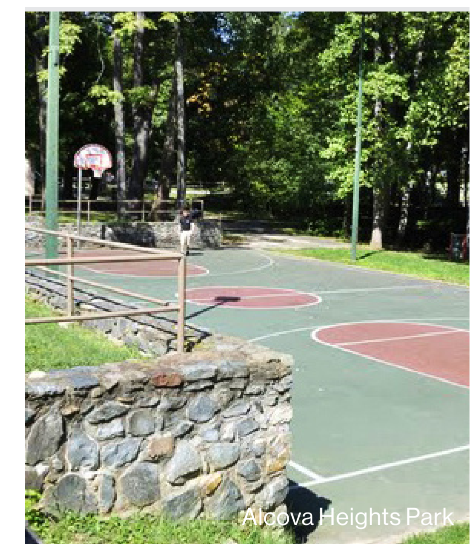
The larger Barcroft Community is rich in amenities. Community members can take advantage of the local community center, fields, and park directly across South Four Mile Run Drive at Barcroft Community Center and Barcroft Park. The Arlington Mill Community Center is also easily accessible from the Property. Community gardens are accessible directly between Barcroft Apartments and the Barcroft Community Center. Doctor's Run Park is a popular park for residents, and other parks such as Alcova Heights Park and others along the W&OD and Four Mile Run Trails are also accessible to residents.

ACCESS TO COMMERCIAL NODES

Barcroft is situated centrally along Columbia Pike, which provides access to retail and other commercial services along the corridor. Other regional commercial nodes such as Ballston, Rosslyn, Shirlington, and National Landing are also accessible from the Property.


Doctors Run Park


Barcroft Community Center

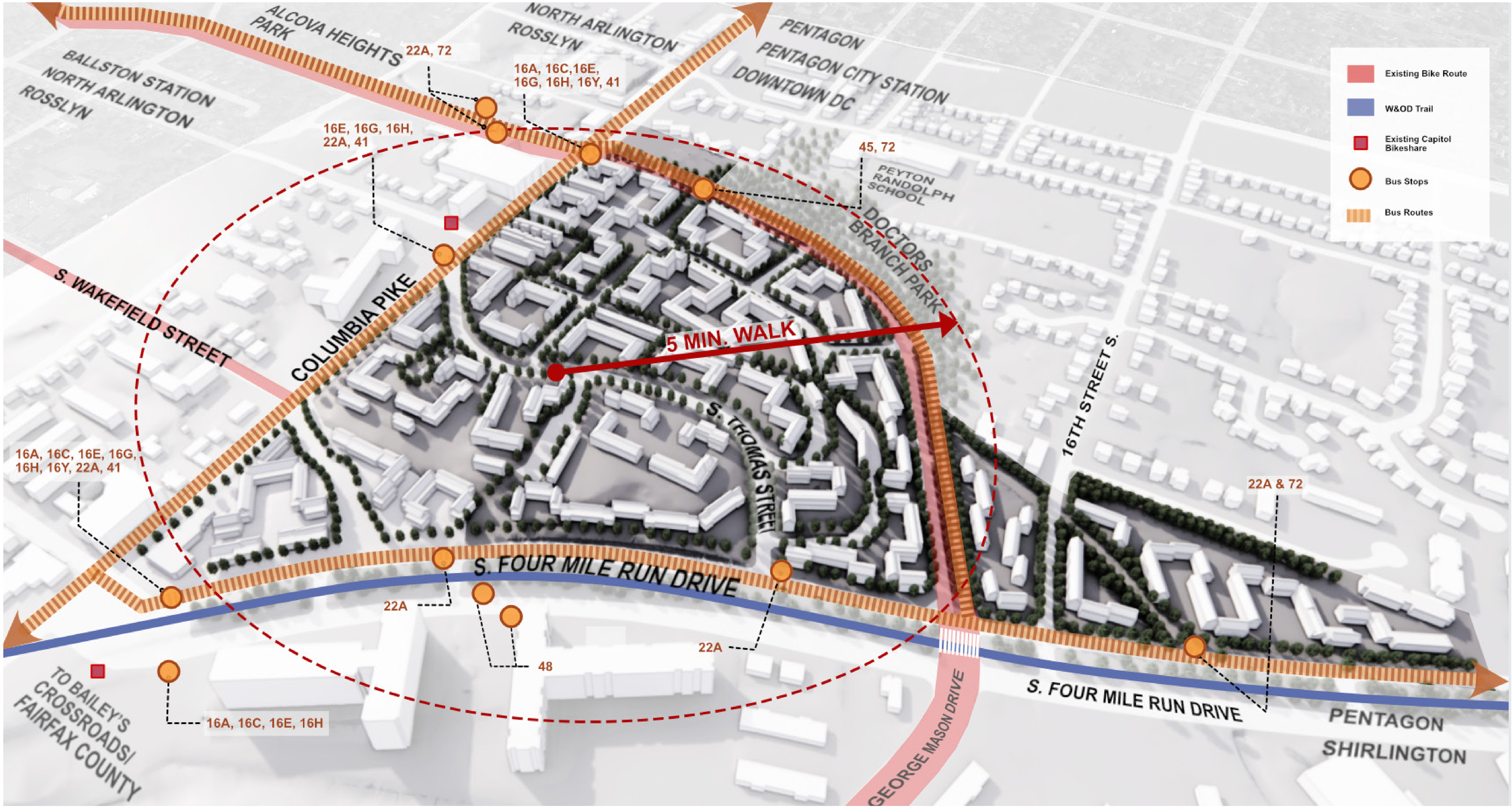

Alcova Heights Park

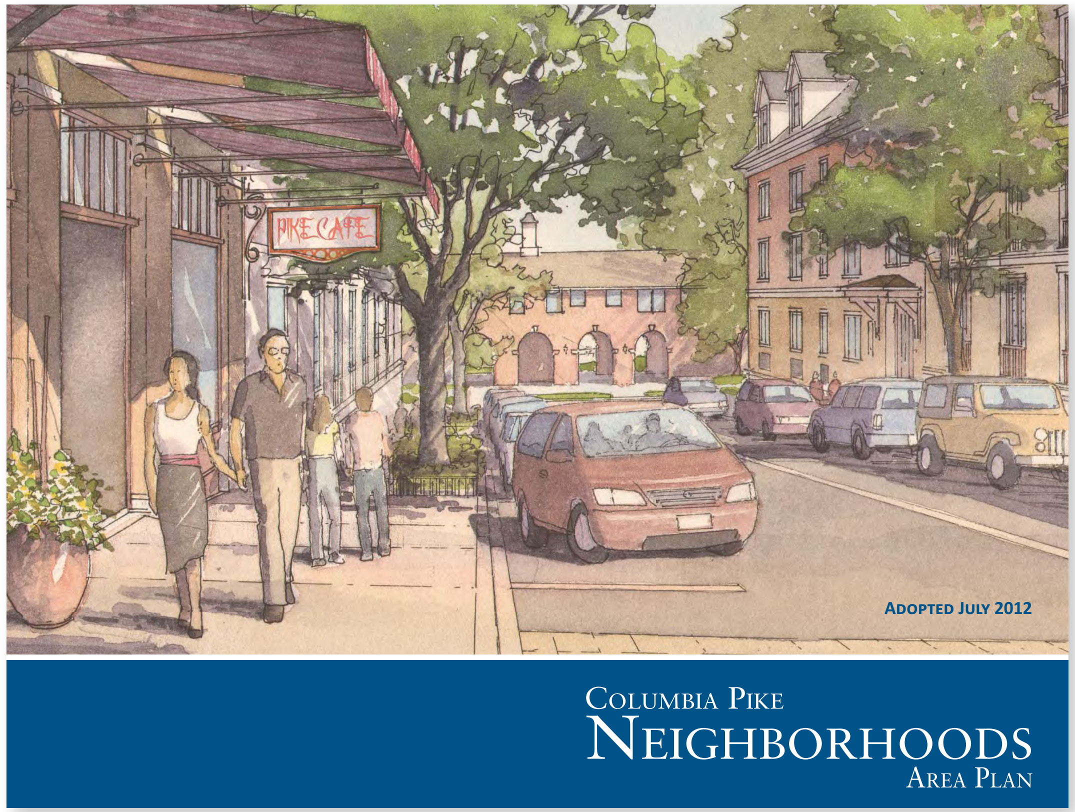

Barcroft Park

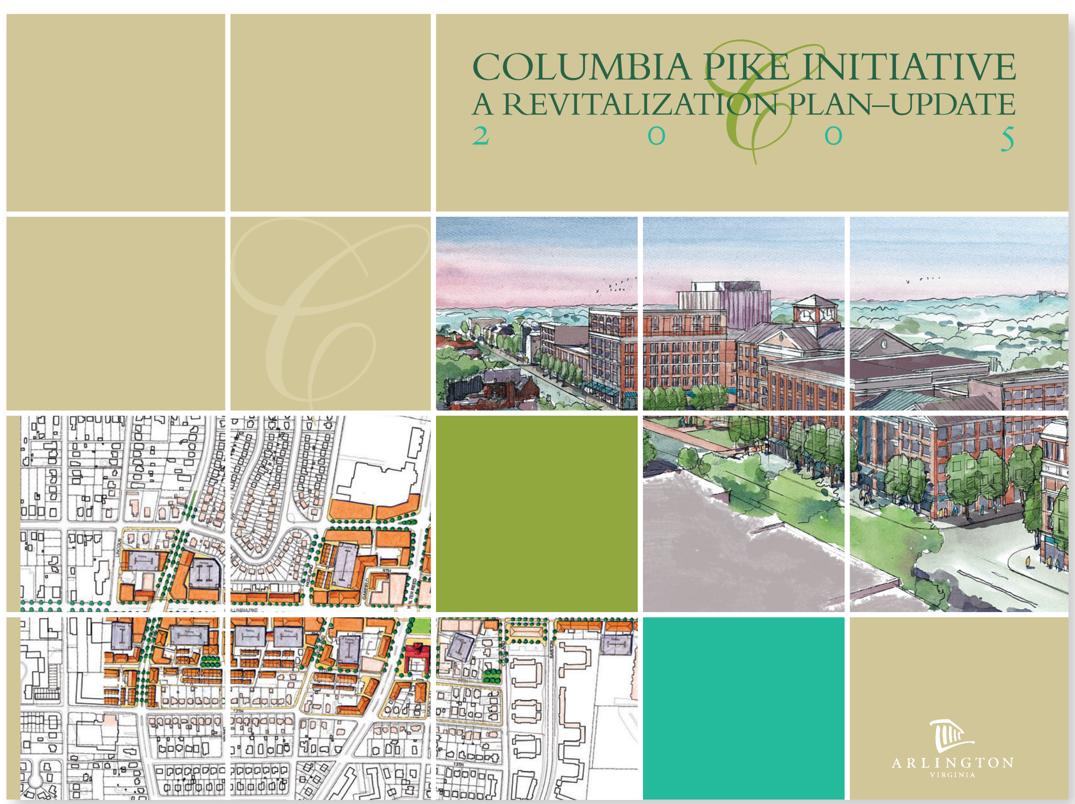

Columbia Pike


Arlington Mill Community Center

SITE CONTEXT AND CONNECTIONS







CURRENT LAND USE GUIDANCE

The Columbia Pike Initiative – A Revitalization Plan (2005) and the Neighborhoods Area Plan (2012) led to the creation of both Form Based Code zoning tools and represent the most detailed, site-specific land use guidance for Barcroft Apartments. Further, there are several Comprehensive Plan elements and sub-elements that have been created or updated since the original vision for Barcroft was established in 2005/2012. Many of these documents offer County-wide guidance, goals, and objectives while reinforcing the vision already prescribed in the Columbia Pike Initiative and Neighborhoods Area Plans. These elements and sub elements include:

- General Land Use Plan (2013/2023)
- Affordable Housing Master Plan (2015)
- Master Transportation Plan (2017)
  - Pedestrian Element (2011)
  - Street Element (2016)
  - Transit Element (2016)
  - Bicycle Element (2019)
- Public Spaces Master Plan (2019)
  - Public Art Master Plan (2021)
- Community Energy Plan (2019)
- Forestry & Natural Resources Plan (2023)
- Stormwater Master Plan (2014)
- Historic & Cultural Resources Plan (2023)
  - Historic Resources Inventory (2011)

Several of the major objectives identified in the adopted vision that are also reflected in this proposal, include:

- A focus on two primary Development Areas (both northern corners of the Property)
- A central corridor ("historic spine") and southern sections of the Property are preserved
- Integration of adjacent parcels currently governed by the Commercial FBC into the Neighborhoods FBC to create a more cohesive development across the site.
- Planned public spaces and new streets delivered to support planned growth and network expansion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03 OUR RESIDENTS

- Outreach and Engagement
- Commitments to Our Residents

OUTREACH AND ENGAGEMENT

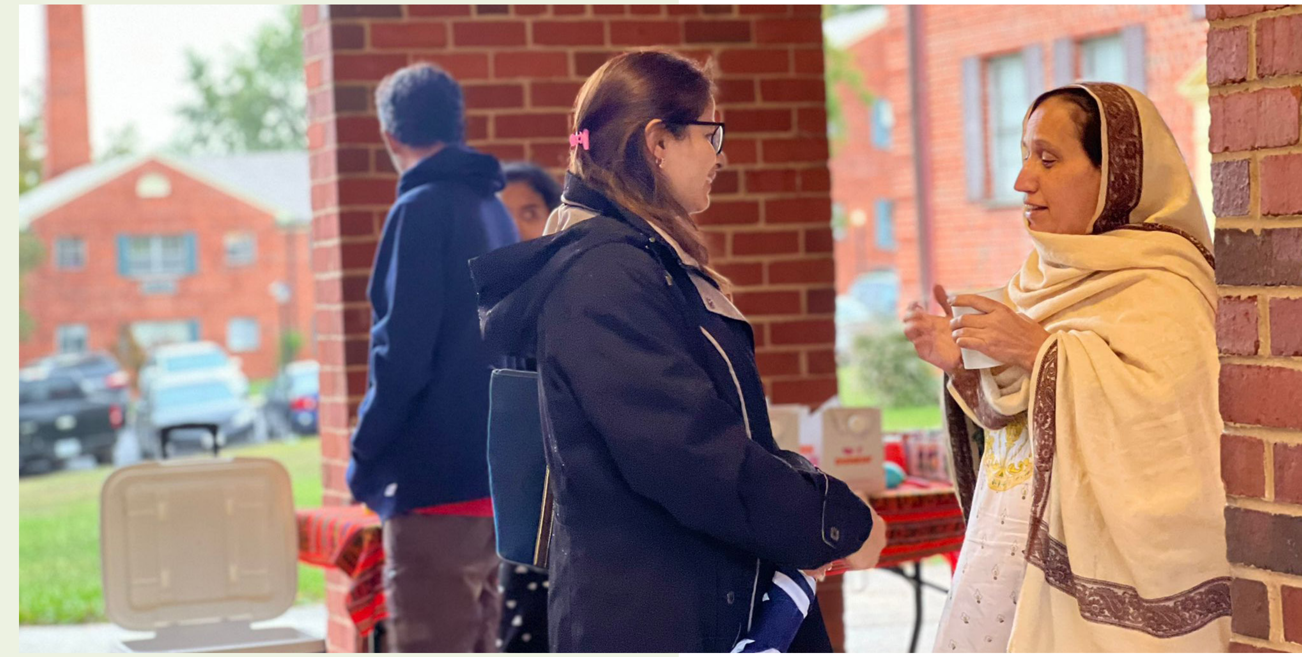
OVERVIEW OF INITIAL OUTREACH

A RESIDENT-FIRST APPROACH

Initial meetings with County staff and Jair Lynch outlined a resident-first approach to engagement with the Barcroft community. This meant that in the first year of ownership, getting to know and hear from current residents was the main priority. Partnering with the Gates Hudson property management team has allowed Jair Lynch to foster a vibrant Barcroft community with active resident involvement. Through robust outreach and engagement, we have sought to understand the needs of our residents and get their feedback on our proposed ideas. This initial engagement continued throughout the MFDP process and will persist as we deliver on the vision of a reimagined Barcroft.

In December 2021, the Gates Hudson team began management of Barcroft Apartments and supported Jair Lynch with a robust outreach effort to meet and learn about our residents and families. The team connected with residents in a variety of ways including door-to-door introductions, a virtual meet-and-greet, information sessions, an open house, a new resident portal, and one-on-one meetings.

We also programmed and hosted resident events to recognize the diverse cultures and families at Barcroft and added a monthly social hour to give residents an opportunity to voice concerns and share their experiences with the Gates Hudson team. Our efforts between December 2021 and October 2022 represented nearly 68 hours of resident engagement and events including thirteen Popcorn Fridays, six Summer Movie Nights, one Back-to-School Book Bag Distribution, two Grab-and-Go Breakfast events, two summer festivals with games and activities, and seven social events featuring various foods, music, and wellness awareness activities.



HOME WALKS AND RESIDENT SURVEY

Following Gates Hudson's transition onto the Property, the team utilized data from our due diligence walk to address known issues and completed preventative maintenance. This included a series of checks to examine conditions and ensure the functionality of PTAC filters, ceilings, walls, appliances, pest control, tile flooring, etc. During these checks, all deficiencies were noted, and service requests were filed into our maintenance system to ensure that all deficiencies would be addressed in a timely manner.

The team then prioritized tickets and worked to address each one in-house or through various vendors depending on the type and scale of the item in need of attention. The team continues to conduct frequent maintenance checks in a proactive effort to conduct preventative maintenance and ensure quality, functional homes for our residents. In addition, the team has also implemented a full pest control strategy, which includes increased individual in-home service as needed.

At acquisition, the Jair Lynch and Gates Hudson team received extremely limited information regarding who lives at the Property. This challenge led to a three-month resident survey project to collect crucial data to understand who our residents are and their potential needs.

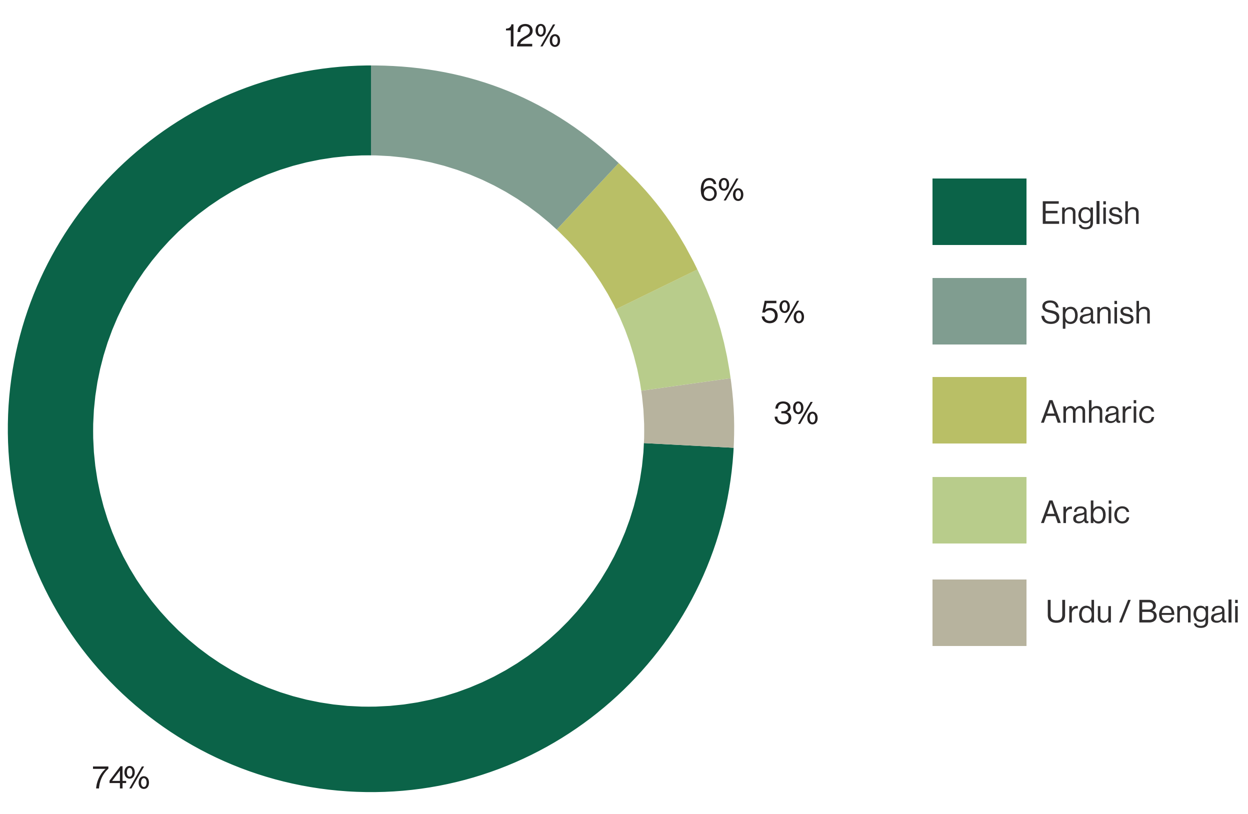
To best serve and collect data from a community as vast as Barcroft, we utilized a variety of communication and incentive methods to encourage residents to participate.

