
2020 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 12, 2020**

Tax Exempt Bonds

Applications should be received at VHDA at least one month before the
bonds are *priced* (if bonds issued by VHDA), or 75 days before the bonds
are *issued* (if bonds are not issued by VHDA)



Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220-6500

INSTRUCTIONS FOR THE VIRGINIA 2020 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 2016. Please note that using the active Excel workbook does not eliminate the need to submit the required PDF of the signed hardcopy of the application and related documentation. A more detailed explanation of application submission requirements is provided below and in the Application Manual.

An electronic copy of your completed application is a mandatory submission item.

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 12, 2020**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
 - Application For Reservation – Signed version of hardcopy
 - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

IMPORTANT:

VHDA only accepts files via our work center sites on Procorem. Contact TaxCreditApps@vhda.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the VHDA LIHTC Allocation Department staff.

Disclaimer:

VHDA assumes no responsibility for any problems incurred in using this spreadsheet or for the accuracy of calculations. Check your application for correctness and completeness before submitting the application to VHDA.

Entering Data:

Enter numbers or text as appropriate in the blank spaces highlighted in yellow. Cells have been formatted as appropriate for the data expected. All other cells are protected and will not allow changes.

Please Note:

- ▶ **VERY IMPORTANT! : Do not** use the copy/cut/paste functions within this document. Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another.
- ▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.
- ▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.
- ▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

Assistance:

If you have any questions, please contact the VHDA LIHTC Allocation Department. Please note that we cannot release the copy protection password.

VHDA LIHTC Allocation Staff Contact Information

| Name | Email | Phone Number |
|--------------------|---|----------------|
| JD Bondurant | johndavid.bondurant@vhda.com | (804) 343-5725 |
| Sheila Stone | sheila.stone@vhda.com | (804) 343-5582 |
| Stephanie Flanders | stephanie.flanders@vhda.com | (804) 343-5939 |
| Phil Cunningham | phillip.cunningham@vhda.com | (804) 343-5514 |
| Pamela Freeth | pamela.freeth@vhda.com | (804) 343-5563 |
| Aniyah Moaney | Aniyah.moaney@vhda.com | (804) 343-5518 |

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2020 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under VHDA's point system of ranking applications, and may assist VHDA in its determination of the appropriate amount of credits that may be reserved for the development.

- \$1,000 Application Fee **(MANDATORY)**
- Electronic Copy of the Microsoft Excel Based Application **(MANDATORY)**
- Scanned Copy of the **Signed** Tax Credit Application with Attachments (excluding market study and plans & specifications) **(MANDATORY)**
- Electronic Copy of the Market Study **(MANDATORY - Application will be disqualified if study is not submitted with application)**
- Electronic Copy of the Plans and Unit by Unit writeup **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Existing Condition questionnaire **(MANDATORY if Rehab)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY at reservation for a 4% rehab request)**
- Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
- Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
- Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement **(MANDATORY)**
- Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
- Tab C: Principal's Previous Participation Certification **(MANDATORY)**
- Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
- Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
- Tab F: RESNET Rater Certification **(MANDATORY)**
- Tab G: Zoning Certification Letter **(MANDATORY)**
- Tab H: Attorney's Opinion **(MANDATORY)**
- Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**
- The following documents need not be submitted unless requested by VHDA:
- Nonprofit Articles of Incorporation
 - IRS Documentation of Nonprofit Status
 - Joint Venture Agreement (if applicable)
 - For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan and Unit Delivery Schedule **(MANDATORY)**
- Tab K: Documentation of Development Location:
- K.1 Revitalization Area Certification
- K.2 Location Map
- K.3 Surveyor's Certification of Proximity To Public Transportation
- Tab L: PHA / Section 8 Notification Letter
- Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
- Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property
- Tab R: Documentation of Operating Budget and Utility Allowances
- Tab S: Supportive Housing Certification
- Tab T: Funding Documentation
- Tab U: Documentation to Request Exception to Restriction-Pools With Little/No Increase in Rent Burdened Population
- Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
- Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
- Tab Y: Inducement Resolution for Tax Exempt Bonds

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 3/11/2020

1. Development Name: Oakwood South Nine
2. Address (line 1): 5815 S Van Dorn Street
 Address (line 2):
 City: Alexandria State: VA Zip: 22310
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
 (Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
 City/County of Fairfax County
5. The site overlaps one or more jurisdictional boundaries..... FALSE
 If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 4202.03
7. Development is located in a **Qualified Census Tract**..... FALSE
8. Development is located in a **Difficult Development Area**..... FALSE
9. Development is located in a **Revitalization Area based on QCT** FALSE
10. Development is located in a **Revitalization Area designated by resolution** TRUE
11. Development is located in an **Opportunity Zone** (with a binding commitment for funding)..... FALSE
 (If 9, 10 or 11 are True, **Action:** Provide required form in **TAB K1**)
12. Development is located in a census tract with a poverty rate of.....

| | | | |
|--|------|-------|-------|
| | 3% | 10% | 12% |
| | TRUE | FALSE | FALSE |

Enter only Numeric Values below:

13. Congressional District: 8
- Planning District: 8
- State Senate District: 39
- State House District: 43

Click on the following link for assistance in determining the districts related to this development:

[Link to VHDA's HOME - Select Virginia LIHTC Reference Map](#)

14. **ACTION:** Provide Location Map (**TAB K2**)

15. Development Description: In the space provided below, give a brief description of the proposed development

The Development of a 71 unit senior affordable housing development atop a storm water retainage facility that will be improved, on land leased from Fairfax County. This project is one building of a hybrid twin development.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

3/11/2020

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: Bryan Hill
 Chief Executive Officer's Title: County Executive Phone: (703) 324-2531
 Street Address: 12000 Government Center Parkway, Suite 552
 City: Fairfax State: VA Zip: 22035

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Thomas Fleetwood, Director Fairfax Housing & Community Development

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name:
 Chief Executive Officer's Title: Phone:
 Street Address:
 City: State: Zip:

Name and title of local official you have discussed this project with who could answer questions for the local CEO:

ACTION: Provide Locality Notification Letter at **Tab M** if applicable.