Methods included:
- Mailing of printed surveys in multiple languages
- Printed posters adhered to doors and walkways
- Digital messages and emails with survey links
- In-person events with food and entertainment on site

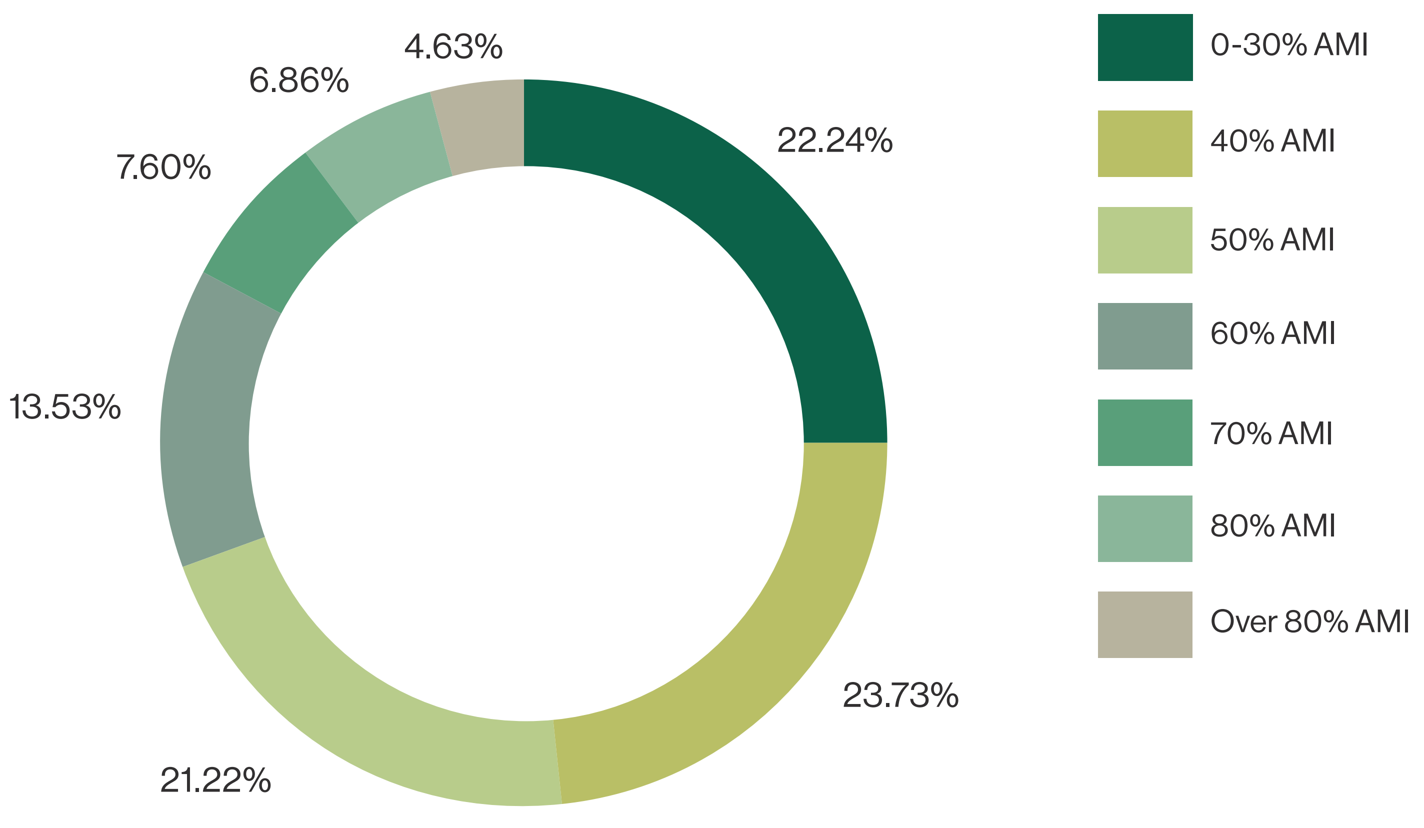
RESIDENT SURVEY RESULTS

The survey response rate was extremely successful, exceeding 92%. The self-reported data collected was highly informative and allowed us to better understand the needs of our residents and to establish programs and operational protocols to respond to them effectively. The Barcroft community is comprised of rich and diverse cultures with several different languages spoken. Although we did not find it critical at this point to determine employment categories, we were able to identify the self-reported income levels of our residents. Below are the AMI income levels of current residents based on reported income and household size:

PREFERRED LANGUAGE SPOKEN



AMI INCOME LEVELS



RESIDENT ASSISTANCE AND SERVICES

In response to the survey results, the Barcroft Resources team immediately started working with County rental assistance programs, food and clothing distribution agencies, workforce employment organizations, aging and disability agencies, and local Parent Teacher Associations (PTAs) to help meet the potential needs of Barcroft residents. Some examples of people we met, facilities we toured, places where we distributed information, and agencies we invited to resident events include:

Rental Assistance:

- County DHS Housing Choice Assistance Program
- County DHS Housing Grants
- Arlington Thrive
- Salvation Army

Food and Clothing:

- Arlington Food Assistance Center (AFAC)
- Supplemental Nutrition Assistance Program (SNAP)
- SHARE Food Network
- Our Lady Queen of Peace Catholic Church
- Salvation Army

Workforce Employment:

- Shirlington Employment and Education Center (SEEC)
- La Cocina VA
- Arlington Back to Work Program

Aging and Disability:

- County DHS Aging & Disability Services Division
- AARP
- Developmental Disability Services
- Home Delivered Meals

PTA:

- Randolph Elementary School
- Barcroft Elementary School

In addition to establishing partnerships with Arlington County resources, we also expanded our social media presence to include information that speaks to the needs of families and the senior Barcroft community, with articles and links to:

Encore Learning: Links to catalogs and information to register with Encore Learning classes on myriad topics for Arlington residents ages fifty and over

Arlington County Clinics: Dates for free immunizations for children and pets

Affordable Connectivity Program: Information and application for free internet

OVERVIEW OF INITIAL ENGAGEMENT STRATEGY

RESIDENT EVENTS: VARIETY OF WAYS TO CONNECT

- SummerFests
- Movie Night Series
- Breakfast on the Go
- Popcorn Fridays
- “Text To” Survey questions on resident preferences
- Many other small events and activities to connect and engage with residents

BEBARCROFT.COM: RESIDENT-FOCUSED WEBSITE

- General Info
- Goals
- FAQs
- Calendar
- Updates
- Feedback-Survey Questions
- Over 1,550 total comments

INFORMATIONAL VIDEO SERIES (Click Below)

- Introduction to the GH/JL Teams
- Katie Cristol helps explain the planning process and the importance of Barcroft Apartments to Arlington County
- What to expect under Jair Lynch ownership of Barcroft Apartments and its future
- Get to know BeBarcroft website and how to share your thoughts with us

RESIDENT EVENTS

Summerfests

Two family-friendly festivals featuring entertainment, activities, and food trucks.

Attendance: More than 1,200 residents per event, held on July 16th and August 13th of 2022. More than 250 residents per event completed surveys and questionnaires.

Movie Night Series

A summer series of family-friendly movies.
Average Attendance: 50 residents

Activities:

- Website sign-up
- Blanket giveaway
- Community resource flyers
- Lawn survey signs

Other Engagement Efforts

Utilized several approaches to connect and engage with as many residents as possible:

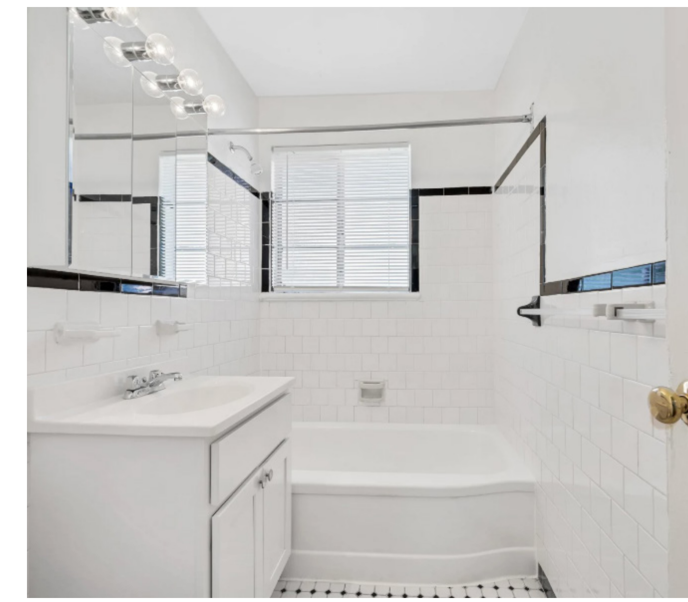
- October Resident Town Hall
- Breakfast on the Go
- Picnic Blanket Giveaway
- Popcorn Fridays
- “Text To” survey questions on resident preferences, and more!





SAMPLE RESIDENT FEEDBACK

We asked what apartment upgrades would be most helpful in residents' homes. The answers informed our list of items to include in renovated and new apartment homes.



56%
IN-UNIT WASHER & DRYER

47%
KITCHEN UPGRADES

46%
HEATING & COOLING UPGRADES

34%
BATHROOM UPGRADES

17%
LOW-COST HIGH-SPEED INTERNET

OTHER SURVEY RESULTS

TOP OUTDOOR AMENITIES:

- Swimming Pool
- Playgrounds
- Outdoor Grills
- Sport Courts

TOP INDOOR AMENITIES

- Fitness Center
- Game Room
- All-Purpose Room
- Community Clubroom/Lounge

TOP COMMUNITY AMENITIES

- Walkable Shops and Services
- Central Green for Community Events & Gatherings
- Interactive Water Features or Ice Rink

TOP RESIDENT SERVICES

- Social Services/Assistance Program
- Education Programs for Adults and Children
- Computer Literacy & Technology Support
- Health & Wellness Programs & Activities

CONTINUED ENGAGEMENT

Building on the initial engagement effort and using the resident feedback, we developed the scope for the first renovation phase. We held town hall meetings for all residents and provided FAQs in multiple languages to help communicate the renovation and on-site relocation plan. We also held a meeting specifically for the residents of the first renovation phase, which included live translation to Spanish and all documents provided in English, Spanish, Amharic, Arabic, and Bengali. FAQs were developed, in addition to the town halls, and we presented the MFDP and the first renovation plan in context to the Arlington Community Foundation and other community groups, the Housing Commission, and the Tenant Landlord Commission.

To support the MFDP efforts and continue to improve the relationship between residents and property management staff, the team has held regular events related to community engagement, financial literacy, education, health and wellness, and social services. Starting in 2023 these events include a monthly Residents Voice meeting to encourage residents to share feedback and input about their community and apartment homes and to allow residents to ask staff questions outside of regular business hours.

COMMITMENTS TO OUR RESIDENTS

Since acquisition, Jair Lynch has worked with our partners, community advocates, and residents during the initial engagement and the MFDP process to make strong commitments to our residents.

- Ensure no current resident is displaced by stabilizing rent for all residents.
- Working with residents who cannot afford an up to 3% annual rent increase on a case-by-case basis helps connect them to financial resources and, in some cases, further reduce or limit rent increases to ensure individual affordability.
- Provide new or substantially renovated homes to all current residents earning up to 80% AMI.
- Provide an option for all residents earning over 80% AMI to move into unrenovated homes on-site with rent increases remaining capped.
- Extend commitments initially reserved for Legacy Residents to Current Residents (residents who occupy homes as of the date of an approved Resident Relocation Plan for that phase of the project and who are in compliance with their leases).
- Provide deepened affordability by providing a minimum of 10% of affordable homes for individuals and families earning up to 30% AMI (134 homes total) at Barcroft.
- Construct a resident amenity center.
- Provide 10% Type A accessible homes for the affordable homes developed in new buildings and strive to include Type A accessible homes in the renovation projects where feasible to support residents with accessibility needs.

DURING THE RENOVATION AND CONSTRUCTION PROCESS

The renovation and construction process will take place over several years and requires a thoughtful approach to interim transfers of residents. Our commitments to this process include the following:

- Engage a third-party housing relocation specialist to assist residents throughout the entire relocation process.
- Conduct individual household interviews to determine the needs of each resident.
- Provide a minimum of 120 days' notice for transfers.
- Obtain an approved Resident Relocation Plan for every phase, which will be considered by the Tenant Landlord commission and approved by the County prior to when 120-day notices are issued.
- Cover all transfer-related expenses for residents including materials and professional, bonded, and insured moving companies.
- All residents will be transferred to comparable homes.

COMMITMENT TO COMMUNICATION

Since Jair Lynch first acquired the Property, the team has been committed to clear and consistent communication with all our residents through every step of the initial engagement. Communication will continue to be one of our most important commitments to our residents throughout this multi-year process as we work to realize the reimagined Barcroft.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04 | AFFORDABLE HOUSING FINANCING PLAN

- Background
- Program Wide Development Summary
- Program Wide Policy Summary
- Program Wide Financing Strategy
- Additional Information

BACKGROUND

The Affordable Housing Financing Plan ("AHFP") sets forth Jair Lynch's plan for the sitewide restructuring of the sources and uses to enable the renovation and re-development of the 1,335 homes (LIHTC Projects) at Barcroft apartments across multiple phases. The LIHTC Projects will utilize affordable housing financing tools such as the Low-Income Housing Tax Credit ("LIHTC") program, tax exempt bonds, gap financing, and other financing sources. The AHFP provides terms for future refinancing of the $310 million total acquisition loans from the Arlington County Board and Amazon's Housing Equity Fund ("Lenders") into gap financing for purposes of participation in LIHTC or other affordable housing financing sources.

The AHFP also sets forth affordable housing policy goals, financing strategies, and other terms to support the financing plan. The AHFP is one component of the Master Financing and Development Plan and was considered and approved by the Arlington County Board in December 2023. The following pages in this section highlight and summarize the development summary, policy summary, and financing strategy from the approved AHFP. The fully approved AHFP can be found in the appendix.

PROGRAM WIDE DEVELOPMENT PROGRAM

SITE REDEVELOPMENT PLAN

Jair Lynch has compiled a comprehensive Site Redevelopment Plan for the development of the 60-acre Barcroft Apartment site in Arlington, VA (the "Development Plan") that envisions the following:

1. Preservation of 1,335 units of affordable housing (the "Affordable Housing Component"). The Affordable Housing Component is comprised of:
   - Renovation of approximately 922 existing garden style apartments
   - Redevelopment of approximately 413 existing garden style apartments with 1 for 1 replacement in new affordable housing developments. The final number of renovated and redeveloped units are subject to County Board approval of the proposed County policy and zoning amendments and subsequent Form Based Code Use Permit application in its role as the regulatory authority (versus in its role as a Lender).
   - Development of a resident amenity center serving the Affordable Housing Component.
2. New construction mixed-use development (as defined as "Ancillary Commercial Development Component" in the Affordable Housing Financing Plan)

COMMITTED AFFORDABLE UNITS RENOVATION AND NEW CONSTRUCTION PROJECTS

All income qualified Current Residents at Barcroft will have the opportunity to live in a renovated or new home at Barcroft. Current Residents who lived at Barcroft prior to December 29, 2021, who are not income qualified will have the opportunity to remain at Barcroft in accordance with the Program Wide Affordability Plan set forth herein.

Committed Affordable Units ("CAF") Renovation Projects - will upgrade homes with improved mechanical, electrical, and plumbing components, including kitchens and baths and will have features typical in today's modern apartment homes. CAF Renovation Projects utilizing financing from Virginia Housing will comply with then-current Minimum Design and Construction Requirements ("MDCR") set forth by Virginia Housing.

CAF New Construction Projects - will build new homes with features typical of today's modern apartment homes. CAF New Construction Projects utilizing financing from Virginia Housing will comply with the MDCR.

Landscape changes may include improvements to courtyards and streetscapes. Hardscaped areas such as sidewalks, retaining walls, streets and curbs will also be maintained and repaired as necessary.

RESIDENT AMENITY CENTER

A new Resident Amenity Center will be constructed and have a program including, but not limited to, a leasing office, business center, multipurpose space, gym, and a to-be-determined set of outdoor amenities. Jair Lynch will seek input from the residents on what amenities and programming they would like included and make efforts to accommodate their feedback when financially feasibility. The Resident Amenity Center will be included in the underwriting proforma of a Phase. Each Phase will contribute to an operations fund for a Resident Amenity Center.

PROGRAM WIDE POLICY SUMMARY

Jair Lynch will adhere to the following minimum affordability standards ("Program Wide Affordability Plan"):

- The planning for each Phase, as described below, will comply with the Affordable Housing Component requiring that 100% of residential units are affordable to residents at an average of 60% AMI for the term of the Covenant.

- All residents who occupy units in any Phase as of the date of an approved Resident Relocation Plan for such Phase, ("Current Residents") and whose household income is less than 80% of AMI (as determined by an income certification process to be completed prior to Final Underwriting Package) shall receive a fully renovated or newly constructed residential unit at their then-current rent and thereafter, annual rent increases shall be capped at 3.0% per year, not to exceed 60% AMI, or the corresponding rent level assigned to the particular unit (i.e. units that may be designated at other income levels such as 50%, 70%, 80%, etc.) for as long as such resident remains at the Property. All Current Residents whose household income is greater than 80% of AMI (as determined by an income certification process to be completed prior to Closing (herein defined)) shall have the option to relocate to an unrenovated unit of comparable size elsewhere at Barcroft and shall have annual rent increases capped at 3.0% for as long as such resident remains at Barcroft. Should these Current Residents remain at Barcroft through the closing of the final affordable housing Phase, they will be offered new construction units in the market rate component of Barcroft and continue to have annual rent increases capped at 3.0% for as long as such resident remains at Barcroft.

- At least 10% of the 1,335 units across the Affordable Housing Component shall be affordable to households whose income is less than 30% of AMI. Such units shall be made available according to the process outlined in the "30% AMI Units - Household Selection Process" included as Exhibit A. Parties acknowledge that individual Phases may have varying affordability levels, which shall be recorded in a Declaration of Restrictive Covenants, provided that the requirement herein is met in aggregate across the Affordable Housing Component.

- Up to 10% of the 1,335 units across the Affordable Housing Component may be leased at rents up to 80% of AMI.

- If property management discovers that any unit has a number of occupants which exceeds its maximum allowed, strategies will be explored to help mitigate the overcrowding, such as determining eligibility for rent assistance which would allow some occupants to move into a second unit.

To accommodate Current Residents between 60-80% AMI, "income averaging" will be used for certain Phases. As such, applications for LIHTC and bond financing, annual certifications, and reports may necessitate that certain units (including those occupied by current residents) be identified as 30%, 40%, 50%, 60%, 70%, or 80% AMI units as needed to maintain a blended average of 60% AMI. However, all Current Residents will still be subject to the rent protections defined in i. – vi. above until closing on each Phase.

The Lenders and Jair Lynch expressly acknowledge that this Program Wide Affordability Plan is contingent upon adherence to the Minimum Underwriting Standards and New Loan Terms set forth in the Affordable Housing Financing Plan and that there is no expressed or implied commitment by Jair Lynch to adhere to the Program Wide Affordability Plan for any Phase until the Closing on such Phase as contemplated herein. Prior to Closing on any Phase, the existing affordable housing restrictive covenant shall govern.

30% AMI UNITS – HOUSEHOLD SELECTION PROCESS ELIGIBILITY:

Eligibility:

- Anyone verified as earning up to, but not in excess of 30% AMI would be eligible.

Methodology:

- Interested Barcroft residents in the current or prior renovation/ redevelopment phase would express interest in the renovated/redeveloped apartment.
- Residents would be verified and selected for the 30% AMI units in order of priority.
- Priority factors include in order of priority:
    - Barcroft residents living in the current phase being renovated/redeveloped, or in a prior phase that has been renovated/redeveloped.
    - Household Size Related to Unit Types Available – family size must match the unit type available. The units shall be leased to contain at least one person per bedroom, with maximum occupancy as permitted under the Virginia Statewide Building Code and the Virginia Maintenance Code and defined in the lease agreement for the unit. For example, a family of four would not be placed in a 1-BR unit because the maximum occupant load is 3 people for this unit type. The unit mix available in each phase will vary.
    - Amount of Rent burden - Households with higher rent burden would be more highly prioritized. The rent burden calculation shall be the monthly rent of the unit divided by the total monthly household income. Monthly household income shall include all monthly income regardless of source, including but not limited to federal, state, and/ or local subsidy programs.
    - **Example:** A unit rents for $1,500/month. The total household income = $5,000/month. Divide $1,500 by $5,000= 30% of income towards rent payments. This resident would receive priority over a resident in a $1,500/month unit and with $5,300/month total household income (28% of income towards rent payments).
    - Order in which application is received.

After offering and approving residents in the current renovation/redevelopment phase or prior phase per the above, any remaining 30% AMI available units in that particular phase, would open to the rest of the Barcroft residents using the same selection method. In the event there remains available 30% AMI units, those units will be open to any income qualified household outside of Barcroft and rented in accordance with the affirmative marketing plan.

If residents later choose to move out of the 30% AMI unit, the unit is then offered to the next person on the wait list (upon income verification).

RELOCATIONS

Jair Lynch shall submit for approval by the County Manager or designee, a Resident Relocation Plan in accordance with the most recent Arlington County's Resident Relocation Guidelines approved by the County Board. Jair Lynch will work to ensure that all relocations take place on the Barcroft site (on-site relocations) and use best efforts to ensure a maximum of two moves (one to an interim site, one to a renovated unit) for Current Residents.

PERMANENT SUPPORTIVE HOUSING (PSH) UNITS

Jair Lynch shall collaborate with County staff to provide a mutually agreed upon number of PSH units, up to 10% of the total units across the site, subject to the availability of rent subsidies and supportive services from the County or other state or federal sources, which would become available upon current resident turnover. The PSH units shall be in addition to the very low-income units up to 30% AMI, to support a greater diversity of residents being served at the Property. PSH residents shall be required to sign a standard lease and will be subject to the terms and conditions thereof (to the extent such lease terms do not conflict with the terms of the County PSH Agreement). Each Phase project owner will be required to enter into a PSH Agreement with the County.

ACCESSIBLE UNITS

Jair Lynch shall provide at least 10% of the affordable units developed in new buildings as Type A accessible units and strive to include Type A accessible units for the portions of the Property being renovated/rehabilitated, to the extent economically feasible. No more than half, or 50%, of the PSH units shall be designated as accessible units.

PROGRAM WIDE FINANCING STRATEGY

FINANCING SOURCES

Baseline Sources

The Program Wide Sources and Uses included herein contemplates the financing of all Phases of the Affordable Component using tax-exempt bonds, 4% LIHTC, Amazon loan funds, County loan funds, and deferred developer fee (herein the "Baseline Sources"). Jair Lynch, at its discretion, may elect to obtain tax-exempt bond allocation from any Virginia bond pool including Virginia Housing, the local housing authority pool, or governor's pool.

Other Sources

Any sources of funds not included in the Baseline Sources shall be referred to as "Other Sources." Except as set forth herein, Jair Lynch may submit Initial and Final Underwriting Packages for Phases financed using Baseline Sources and/or Other Sources as described in the "Sponsor Pursuit of Other Sources" section.

Other Lender Sources

The County will continue to work with Jair Lynch and on-site property management teams to actively market its housing grants and other subsidy programs as needed to support any residents experiencing cost burden or financial hardship. This includes reviewing and considering resident eligibility for County subsidy programs during the income verification process for Low-Income Housing Tax Credit (LIHTC) projects. Residents will be considered for one of the units covenanted at 30% AMI, per the Resident Selection Process for 30% AMI units.

UNDERWRITING STANDARDS

MINIMUM UNDERWRITING STANDARDS

Notwithstanding anything else herein, the financing plan for each Phase individually, and the Affordable Housing Component collectively, shall adhere to the following Minimum Underwriting Standards as evidenced by the Program Wide Sources and Uses and the Phase specific sources and uses submitted with each Initial or Final Underwriting Package (herein defined):

1. Sufficient sources are available to fund the Total Development Cost (herein defined) for each individual Phase.

2. Amazon Loans (exclusive of any accrued interest) shall not exceed $160,080,000 in aggregate for the Affordable Housing Component or $167.67 per NSF for each individual Phase. Amazon Loans for individual Phases shall be sized as described in the New Loan Amounts section.

3. County Loans (exclusive of accrued interest) shall not exceed $150,000,000 in aggregate for the Affordable Housing Component and County Loans for individual Phases shall be sized as described in the New Loan Amounts section.

4. Program Wide Affordability Plan is met in aggregate across the Affordable Housing Component.

5. Financing for each individual Phase will be sized such that there will be sufficient funds to repay all debt, including the Amazon and County Loans within the loan term and all Deferred Developer Fee is repaid within 13 years of completion of any renovation/construction.

6. Terms of the Amazon and County Loans conform materially to the New Loan Terms set forth herein.

USE CATEGORIES

All customary development costs necessary to complete any Phase ("Total Development Cost") as determined by VH or other lender underwriting prior to Closing and supported by a 3rd party appraisal, including, but not limited to:

Acquisition/Transfer Value – The pro-rata, per unit allocation of the original $425,000,000 purchase price paid for the 1,335-unit Barcroft Apartments in December 2021. If a higher acquisition amount is determined by an appraisal, then the Borrower will provide a Seller Note for the difference between the appraisal amount and the pro-rata allocation amount.

Reimbursement of Acquisition Period Costs - The pro-rata allocation of all acquisition financing and closing costs, related soft costs; plus, the pro-rata allocated value of capital improvements completed through the date of Closing.

Hard Costs – All costs for renovation or construction of the subject Phase including any site-specific utility and infrastructure upgrades, sitework, stormwater management, and landscaping as determined by a Guaranteed Maximum Price ("GMP") contract with a 3rd party general contractor to be executed prior to Closing; plus 10% Hard Cost Contingency for new construction projects and renovation projects unless otherwise proposed by Jair Lynch.

Financing Costs – All costs necessary to obtain construction and permanent debt and equity financing for the project including estimated construction period interest for all debt including the Amazon and County Loans.

Pre-Development/Bridge Interest – The lesser of the actual interest rate charged by a 3rd party lender or 12% annual interest (compounded monthly) on design and pre-development costs directly attributable to the subject Phase paid by Jair Lynch (or affiliates) prior to the date of Closing, and any capital provided by Jair Lynch to bridge the pay-in of LIHTC or other sources.

Capital Reserve Deposit - $15,000 per unit for all renovation projects to be deposited in a reserve account to fund any necessary capital improvements during the operation of the Phase. The initial deposit will be supplemented with annual reserve deposits included in operating expenses as required by VH or other first-trust lenders.