B. RESERVATION REQUEST INFORMATION

1. **Requesting Credits From:**

a. If requesting 9% Credits, select credit pool:

New Construction

or

b. If requesting Tax Exempt Bonds, select development type:

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)

2. **Type(s) of Allocation/Allocation Year**

Carryforward Allocation

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2019.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2019, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2019 credits pursuant to Section 42(h)(1)(E).

3. **Select Building Allocation type:**

New Construction

Note regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service?

FALSE

5. **Planned Combined 9% and 4% Developments**

TRUE

A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application. (25, 35 or 45 pts)

Name of companion development: Oakwood North Four

a. Has the developer met with VHDA regarding the 4% tax exempt bond deal?

TRUE

b. List below the number of units planned for each allocation request. This stated count cannot be changed or 9% Credits will be cancelled.

Total Units within 9% allocation request? 71

Total Units within 4% Tax Exempt allocation Request? 79

Total Units: 150

% of units in 4% Tax Exempt Allocation Request: 52.67%

6. **Extended Use Restriction**

Note: Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.

Must Select One: 30

Definition of selection:

Development will be subject to the standard extended use agreement of 15 extended use period (after the mandatory 15-year compliance period.)

C. OWNERSHIP INFORMATION

NOTE: VHDA may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by VHDA in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Oakwood South Nine Limited Partnership

Developer Name: Arlington Partnership for Affordable Housing, Inc.

Contact: M/M ▶ Ms. First: Nina MI: Last: Janopaul

Address: 4318 N. Carlin Springs Road

City: Arlington St. ▶ VA Zip: 22203

Phone: (703) 276-7444 Ext. 101 Fax: (703) 276-0805

Email address: njanopaul@apah.org

Federal I.D. No. (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Partnership Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.
Charles Sims, Csims@apah.org, (571) 800-6467

- ACTION:**
- a. Provide Owner's organizational documents (e.g. Partnership agreements and Developer Fee agreement) (Mandatory TAB A)
 - b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**

2. Principal(s) of the General Partner: List names of individuals and ownership interest.

| <u>Names **</u> | <u>Phone</u> | <u>Type Ownership</u> | <u>% Ownership</u> |
|---|-----------------------|-------------------------|----------------------------|
| <u>Oakwood South Nine Development LLC</u> | <u>(703) 276-7444</u> | <u>General Partner</u> | <u>0.010%</u> |
| <u>Nina Janopaul, President</u> | | | <u>0.000%</u> <i>needs</i> |
| <u>Arlington Partnership for Affordable Housing, Inc.</u> | <u>(703) 276-7444</u> | <u>Sole Owner of GP</u> | <u>100.000%</u> |
| <u>Nina Janopaul, President</u> | | | <u>0.000%</u> <i>needs</i> |
| | | | <u>0.000%</u> |
| | | | <u>0.000%</u> |
| | | | <u>0.000%</u> |

The above should include 100% of the GP or LLC member interest.

** These should be the names of individuals who make up the General Partnership, not simply the names of entities which may comprise those components.

C. OWNERSHIP INFORMATION

- ACTION:**
- a. Provide Principals' Previous Participation Certification (**Mandatory TAB C**)
 - b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. (**Mandatory at TABS A/D**)

3. Developer Experience: Provide evidence that the principal or principals of the controlling general partner or managing member for the proposed development have developed:

- a. as a controlling general partner or managing member, (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments. **TRUE**

Action: Must be included on VHDA Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts (**Tab P**)

- b. at least three deals as principal and have at \$500,000 in liquid assets..... **FALSE**

Action: Must be included on the VHDA Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s (**Tab P**)

- c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units). **FALSE**

Action: Must provide copies of 8609s and partnership agreements (**Tab P**)

D. SITE CONTROL

NOTE: Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

Warning: Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

NOTE: If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact VHDA before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Option
Expiration Date: 9/1/2023

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by VHDA. See QAP for further details.

ACTION: Provide documentation and most recent real estate tax assessment - **Mandatory TAB E**

FALSE There is more than one site for development and more than one form of site control.

(If **True**, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (**Tab E**.)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

- a. FALSE Owner already controls site by either deed or long-term lease.
- b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 9/1/2023 .
- c. FALSE There is more than one site for development and more than one expected date of acquisition by Owner.

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (**Tab E**.)

D. SITE CONTROL

3. Seller Information:

Name: Fairfax County Redevelopment and Housing Authority

Address: 3700 Pender Drive, Suite 300

City: Fairfax St.: VA Zip: 22030

Contact Person: Thomas Fleetwood Phone: (703) 246-5100

There is an identity of interest between the seller and the owner/applicant..... FALSE

If above statement is **TRUE**, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.)

| <u>Names</u> | <u>Phone</u> | <u>Type Ownership</u> | <u>% Ownership</u> |
|--------------|--------------|-----------------------|--------------------|
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |

2020 Low-Income Housing Tax Credit Application For Reservation

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team. Provide Contact and Firm Name.