Soft Costs – All design, permit, FF&E, taxes, insurance, legal fees, resident relocation costs, construction management fees, etc. necessary for the completion of the Proposed Project.

Developer Fee -

- LIHTC Projects - Determined in accordance with VH (or other first trust lender) guidelines not to exceed the amount of developer fee that can be included in LIHTC eligible basis at the time of Closing for that Phase (currently $3,000,000).

- Non LIHTC Projects – In accordance with industry and market standards for the financing sources used on such project as determined by the first trust lender or 3rd party cost reasonableness study.

Developer Fee may be paid to an affiliate entity of Jair Lynch.

PROJECT BETTERMENTS

Provided that the Minimum Underwriting Standards are met, Jair Lynch shall work in good faith to identify and incorporate Project Betterments into the program of individual Phases for the purpose of meeting the requirements of and/or increasing the competitiveness of Jair Lynch's Pursuit of Other Sources. Project Betterments shall be identified and incorporated into the Initial Underwriting Package at Jair Lynch's discretion and provided that such Project Betterments do not materially impact the Jair Lynch's risk, schedule, Phasing plan, economics beyond the Baseline Sources, or require Jair Lynch to provide goods or services outside the normal operation of affordable residential rental housing and may be contingent upon successfully securing the Other Source requiring the Betterment. The County can direct Jair Lynch to pursue and investigate in good faith specific Project Betterments that utilize additional sources outside Baseline or Other Sources already defined or funds in excess of the Phasing Reserve Fund subject to the same tests above.

Project Betterments may include (but are not limited to):

- Additional or deeper affordability beyond the Program Wide Affordability Plan including providing financing or operating subsidies for rent burdened residents.
- Additional residential amenities
- Enhanced resident services
- Design and construction standards (including green design features above and beyond the requirements for 1st trust lenders or other financing sources.
- Modifications to unit sizes or unit mix including "bump-outs" on renovation Phases.
- Digital equity
- Additional infrastructure investments such as parks streets, stormwater mitigation, etc.

PHASING RESERVE FUND

For the purpose of ensuring sufficient loan funds for future phases (including for Project Betterments, at Jair Lynch's and County's reasonable discretion, but subject to the Minimum Underwriting Criteria set forth herein), and subject to Jair Lynch pursuing all sources according to the procedures identified in the "Sponsor Pursuit of Tier 1 Other Sources" section, the initial Program Wide Sources and Uses shall include a Phasing Reserve Fund not to exceed 10% of the remaining balance of the Existing Loans.

Contributions to the Phasing Reserve Fund will be funded at the Closing of any individual Phase where there are excess proceeds of the Existing Loans (i.e., less than the pro-rata share of Existing Loans is needed or underwritten for that phase). The Phasing Reserve Fund will be held by a third-party escrow agent in interest-bearing accounts benefiting the Lenders, and subject to an escrow agreement among the lenders. Funds from the Phasing Reserve Fund may be used to augment future Phases to the extent that additional sources above the pro-rata allocation of the Existing Loans for such Phase are needed and shall be subject to the review and approval process outlined for the Initial Underwriting Package in the "Loan Modification Procedures" section and included as part of the Final Underwriting Package submitted by Jair Lynch and Financing Commitment considered by the County Board for that phase.

If the Phasing Reserve Fund exceeds (or is forecast to exceed) 10% of the remaining Existing Loan balances, in aggregate, then the excess funds shall be released by the escrow agent to the Lenders as set forth herein. Notwithstanding, once all the renovation Phases have closed on financing, Jair Lynch will reduce the Phasing Reserve Fund to 5% of the remaining balance of the Existing Loans to support remaining new construction Phases. Once all Phases have closed on financing, any remaining balance of the Phasing Reserve Fund shall be released by the escrow agent to the Lenders as set forth herein.

Releases from the Phasing Reserve Fund shall be distributed as follows:

1. 75% of release shall be distributed to the County and 25% shall be distributed to Amazon until such time that a total of $40MM in aggregate has been distributed to the Lenders.

2. Any further distributions (after $40MM in aggregate) shall be distributed 100% to the County and 0% to Amazon.

ADDITIONAL INFORMATION

The entirety of the approved Affordable Housing Financing Plan can be found in the appendix. Additional information includes loan modification procedures, Jair Lynch responsibilities, terms of new loans, sample phase financing term sheet, and organizational chart.

05 | SITE REDEVELOPMENT PLAN

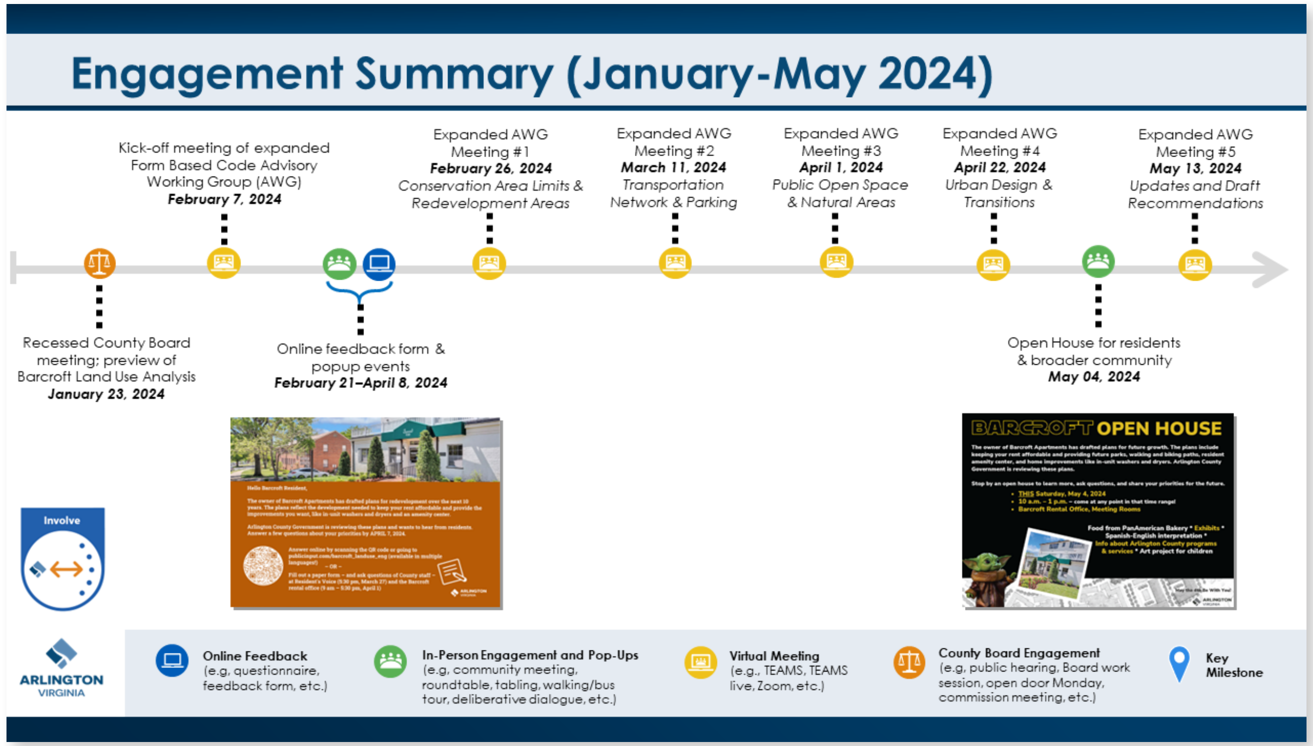
- Background
- Engagement Process
- Site Redevelopment Plan Overview
- Implementing the Plan

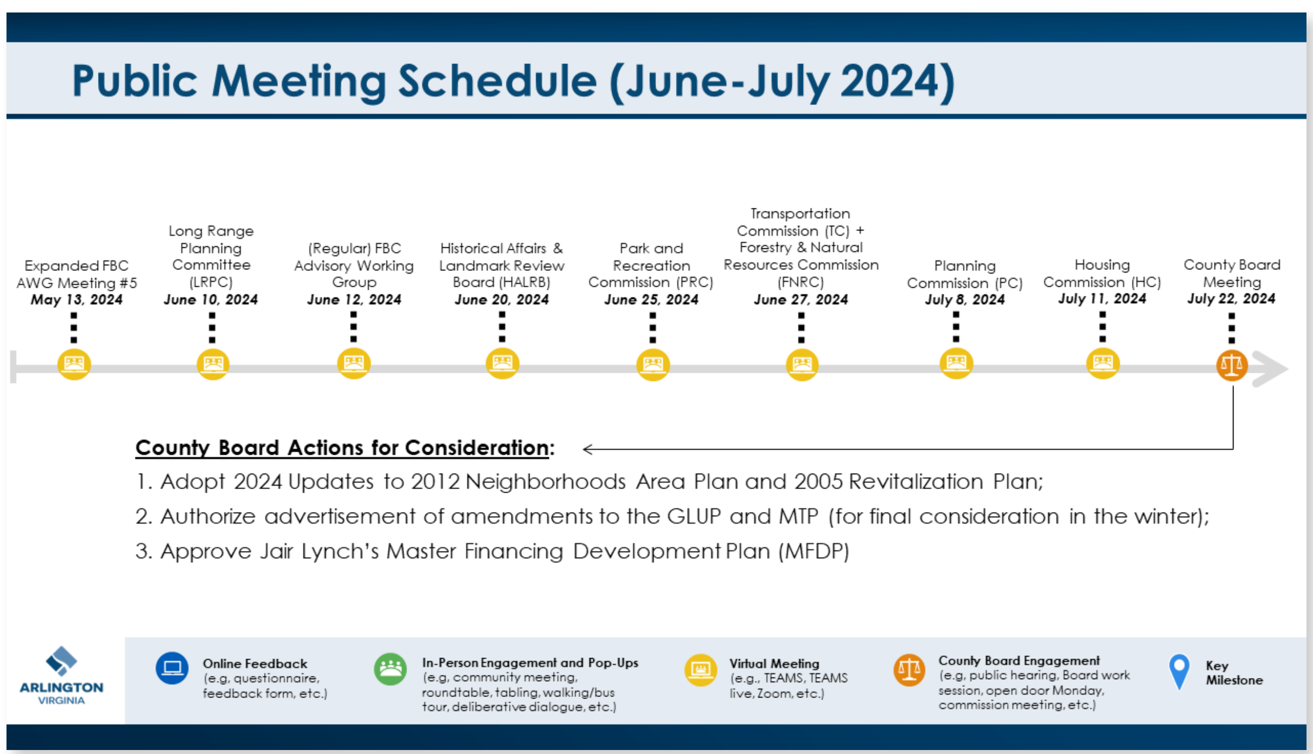
BACKGROUND

The 60-acre site of Barcroft Apartments offers a unique opportunity to make a significant impact on the Columbia Pike corridor and provide affordable housing, mixed use and commercial development, and public open spaces for future generations. The site has been a focus of thoughtful study and community input over the years through the Columbia Pike Initiative and Columbia Pike Neighborhoods Area Plan. The following goals of the Columbia Pike Neighborhoods Area Plan were used as guidelines as our team of expert planners, designers, and engineers studied the site:

- Foster a healthy, diverse community with a high quality of life;
- Stabilize and strengthen residential neighborhoods and mixed-use commercial centers;
- Promote creation and preservation of affordable housing and expand housing options;
- Create a pedestrian-friendly and multi-modal corridor;
- Preserve neighborhood character, historic buildings and tree canopy;
- Enhance urban design and architecture; and
- Incorporate sustainable building design

Through our resident engagement process, the team learned more about the needs and desires of the residents and used that feedback to also guide planning for the future of Barcroft to improve the lives of our residents and future generations. The team also sought to understand the County's site objectives and broader County-wide goals, to explore ways where this opportunity and partnership at Barcroft advance them.





ENGAGEMENT PROCESS

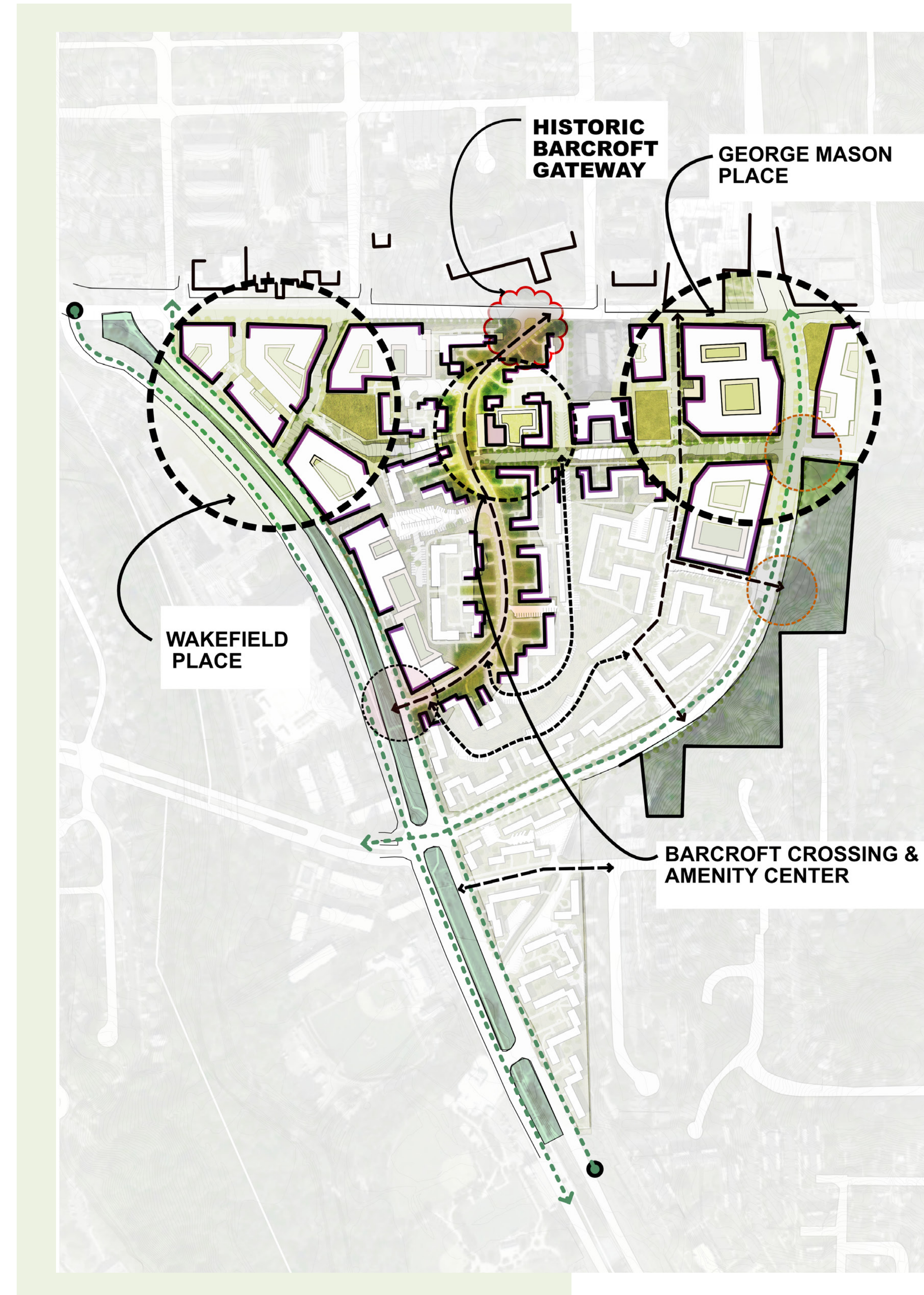
Through months of studies, analysis, and resident engagement, we developed an aspirational site redevelopment plan, as part of the MFDP submission in October of 2022, to explore further with the County and community stakeholders. As the financing aspects of the MFDP were finalized, the land use components also evolved through 2023, establishing an updated baseline for further analysis.

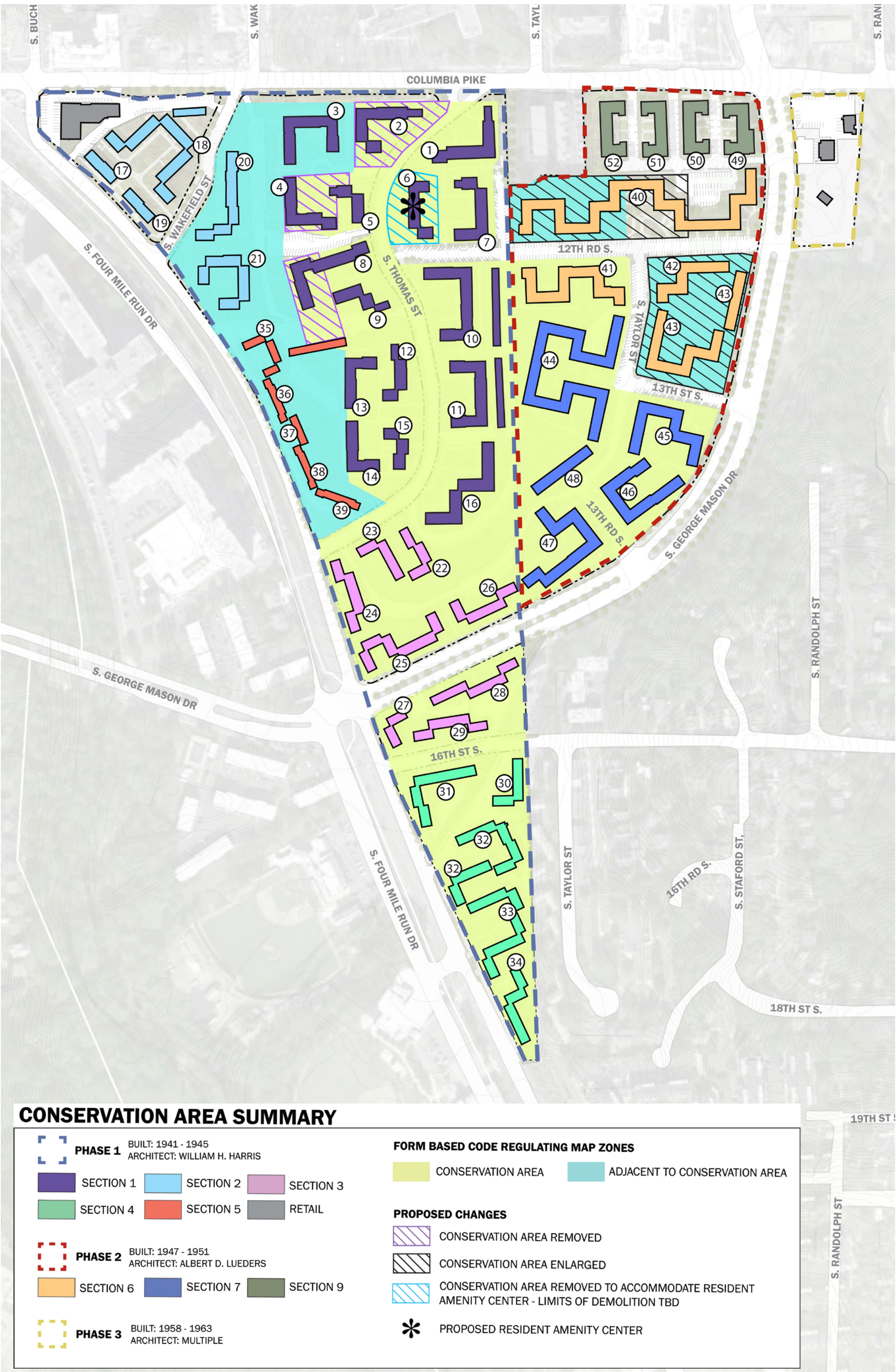
Following the County Board approval of the Financing Plan in December 2023, a six-month community engagement process was launched to evaluate the land use components of the MFDP. This effort involved a robust stakeholder group specifically established for this effort in January 2024 and referred to as the expanded Form Based Code Advisory Working Group ("Working Group"). Through six Working Group meetings focused on the four primary planning principles outlined in the following section, a public online feedback form, popup events, and an Open House for the broader community, the plan was improved and fine-tuned into the Site Redevelopment Plan.

SITE REDEVELOPMENT PLAN OVERVIEW

Beyond existing commitments to preserve the affordability of 1,335 homes averaging up to 60% AMI for 99 years, including no displacement of current residents, rent stabilization (annual rental-rate increases capped at 3% up to a maximum of 60% AMI), meeting deeper affordability needs (at least 10% of units (or 134 homes) affordable for households earning up to 30% AMI), and investing in interior renovations and upgrades to preserved buildings, Jair Lynch is committed to the following planning principles to improve the Barcroft residents' overall living environment:

1. **Conservation Area Limits & Redevelopment Areas:** Strategically balance preservation and conservation of Barcroft's historic character (buildings and landscaped areas) with opportunities for redevelopment that help sustain affordability and enhance livability, while implementing appropriate mitigation strategies for any demolition along Barcroft's urban edges.
2. **Multi-Modal Transportation Network & Parking:** Provide safe and inviting multi-modal transportation choices that prioritize pedestrian and bicycle connectivity, maintain an adequate parking supply for Barcroft residents and visitors, and enhance access to robust local transit service available along Barcroft's boundaries.
3. **Public Open Spaces & Natural Areas:** Provide a biophilic network of public and private spaces, natural preserve areas, and tree canopy accessible to Barcroft Apartments residents (in both preserved and redeveloped areas of Barcroft) and visitors, that enhance livability, access to outdoor amenities, and natural resources.
4. **Urban Design:** Provide thoughtful transitions between conservation areas and maximum building heights in redevelopment areas that consider the relationship between the preserved garden-style apartments and redevelopment, and other mitigating factors such as topography, proposed streets, streetscape improvements, and compatible architecture.





CONSERVATION AREA LIMITS & REDEVELOPMENT AREAS

KEY DEVELOPMENT STRATEGIES:

- **Preservation of Historic Entrance:** Maintain and preserve the historic entrance at the intersection of Columbia Pike and South Thomas Street, emphasizing its significance as a focal point of Barcroft's history. This entails safeguarding previously noted architectural features and design elements that contribute to the site's historic character, ensuring they remain intact for future generations to appreciate.

- **Emphasis on Historic Spine:** Place emphasis on preserving and enhancing the historic spine of Barcroft, primarily following the alignment of South Thomas Street, which serves as a cultural and architectural backbone for the community. By recognizing and celebrating its historical significance, efforts can be made to protect and enhance this unique aspect of Barcroft's identity.

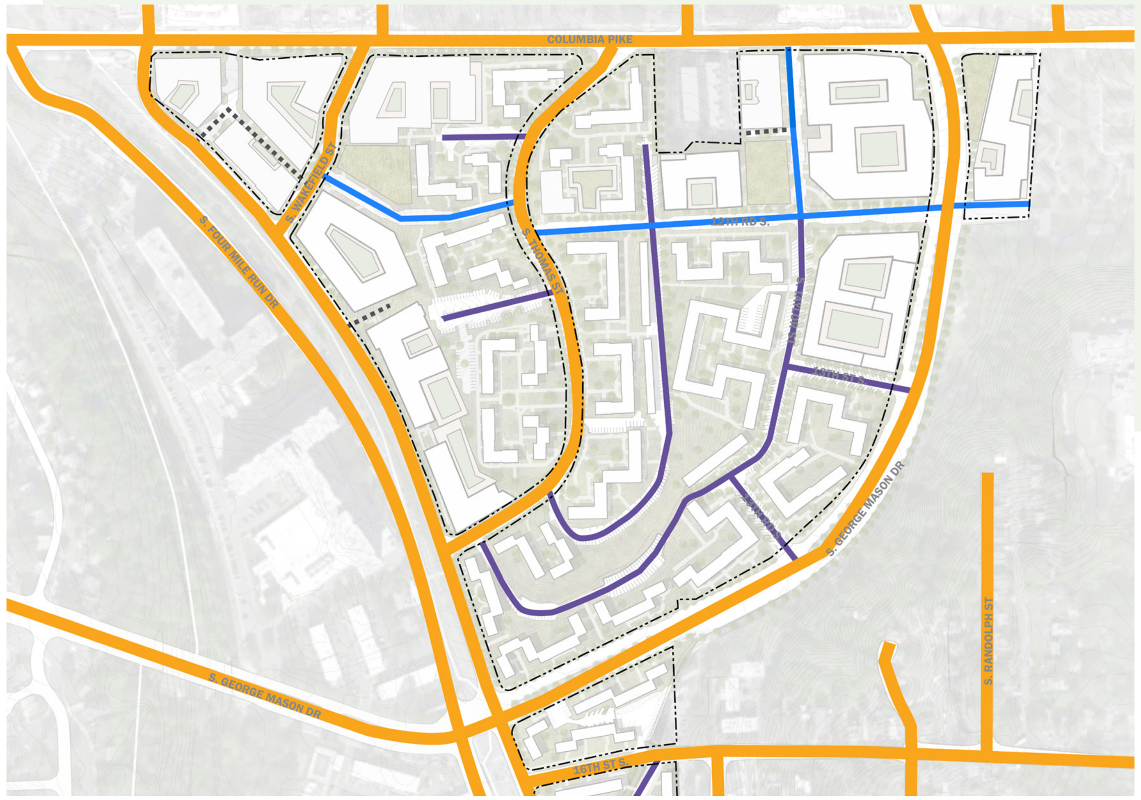
- **Registering Barcroft as a Historic District:** Jair Lynch engaged EHT Traceries, Inc. to prepare updated National Register documentation for the potential historic district to support opportunities for pursuing state and/or federal historic rehabilitation tax credits within Conservation Areas of the plan. Listing in the National Register of Historic Places, the Nation's official list of historic places worthy of preservation, is honorary and places no restrictions on private development within the historic district. As such, redevelopment projects outside the Conservation Area would not be subject to any review or restrictions. Further, listing in the National Register is separate and distinct from Arlington County's Local Historic Districts, which are designated by the County Board where a property maintains sufficient historic merit. Projects within local historic districts are subject to review and approval by the Historical Affairs and Landmark Review Board (HALRB), as would many of the redevelopment proposals located immediately adjacent to Barcroft's Conservation Area per Neighborhoods Form Based Code.

- **Resident Amenity Center:** Introduce a resident amenity center at the intersection of South Thomas St and 12th Road South, serving as a central gathering point for residents. This facility would provide a range of amenities and services to enhance the quality of life for residents, fostering a sense of community and belonging within the Barcroft neighborhood.

- **Expansion of Development Opportunities:** Expand the geographic development area within the East Node while increasing building height maximums within the West Node and along both sides of George Mason Drive to create a vibrant urban environment along the northern edge of the Property. The resulting increased development potential aims to accommodate additional growth necessary to fulfill site-wide housing obligations while maintaining the character and integrity of the surrounding area. In doing so, opportunities for commercial, recreational, and residential development can be maximized, contributing to Barcroft's overall vitality and sustainability, while achieving the Main Street environment previously envisioned for Columbia Pike. Implementing this updated vision through a singular sitewide plan and policy document will also ensure a more integrated and cohesive form of development can be delivered over the coming decades.

In summary, the Conservation Area strategy for Barcroft focuses on preserving its legacy as a cornerstone of the Columbia Pike corridor, enhancing community amenities, and facilitating responsible development to ensure a sustainable and vibrant future for the neighborhood.

MULTI-MODAL TRANSPORTATION NETWORK & PARKING



VEHICULAR CIRCULATION SUMMARY

LEGEND

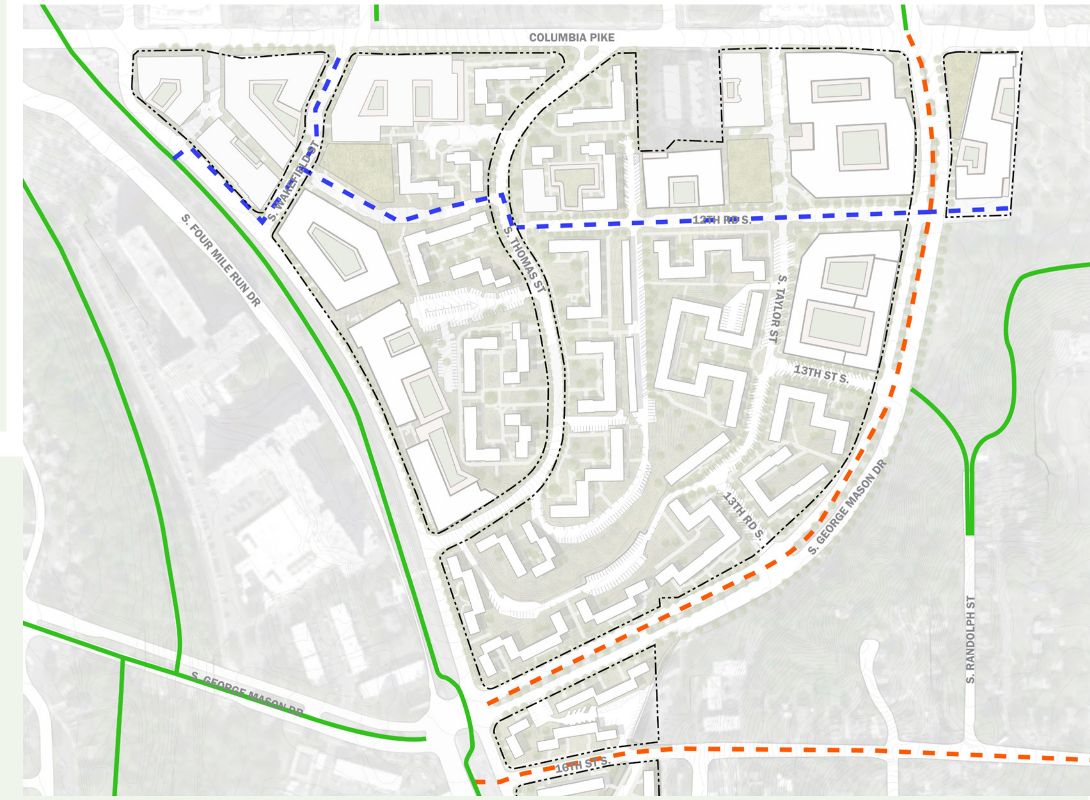
- EXISTING PUBLIC STREET
- EXISTING VEHICULAR CONNECTION
- NEW /ENHANCED VEHICULAR CONNECTION
- NEW SERVICE ALLY*

*SUBJECT TO CHANGE; TO BE DETERMINED WITH USE PERMIT APPLICATION

BICYCLE CIRCULATION SUMMARY

LEGEND

- EXISTING BIKE LANE OR FACILITY
- PLANNED MTP BIKE LANE OR FACILITY
- PROPOSED BARCROFT BIKE LANE OR FACILITY

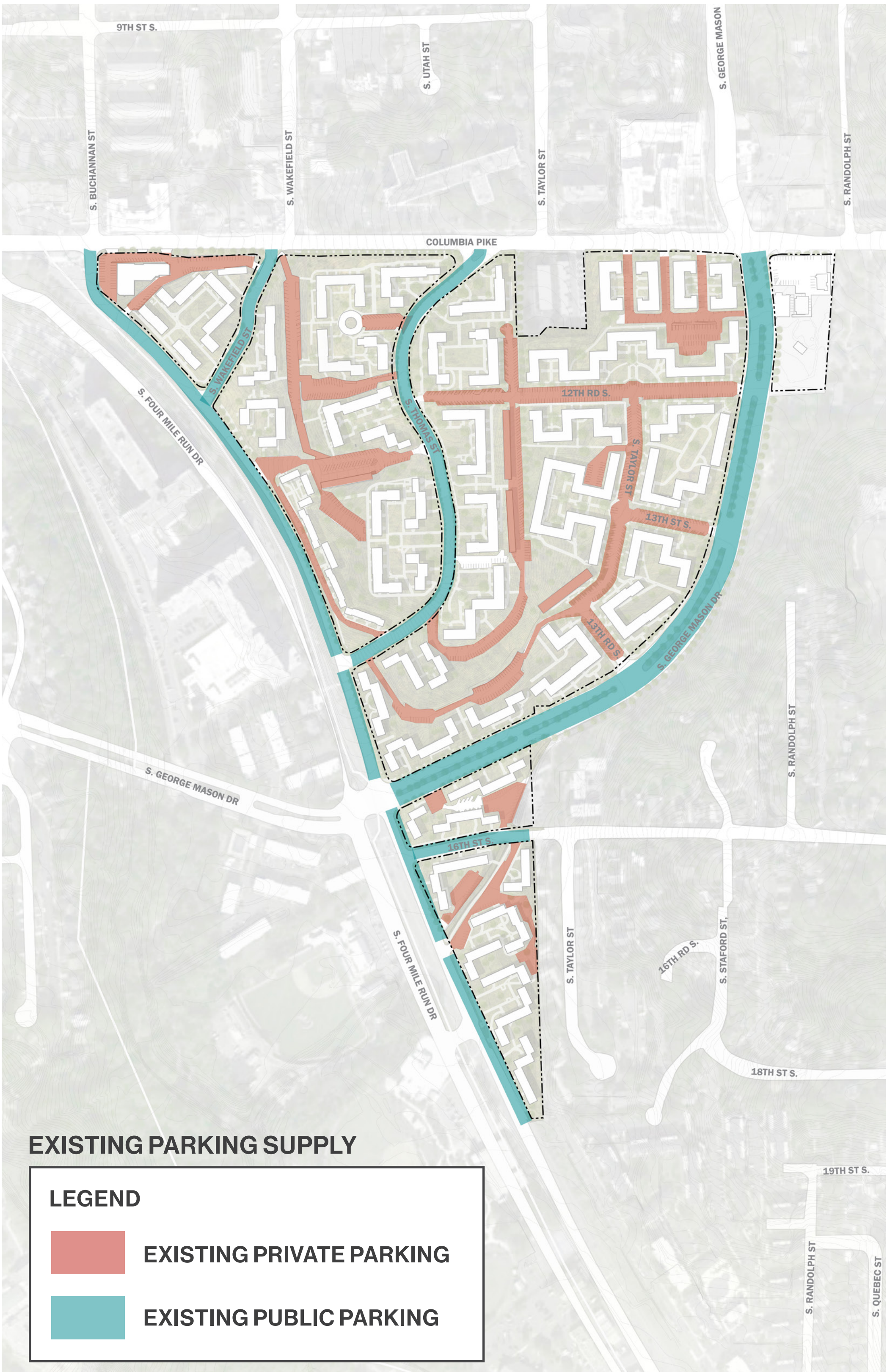


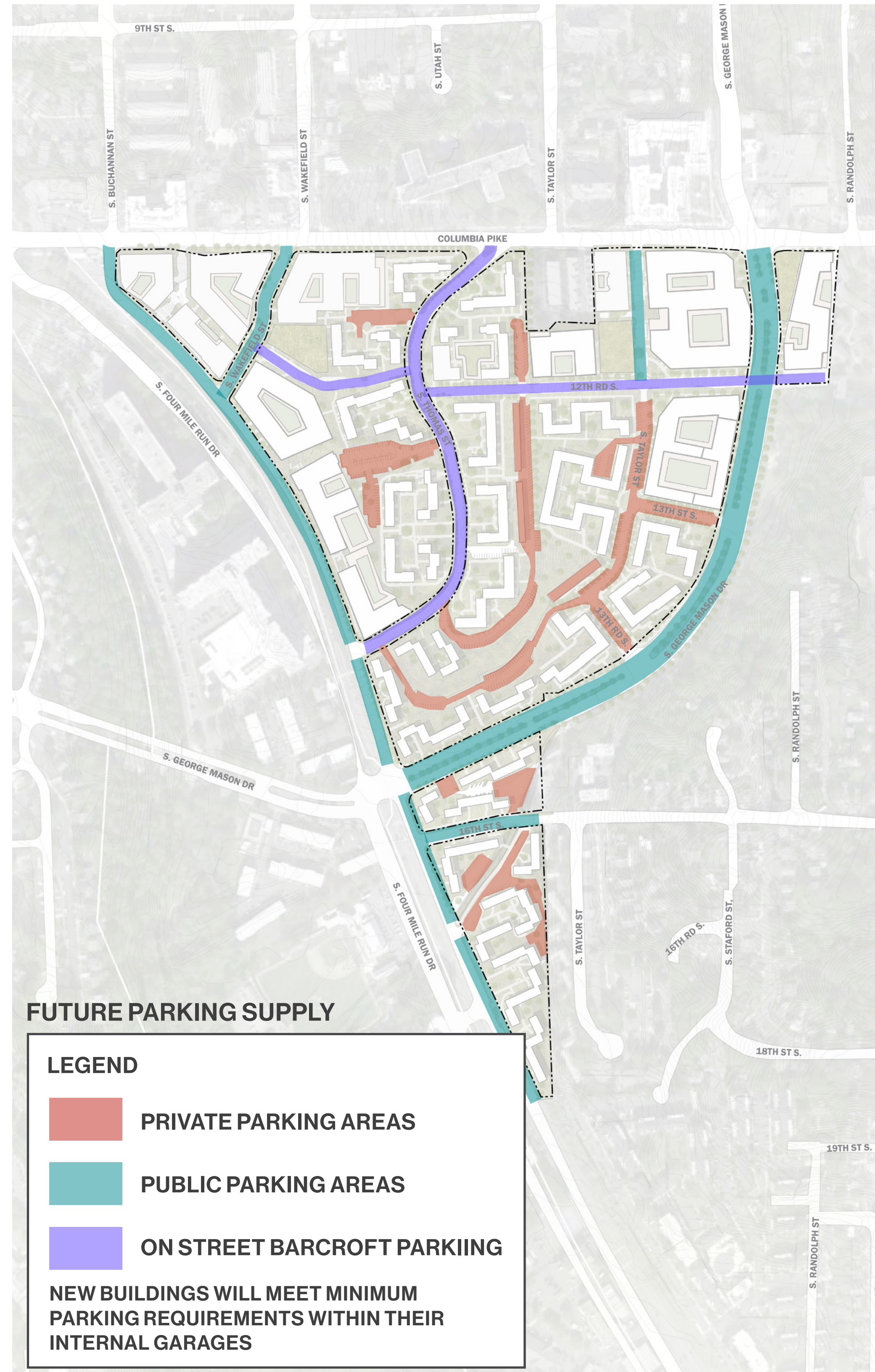
VEHICULAR AND PEDESTRIAN CIRCULATION

- **Enhanced Primary Connector:** Improve and extend 12th Road South as the primary multimodal connector across the site, running parallel to Columbia Pike. This enhancement will improve access for pedestrians, bicyclists, and vehicles within Barcroft.
- **Preservation of Existing Routes:** Maintain the existing South Wakefield Street to facilitate a feasible connection to the extended segment of 12th Road South while addressing significant topographical challenges in this part of the site.
- **Additional Connection Point:** Deliver missing segment of South Taylor Street which would expand the area's street network by accommodating an additional connection point to Columbia Pike from 12th Road South. Increasing connectivity through multiple access points enhances accessibility and eases congestion within the neighborhood.
- **Enhanced Pedestrian Infrastructure:** Enhance pedestrian circulation through site by repairing existing sidewalks, adding missing connections, incorporating necessary landscaping, and enhancing signage and lighting throughout. These improvements will prioritize pedestrian safety and accessibility, encouraging walking as a viable mode of transportation within Barcroft.

BICYCLE CIRCULATION:

- **Integration with Bike Infrastructure:** Connect the Columbia Pike Bike Boulevard to the W&OD trail by providing Bike Facilities along existing and planned segments of 12th Road South through Barcroft Apartments. This integration promotes alternative transportation options and improves connectivity for bicyclists.
- **Exploration of Further Connection Opportunities:** Provide connections to the W&OD trail through the West Node and add bike lanes to South Wakefield Street, further enhancing accessibility for cyclists.
- **Improvement of Existing Routes:** Improve conditions on the South Four Mile Run Minor bike route, ensuring safer and more efficient bicycle circulation within Barcroft.

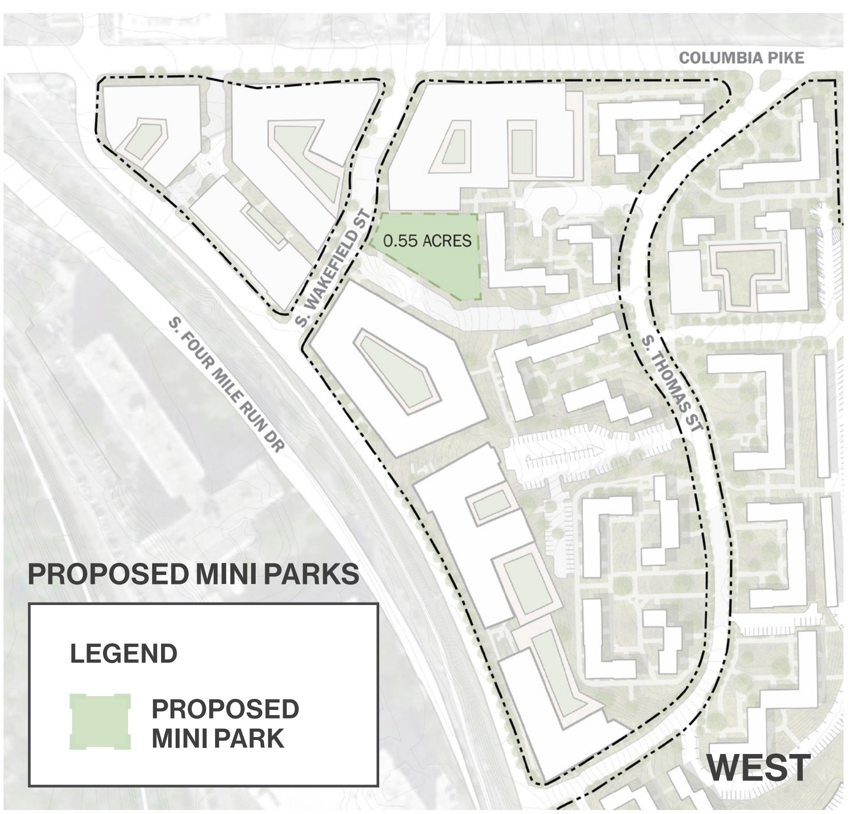




PARKING:

- Maintenance of Parking Ratios: Maintain existing parking ratios for portions of the Property that will be renovated, ensuring residents have sufficient parking near their residences. This approach supports residents' needs while managing parking demand effectively by relying on a combination of on and off-street parking spaces.
- Parking Requirements for New Construction: Ensure new construction in the East and West Nodes complies with parking standards outlined in the Neighborhoods Form-Based Code (N-FBC). This approach enables parking provisions to align with the overall development goals and transportation objectives for the area.
- Lighting and Pedestrian Accessibility: Ensure that parking areas are appropriately lit and pedestrian-friendly, with clear circulation paths from parking areas to buildings. This promotes safety and convenience for residents and visitors navigating the parking facilities.

By addressing vehicular, bicycle, and pedestrian circulation, as well as parking needs in a comprehensive manner, our plan aims to create a well-connected and accessible community that prioritizes sustainable transportation options and enhances the overall quality of life for its residents.



PUBLIC SPACES & NATURAL AREAS

PUBLIC SPACE - EAST NODE:

- **Central Green:** Establish a central green space spanning approximately 0.45 acres to serve as a gathering place for residents and the community. This would represent an expanded and reconfigured mini park, previously envisioned at the intersection of 12th Road South and South Taylor Street.
- **Programming and Screening of Adjacent Alley:** Explore opportunities to incorporate a potential pavilion, or other design element, along the northern edge of the central public space to screen the adjacent alley while commemorating features of existing Building 40 that the park will be replacing.
- **Additional Open Space:** Introduce an additional public space of about 0.3 acres along the northern end of the development site east of South George Mason Drive (Penske Site). This approach would help create an externally facing park with adjacent commercial opportunities at the ground floor, while helping exceed the overall public parks area previously envisioned for Barcroft Apartments.
- **Total Mini Parks:** The combined area of these mini parks in the East Node would be 0.75 acres, providing residents with access to outdoor amenities and enhancing the livability of the area.

PUBLIC SPACE - WEST NODE:

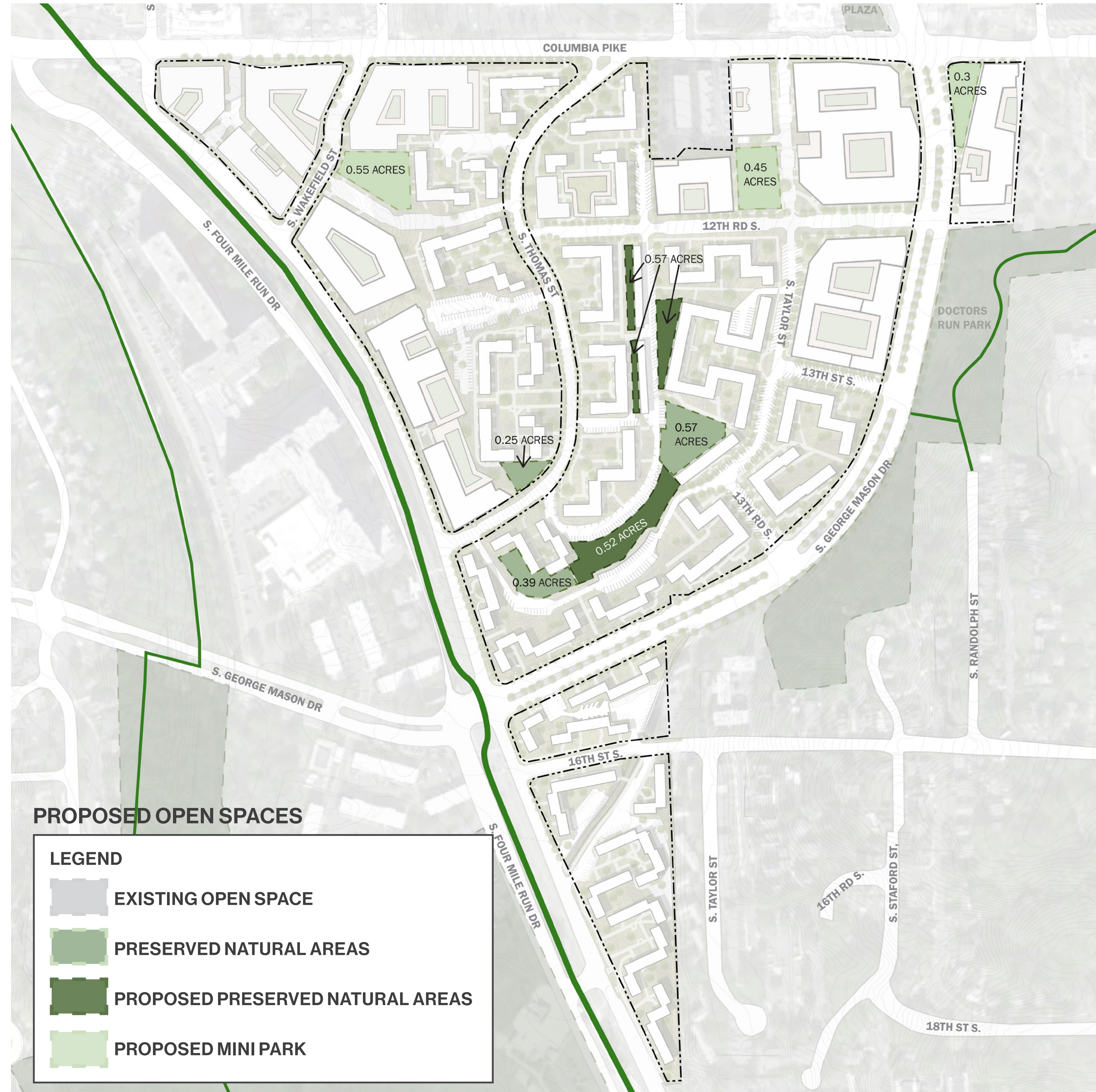
- **Central Green:** Establish a central public space in the West Node with a strong connection to Barcroft's history, spanning approximately 0.55 acres in area.
- **Programming:** Explore opportunities to utilize grade changes to create an amphitheater-like space and incorporate unique play structures into the green space, while addressing topography changes in this part of the site.
- **Screening of Adjacent Alley:** Study ways to screen the adjacent alley with design elements and landscaping, enhancing the aesthetic appeal and functionality of the public space.