1. Tax Attorney: Ken Gross This is a Related Entity. FALSE
Firm Name: Gallager, Evelius & Jones LLP
Address: 218 North Charles Street, Suite 400, Baltimore, MD 21201
Email: kgross@gejlaw.com Phone: (410) 347-1367
2. Tax Accountant: Philip Cornblatt This is a Related Entity. FALSE
Firm Name: CohnReznick LLP
Address: 500 East Pratt Street, 4th Flr, Baltimore, MD 21202
Email: philip.cornblatt@cohnreznick.com Phone: (410) 783-6236
3. Consultant: This is a Related Entity. FALSE
Firm Name: Role:
Address:
Email: Phone:
4. Management Entity: Steve Boyce This is a Related Entity. FALSE
Firm Name: S.L. Nusbaum Realty Company
Address: 1700 Wells Fargo Center, 440 Monticello Avenue, Ste 1700, Norfolk, VA 23510
Email: sboyce@slnubaum.com Phone: (757) 640-2293
5. Contractor: This is a Related Entity. FALSE
Firm Name:
Address:
Email: Phone:
6. Architect: Logan Schutz This is a Related Entity. FALSE
Firm Name: Grimm and Parker
Address: 11720 Beltsville Drive, Suite 600, Calverton, MD 20705
Email: lschutz@gparchcom Phone: (301) 595-1000
7. Real Estate Attorney: Mark Viani This is a Related Entity. FALSE
Firm Name: Bean Kinney & Korman PC
Address: 2311 Wilson Blvd, Suite 500, Arlington, VA 22201
Email: Mviani@beankinney.com Phone: (703) 284-7240
8. Mortgage Banker: This is a Related Entity. FALSE
Firm Name:
Address:
Email: Phone:
9. Other: Ryne Johnson This is a Related Entity. FALSE
Firm Name: Astoria LLC Role:
Address: 3450 Lady Marian Court, Midlothian VA 23113
Email: rynejohnson@astoriallc.com Phone: (804) 320-5850

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... FALSE
If no credits are being requested for existing buildings acquired for the development, skip this tab.
- b. This development has received a previous allocation of credits..... FALSE
If so, in what year did this development receive credits?
- c. The development is listed on the RD 515 Rehabilitation Priority List?..... FALSE
- d. This development is an existing RD or HUD S8/236 development..... FALSE
Action: (If True, provide required form in TAB Q)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from VHDA prior to application submission to receive these points.

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... FALSE
- ii. Applicant has obtained a waiver of this requirement from VHDA prior to the application submission deadline..... FALSE

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... FALSE
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... FALSE
 - i. Subsection (I)..... FALSE
 - ii. Subsection (II)..... FALSE
 - iii. Subsection (III)..... FALSE
 - iv. Subsection (IV)..... FALSE
 - v. Subsection (V)..... FALSE
- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... FALSE
- d. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

a. Credits are being requested for rehabilitation expenditures..... FALSE
If no credits are being requested for rehabilitation expenditures, go on to Part 4

b. Minimum Expenditure Requirements

- i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... FALSE
- ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... FALSE
- iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... FALSE
- iv. There are different circumstances for different buildings..... FALSE
Action: (If True, provide an explanation for each building in Tab K)

4. Request For Exception

- a. The proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) is subject to an assessment of up to minus 20 points for being located in a pool identified by the Authority as a pool with little or no increase in rent burdened population..... FALSE
- b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
 - i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... FALSE
 - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... FALSE
 - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... FALSE

Action: If any of 4(b) responses are true, provide documentation at Tab U.

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section must be completed to obtain points for nonprofit involvement.

1. **Tax Credit Nonprofit Pool Applicants:** To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:

- TRUE a. Be authorized to do business in Virginia.
- TRUE b. Be substantially based or active in the community of the development.
- TRUE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
- TRUE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
- TRUE e. Not be affiliated with or controlled by a for-profit organization.
- TRUE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
- TRUE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

2. **All Applicants:** To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... TRUE (If false, go on to part III.)

Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire (**Mandatory TAB I**).

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... TRUE

or

Nonprofit meets eligibility requirements for nonprofit pool and points..... FALSE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶ Owner

Name: Arlington Partnership for Affordable Housing, Inc. (Please fit NP name within available space)

Contact Person: Nina Janopaul

Street Address: 4318 N. Carlin Springs Road

City: Arlington State: ▶ VA Zip: 22203-2006

Phone: (703) 276-7444 Extension: 101 Contact Email: njanopaul@apah.org

G. NONPROFIT INVOLVEMENT

D. Percentage of Nonprofit Ownership (All nonprofit applicants):

Specify the nonprofit entity's percentage ownership of the general partnership interest: 100.0%

3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal

A. TRUE After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit.

Action: Provide Option or Right of First Refusal in Recordable Form **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit: Arlington Partnership for Affordable Housing, Inc.

or indicate true if Local Housing Authority FALSE
Name of Local Housing Authority _____

2. FALSE A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

Action: Provide Homeownership Plan **(TAB N)**

NOTE: Applicant waives the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION

1. General Information

| | | | |
|---|---------|----------|------------------------------------|
| a. Total number of all units in development | 71 | bedrooms | 89 |
| Total number of rental units in development | 71 | bedrooms | 89 |
| Number of low-income rental units | 71 | bedrooms | 89 |
| Percentage of rental units designated low-income | 100.00% | | |
| | | | |
| b. Number of new units:..... | 71 | bedrooms | 89 |
| Number of adaptive reuse units: | 0 | bedrooms | 0 |
| Number of rehab units:..... | 0 | bedrooms | 0 |
| | | | |
| c. If any, indicate number of planned exempt units (included in total of all units in development)..... | | | 0 |
| | | | |
| d. Total Floor Area For The Entire Development..... | | | 80,829.16 <small>(Sq. ft.)</small> |
| e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage)..... | | | 1,291.87 <small>(Sq. ft.)</small> |
| f. Nonresidential Commercial Floor Area (Not eligible for funding)..... | | | 0.00 |
| | | | |
| g. Total Usable Residential Heated Area..... | | | 79,537.29 <small>(Sq. ft.)</small> |
| | | | |
| h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space | | | 100.00% |
| | | | |
| i. Exact area of site in acres | 5.390 | | |
| | | | |
| j. Locality has approved a final site plan or plan of development..... | | | FALSE |
| If True , Provide required documentation (TAB O). | | | |
| | | | |
| k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G) | | | |
| | | | |
| l. Development is eligible for Historic Rehab credits..... | | | FALSE |