PRESERVED NATURAL AREAS:

- **Biophillic Elements:** Integrate significant biophilic elements to allow people to connect with nature, celebrating Barcroft's unique characteristics, natural assets, and enhancing the site's livability.

- **Slope Stabilization Plan:** Pursue an updated slope stabilization plan that will aim to continue providing natural benefits to the area.

- **Replacement of Impacted Preserved Natural Areas:** In an effort to promote biodiversity and habitat conservation, extend preserved natural areas further north from and between existing preserved natural areas east of South Thomas Street.

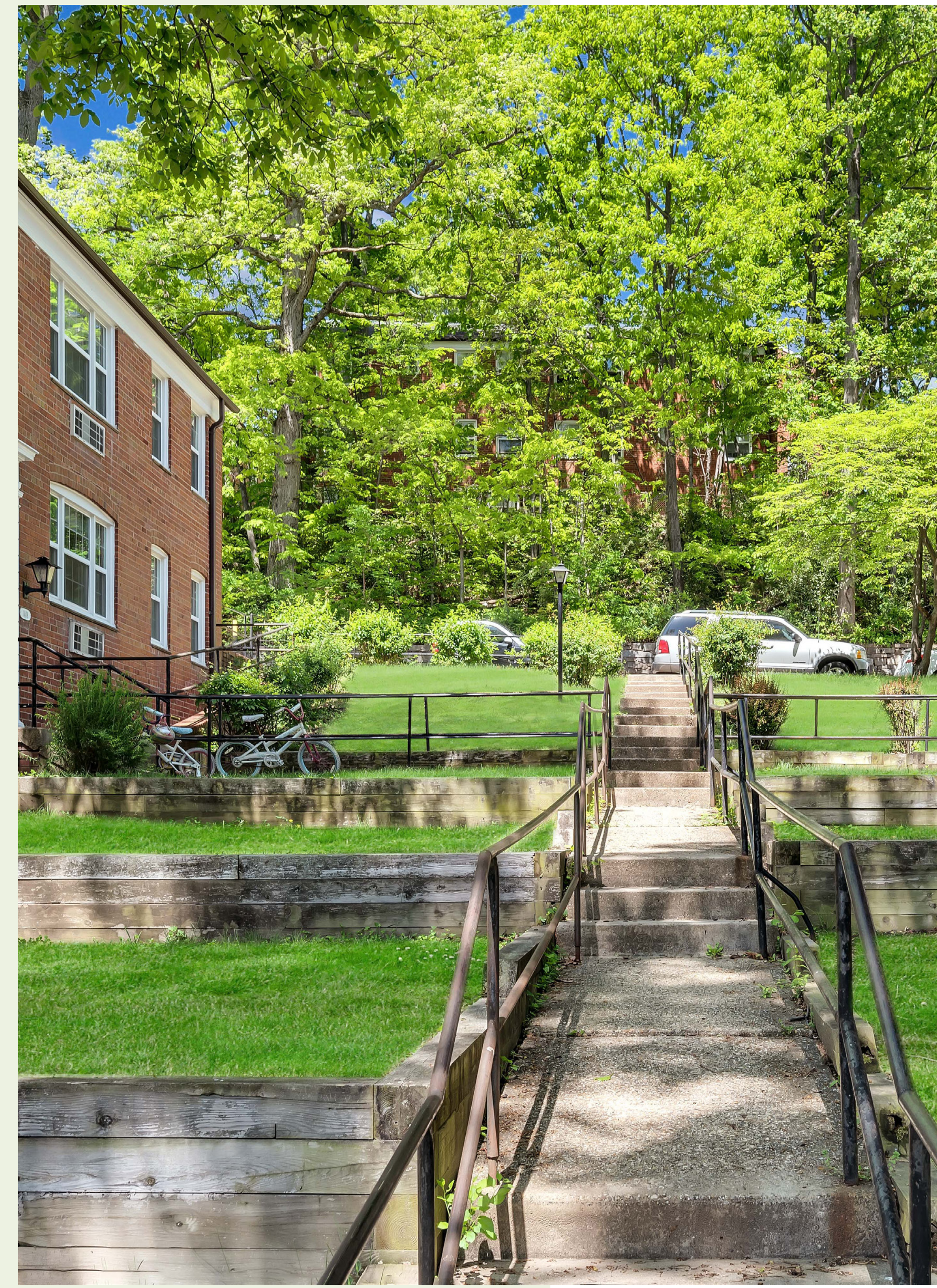


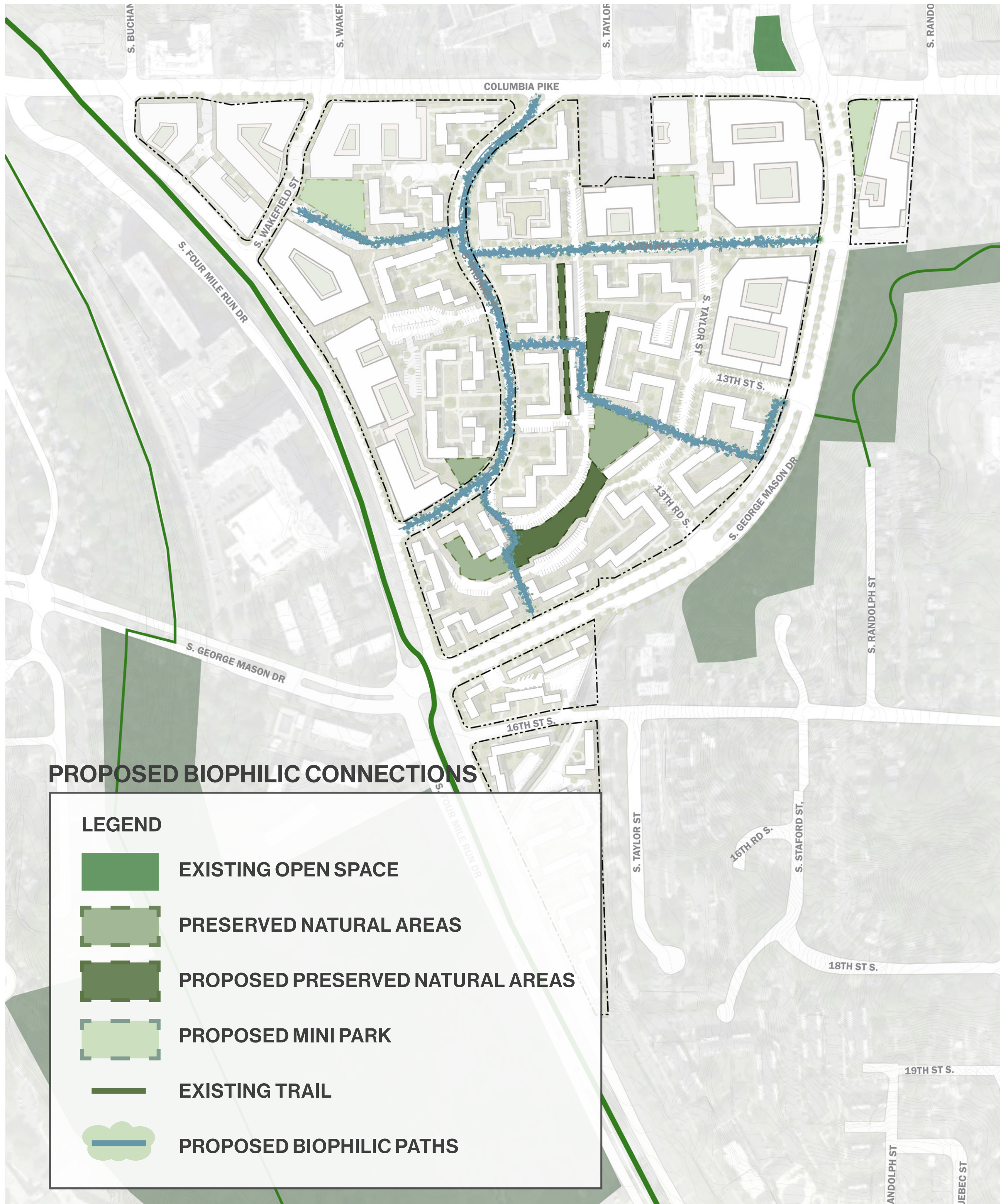
SUSTAINABILITY STRATEGY

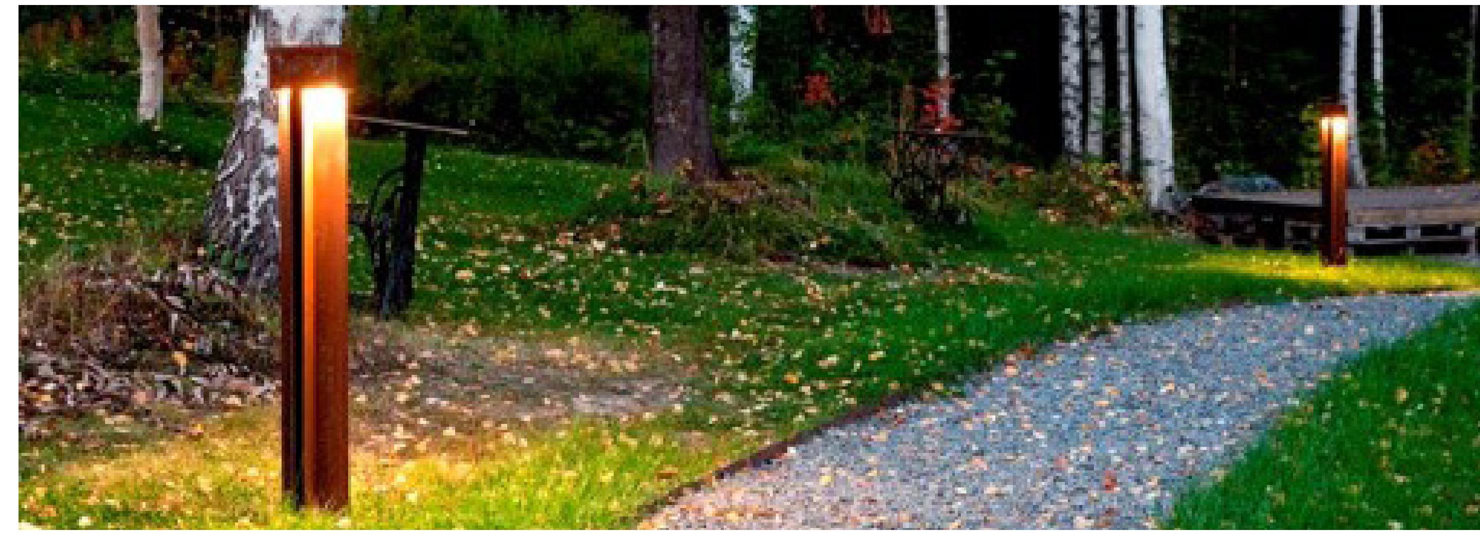
Barcroft's Sustainability Strategy describes a holistic approach to the biophilic, sustainable, resiliency, and green building elements within the MFDP, ensuring Barcroft residents and visitors remain connected with nature through a network of open spaces and pathways across the site. This strategy includes the following elements:

- Three public mini-parks totaling approximately 1.3 acres of public open space.
- In conservation areas, existing trees will be conserved to the maximum extent feasible and private courtyards will be enhanced with outdoor resident amenities, new trees, and landscaping.
- Sitewide tree canopy targets will be established for natural preserve areas (80%), conservation areas (50%), public parks (40%), and new development (25%).
- Biophilic pedestrian paths will be incorporated through the site, that enhance natural elements and connectivity while providing opportunities for contemplation and recreation.
- Over 2 acres of existing natural areas will be preserved to enhance livability and natural resources.
- The Resident Amenity Center will include a central open space for residents.
- Doctors Run will continue to be studied to identify opportunities for restoration and/or stormwater management improvements.
- All renovation projects will meet the Neighborhoods Form Based Code (NFBC) Green Building requirements which require LEED Certification, EarthCraft Certification, or an equivalent in stringency green building certification. The renovation use permits approved to date will target the National Green Building Standard (NGBS) Silver certification. Energy reduction strategies planned for the renovations include converting lighting to LED lighting, adding HVAC mini splits to replace gas powered boilers, submetering utilities to increase resident accountability on usage, and new WaterSense plumbing fixtures to meet the EPA's specifications for water efficiency and performance.
- All new construction projects will meet the NFBC Green Building requirements which require LEED Gold, EarthCraft Gold, or an equivalent in stringency green building certification. Additionally, new construction projects will be required to obtain ENERGY STAR certification, meet energy optimization requirements, and meet other prerequisite requirements such as ENERGY STAR appliances and fixtures, WaterSense plumbing fixtures, energy benchmarking, electric vehicle charging infrastructure, bird-friendly materials, renewable energy, and light pollution reduction.
- By preserving and reinvesting in the existing buildings in the conservation area, the life of the structures is extended which reduces the embodied carbon footprint of the community.

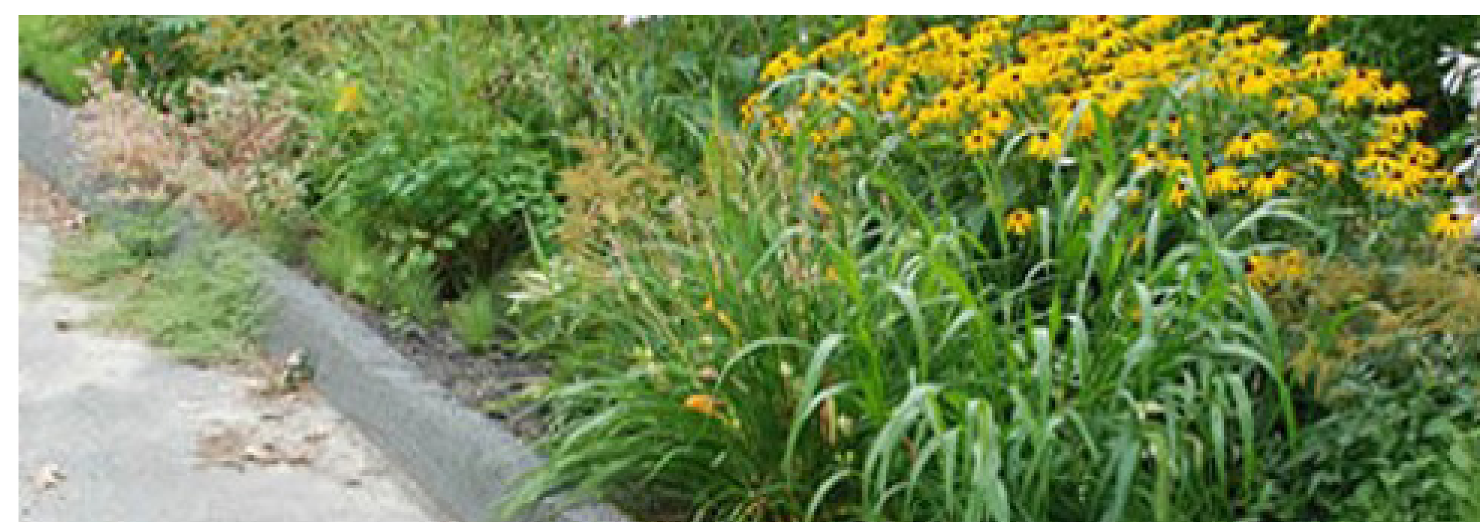
The combination of biophilic connections, natural preserved areas and open space, preservation and renovation of existing buildings, and green building practices will culminate in a Sustainability Strategy that will enhance the livability and promote health and wellness for residents as well as the surrounding community.




PROPOSED BIOPHILIC CONNECTIONS
LEGEND
EXISTING OPEN SPACE
PRESERVED NATURAL AREAS
PROPOSED PRESERVED NATURAL AREAS
PROPOSED MINI PARK
EXISTING TRAIL
PROPOSED BIOPHILIC PATHS
COLUMBIA PIKE
S. WAKEFIELD ST
S. FOUR MILE RUN DR
S. TAYLOR ST
13TH ST S.
13TH RD S.
S. GEORGE MASON DR
S. RANDOLPH ST
16TH ST S.
16TH RD S.
S. STAFORD ST
18TH ST S.
19TH ST S.
QUEBEC ST




ART EXPO
Colors in Motion



URBAN DESIGN

The urban design guidelines for building heights in the Barcroft redevelopment plan aim to create a cohesive and harmonious built environment that respects the existing context while accommodating growth and density targets.

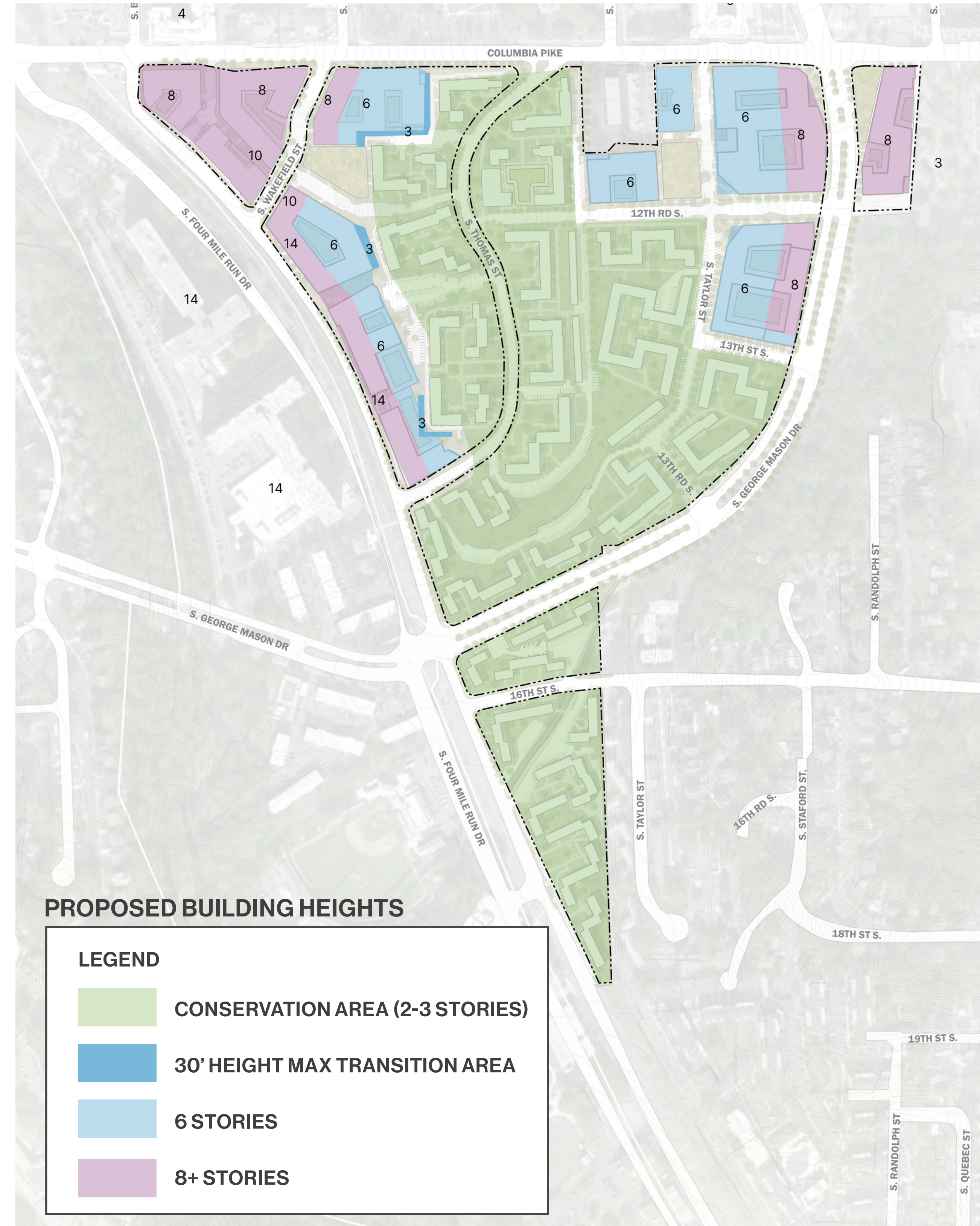
- **Utilizing Topography:** The MFDP has considered the natural topography of the area (the elevation and slope of the land) when determining appropriate building heights for new construction. By working with the natural features of Barcroft's unique landscape, increased building heights strategically located along the site's edges can ensure redevelopments can better integrate with the surrounding environment.

- **Resolving Building Height Discrepancies:** The recent planning process helped reconcile any existing building height discrepancies between the Commercial Form Based Code (CFBC) and the Neighborhoods Form Based Code (N-FBC), as they were developed 10 years apart and were responding to different existing conditions and challenges to establish guidance for Barcroft. This ensures consistency in building heights across different zones within Barcroft, promoting visual cohesion and clarity in the urban fabric.

- **Transitioning Building Heights in Conservation Areas:** Buildings adjacent to the Conservation Area should adhere to appropriate height transitions, as outlined in the N-FBC criteria. This means ensuring that new construction respects the scale and character of the preserved historic buildings and landscaped areas, while maintaining the visual integrity of the conservation zone. Complying with these height transitions is also critical to allowing light and air to reach areas between the new (taller buildings) and existing ones which will be preserved.

- **Ensuring Design Compatibility:** New buildings adjacent to the Conservation Area will demonstrate design compatibility with existing structures. This involves harmonizing architectural styles, materials, and scale to create a gradual transition between old and new elements of the built environment. By preserving the visual continuity of the neighborhood, these design considerations will contribute to the overall sense of place and identity within Barcroft.

In summary, the urban design guidelines for building heights in Barcroft emphasize sensitivity to the natural landscape, consistency in height regulations, contextual appropriateness, and design compatibility. By adhering to these guidelines, the site redevelopment plan aims to create a well-integrated and visually appealing urban environment that enhances the quality of life for residents while preserving the historic character of the neighborhood.



IMPLEMENTING THE PLAN

FORM-BASED CODE TECHNICAL UPDATES

Through a subsequent effort and working with County staff and key community stakeholders, we will ensure this updated vision for Barcroft can be embedded within the appropriate regulatory documents, specifically the Neighborhoods Form Based Code. This next phase of review will develop more detailed exhibits and standards that will guide the review of future redevelopment and renovation applications. As this work gets underway in the fall of 2024, we will finalize, among other things, new street cross-sections, verify the alignment of key intersections, and provide further guidance around resiliency efforts surrounding Doctor's Run stream located towards the southern end of the Property.

DRAFT SCHEDULE FORECAST FOR SECOND HALF OF 2024

Summer 2024:

- Jair Lynch formally submits first Form Based Code (FBC) application for new construction

Late Summer/Early Fall 2024:

- Staff continues to work with Jair Lynch to prepare detailed amendments to each FBC involving Barcroft
- First FBC application for new construction is reviewed by staff

Fall 2024:

- FBC AWG reviews draft FBC amendments (implementing updated vision for Barcroft)
- Zoning Committee of the Planning Commission (ZOCO) reviews draft FBC amendments
- FBC AWG reviews first new construction application for Barcroft

Winter 2024/2025:

- Commission briefings and County Board hearing to advertise amendments to each Form Based Code
- Commission briefings and County Board hearing to:
  1. Adopt the GLUP and MTP amendments (previously advertised in July)
  2. Adopt amendments to each Form Based Code
  3. Consider the first new construction application for Barcroft


MICHIGAN
WATER POLO

06 PHASING PLAN

- Overview
- Proposed Phasing Plan

OVERVIEW

Implementing the new vision for Barcroft starts with focusing on how we take care of our residents. The phasing plan is built around our resident commitments.