Definition:

The structure is historic, by virtue of being listed individually in the National Register of Historic Places, or due to its location in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

a. Specify the average size and number per unit type (as indicated in the Architect's Certification):

Note: Average sq foot should include the prorata of common space.

| Unit Type | Average Sq Foot | | # of LIHTC Units | Total Rental Units |
|------------------------|-----------------|----|------------------|--------------------|
| Supportive Housing | 0.00 | SF | 0 | 0 |
| 1 Story Eff - Elderly | 0.00 | SF | 0 | 0 |
| 1 Story 1BR - Elderly | 0.00 | SF | 0 | 0 |
| 1 Story 2BR - Elderly | 0.00 | SF | 0 | 0 |
| Eff - Elderly | 0.00 | SF | 0 | 0 |
| 1BR Elderly | 1058.99 | SF | 53 | 53 |
| 2BR Elderly | 1300.60 | SF | 18 | 18 |
| Eff - Garden | 0.00 | SF | 0 | 0 |
| 1BR Garden | 0.00 | SF | 0 | 0 |
| 2BR Garden | 0.00 | SF | 0 | 0 |
| 3BR Garden | 0.00 | SF | 0 | 0 |
| 4BR Garden | 0.00 | SF | 0 | 0 |
| 2+ Story 2BR Townhouse | 0.00 | SF | 0 | 0 |
| 2+ Story 3BR Townhouse | 0.00 | SF | 0 | 0 |
| 2+ Story 4BR Townhouse | 0.00 | SF | 0 | 0 |
| | | | 71 | 71 |

Note: Please be sure to enter the values in the appropriate unit category. If not, errors will occur on the self scoresheet.

3. Structures

- a. Number of Buildings (containing rental units)..... 1
- b. Age of Structure:..... 0 years
- c. Number of stories:..... 4
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: N/A
- f. Development consists primarily of : **(Only One Option Below Can Be True)**
 - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
 - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
 - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

g. Indicate **True** for all development's structural features that apply:

| | | | |
|------------------------|--------------|---------------------------|--------------|
| i. Row House/Townhouse | <u>FALSE</u> | v. Detached Single-family | <u>FALSE</u> |
| ii. Garden Apartments | <u>TRUE</u> | vi. Detached Two-family | <u>FALSE</u> |
| iii. Slab on Grade | <u>FALSE</u> | vii. Basement | <u>FALSE</u> |
| iv. Crawl space | <u>FALSE</u> | | |

h. Development contains an elevator(s). TRUE
 If true, # of Elevators. 2
 Elevator Type (if known) Traction3500 lbs Capacity

i. Roof Type ▶ Hip Roof
 j. Construction Type ▶ Frame
 k. Primary Exterior Finish ▶ Brick

4. Site Amenities (indicate all proposed)

| | | | |
|------------------------------|--------------|-------------------------|-----------------------------|
| a. Business Center..... | <u>FALSE</u> | f. Limited Access..... | <u>TRUE</u> |
| b. Covered Parking..... | <u>FALSE</u> | g. Playground..... | <u>FALSE</u> |
| c. Exercise Room..... | <u>TRUE</u> | h. Pool..... | <u>FALSE</u> |
| d. Gated access to Site..... | <u>FALSE</u> | i. Rental Office..... | <u>TRUE</u> |
| e. Laundry facilities..... | <u>TRUE</u> | j. Sports Activity Ct.. | <u>FALSE</u> |
| | | k. Other: | <u>Garden/Art/Community</u> |

l. Describe Community Facilities: OnsiteLease/PropMgt/Community Room/Art Room/Lounge

m. Number of Proposed Parking Spaces..... 99
 Parking is shared with another entity FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. TRUE

If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):

- i. A location map with development clearly defined.
- ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
- iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structureNotes must indicate basic materials in structure, floor and exterior finish.

b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

NOTE: All developments must meet VHDA's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

6. Market Study Data:

Obtain the following information from the **Market Study** conducted in connection with this tax credit application:

| | |
|--|----------|
| Project Wide Capture Rate - LIHTC Units | 10.40% |
| Project Wide Capture Rate - Market Units | N/A |
| Project Wide Capture Rate - All Units | 10.40% |
| Project Wide Absorption Period (Months) | 6 Months |

J. ENHANCEMENTS

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must meet all criteria for EPA EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index.
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater.

Indicate **True** for the following items that apply to the proposed development:

ACTION: Provide RESNET rater certification (**TAB F**)

ACTION: Provide Internet Safety Plan and Resident Information Form (Tab W) if options selected below.

1. For all development, upon completion of construction/rehabilitation:

- TRUE a. A community/meeting room with a minimum of 749 square feet is provided.
- 85.00% b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations.
- TRUE c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill).
- TRUE d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products.
- TRUE e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service.
- TRUE f. Free WiFi access will be provided in community room for resident only usage.
- FALSE g. Each unit is provided free individual high speed internet access.
- or
- TRUE h. Each unit is provided free individual WiFi access.
- TRUE i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- FALSE j. Full bath fans are equipped with a humidistat.
- TRUE k. Cooking surfaces are equipped with fire prevention features
- or
- FALSE l. Cooking surfaces are equipped with fire suppression features.
- FALSE m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system.
- or
- TRUE n. All Construction types: each unit is equipped with a permanent dehumidification system.
- TRUE o. All interior doors within units are solid core.
- TRUE p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port.
- TRUE q. All kitchen light fixtures are LED and meet MDCR lighting guidelines.
- TRUE r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.
- FALSE s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet.

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

J. ENHANCEMENTS

- TRUE a. All cooking ranges have front controls.
- TRUE b. Bathrooms have an independent or supplemental heat source.
- TRUE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

2. Green Certification

- a. Applicant agrees to meet the base line energy performance standard applicable to the development's construction category as listed above.

The applicant will also obtain one of the following:

- | | | | |
|--|--|--------------------------------|--|
| <input checked="" type="checkbox"/> TRUE | Earthcraft Gold or higher certification | <input type="checkbox"/> FALSE | National Green Building Standard (NGBS) certification of Silver or higher. |
| <input type="checkbox"/> FALSE | U.S. Green Building Council LEED certification | <input type="checkbox"/> FALSE | Enterprise Green Communities (EGC) Certification |

If Green Certification is selected, no points will be awarded for d. Watersense Bathroom fixtures above.

Action: If seeking any points associated Green certification, provide appropriate documentation at **TAB F**.

- b. Applicant will pursue one of the following certifications to be awarded points on a future development application. (Failure to reach this goal will not result in a penalty.)

- | | | | |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|
| <input type="checkbox"/> FALSE | Zero Energy Ready Home Requirements | <input type="checkbox"/> FALSE | Passive House Standards |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|

3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)

- TRUE a. Architect of record certifies that units will be constructed to meet VHDA's Universal Design standards.
- 71 b. Number of Rental Units constructed to meet VHDA's Universal Design standards:
- 100% % of Total Rental Units

- 4. FALSE Market-rate units' amenities are substantially equivalent to those of the low income units.

If not, please explain: No Market Rate Units

LS Architect of Record initial here that the above information is accurate per certification statement within this application.

I. UTILITIES

1. Utilities Types:

- a. Heating Type Electric Forced Air
- b. Cooking Type Electric
- c. AC Type Central Air
- d. Hot Water Type Electric

2. Indicate True if the following services will be included in Rent:

- | | | | |
|-----------------|--------------|----------------------|--------------|
| Water?..... | <u>FALSE</u> | Heat?..... | <u>FALSE</u> |
| Hot Water?..... | <u>FALSE</u> | AC?..... | <u>FALSE</u> |
| Lighting?..... | <u>FALSE</u> | Sewer?..... | <u>FALSE</u> |
| Cooking? | <u>FALSE</u> | Trash Removal? | <u>TRUE</u> |

| Utilities | Enter Allowances by Bedroom Size | | | | |
|--|----------------------------------|------|-------|------|------|
| | 0-BR | 1-BR | 2-BR | 3-BR | 4-BR |
| Heating | 0 | 14 | 16 | 0 | 0 |
| Air Conditioning | 0 | 6 | 8 | 0 | 0 |
| Cooking | 0 | 5 | 7 | 0 | 0 |
| Lighting | 0 | 22 | 26 | 0 | 0 |
| Hot Water | 0 | 13 | 15 | 0 | 0 |
| Water | 0 | 12 | 15 | 0 | 0 |
| Sewer | 0 | 26 | 34 | 0 | 0 |
| Trash | 0 | 0 | 0 | 0 | 0 |
| Total utility allowance for costs paid by tenant | \$0 | \$98 | \$121 | \$0 | \$0 |

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB R**).

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. TRUE Other: Viridiant

Warning: The VHDA housing choice voucher program utility schedule shown on VHDA.com should not be used unless directed to do so by the local housing authority.

K. SPECIAL HOUSING NEEDS

NOTE: Any Applicant commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.

1. **Accessibility:** Indicate **True** for the following point categories, as appropriate.

Action: Provide appropriate documentation (**Tab X**)

TRUE

- a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;
- (ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.
- (iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

Documentation from source of assistance must be provided with the application.

Note: Subsidies may apply to any units, not only those built to satisfy Section 504.

(60 points)

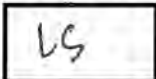
FALSE

- b. Any development in which the greater of 5 units or 10% of the units (i) have rents within HUD's Housing Choice Voucher ("HCV") payment standard; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits (30 points)

FALSE

- c. Any development in which 5% of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of this application for credits. (15 points)

For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act.

 **Architect of Record initial here that the above information is accurate per certification statement within this application.**

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

a. If not general population, select applicable special population:

- TRUE Elderly (as defined by the United States Fair Housing Act.)
 - FALSE Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
 - FALSE Supportive Housing (as described in the Tax Credit Manual)
- Action:** Provide Permanent Supportive Housing Certification (**Tab S**)

b. The development has existing tenants and a relocation plan has been developed..... FALSE
 (If **True**, VHDA policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)
Action: Provide Relocation Plan and Unit Delivery Schedule (**Mandatory if tenants are displaced - Tab J**)

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select:

Organization which holds waiting list:

Contact person:

Title:

Phone Number

Action: Provide required notification documentation (**TAB L**)

b. Leasing preference will be given to individuals and families with children..... FALSE
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms:
% of total Low Income Units

NOTE: Development must utilize a **VHDA Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

K. SPECIAL HOUSING NEEDS

4. Rental Assistance

a. Some of the low-income units do or will receive rental assistance..... TRUE

b. Indicate True if rental assistance will be available from the following

FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.