For each renovation and new construction project, our team will undergo a unique process to ensure that each of our commitments are maintained. The processes for each type of project which inform the timing of implementation are outlined here:

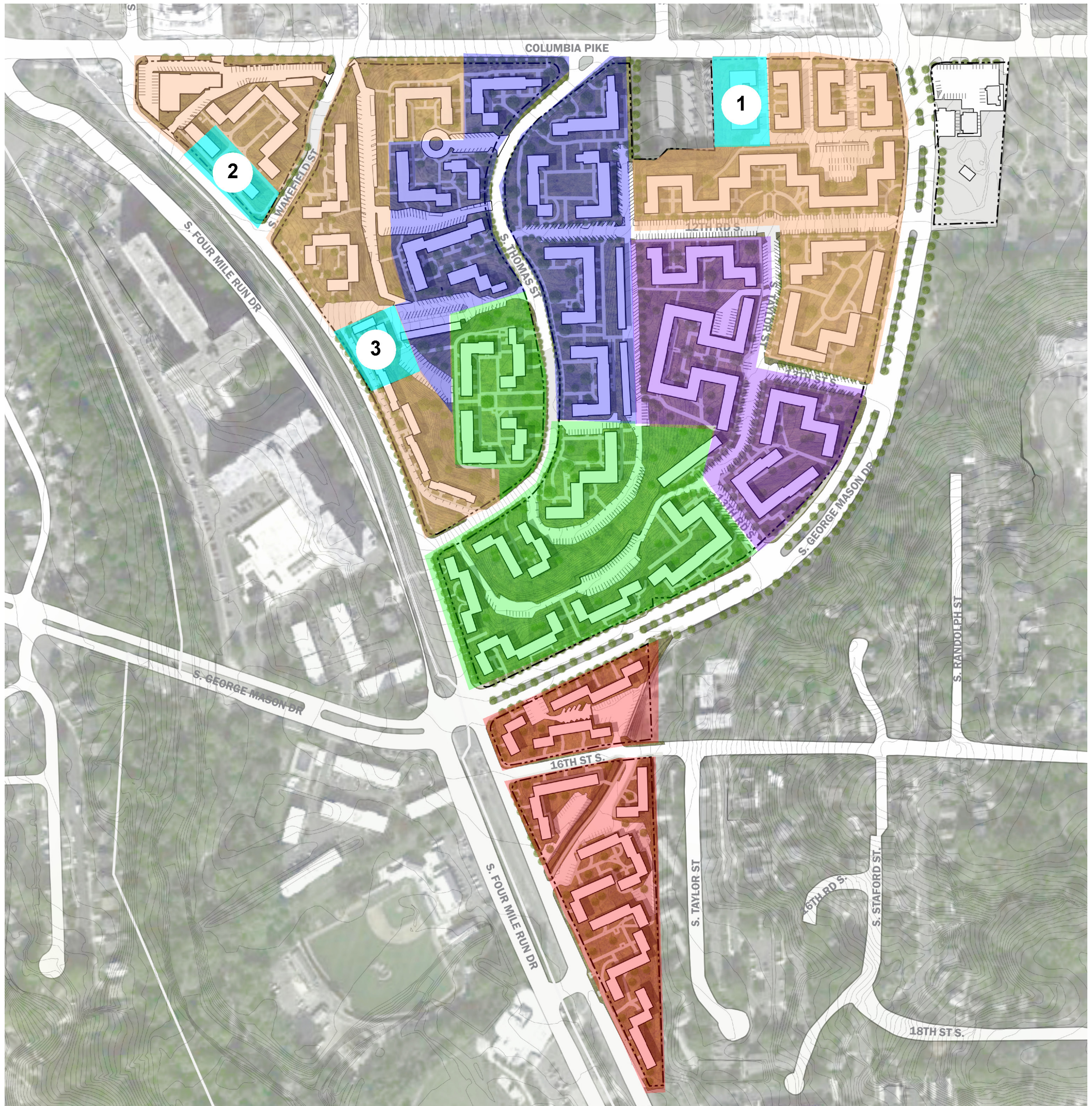
RENOVATION PROGRAM IMPLEMENTATION

The commitment to on-site relocations and the constraint of current vacancies introduce a need to keep each renovation phase to roughly 100 apartment homes. Each phase is chosen carefully to include adjacent buildings with a unit mix that the site-wide vacancies can support for temporary relocations. Each renovation phase, once selected and designed, will go through the County's Use Permit process and will have a specific resident relocation plan that will go to the County for approval. As done for the first renovation phase, our team will hold meetings with the residents in each phase no less than 120 days prior to on-site relocation.

NEW CONSTRUCTION PROGRAM IMPLEMENTATION

Due to the same commitments and constraints on the renovation projects, our new construction affordable buildings will be programmed to ensure current residents will be able to move into a comparable home at the Property. Once a new construction building is complete, the parcels with buildings outside of the Conservation Area that are vacated will be available for development.

PROPOSED PHASING PLAN



LEGEND

CAF Renovation Projects

- **Phase 1** Renovation Projects 2024-2025 Estimated Construction Start
- **Phase 2** Renovation Projects 2025-2027 Estimated Construction Start
- **Phase 3** Renovation Projects 2026-2027 Estimated Construction Start
- **Phase 4** Renovation Projects 2026-2027 Estimated Construction Start

CAF New Construction Projects

- 1 **Phase 1** New Construction Projects 2025-2026 Estimated Construction Start
- 2 **Phase 2** New Construction Projects 2027-2028 Estimated Construction Start
- 3 **Phase 3** New Construction Projects 2029-2030 Estimated Construction Start

Ancillary Redevelopment

- To Be Developed in Multiple Phases 2027-2037 Estimated Construction Starts

*Estimated Construction Starts subject to change based on financing, available relocation units, market conditions, and other factors


Grand
Carnival

07 LOOKING AHEAD

LOOKING AHEAD

As we've stated time and again, Jair Lynch is committed to creating extraordinary places that provide opportunities for our residents and communities to thrive. Implementing the new vision for Barcroft starts with focusing on how we take care of our residents, and we are proud of the commitments we have been able to make.

Following Arlington County Board approval of this Final Master Financing and Development Plan, as required in the loan documents between Arlington County and Jair Lynch, the Jair Lynch team will continue to engage with the community and assess market conditions. Amendments to the MFDP may continue in the future to adjust for external factors in order to accomplish the stated commitments, as allowed in the aforementioned loan documents, subject to the approval of the County Board.

We believe that housing stability is the start and economic empowerment is the end goal. Together, with input from Barcroft residents, Arlington County, Amazon Housing Equity Fund, and the greater Arlington community, we will continue the long-term journey to a new, reimagined Barcroft community.

We look forward to implementing the MFDP and are thrilled to be part of this transformational neighborhood initiative for years to come.


BE
BARCROFT
SPORTS ZONE
BE
BARCROFT

08 | ACKNOWLEDGMENTS

ACKNOWLEDGMENTS

Jair Lynch is extremely grateful for the opportunity to present our vision, goals, ideas, and financing plan for this once-in-a-generation project to Barcroft residents, Arlington County, and Amazon Housing Equity Fund. We look forward to the continued collaboration to come.

ARLINGTON VIRGINIA

amazon

BE BARCROFT

ACKNOWLEDGMENTS

Jair Lynch would like to thank our talented team of consultants and community partners who have come together to bring to life the vision and goals for Barcroft Apartments and the surrounding community.

GROUP	NAME
Civic Associations	
Alcova Heights	Mark Cole
Arlington Heights	Betty Siegel
Arlington Mill	Noreen Quill
Arlington View	Juliana Pope
Barcroft	Glenn MacCullough
Columbia Forest	Kathy Guernsey
Alternate (Columbia Forest	Diana Baron
Columbia Heights	Ed Miltenberger
Douglas Park	Linda Dye
Foxcroft Heights	Jacob Yanofsky
Penrose	Michelle Stahlhut
Columbia Pike Partnership	Andrew Schneider
	Amy McWilliams
	John Snyder
Planning Commission	Daniel Weir
	Eric Berkey
Housing Commission	Zack Linick
Transportation Commission	Chris Slatt
	Ajdin Muratovic
Historical Affairs and Landmark Review Board	Joan Lawrence
	Dick Woodruff

GROUP	NAME
Forestry and Natural Resources Commission	David Howell
	Caroline Haynes
Parks & Recreation Commission	Nelson Dimpter
Pedestrian Advisory/Bicycle Advisory Committee	Mike Hanna
	Pamela Van Hine
Disabilities Advisory Commission	Karen Audant
	Dorris Ray
Barcroft Resident Council	Marco Herrada
	Ruben Sira
Northern Virginia Affordable Housing Alliance (NVAHA)	Alice Hogan
	Kitty Stevenson
Voice	Patricia Findikoglu
	Maccoy Kauffman
Arlington Community Foundation	Brian Marroquin
	Michelle Winters
	Mary Hynes
	Anne Vor der Bruegge
NAACP	Wells Harrell
BU-GATA	Saul Reyes
	Steven Perez

Jair Lynch would like to thank our talented team of consultants and partners who have come together to bring to life the vision and goals for Barcroft Apartments and the surrounding community.

09 APPENDIX

- Barcroft Apartments Program Wide Affordable Housing Financing Plan

BARCROFT APARTMENTS

PROGRAM WIDE AFFORDABLE HOUSING FINANCING PLAN [1]

DATE: DECEMBER 11, 2023

I. Background/Recitals

Project	Barcroft Apartments
Sponsor	LDP Holdings, LLC, d/b/a Jair Lynch Real Estate Partners, ("Jair Lynch")
Lenders/Existing Loans	Arlington County (the "County") - $150,000,000 County Acquisition Fund loan based on 1,335 units and approximately 954,722 net rentable square feet ("NSF") excluding any proposed bump-outs or re-development ($112,360 per unit; $157.11 per NSF (the "Existing County Loan"). Amazon Housing Equity Fund ("Amazon") - $160,080,000 on 1,335 units and approximately 954,722 NSF excluding any proposed bump-outs or re-development ($119,910 per unit; $167.67 per NSF (the "Existing Amazon Loan"). Amazon and the County are collectively the "Lenders," and the County Existing Loan and Amazon Existing Loan are collectively the "Existing Loans" which will become the "New Loans" as defined herein.
Current Borrower	1130 S. George Mason Dr Res Owner, LLC
Program Wide Affordable Housing Financing Plan	This Program Wide Affordable Housing Financing Plan ("AHFP") sets forth the Sponsor's plan for the sitewide restructuring of the sources and uses and terms for future refinancing of the Existing Loans for purposes of participation in Low Income housing Tax Credit ("**LIHTC**") or other affordable housing financing sources – structured affordable housing projects for the renovation and re-development of the Barcroft Apartments across multiple Phases (herein defined) for the approval by the County. Each Phase shall be subject to a phase specific Term Sheet in accordance with the terms set forth herein, with final loan documents for each Phase subject to approval by the Arlington County Board (with respect to the Arlington Loans) and the Amazon Housing Equity Fund's loan committee (with respect to the Amazon Loans). The Lenders and Sponsor acknowledge that the Existing Loan is fully funded and secured by the existing property. This AHFP is the overall plan for allocating those resources to the specific Phase. The AHFP has been reviewed, revised, and approved by the Lenders.

[1] This Program Wide Affordable Housing Financing Plan is an element of the Master Financing and Development Plan as required by the County Acquisition Loan Agreement.

1

II. Program Wide Summary

a. Program Wide Development Summary

Master Plan	The Sponsor has compiled a comprehensive Master Plan for the re-development of the 62-acre Barcroft Apartment site in Arlington, VA (the "Master Plan") that envisions the following: 1. Preservation of 1,335 units of affordable housing (the "Affordable Housing Component"). The Affordable Housing Component is comprised of: a. Renovation of approximately 922 existing garden style apartments b. Demolition of approximately 413 existing garden style apartments with 1 for 1 replacement in new affordable housing developments. The final number of renovated and redeveloped units are subject to County Board approval of the proposed Form Based Code amendments in its role as the regulatory authority (versus in its role as a Lender). c. Development of a resident amenity center serving all or certain phases of the Affordable Housing Component. d. Related public and private infrastructure (e.g., utilities, stormwater management, etc.) serving the Affordable Housing Component. The Affordable Housing Component will be executed in multiple phases of either renovation or new construction (herein each a "Phase") that will be individually financed and contracted. No Phase will be cross defaulted or cross collateralized with any other Phase. Each Phase will be subject to the terms of the binding New Loan documents.

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	2. Mixed-use and market rate development ("Ancillary Commercial Development Component").
CAF Renovation and CAF New Construction Projects	All income qualified Current Residents (herein defined) at Barcroft will have the opportunity to live in a renovated or new home at Barcroft. Current Residents who lived at Barcroft prior to December 29, 2021, who are not income qualified will have the opportunity to remain at Barcroft in accordance with the Program Wide Affordability Plan set forth herein. **Committed Affordable Units ("CAF") Renovation Projects** - will upgrade homes with mechanical, electrical plumbing, including kitchens and baths and will have features typical in today's modern apartment homes CAF Renovation Projects utilizing financing from Virginia Housing will comply with then-current Minimum Design and Construction Requirements set forth by Virginia Housing ("MDCR") **CAF New Construction Projects -** will build new homes with features typical of today's modern apartment homes. CAF New Construction Projects utilizing financing from Virginia Housing will comply with the MDCR. Landscape improvements may include improvements to courtyards and streetscapes. Hardscaped areas such as sidewalks, retaining walls, streets and curbs will also be maintained and repaired as necessary.
Resident Amenity Center	A new Resident Amenity Center will be constructed and have a program including, but not limited to, a leasing office, business center, multipurpose space, gym, and a to-be-determined set of outdoor amenities. The Sponsor will seek input from the residents on what amenities and programming they would like included and make commercially reasonable efforts to accommodate their feedback. The Resident Amenity Center will be included in the underwriting proforma of a Phase. Each Phase will contribute to an operations fund for a Resident Amenity Center.

b. Program Wide Policy Summary

Program Wide Affordability Plan	The Sponsor will adhere to the following minimum affordability standards ("Program Wide Affordability Plan"): i. The planning for each Phase, as described below, will comply with the Affordable Housing Component requiring that 100% of residential units are affordable to residents at an average of 60% AMI for the term of the Covenant.

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	ii. All residents who occupy units in any Phase as of the date of an approved Resident Relocation Plan for such Phase, ("Current Residents") and whose household income is <u>*less*</u> than 80% of AMI (as determined by an income certification process to be completed prior to Final Underwriting Package) shall receive a fully renovated or newly constructed residential unit at their then-current rent and thereafter, annual rent increases shall be capped at 3.0% per year, not to exceed 60% AMI, or the corresponding rent level assigned to the particular unit (i.e. units that may be designated at other income levels such as 50%, 70%, 80%, etc.) for as long as such resident remains at the property. iii. All Current Residents whose household income is <u>*greater*</u> 80% of AMI (as determined by an income certification process to be completed prior to Closing (herein defined)) shall have the option to relocate to an unrenovated unit of comparable size elsewhere at Barcroft and shall have annual rent increases capped at 3.0% for as long as such resident remains at Barcroft. Should these Current Residents remain at Barcroft through the closing of the final affordable housing Phase, they will be offered new construction units in the market rate component of Barcroft and continue to have annual rent increases capped at 3.0% for as long as such resident remains at Barcroft. iv. At least 10% of the 1,335 units across the Affordable Housing Component shall be affordable to households whose income is less than 30% of AMI. Such units shall be made available according to the process outlined in the "30% AMI Units - Household Selection Process" included as Exhibit A. Parties acknowledge that individual Phases may have varying affordability levels, which shall be recorded in a Declaration of Restrictive Covenants, provided that the requirement herein is met in aggregate across the Affordable Housing Component. v. Up to 10% of the 1,335 units across the Affordable Housing Component may be leased at rents up to 80% of AMI. vi. If property management discovers that any unit has a number of occupants which exceeds its maximum allowed, strategies will be explored to help mitigate the overcrowding, such as determining eligibility for rent assistance which would allow some occupants to move into a second unit.

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	To accommodate Current Residents between 60-80% AMI, "income averaging" will be used for certain Phases. As such, applications for LIHTC and bond financing, annual certifications, and reports may necessitate that certain units (including those occupied by current residents) be identified as 40%, 50%, 60%, 70%, or 80% AMI units as needed to maintain a blended average of 60% AMI. However, all Current Residents will still be subject to the rent protections defined in i. – vi. above until closing on each Phase. All residents shall be subject to standard LIHTC income certificate procedures. Absent any release, the Affordable Housing Covenant shall survive any foreclosure including a foreclosure by the Lenders, all subject to VH approval. The parties acknowledge that Virginia Housing currently requires that for any particular Phase only 20% of the set asides for tenants at or below 60% AMI may survive foreclosure, and subject to VH underwriting and discretion at the time of foreclosure, some additional affordability covenants may survive foreclosure, as will be specified in the Declaration for such Phase. The Lenders and Sponsor expressly acknowledge that this Program Wide Affordability Plan is contingent upon adherence to the Minimum Underwriting Standards and New Loan Terms set forth herein and that there is no expressed or implied commitment by the Sponsor to adhere to the Program Wide Affordability Plan for any Phase until the Closing on such Phase as contemplated herein. Prior to Closing on any Phase, the existing affordable housing restrictive covenant shall govern.
30% AMI Units – Household Selection Process	Included as Exhibit A
Relocations	The Sponsor shall submit for approval by the County Manager or designee, a Resident Relocation Plan in accordance with the most recent Arlington County's Tenant Relocation Guidelines approved by the County Board. Sponsor will work to ensure that all relocations take place on the Barcroft site (on-site relocations) and use best efforts to ensure a maximum of two moves (one to an interim site, one to a renovated unit) for Current Residents.
Permanent Supportive Housing (PSH) Units	The Sponsor shall collaborate with County staff to provide a mutually agreed upon number of PSH units, up to 10% of the total units across the site, subject to the availability of rent subsidies and supportive services from the County or other federal sources, which would become available upon current resident turnover. The PSH units shall be in addition to the very low-income units up to 30% AMI, in order support a greater diversity of residents being served at the property. PSH residents shall be required to sign a standard lease and will be subject to the terms and conditions thereof (to the extent such lease terms do not conflict with the terms of the County PSH Agreement).

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	Each Phase project owner will be required to enter into a PSH Agreement with the County. These PSH units are subject to the annual funding of the PSH Agreement by the County to the Phase project owner and to the senior lender's foreclosure requirements above and in the Declaration for each Phase. Failure to appropriate funds annually or extend such agreements for the term and any subsequent terms, as may be required by the tax credit investor, will allow the prorated portion or all (in the event of non-appropriation or termination or failure to adequately extend for the then-current tax credit compliance period) to then be rented to tenants at incomes and rents not to exceed the maximum allowed for such unit under the Program Wide Affordability Plan.
Accessible Units	The Sponsor shall provide at least 10% of the affordable units developed in new buildings as Type A accessible units and strive to include Type A accessible units for the portions of the property being renovated/rehabilitated, to the extent economically feasible. No more than half, or 50%, of the PSH units shall be designated as accessible units.

III. Program Wide Financing Strategy

a. Financing Sources

Baseline Sources	The Master Sources and Uses included herein contemplates the financing of all Phases of the Affordable Component using tax-exempt bonds, 4% LIHTC, Amazon loan funds, County loan funds, and deferred developer fee (herein the "Baseline Sources"). Sponsor, at its discretion, may elect to obtain tax-exempt bond allocation from any Virginia bond pool including Virginia Housing, the local housing authority pool, or governor's pool.
Other Sources	Any sources of funds not included in the Baseline Sources shall be referred to as "Other Sources." Except as set forth herein, Sponsor may submit Initial and Final Underwriting Packages for Phases financed using Baseline Sources and/or Other Sources as described in the Sponsor Pursuit of Other Sources section.
Other Lender Sources	The County will continue to work with the Sponsor and on-site property management teams to actively market its housing grants and other subsidy programs as needed to support any residents experiencing cost burden or financial hardship. This includes reviewing and considering resident eligibility for County subsidy programs during the income verification process for Low-Income Housing Tax Credit (LIHTC) projects. Residents will be considered

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	for one of the units covenanted at 30% AMI, per the Resident Selection Process for 30% AMI units. Lastly, a one-time $1.5M grant will be provided by Amazon to further support households experiencing rent burden hardships, with a priority given to residents that do not qualify for County assistance and/or who are not selected for a 30% AMI unit. The grant funds shall be held and managed by a 3rd party non-profit who, in consultation with County DHS staff, shall make distributions directly to residents.

b. Underwriting Standards

Minimum Underwriting Standards	Notwithstanding anything else herein, the financing plan for each Phase individually, and the Affordable Housing Component collectively, shall adhere to the following Minimum Underwriting Standards as evidenced by the Master Sources and Uses and the Phase specific sources and uses submitted with each Initial or Final Underwriting Package (herein defined) 1. Sufficient sources are available to fund the Total Development Cost (herein defined) for each individual Phase. 2. Amazon Loans (exclusive of any accrued interest) shall not exceed $160,080,000 in aggregate for the Affordable Housing Component or $167.67 per NSF for each individual Phase. Amazon Loans for individual Phases shall be sized as described in the New Loan Amounts section. 3. County Loans (exclusive of accrued interest) shall not exceed $150,000,000 in aggregate for the Affordable Housing Component and County Loans for individual Phases shall be sized as described in the New Loan Amounts section. 4. Master Affordability Plan is met in aggregate across the Affordable Housing Component. 5. Financing for each individual Phase will be sized such that there will be sufficient funds to repay all debt, including the Amazon and County Loans within the loan term and all Deferred Developer Fee is repaid within 13 years of completion of any renovation/construction. 6. Terms of the Amazon and County Loans conform materially to the New Loan Terms set forth herein.
Use Categories	All customary development costs necessary to complete any Phase ("Total Development Cost") as determined by VH or other lender underwriting prior to Closing and supported by a 3rd party appraisal, including, but not limited to: **Acquisition/Transfer Value** – The pro-rata, per unit allocation of the original $425,000,000 purchase price paid for the 1,335-unit Barcroft

	Apartments in December 2021. If a higher acquisition amount is determined by an appraisal, then the Borrower will provide a Seller Note for the difference between the appraisal amount, and the pro-rata allocation amount. **Reimbursement of Acquisition Period Costs -** The pro-rata allocation of all acquisition financing and closing costs, related soft costs; plus, the pro-rata allocated value of capital improvements completed through the date of Closing. **Hard Costs** – All costs for renovation or construction of the subject Phase including any site-specific utility and infrastructure upgrades, sitework, stormwater management, and landscaping as determined by a Guaranteed Maximum Price ("GMP") contract with a 3rd party general contractor to be executed prior to Closing; *plus* 10% Hard Cost Contingency for new construction projects and renovation projects unless otherwise proposed by the Sponsor. **Financing Costs** – All costs necessary to obtain construction and permanent debt and equity financing for the project including estimated construction period interest for all debt including the Amazon and County Loans. **Pre-Development/Bridge Interest** – The lesser of the actual interest rate charged by a 3rd party lender or 12% annual interest (compounded monthly) on design and pre-development costs directly attributable to the subject Phase paid by the Sponsor (or affiliates) prior to the date of Closing, and any capital provided by the Sponsor to bridge the pay-in of LIHTC or other sources. **Capital Reserve Deposit -** $15,000 per unit for all renovation projects to be deposited in a reserve account to fund any necessary capital improvements during the operation of the Phase. The initial deposit will be supplemented with annual reserve deposits included in operating expenses as required by VH or other first-trust lenders. **Soft Costs** – All design, permit, FF&E, taxes, insurance, legal fees, resident relocation costs, construction management fees, etc. necessary for the completion of the Proposed Project. **Developer Fee -** - LIHTC Projects - Determined in accordance with VH (or other first trust lender) guidelines not to exceed the amount of developer fee that can be included in LIHTC eligible basis at the time of Closing for that Phase (currently $3,000,000). - Non LIHTC Projects – In accordance with industry and market standards for the financing sources used on such project as

	determined by the first trust lender or 3rd party cost reasonableness study. Developer Fee may be paid to an affiliate entity of the Sponsor.