FALSE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

TRUE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

FALSE State Assistance

FALSE Other: _____

c. The Project Based vouchers above are applicable to the 30% units seeking points. FALSE

i. If True above, how many of the 30% units will not have project based vouchers? _____

| | |
|---|-----------|
| d. Number of units receiving assistance: | 8 |
| How many years in rental assistance contract? | 20.00 |
| Expiration date of contract: | 12/1/2042 |
| There is an Option to Renew..... | TRUE |

Action: Contract or other agreement provided **(TAB Q)**.

L. UNIT DETAILS

1. Set-Aside Election: UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

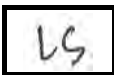
| Income Levels | | | Avg Inc. |
|---------------|------------|-----------------|----------|
| # of Units | % of Units | | |
| 0 | 0.00% | 20% Area Median | 0% |
| 13 | 18.31% | 30% Area Median | 29.0% |
| 0 | 0.00% | 40% Area Median | 0% |
| 32 | 45.07% | 50% Area Median | 16.00% |
| 26 | 36.62% | 60% Area Median | 15.60% |
| 0 | 0.00% | 70% Area Median | 0% |
| 0 | 0.00% | 80% Area Median | 0% |
| 0 | 0.00% | Market Units | |
| 71 | 100.00% | Total | 50.00% |

| Rent Levels | | | Avg Inc. |
|-------------|------------|-----------------|----------|
| # of Units | % of Units | | |
| 0 | 0.00% | 20% Area Median | 0% |
| 13 | 18.31% | 30% Area Median | 29.0% |
| 0 | 0.00% | 40% Area Median | 0% |
| 32 | 45.07% | 50% Area Median | 16.00% |
| 26 | 36.62% | 60% Area Median | 15.60% |
| 0 | 0.00% | 70% Area Median | 0% |
| 0 | 0.00% | 80% Area Median | 0% |
| 0 | 0.00% | Market Units | |
| 71 | 100.00% | Total | 50.00% |

- b. The development plans to utilize average income..... **FALSE**
 If true, should the points based on the units assigned to the levels above **be waived** and therefore not required for compliance?
 20-30% Levels **FALSE** 40% Levels **FALSE** 50% levels **FALSE**

2. Unit Detail FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

In the following grid, add a row for each unique unit type planned within the development. Enter the appropriate data for both tax credit and market rate units.

 Architect of Record initial here that the information below is accurate per certification statement within this application.

| | Unit Type (Select One) | Rent Target (Select One) | Number of Units | # of Units 504 compliant | Net Rentable Square Feet | Monthly Rent Per Unit | Total Monthly Rent |
|--------|------------------------|--------------------------|-----------------|--------------------------|--------------------------|-----------------------|--------------------|
| Mix 1 | 1 BR - 1 Bath | 30% AMI | 9 | 1 | 632.82 | \$584.00 | \$5,256 |
| Mix 2 | 1 BR - 1 Bath | 50% AMI | 24 | 1 | 632.82 | \$1,040.00 | \$24,960 |
| Mix 3 | 1 BR - 1 Bath | 60% AMI | 3 | 2 | 940.83 | \$1,267.00 | \$3,801 |
| Mix 4 | 1 BR - 1 Bath | 60% AMI | 3 | | 852.13 | \$1,267.00 | \$3,801 |
| Mix 5 | 1 BR - 1 Bath | 60% AMI | 8 | 1 | 632.82 | \$1,267.00 | \$10,136 |
| Mix 6 | 1 BR - 1 Bath | 60% AMI | 6 | 1 | 632.82 | \$1,552.00 | \$9,312 |
| Mix 7 | 2 BR - 2 Bath | 30% AMI | 4 | | 919.96 | \$698.00 | \$2,792 |
| Mix 8 | 2 BR - 2 Bath | 50% AMI | 8 | | 919.96 | \$1,244.00 | \$9,952 |
| Mix 9 | 2 BR - 2 Bath | 60% AMI | 4 | 1 | 872.91 | \$1,517.00 | \$6,068 |
| Mix 10 | 2 BR - 2 Bath | 60% AMI | 2 | 1 | 872.91 | \$1,756.00 | \$3,512 |
| Mix 11 | | | | | | | \$0 |
| Mix 12 | | | | | | | \$0 |
| Mix 13 | | | | | | | \$0 |
| Mix 14 | | | | | | | \$0 |
| Mix 15 | | | | | | | \$0 |
| Mix 16 | | | | | | | \$0 |

L. UNIT DETAILS

| | | | | | | | | |
|--------|--|--|--|--|--|--|--|-----|
| Mix 17 | | | | | | | | \$0 |
| Mix 18 | | | | | | | | \$0 |
| Mix 19 | | | | | | | | \$0 |
| Mix 20 | | | | | | | | \$0 |
| Mix 21 | | | | | | | | \$0 |
| Mix 22 | | | | | | | | \$0 |
| Mix 23 | | | | | | | | \$0 |
| Mix 24 | | | | | | | | \$0 |
| Mix 25 | | | | | | | | \$0 |
| Mix 26 | | | | | | | | \$0 |
| Mix 27 | | | | | | | | \$0 |
| Mix 28 | | | | | | | | \$0 |
| Mix 29 | | | | | | | | \$0 |
| Mix 30 | | | | | | | | \$0 |
| Mix 31 | | | | | | | | \$0 |
| Mix 32 | | | | | | | | \$0 |
| Mix 33 | | | | | | | | \$0 |
| Mix 34 | | | | | | | | \$0 |
| Mix 35 | | | | | | | | \$0 |
| Mix 36 | | | | | | | | \$0 |
| Mix 37 | | | | | | | | \$0 |
| Mix 38 | | | | | | | | \$0 |
| Mix 39 | | | | | | | | \$0 |
| Mix 40 | | | | | | | | \$0 |
| Mix 41 | | | | | | | | \$0 |
| Mix 42 | | | | | | | | \$0 |
| Mix 43 | | | | | | | | \$0 |
| Mix 44 | | | | | | | | \$0 |
| Mix 45 | | | | | | | | \$0 |
| Mix 46 | | | | | | | | \$0 |
| Mix 47 | | | | | | | | \$0 |
| Mix 48 | | | | | | | | \$0 |
| Mix 49 | | | | | | | | \$0 |
| Mix 50 | | | | | | | | \$0 |
| Mix 51 | | | | | | | | \$0 |
| Mix 52 | | | | | | | | \$0 |
| Mix 53 | | | | | | | | \$0 |
| Mix 54 | | | | | | | | \$0 |
| Mix 55 | | | | | | | | \$0 |
| Mix 56 | | | | | | | | \$0 |
| Mix 57 | | | | | | | | \$0 |
| Mix 58 | | | | | | | | \$0 |
| Mix 59 | | | | | | | | \$0 |
| Mix 60 | | | | | | | | \$0 |
| Mix 61 | | | | | | | | \$0 |
| Mix 62 | | | | | | | | \$0 |
| Mix 63 | | | | | | | | \$0 |
| Mix 64 | | | | | | | | \$0 |
| Mix 65 | | | | | | | | \$0 |
| Mix 66 | | | | | | | | \$0 |
| Mix 67 | | | | | | | | \$0 |
| Mix 68 | | | | | | | | \$0 |
| Mix 69 | | | | | | | | \$0 |
| Mix 70 | | | | | | | | \$0 |
| Mix 71 | | | | | | | | \$0 |
| Mix 72 | | | | | | | | \$0 |

2020 Low-Income Housing Tax Credit Application For Reservation

L. UNIT DETAILS

| | | | | | | | | |
|---------------|--|--|----|---|--|--|--|----------|
| Mix 73 | | | | | | | | \$0 |
| Mix 74 | | | | | | | | \$0 |
| Mix 75 | | | | | | | | \$0 |
| Mix 76 | | | | | | | | \$0 |
| Mix 77 | | | | | | | | \$0 |
| Mix 78 | | | | | | | | \$0 |
| Mix 79 | | | | | | | | \$0 |
| Mix 80 | | | | | | | | \$0 |
| Mix 81 | | | | | | | | \$0 |
| Mix 82 | | | | | | | | \$0 |
| Mix 83 | | | | | | | | \$0 |
| Mix 84 | | | | | | | | \$0 |
| Mix 85 | | | | | | | | \$0 |
| Mix 86 | | | | | | | | \$0 |
| Mix 87 | | | | | | | | \$0 |
| Mix 88 | | | | | | | | \$0 |
| Mix 89 | | | | | | | | \$0 |
| Mix 90 | | | | | | | | \$0 |
| Mix 91 | | | | | | | | \$0 |
| Mix 92 | | | | | | | | \$0 |
| Mix 93 | | | | | | | | \$0 |
| Mix 94 | | | | | | | | \$0 |
| Mix 95 | | | | | | | | \$0 |
| Mix 96 | | | | | | | | \$0 |
| Mix 97 | | | | | | | | \$0 |
| Mix 98 | | | | | | | | \$0 |
| Mix 99 | | | | | | | | \$0 |
| Mix 100 | | | | | | | | \$0 |
| TOTALS | | | 71 | 8 | | | | \$79,590 |

| | | | | |
|--------------------|-----------|-------------------------|---------------------|------------------|
| Total Units | 71 | Net Rentable SF: | TC Units | 51,398.40 |
| | | | MKT Units | 0.00 |
| | | | Total NR SF: | 51,398.40 |

| | |
|---|-------------------|
| Floor Space Fraction (to 7 decimals) | 100.00000% |
|---|-------------------|

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

| | | | |
|-----------------------------------|-----------------|----------|------------------|
| 1. Advertising/Marketing | | | \$1,022 |
| 2. Office Salaries | | | \$67,800 |
| 3. Office Supplies | | | \$3,600 |
| 4. Office/Model Apartment | (type _____) | | \$0 |
| 5. Management Fee | | | \$31,600 |
| <u>3.50%</u> of EGI | <u>\$445.07</u> | Per Unit | |
| 6. Manager Salaries | | | \$0 |
| 7. Staff Unit (s) | (type _____) | | \$0 |
| 8. Legal | | | \$1,183 |
| 9. Auditing | | | \$6,390 |
| 10. Bookkeeping/Accounting Fees | | | \$0 |
| 11. Telephone & Answering Service | | | \$2,348 |
| 12. Tax Credit Monitoring Fee | | | \$0 |
| 13. Miscellaneous Administrative | | | \$8,952 |
| Total Administrative | | | \$122,895 |

Utilities

| | | | |
|----------------------|--|--|-----------------|
| 14. Fuel Oil | | | \$0 |
| 15. Electricity | | | \$15,028 |
| 16. Water | | | \$11,443 |
| 17. Gas | | | \$6,627 |
| 18. Sewer | | | \$14,661 |
| Total Utility | | | \$47,759 |

Operating:

| | | | |
|---|--|--|------------------|
| 19. Janitor/Cleaning Payroll | | | \$0 |
| 20. Janitor/Cleaning Supplies | | | |
| 21. Janitor/Cleaning Contract | | | \$35,000 |
| 22. Exterminating | | | \$2,843 |
| 23. Trash Removal | | | \$11,926 |
| 24. Security Payroll/Contract | | | \$8,692 |
| 25. Grounds Payroll | | | \$0 |
| 26. Grounds Supplies | | | \$1,470 |
| 27. Grounds Contract | | | \$25,367 |
| 28. Maintenance/Repairs Payroll | | | \$2,500 |
| 29. Repairs/Material | | | \$39,203 |
| 30. Repairs Contract | | | \$3,988 |
| 31. Elevator Maintenance/Contract | | | \$28,650 |
| 32. Heating/Cooling Repairs & Maintenance | | | \$5,443 |
| 33. Pool Maintenance/Contract/Staff | | | |
| 34. Snow Removal | | | \$6,000 |
| 35. Decorating/Payroll/Contract | | | \$10,222 |
| 36. Decorating Supplies | | | \$6,000 |
| 37. Miscellaneous | | | \$10,000 |
| Totals Operating & Maintenance | | | \$197,304 |