Project Betterments	• Provided that the Minimum Underwriting Standards are met, the Sponsor shall work in good faith to identify and incorporate Project Betterments into the program of individual Phases for the purpose of meeting the requirements of and/or increasing the competitiveness of the Sponsor's Pursuit of Other Sources. Project Betterments shall be identified and incorporated into the Initial Underwriting Package at Sponsor's discretion and provided that such Project Betterments do not materially impact the Sponsor's risk, schedule, Phasing plan, economics beyond the Baseline Sources, or require Sponsor to provide goods or services outside the normal operation of affordable residential rental housing and may be contingent upon successfully securing the Other Source requiring the Betterment. The County can direct the Sponsor to pursue and investigate in good faith specific Project Betterments that utilize additional sources outside Baseline or Other Sources already defined or funds in excess of the Phasing Reserve Fund subject to the same tests above.
	• Project Betterments may include (but are not limited to):
	  ○ Additional or deeper affordability beyond the Master Affordability Plan including providing financing or operating subsidies for rent burdened residents.
	  ○ Additional residential amenities
	  ○ Enhanced resident services
	  ○ Design and construction standards (including green design features above and beyond the requirements for 1st trust lenders or other financing sources.
	  ○ Modifications to unit sizes or unit mix including "bump-outs" on renovation Phases.
	  ○ Digital equity
	  ○ Additional infrastructure investments such as parks streets, stormwater mitigation, etc.
	
	Notwithstanding the forgoing, the Other Lender Sources shall only be used to provide additional or deeper affordability or rent assistance for Legacy Residents and to ensure such Phase is financially feasible.

Phasing Reserve Fund	For the purpose of ensuring sufficient loan funds for future phases (including for Project Betterments, at the Sponsor's and County's reasonable discretion, but subject to the Minimum Underwriting Criteria set forth herein), and subject to the Sponsor pursuing all sources according to the procedures identified in the "Sponsor Pursuit of Tier 1 Other Sources" section, the initial Master Sources and Uses

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	shall include a Phasing Reserve Fund not to exceed 10% of the remaining balance of the Existing Loans. Contributions to the Phasing Reserve Fund will be funded at the Closing of any individual Phase where there are excess proceeds of the Existing Loans (i.e., less than the pro-rata share of Existing Loans is needed or underwritten for that phase). The Phasing Reserve Fund will be held by a third-party escrow agent in interest-bearing accounts benefiting the Lenders, and subject to an escrow agreement among the lenders. Funds from the Phasing Reserve Fund may be used to augment future Phases to the extent that additional sources above the pro-rata allocation of the Existing Loans for such Phase are needed and shall be subject to the review and approval process outlined for the Initial Underwriting Package in the "Loan Modification Procedures" section and included as part of the Final Underwriting Package submitted by the Sponsor and Financing Commitment considered by the County Board for that phase. If the Phasing Reserve Fund exceeds (or is forecast to exceed) 10% of the remaining Existing Loan balances, in aggregate, then the excess funds shall be released by the escrow agent to the Lenders as set forth herein. Notwithstanding, once all the renovation Phases have closed on financing, the Sponsor will reduce the Phasing Reserve Fund to 5% of the remaining balance of the Existing Loans to support remaining new construction Phases. Once all Phases have closed on financing, any remaining balance of the Phasing Reserve Fund shall be released by the escrow agent to the Lenders as set forth herein. Releases from the Phasing Reserve Fund shall be distributed as follows: 1. 75% of release shall be distributed to the County and 25% shall be distributed to Amazon until such time that a total of \$40MM in aggregate has been distributed to the Lenders. 2. Any further distributions (after \$40MM in aggregate) shall be distributed 100% to the County and 0% to Amazon.

IV. Program Wide Execution Strategy

a. Loan Modification Procedures

Acquisition Loan Repayment/Modification Procedures	The Sponsor's request for the Lenders to assign, modify, or re-issue loans for each Phase of the Affordable Housing Component in accordance with the terms set forth herein shall be subject to the following procedures: - Concurrent with the submission of any applications for tax-exempt bond, LIHTC, or other financing sources for Phases that conform to the Minimum

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Underwriting Standards and use only the Baseline Sources; or 30 days prior to the submission of financing applications for Phases that use Other Sources; or 90 days prior to the submission of financing applications for Phases that do not conform to the Minimum Underwriting Standards, the Sponsor shall submit to the Lenders an "Initial Underwriting Package" that shall include:

- Proposed program and narrative scope of work.
- Preliminary resident income and demographic study.
- Unit and affordability matrix.
- Draft Phase proforma with sources and uses.
- Updated Master Sources and Uses (herein defined) and explanation of any variances or significant changes.
- Draft Phase Affordability Plan (herein defined) with update and/or affirmation of the Master Affordability Plan (herein defined).
- Draft loan modification Term Sheet on the form included herein as Exhibit D with a statement of any variances from the Baseline Sources and loan terms set forth herein.
- Draft milestone schedule for all major design, permitting, financing, and construction activities.

- Lenders shall have 14 regular business days to review and comment on the Initial Underwriting Package and Sponsor shall make a good faith effort to incorporate such comments into the Final Underwriting Package (herein defined). Upon completion of the Lender's review of the Initial Underwriting Package if such package conforms to the AHFP and is acceptable to the County, the Lender's staff shall provide a Phase-specific Term Sheet in a form attached hereto at Exhibit B for Sponsor's submission as part of financing applications and underwriting (e.g., VH bond inclusion). Notwithstanding the foregoing, the Term Sheets shall not supersede the approval of Final Loan Documents of each lender's respective Board or Committee.

- Sponsor shall update the Master Sources and Uses on a regular basis throughout the duration of the

Affordable Housing Component and upon submission of any Preliminary or Final Underwriting Package for any Phase. Sponsor shall identify any major underwriting changes in each update and identify risks and mitigants as part of updates to the Master Sources and Uses.

- Sponsor shall provide the Lenders with copies of any applications submitted for tax-exempt bond, LIHTC, or other financing.

- Prior to submission of a Final Underwriting Package (herein defined), Lenders and Sponsor (and their respective attorneys) shall work in good faith to negotiate the terms of the loan assignment/modification which shall be included in the Final Underwriting Package for consideration by the Lenders' Board/Committees. The parties anticipate the existing Loans for such Phase will be repaid from Phase sources, and the respective Lender will make a new loan (as provided herein) to the Phase owner (a "Loan Modification").

- Not less than 60 days prior to the expected date of Closing for any first trust debt for Phases that conform to the Minimum Underwriting Standards and use only the Baseline Sources; or 90 days prior to Closing for Phases that either do not conform to the Minimum Underwriting Standards or use Other Sources the Sponsor shall submit a "Final Underwriting Package" to the Lenders which shall include:

  - Final program and narrative scope of work
  - Copies of construction plans, appraisals, draft borrower partnership agreement, and 3rd party reports (environmental, appraisal, survey, etc.)
  - Final "preconstruction" resident income certification
  - Final Resident Relocation Plan
  - Final Phase Affordability Plan
  - Update and affirmation of the Master Affordability Plan.
  - Final proforma with sources and uses.
  - Updated Master Sources and Uses (herein defined) and explanation of any variances or significant changes.

	Final loan modification Term Sheet and draft loan modification or assignment documents. If the Initial Underwriting Package was approved by VH for Bond Inclusion, then the County and Amazon loan amounts that were included in the Initial Underwriting Package will not be reduced without the prior written approval of Virginia Housing. - Within 30 days of submission of the Final Underwriting Package for Phases that conform to the Minimum Underwriting Standards and use only the Baseline Sources; or 60 days of submission of the Final Underwriting Package for Phases that either do not conform to the Minimum Underwriting Standards or use Other Sources, Lenders shall seek approval of Final Loan Documents from their respective Board/Loan Committee. - Not less than 30 days prior to the expected Closing for each Phase, but after receipt of commitments, term sheets, etc. for each all financing sources, Lenders shall diligently pursue final approval of loan documents from each Lender's respective Board or Committee. - Closing of each loan modification shall occur after: Approval of each Lender's Board or Loan Committee; Completion of final loan modification/assignment documents; Receipt of all necessary permits needed to commence construction for such Phase (including use permit); final delivery and review of all required due diligence materials; completion of other usual and customary Closing activities (e.g. title/survey, etc.); and concurrent with the closing of tax-exempt bonds, LIHTC, or other financing sources (the "Closing").
Form/Other Documents	A Sample Future Phase Term Sheet, which shall be the basis for proposed future Phase Term Sheets is attached as an Exhibit to this Program Wide Affordable Housing Financing Plan. The parties acknowledge that final loan documents for Alpha 1 will be negotiated in the coming weeks and will be subject to County Board and Amazon loan committee approvals. Parties acknowledge that the final Alpha 1 loan documents will serve as a baseline for all subsequent similar Phases

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	subject to final County Board and Amazon loan committee approval.

b. Sponsor Responsibilities

General	The Sponsor, and/or its affiliates, shall serve as the developer/owner of the Affordable Housing Component. The Sponsor shall be responsible for obtaining the necessary debt and equity (including the Baseline Source and/or Other Sources) to finance the Affordable Housing Component. Sponsor shall be responsible for selecting and securing all vendors, contractors, architects, engineers, consultants, etc. at its discretion. Sponsor shall execute the development of the Ancillary Commercial Development Components and related infrastructure and site improvements with separate private sources unless New Construction CAF Projects are included in any or all of the Ancillary Commercial Development Components phases.
Programming	Sponsor shall be responsible for implementing the development program (size, unit mix, sustainability, resident services program, infrastructure, renovation or new construction standards, accessibility standards, operating program, etc.) of each Phase to: 1. Achieve the Program Wide Affordability Plan; 2. Address the needs of existing residents; and 3. Increase the competitiveness of such Phase to attract Baseline Sources. Sponsor, at its discretion, may incorporate Project Betterments to any Phase to the extent that such Project Betterments: 1. Increase the competitiveness of such Phase to attract Other Sources; 2. Are neutral to or reduce the Required Gap Financing (herein defined); 3. Conform to the Minimum Underwriting Standards.
Entitlements	Sponsor shall be responsible for obtaining all necessary entitlements for the Master Plan.
Phasing Plan	The Sponsor shall be responsible for developing and executing the Affordable Housing Component in phases. While the affordability program in each Phase may vary the Sponsor is responsible to continue ensure the targets under the Program Wide Affordability Plan shall be met across the entire Affordable Housing Component. As part of the Initial and Final Underwriting Packages, Sponsor shall identify the specific affordability for each Phase (the "Phase Affordability Plan") and Sponsor shall submit an affirmation and explanation of strategies to meet/exceed the Program Wide Affordability Plan.

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	The Sponsor shall be responsible for compiling and updating a "Phasing Plan" throughout the execution of the Affordable Housing Component. The Phasing Plan shall include the program, milestone schedule, and sequencing of each Phase.
Resident Relocation	The Sponsor shall be responsible for managing the relocation of Existing Residents while specific phases of the Affordable Housing Component are under construction. Relocations will follow County guidelines. If any resident needs to be relocated offsite, the Sponsor shall notify the County in advance and receive approval prior to relocating the resident.
Sponsor Pursuit of Other Sources	Notwithstanding the forgoing, Sponsor shall pursue Other Sources (herein defined) that reduce the Required Gap Financing (herein defined) provided that such Other Sources do not materially impact the Sponsor's risk including, liquidity reserve and net worth tests, ability to secure other Sponsor financings, schedule, Phasing plan, or level of effort to comply beyond the Baseline Sources, or economics beyond the Baseline Sources, all of which will be provided in good faith to the County in a pursuit analysis memo at the onset of each Phase. The use of Other Sources shall meet the Program Wide Affordability Plan, the Minimum Underwriting Standards, and have a material net benefit of reducing the Required Gap Financing by at least $500,000 per Phase. Sponsor will submit applications that score above the minimum threshold amount, respond to inquiries, and requests for additional information, and incur reasonable legal and design fees for such pursuit. Specifically, Sponsor must make "commercially reasonable" efforts to pursue the following Tier 1 Other Sources: • 9% LIHTC for new construction and renovation Phases • State Historic Tax Credits • Virginia State Housing Trust Fund Sponsor must make "good faith" efforts to pursue the following Tier 2 Other Sources: • VH Rental Predevelopment Loan program which would provide for 0% interest pre-development loans. • New Market Tax Credits • Federal Home Loan Bank Financing • Opportunity Zone Financing • Any other source reasonably identified by the Parties. Provided that Sponsor makes the efforts (defined above) to secure such Other Sources, Sponsor may proceed with the Phasing Plan using Baseline Sources at its discretion even if not awarded any Other Sources. As an incentive for Sponsor to pursue Other Sources, Sponsor shall earn a financing fee equal to the lesser of $250,000 or

	5% of the reduction in Required Gap Financing for any Phase achieved by using Other Sources in lieu of the Baseline Sources. The County may work with the Sponsor to utilize funds from federal sources and other County-generated or held sources to replace County funds currently included in the County Loans, provided that such replacement funds do not materially increase the Sponsor's risk, including liquidity reserve and net worth tests, ability to secure other Sponsor financings, schedule, Phasing plan, or level of effort to comply beyond the Baseline Sources.

V. New Loan Terms

Loan Assignment	Upon Closing for any Phase, the Lenders will amend the Existing Loans to release the portion of the property included in such Phase. The Lenders will, subject to reasonable approval of the Sponsor, either: 1. Issue a new loan for the subject Phase to the New Borrower provided that the Sponsor pays off a pro-rata share of the Existing Loans (subject to the Phasing Reserve Fund defined herein) and that the existing subordination agreement between the Lenders shall remain unchanged and remain applicable regardless of whether the loan will be a partial assignment or a new loan; or 2. Provided there are no material adverse tax consequences to the Phase owner, agree to a partial assignment of the Existing Loans to the New Borrower provided that: 1) the Sponsor makes a payment for any delta between the pro-rata share of the Existing Loans and the amount of the partial assignment of the Existing Loans (subject to the Phasing Reserve), and 2) the existing subordination agreement between the Lenders shall remain unchanged and remain applicable regardless of whether the loan will be a partial assignment or a new loan. The balance of the Existing Loans shall be reduced by a pro-rata allocation of the Existing Loans as noted above) and the subject Phase shall be released from the collateral of the Existing Loans. The terms and conditions of the loan documents for the Existing Loans shall remain in full effect. The new (or assigned) Amazon and County loans pertaining to the subject Phase are herein, collectively, the "New Loans". At Closing, each Phase shall be released from the existing Affordable Housing Covenant (the "Covenant") and replaced with a

	new 99-year (less the time elapsed since the original covenant recording) that sets forth the Phase Affordability Plan.
New Borrower/Assignee	A to-be-formed affiliate of Jair Lynch as set forth in the organizational chart included as Exhibit E herein.
New Loan Amounts	Amazon and County Loan Amounts upon Closing for each individual Phase shall be based on the "Required Gap Financing" as determined by the following formula: Required Gap Financing = Total Development Cost (herein defined) less the sum of: 1 - Permanent loan proceeds from the sale of tax-exempt bonds as underwritten by Virginia Housing ("VH") or other construction/perm debt sources; 2 – LIHTC Equity proceeds as determined by term sheets from 3rd party LIHTC equity investors and supported by a preliminary 3rd party analysis of LIHTC eligible costs; 3 – Other Sources (herein defined); 4 - Deferred Developer Fee (herein defined). The Amazon Loan Amount for each individual phase shall be the Lesser of: a) $167.67 per net rentable square footage of the existing units allocated to each individual Phase upon Closing; or b) 51.6% of the Required Gap Financing. If the underwriting for any Phase requires an Amazon Loan Amount more than $167.67 per net rentable residential square footage of the existing units and there are sufficient funds in the Phasing Reserve Fund, then subject to the review and approval process outlined for the Initial Underwriting Package in the "Loan Modification Procedures" section, the Amazon Loan Amount for such Phase shall be 51.6% of the Required Gap Financing, with the excess over $167.67 per net rentable square footage of the existing units funded by withdrawal from the Phasing Reserve Fund and allocated pro-rata (51.6%) to the Amazon Loan Amount for that phase. The County Loan Amount for each individual phase shall be the Lesser of: a) $157.11 per net rentable square footage of the existing units allocated to each individual Phase upon Closing; or b) 48.4% of the Required Gap Financing. If the underwriting for any Phase requires a County Loan Amount more than $157.11 per net rentable residential square footage of the existing units and there are sufficient funds in the Phasing Reserve Fund, then subject to the review and approval process outlined for the Initial Underwriting Package in the "Loan Modification Procedures" section, the County Loan Amount for such Phase shall be 48.4% of the Required Gap Financing with the excess over $157.11 per net rentable square footage of the existing units funded by withdrawal from the Phasing Reserve Fund and allocated pro-rata (48.4%) to the County Loan Amount for that phase.

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	Notwithstanding the foregoing, the pro-rata New Loan amounts on the final Phase(s) shall be adjusted such that the sum of aggregate total of Amazon New Loan Amounts across all Phases plus the aggregate of previous or pending Amazon distributions from the Phasing Reserve shall equal $160,080,000.
Deferred Developer Fee	**LIHTC Projects –** Sponsor (via an affiliate entity) shall defer 50% of the total Developer Fee to be paid with Surplus Cash Flow (herein defined). Unpaid Deferred Fee shall not accrue interest unless, after review by Borrower's tax advisors, counsel and any LIHTC equity investor, that interest is required to be charged on the Deferred Fee to be included in eligible LIHTC basis. **Non LIHTC Projects** – Developer Fee shall be set in accordance with industry and market standards for the financing sources used on such Phase as determined by the first trust lender or 3rd party cost reasonableness study.
Loan Term	New Loans will mature upon the latter of: 1. The maturity date of any first trust/permanent debt used for the initial construction (and permanent conversion or takeout) of each Phase provided the maturity date of the senior loan, inclusive of construction period, is no longer than the shortest term provided by Virginia Housing (but in no event less than 30 years plus construction period). In the event the shortest term provided by Virginia Housing does not result in sufficient senior debt proceeds for the project to meet the amount of tax-exempt bonds required for 4% LIHTC (currently the 50% test) or causes a bond burn which makes the project ineligible for 4% LIHTC, the loan term may be extended to a longer term subject to Lender approval. For avoidance of doubt, senior debt amortization schedules of up to 40 years are permissible provided the project meets Minimum Underwriting Standards and the term of the loan is no longer than the shortest term provided by Virginia Housing. 2. January 1, 2057
Pre-Payment	Loans shall be pre-payable, in full or in part, at any time without penalty.
Interest Rate/Servicing Fees	**County Loan** – 0.5% **Amazon Loan** • Closing – 12/31/2026: 1.5%; of which 1.5% is "Senior Pay" (herein defined)

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	• 1/1/2027 – 12/31/2031: 2.0% of which 1.5% is Senior Pay • 1/1/2032 – maturity: 2.5% of which 1.5% is Senior Pay • Loan Servicing Fee: $26,100 annually per Phase from Closing through maturity escalating at a maximum of 3% per year. All interest for the Loans shall be computed on the basis of a 365-day year, actual number of days elapsed.
Cash Flow Contingent	All payments on the New Loans (including the Senior Pay components but excluding loan servicing fees) are contingent on sufficient Surplus Cash Flow (herein defined) to make such payment. There is no event of default for lack of payment due to insufficient Surplus Cash Flow (terms to be further defined in the loan agreements). All unpaid interest shall accrue and continue to bear interest.
Distribution of Surplus Cash Flow	All cash flow from operations after payment of operating expenses (including reserves, audit fees, and partnership expenses) and payment of all required principal and interest on the first trust loan ("Surplus Cash Flow") shall be distributed in the following manner, subject to terms and conditions of the first trust lender **LIHTC Projects:** 1. Payment of the Amazon loan servicing fee 2. Payment of the "Senior Pay" portions of the Amazon Alpha 1 loan. 3. Payment of the LIHTC Investor Services Fee (if any). 4. Payment of interest and outstanding principal on the Deferred Developer Fee loan until such loan is fully repaid. 5. 60% split of remaining surplus cashflow to a) remainder of Amazon interest paid current. Then b) to Arlington County interest payments. Then c) pro-rata pay down of accrued interest and principal to Amazon and Arlington County. 6. 40% to LIHTC Partnership **Non LIHTC Projects:** By reasonable agreement of the parties in usual/customary fashion for such projects so long as it is equal to or better than the waterfall for a comparable LIHTC Project and subject to the minimum underwriting standards.
Distribution of Proceeds from Capital Event & Re-Subordination	If the Borrower elects to refinance the first trust debt (at any point), re-syndicate LIHTC or sell, assign, or transfer the Subject Phase and New Loans as set forth herein, funds raised from such Capital Event (including LIHTC proceeds) shall be used in the following order: 1. Repayment of existing first trust loan and any related transaction and legal fees.

	2. Any accrued but unpaid Payment of the LIHTC Investor Services Fee (if any), subject to County approval. 3. Repayment of any outstanding Deferred Developer Fee and accrued interest. 4. Performance of any necessary capital expenditures, deferred maintenance of building renovations (including soft costs and developer fees) as determined by a 3rd party Physical Needs Assessment ("PNA"), subject to reasonable approval of the Lenders; or such amount as necessary to meet the requirements of any first trust lender or LIHTC investor. 5. Repayment of all outstanding principal and interest on the Amazon Loan 6. Repayment of all outstanding principal and interest on the Arlington County Loan. 7. Distribution of any remaining proceeds to the Borrower. In the event of a refinancing of any first trust debt, the County and Amazon agree to re-subordinate the Loans to a new first trust lender subject to the reasonable underwriting of the County and Amazon, provided that such underwriting anticipates full repayment of the Amazon and County Loans during or upon maturity of the New Loan Term set forth herein. Any new subordination agreement shall be materially consistent with the form of subordination agreement in place on the Existing Loans and subject to future County Board approval. For the avoidance of doubt, no Lender shall be required to modify the maturity date of their respective New Loan as part of a re-subordination.
Re-Subordination Limitations	The New Amazon loan may only be re-subordinated with Amazon approval under the following conditions: • The Amazon loan may be re-subordinated to a new senior loan an unlimited number of times in connection with a refinance Capital Event and re-subordination by Arlington County where the Borrower is controlled by the Sponsor. • The Amazon loan may only be re-subordinated a maximum of one time in connection with a sale or assignment Capital Event and re-subordination by Arlington County where the Borrower is not controlled by the Sponsor. • Reasonable underwriting at the re-subordination Capital Event anticipates full repayment of the Amazon loan during the remaining loan term.
Sale, Assignment, or Transfer	Assignment and transfer provisions of the Existing Loans shall remain under the New Loans. Provided however, Borrower may assign the New Loans subject to the following conditions: 1. As part of a refinancing or syndication, the Borrower may assign or transfer the New Loan project to an Affiliate entity

	of the Sponsor, in which the Sponsor holds a controlling interest, upon reasonable notice to the Lenders and subject to the reasonable underwriting of the Lenders. 2. The Borrower may assign or transfer the New Loan to a nonprofit or government entity 3rd party (in which the Sponsor may or may not be a non-controlling member) subject to the reasonable approval of the Lenders and minimum underwriting standards of the replacement sponsor and guarantor to be further defined in the Loan Documents. Assignment of the Amazon loan to a for-profit entity where the Borrower is not controlled by Sponsor shall be at Amazon's sole discretion. Any sale, assignment, or transfer shall be subject to the Distribution of Proceeds from Capital Event as set forth above. The Borrower shall reimburse the Lenders for all reasonable attorney and other 3rd party expenses, including underwriting fees, incurred by the Lenders in connection with such sale, assignment, or transfer.
Security	Deed of trust/mortgage, assignment of leases and rents and security agreement and fixture filing ("Security Instrument"). Amazon and the County will agree to subordinate its Security Instrument to the deed of trust/mortgage securing any construction or permanent financing provided by any non-affiliates in connection with the development of the project pursuant to a commercially reasonable subordination agreement reasonably acceptable to Amazon and the County, provided however, that such subordination agreement shall provide for the provisions set forth in the current loan documents.
Loan Assignment and Modification Fee	None, however, the Borrower shall reimburse the Lenders for all reasonable attorney and other 3rd party expenses incurred by the Lenders, including underwriting fees, in connection with this modification and assignment. For the avoidance of doubt, such expenses shall be included in the Total Development Cost.
Debt Service Coverage Ratio ("DSCR")	Minimum 1.15x for any Senior Loan at Phase closing There shall be no required minimum DSCR for the County and Amazon Loans. Maximum Loan to Cost: Aggregate construction debt financing (inclusive of the first trust loan, Amazon and County Loans) shall not exceed 95% of the Total Development Cost at Phase Closing.
Reserves	Customary annual deposits to capital reserves, including without limitation replacement, operating and capital improvement reserves

	as reasonably determined by the first trust lender, not less than $300 per unit for renovation projects and $250 per unit for new construction projects. Collection and escrow shall be waived if held by the first mortgage lender.
Misc.	All other provisions of the Existing Loans shall remain unless agreed to as part of the definitive loan modification/assignment documents.

VI. Exhibits

a. 30% AMI Household Selection Procedures
b. Sample Phase Financing Term Sheet
c. Org Chart

Exhibit A – 30% AMI Household Selection Procedures

Approval/Re-occupancy Criteria

Eligibility:

- Anyone verified as earning up to, but not in excess of 30% AMI would be eligible.

Methodology:

- Interested Barcroft residents in the current or prior renovation/redevelopment phase would express interest in the renovated apartment.
- Residents would be verified and selected for the 30% AMI units in order of priority.
- Priority factors include in order of priority:
    - Barcroft residents living in the current phase being renovated/redeveloped, or in a prior phase that has been renovated/redeveloped.
    - Household Size Related to Unit Types Available – family size must match the unit type available. The units shall be leased to contain at least one person per bedroom, with maximum occupancy as permitted under the Virginia Statewide Building Code and the Virginia Maintenance Code and defined in the lease agreement for the unit. For example, a family of four would not be placed in a 1-BR unit. The unit mix available in each phase will vary.
    - Amount of Rent burden - Households with higher rent burden would be more highly prioritized. The rent burden calculation shall be the monthly rent of the unit divided by the total monthly household income. Monthly household income shall include all monthly income regardless of source, including but not limited to federal, state, and/ or local subsidy programs.
        - Example: A unit rents for $1,500/month. The total household income = $5,000. Divide $1,500 by $5,000= 30% of income towards rent payments. This resident would receive priority over a resident in a $1,500/month unit and with $5,300/month total household income (28% of income towards rent payments).
    - Order in which application is received.
- After offering and approving residents in the current renovation phase or prior phase per the above, any remaining 30% AMI available units in that particular phase, would open to the rest of the Barcroft residents using the same selection method. In the event there remain available 30% AMI units, those units will be open to any income qualified household outside of Barcroft and rented in accordance with the affirmative marketing plan.
- If residents later on choose to move out of the 30% AMI unit, the unit is then offered to the next person on the wait list (upon income verification).

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Exhibit B - Sample Phase Financing Term Sheet

BARCROFT APARTMENTS
[PHASE NAME] TERM SHEET
DATE: ______

A. Key Financing Terms:

Project Name	Barcroft Apartments – [Phase Name] (Arlington, Virginia) Building #s _______ which include _____ residential units and approximately ______ net rentable square feet and all associated land are herein referred to as "[Phase Name]".
Sponsor	LDP Holdings, LLC, d/b/a Jair Lynch Real Estate Partners, ("Jair Lynch")
Lenders/Existing Loans	Arlington County (the "County") - $150,000,000 on 1,335 units and approximately 954,722 net rentable square feet ("NSF") excluding any proposed bump-outs or re-development ($112,360 per unit; $157.11 per NSF the "Existing County Loan"). The [Phase Name] allocation of the existing loan is $_______. After LIHTC Closing (herein defined), the balance of the Existing County Loan will be $_______. Amazon Housing Equity Fund ("Amazon") - $160,080,000 on 1,335 units and approximately 954,722 NSF excluding any proposed bump-outs or re-development ($119,910 per unit; $167.67 per NSF the "Existing Amazon Loan"). The [Phase Name] allocation of the existing loan is $________ After LIHTC Closing, the balance of the Existing Amazon Loan will be $_________. Amazon and the County are collectively the "Lenders", and the County Existing Loan and Amazon Existing Loan are collectively the "Existing Loans".
Current Borrower	1130 S. George Mason Dr Res Owner, LLC
New Borrower	_________, LLC New Borrower is a Delaware limited liability corporation and an affiliate of the Sponsor formed for the purpose executing the substantial renovation of [Phase Name] as described herein.
Assignment	Upon LIHTC Closing (herein defined), the Lenders will amend the Existing Loans to release the [Phase Name] portion of the property. The Lenders will, subject to reasonable approval of the Sponsor, either: 1. Issue a new loan for [Phase Name] to the New Borrower provided that the Sponsor pays off the [Phase Name] allocation of the Existing Loans (subject to the terms of the Phasing Reserve in the Program Wide Affordable Housing Financing Plan); or 2. Provided that there are no material tax consequences to the Borrower, New Borrower, or Sponsor, agree to a partial assignment of the Existing Loans to the New Borrower provided that: 1) the Sponsor makes a payment for any delta between the [Phase Name] allocation of the Existing Loans and the amount of the partial assignment of the Existing Loans (subject to the terms of the County Phasing Reserve Fund in the Program Wide Affordable Housing Financing Plan), and 2) the subordination agreement between the Lenders shall

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	remain unchanged and remain applicable regardless of whether the loan will be a partial assignment or a new loan. The balance of the Existing Loans shall be reduced (as noted above) and [Phase Name] shall be released from the collateral of the Existing Loans. The terms and conditions set forth in the loan documents for the Existing Loans shall remain in full effect for the remaining collateral containing 1,242 residential units. The closings on the amendment to the Existing Loans and [Phase Name] loan/partial assignment will happen simultaneously. The existing Affordable Housing Covenant related to the [Phase Name] units shall be released, and a new covenant shall be recorded against [Phase Name] units as described herein. The new (or assigned) Amazon and County loans pertaining to [Phase Name] are herein, collectively, the "[Phase Name] Loans".
New Loan Amounts	The County and Amazon Loan will shall be based on the "Required Gap Financing" as determined by the following formula: Required Gap Financing = Total Development Cost (herein defined) less the sum of: 1 – Permanent loan proceeds from the sale of tax-exempt bonds as underwritten by Virginia Housing ("VH") or other construction/perm debt sources; and 2 – LIHTC Equity proceeds as determined by term sheets from 3rd party LIHTC equity investors and supported by a preliminary 3rd party analysis of LIHTC eligible costs; and 3 – Deferred Developer Fee The Amazon Loan Amount shall be the lesser of: a) $_______ [pro-rated value of Existing Loan] or; b) 51.6% of the Required Gap Financing. The County Loan Amount shall be the lesser of: a) $_______ [pro-rated value of Existing Loan] or; b) 48.4% of the Required Gap Financing.
Proposed [Phase Name] Project	The proposed [Phase Name] Project includes the [substantial renovation or new construction] of _____ apartment units with _____ studio units, _____one-bedroom units, and _____two-bedroom units to ____ three-bedroom units and _____four-bedroom units.
Total Development Costs	All customary development costs necessary to complete the [Phase Name] Project as determined by VH underwriting prior to LIHTC Closing and supported by a 3rd party appraisal, including, but not limited to: **Acquisition/Transfer Value** – $_______ (the pro-rata, per unit allocation of the original $425,000,000 purchase price paid for the 1,335-unit Barcroft Apartments in December 2021). If a higher acquisition amount is determined by an appraisal, then the Borrower will provide a Seller Note for the difference between the appraisal amount, and the pro-rata allocation amount. **Reimbursement of Acquisition Period Costs -** The pro-rata allocation of all acquisition financing and closing costs, related soft costs; plus The pro-rata

	allocated value of capital improvements completed through the date of LIHTC Closing, currently estimated to be $_______ ($______ per unit) **Hard Costs** – All costs for the renovation of [Phase Name] including any site-specific utility and infrastructure upgrades, sitework, stormwater management, and landscaping as determined by a Guaranteed Maximum Price ("GMP") contract with a 3rd party general contractor to be executed prior to LIHTC Closing; *plus* 10% Hard Cost Contingency (inclusive of forecast cost escalation). **Financing Costs** – All costs necessary to obtain construction and permanent debt and equity financing for the project including estimated construction period interest, and deed recordation taxes for all debt including the Amazon and County Loans. **Pre-Development/Bridge Interest** – The lesser of the actual interest rate charged by a 3rd party lender or 12% annual interest (compounded monthly) on design and pre-development costs directly attributable to the Proposed Project paid by the Sponsor (or affiliates) prior to the date of LIHTC Closing, and any capital provided by the Sponsor to bridge the pay-in of LIHTC or other sources. **Capital Reserve Deposit -** $________ ($15,000 per unit) to be deposited in a reserve account to fund any necessary capital improvements during the operation of the Project. The initial deposit will be supplemented with annual reserve deposits included in operating expenses as required by VH. **Soft Costs** – All design, permit, FF&E, taxes, insurance, legal fees, resident relocation costs, construction management fees, etc. necessary for the completion of the Proposed Project. **Developer Fee** – Determined in accordance with VH guidelines not to exceed the amount of developer fee that can be included in eligible basis (currently $3,000,000).
Deferred Developer Fee	Sponsor (via an affiliate entity) shall defer 50% of the total Developer Fee to be paid with Surplus Cash Flow (herein defined). Unpaid Deferred Fee shall not accrue interest unless, after review by Borrower's tax advisors, counsel and any LIHTC equity investor that interest is required to be charged on the Deferred Fee in order to include in eligible LIHTC basis, as reasonably approved by Lenders.
LIHTC Closing	Closing of the Assignment and Modification of the [Phase Name] Loans shall occur simultaneously with the closing of a tax-exempt construction loan with VH, currently forecast to occur in Q_ 202_.
Loan Term	Co-terminus with the first trust permanent loan term from Virginia Housing, currently expected to be____ years from permanent loan conversion.
Pre-Payment	The [Phase Name] Loans shall be pre-payable, in full or in part, at any time without penalty.
Interest Rate/Servicing Fees	County [Phase Name] Loan – 0.5% Amazon [Phase Name] Loan • LIHTC Closing – 12/31/2026: 1.5% of which 1.5% is "Senior Pay" • 1/1/2027 – 12/31/2031: 2.0% of which 1.5% is "Senior Pay" • 1/1/2032 – maturity: 2.5% of which 1.5% is "Senior Pay"

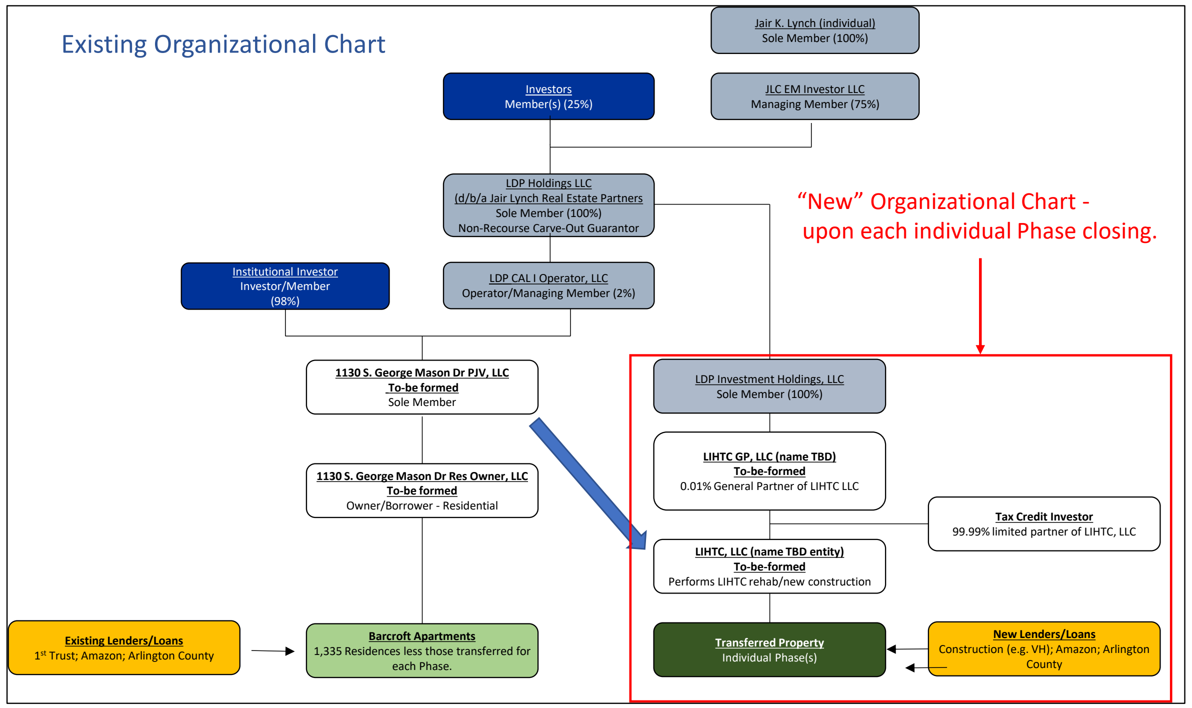
	• Loan Servicing Fee: $26,100 annually through maturity, escalating at a maximum of 3% annually All interest for the [Phase Name] Loans shall be computed on the basis of a 365-day year, actual number of days elapsed.
Cash Flow Contingent	All interest payments on the [Phase Name] Loan (including Senior Pay component but excluding loan servicing fees) are contingent on sufficient Surplus Cash Flow (herein defined) to make such payment. There is no event of default for lack of payment due to insufficient Surplus Cash Flow. All unpaid interest shall accrue and continue to bear interest.
Distribution of Surplus Cash Flow	All cash flow from operations after payment of operating expenses (including reserves, audit fees, and partnership expenses) and payment of all required principal and interest on the first trust loan ("Surplus Cash Flow") shall be distributed in the following manner, subject to terms and conditions of the first trust lender: 7. Payment of the Amazon loan servicing fee 8. Payment of the "Senior Pay" portions of the Amazon [Phase Name] loan. 9. Payment of the LIHTC Investor Services Fee (if any). 10. Payment of interest and outstanding principal on the Deferred Developer Fee loan until such loan is fully repaid. 11. 60% split of remaining surplus cashflow to a) remainder of Amazon interest paid current. Then b) to Arlington County interest payments. Then c) pro-rata pay down of accrued interest and principal to Amazon and Arlington County. 12. 40% to LIHTC partnership.
Distribution of Proceeds from Capital Event & Re-Subordination	If the Borrower elects to refinance the first trust debt (at any point), re-syndicate LIHTC after year 15 of the initial LIHTC compliance period, or sell, assign, or transfer the Project and loans as set forth herein, funds raised from such Capital Event (including LIHTC proceeds) shall be used in the following order: 8. Repayment of existing first trust loan and any related transaction and legal fees. 9. Repayment of any outstanding Deferred Developer Fee and accrued interest. 10. Performance of any necessary capital expenditures, deferred maintenance of building renovations (including soft costs and developer fees) as determined by a 3rd party Physical Needs Assessment ("PNA"), subject to reasonable approval of the Lenders; or such amount as necessary to meet the requirements of any first trust lender or LIHTC investor. 11. Repayment of all outstanding principal and interest on the Amazon Loan 12. Repayment of all outstanding principal and interest on the Arlington County Loan. 13. Distribution of any remaining proceeds to the LIHTC Partnership. In the event of a refinancing of any first trust debt, the County and Amazon agree to re-subordinate the [Phase Name] loans to a new first trust lender subject to the reasonable underwriting of the County and Amazon, provided that such underwriting anticipates full repayment of the Amazon and County Loans during the Loan Term set forth herein. Any new subordination agreement shall be materially consistent with the form of subordination agreement in place on the

	Existing Loans and subject to future County Board approval. For the avoidance of doubt, neither Lender shall be required to modify the maturity date of their respective New Loan as part of a re-subordination.
Re-Subordination Limitations	The Amazon loan may only be re-subordinated with Amazon approval under the following conditions: • The Amazon loan may be re-subordinated to a new senior loan an unlimited number of times in connection with a refinance Capital Event and re-subordination by Arlington County where the Borrower is controlled by the Sponsor • The Amazon loan may only be re-subordinated a maximum of one time in connection with a sale or assignment Capital Event and re-subordination by Arlington County where the Borrower is not controlled by the Sponsor. • Reasonable underwriting at the re-subordination Capital Event anticipates full repayment of the Amazon loan during the remaining loan term
Sale, Assignment, or Transfer	Assignment and transfer provisions of the Existing Loans shall remain under the [Phase Name] Loan. Additionally, Borrower may assign the [Phase Name] loans subject to the following conditions: 3. As part of a refinancing or syndication, the Borrower may assign or transfer the [Phase Name] project to an Affiliate entity of the Sponsor, in which the Sponsor holds a controlling interest, upon reasonable notice to the Lenders and subject to the reasonable underwriting of the Lenders. 4. The Borrower may assign or transfer the [Phase Name] project to a non-profit or governmental entity 3rd party (in which the Sponsor may or may not be a non-controlling member) subject to the reasonable approval of the Lenders and minimum underwriting standards of the replacement sponsor and guarantor to be further defined in the Loan Documents. Assignment of the Amazon loan to a for-profit entity where the Borrower is not controlled by Jair Lynch shall be at Amazon's sole discretion. Any sale, assignment, or transfer shall be subject to the Distribution of Proceeds from Capital Event as set forth above. The Borrower shall reimburse the Lenders for all reasonable attorney and other 3rd party expenses incurred by the Lenders, including underwriting fees, in connection with such sale, assignment, or transfer.
Security	Deed of trust/mortgage, assignment of leases and rents and security agreement and fixture filing ("Security Instrument"). Amazon and the County will agree to subordinate its Security Instrument to the deed of trust/mortgage securing any construction or permanent financing provided by any non-affiliates in connection with the development of the project pursuant to a commercially reasonable subordination agreement reasonably acceptable to Amazon and the County, provided however, that such subordination agreement shall provide for the provisions set forth in the current loan documents.
Loan Assignment and Modification Fee	None, however, the Borrower shall reimburse the Lenders for all reasonable attorney and other 3rd party expenses, including underwriting fees, incurred by the

	Lenders in connection with this modification and assignment. For the avoidance of doubt, such expenses shall be included in the Total Development Cost.
Debt Service Coverage Ratio ("DSCR") & Loan to Cost ("LTC")	DSRC: 1.15 for Senior Loan Maximum Loan to Cost: Aggregate construction debt financing (inclusive of the first trust loan, Amazon and County Loans) shall not exceed 95% of the Total Development Cost.
Affordable Housing Covenant	At LIHTC Closing, [Phase Name] shall be released from the existing Affordable Housing Covenant (the "Covenant") and replaced with a new 99-year (less the time elapsed since the original covenant recording) with the following key terms: vii. 100% of the residential units in [Phase Name] shall remain affordable at an average of 60% AMI for the term of the Covenant. viii. All residents, as of the date of an approved Tenant Relocation Plan, who occupy units in [Phase Name] ("Current Residents) and whose household income is *less* than 80% of AMI (as determined by an income certification process to be completed prior to LIHTC Closing) shall receive a fully renovated residential unit in [Phase Name] and annual rent increases shall be capped at 3.0% per year, not to exceed the corresponding rent level assigned to the particular unit (i.e. units that may be designated at other income levels such as 50%, 60% 70%, 80%, etc.) for as long as such resident remains at the property. ix. All Current Residents whose household income is *greater* 80% of AMI (as determined by an income certification process to be completed prior to LIHTC Closing) shall have the option to relocate to an unrenovated unit of comparable size elsewhere at Barcroft and shall have annual rent increases capped at 3.0% for as long as such resident remains at Barcroft. Should these Current Residents remain at Barcroft through the full rehabilitation phase they will be offered new construction units in the market rate component of Barcroft and continue to have annual rent increases capped at 3.0% for as long as such resident remains at Barcroft. x. _____ units shall be affordable to households whose income is less than 30% of AMI. Such units shall be made available according to the process outlined in the "30% AMI Units - Household Selection Process" included as Exhibit A to the Program Wide Affordable Housing Financing Plan. xi. If property management discovers that any unit has a number of occupants which exceeds its maximum allowed, strategies will be explored to help mitigate the overcrowding, such as determining eligibility for rent assistance which would allow some household members to move into a second unit. Note – to accommodate Current Residents between 60-80% AMI, "income averaging" will be used. As such, applications for LIHTC and bond financing, annual certifications, and reports may necessitate that certain units (including those occupied by current residents) be identified as 40%, 50%, 60%, 70%, or 80% AMI units as needed to maintain a blended average of 60% AMI. However, all current residents will still be subject to the rent protections defined in i. – vi. above. All residents shall be subject to standard LIHTC income certificate procedures. Absent any release, the Affordable Housing Covenant shall survive any foreclosure including a foreclosure by the Lenders all subject to VH approval. The parties acknowledge that VH currently requires that for any particular project only 20% of the set asides for tenants at or below 60% AMI may survive foreclosure,

	and subject to VH underwriting and discretion at the time of foreclosure, some additional affordability covenants may survive foreclosure, as will be specified in the Covenant.
Relocations	Borrower shall submit for approval by the County Manager or designee and reasonable approval by Amazon, a Tenant Relocation Plan in accordance with the most recent Arlington County's Tenant Relocation Guidelines approved by the County Board. The Borrower will work to ensure that all relocations take place on the Barcroft site (on-site relocations) and use best efforts to ensure a maximum of two moves (one to an interim site, one to a renovated unit) for Current Residents.
Permanent Supportive Housing (PSH) Units	The Sponsor shall provide _______PSH units in [Phase Name], subject to the availability of rent subsidies and supportive services from the County or other federal sources, which would become available upon current resident turnover. The Sponsor and the County shall enter a mutually agreeable PSH Agreement for such units prior to Closing. PSH residents shall be required to sign a standard lease and will be subject to the terms and conditions thereof (to the extent such lease terms do not conflict with the terms of the PSH Agreement). These PSH units are subject to the annual funding of the PSH Agreement by the County to the Phase project owner and to the senior lender's foreclosure requirements above. Failure to appropriate funds annually or extend such agreements for the term and any subsequent terms, as may be required by the LIHTC Investor or VH, will allow the prorated portion or all (in the event of non-appropriation or termination or failure to adequately extend for the then-current LIHTC compliance period) to then be rented to tenants at incomes and rents not to exceed the maximum allowed for such unit under the Affordable Housing Covenant.
Reserves	Borrower shall deposit $________ ($15,000 per unit) in aggregate into the Capital Replacement and Operating Reserves at closing. Commencing one (1) month following repayment of the construction loan and closing and funding of the VH permanent loans, and annually thereafter during the term of the New Loans, Sponsor shall deposit into the Capital Replacement and Operating Reserve ($______) per residential apartment unit of [Phase Name] A for each calendar year which will increase annually at 3.0% (or such higher amount as may be required by VH).
Misc.	All other provisions of the Existing Loans shall remain unless agreed to as part of the definitive loan modification/assignment documents.

Exhibit C – Org Chart



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FOR QUESTIONS, CONTACT
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BARCROFT

MASTER FINANCING AND
DEVELOPMENT PLAN

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