M. OPERATING EXPENSES

Taxes & Insurance

| | |
|--|------------------|
| 38. Real Estate Taxes | \$95,000 |
| 39. Payroll Taxes | \$2,428 |
| 40. Miscellaneous Taxes/Licenses/Permits | \$5,917 |
| 41. Property & Liability Insurance | \$29,205 |
| 42. Fidelity Bond | \$1,722 |
| 43. Workman's Compensation | \$852 |
| 44. Health Insurance & Employee Benefits | \$9,183 |
| 45. Other Insurance | \$710 |
| Total Taxes & Insurance | \$145,017 |

| | |
|--------------------------------|------------------|
| Total Operating Expense | \$512,975 |
|--------------------------------|------------------|

| | | | |
|--|---------|--|--------|
| Total Operating Expenses Per Unit | \$7,225 | C. Total Operating Expenses as % of EGI | 56.85% |
|--|---------|--|--------|

| | |
|---|-----------------|
| Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) | \$17,750 |
|---|-----------------|

| | |
|-----------------------|------------------|
| Total Expenses | \$530,725 |
|-----------------------|------------------|

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

2020 Low-Income Housing Tax Credit Application For Reservation

N. PROJECT SCHEDULE

| ACTIVITY | ACTUAL OR ANTICIPATED DATE | NAME OF RESPONSIBLE PERSON |
|--|----------------------------|----------------------------|
| 1. SITE | | |
| a. Option/Contract | 3/6/2020 | Charles Sims |
| b. Site Acquisition | 6/1/2021 | Charles Sims |
| c. Zoning Approval | 1/28/2020 | Charles Sims |
| d. Site Plan Approval | 5/1/2020 | Charles Sims |
| 2. Financing | | |
| a. Construction Loan | | |
| i. Loan Application | 2/1/2021 | Charles Sims |
| ii. Conditional Commitment | 3/1/2021 | Charles Sims |
| iii. Firm Commitment | 5/1/2021 | Charles Sims |
| b. Permanent Loan - First Lien | | |
| i. Loan Application | 2/1/2021 | Charles Sims |
| ii. Conditional Commitment | 3/1/2021 | Charles Sims |
| iii. Firm Commitment | 5/1/2021 | Charles Sims |
| c. Permanent Loan-Second Lien | | |
| i. Loan Application | | |
| ii. Conditional Commitment | | |
| iii. Firm Commitment | | |
| d. Other Loans & Grants | | |
| i. Type & Source, List | | |
| ii. Application | | |
| iii. Award/Commitment | | |
| 2. Formation of Owner | 12/12/2019 | Charles Sims |
| 3. IRS Approval of Nonprofit Status | 12/18/1990 | Charles Sims |
| 4. Closing and Transfer of Property to Owner | 6/1/2021 | Charles Sims |
| 5. Plans and Specifications, Working Drawings | 6/1/2020 | Charles Sims |
| 6. Building Permit Issued by Local Government | 5/31/2021 | Charles Sims |
| 7. Start Construction | 6/1/2021 | Charles Sims |
| 8. Begin Lease-up | 1/1/2023 | Charles Sims |
| 9. Complete Construction | 12/1/2022 | Charles Sims |
| 10. Complete Lease-Up | 7/1/2023 | Charles Sims |
| 11. Credit Placed in Service Date | 12/1/2022 | Charles Sims |

2020 Low-Income Housing Tax Credit Application For Reservation

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

Note: Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations included in Project Budget.

| Item | (A) Cost | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | |
|---|---------------------|---|--------------------------------|-----------------------------|
| | | "30% Present Value Credit" | | (D) |
| | | (B) Acquisition | (C) Rehab/ New Construction | "70 % Present Value Credit" |
| 1. Contractor Cost | | | | |
| a. Unit Structures (New) | 11,094,984 | 0 | 0 | 10,779,687 |
| b. Unit Structures (Rehab) | 0 | 0 | 0 | 0 |
| c. Non Residential Structures | 0 | 0 | 0 | 0 |
| d. Commercial Space Costs | 0 | 0 | 0 | 0 |
| e. Structured Parking Garage | 0 | 0 | 0 | 0 |
| Total Structure | 11,094,984 | 0 | 0 | 10,779,687 |
| f. Earthwork | 0 | 0 | 0 | 0 |
| g. Site Utilities | 0 | 0 | 0 | 0 |
| h. Roads & Walks | 0 | 0 | 0 | 0 |
| i. Site Improvements | 0 | 0 | 0 | 0 |
| j. Lawns & Planting | 0 | 0 | 0 | 0 |
| k. Engineering | 0 | 0 | 0 | 0 |
| l. Off-Site Improvements | 211,232 | 0 | 0 | 189,320 |
| m. Site Environmental Mitigation | 0 | 0 | 0 | 0 |
| n. Demolition | 0 | 0 | 0 | 0 |
| o. Site Work | 0 | 0 | 0 | 0 |
| p. Other Site work | 0 | 0 | 0 | 0 |
| Total Land Improvements | 211,232 | 0 | 0 | 189,320 |
| Total Structure and Land | 11,306,216 | 0 | 0 | 10,969,007 |
| q. General Requirements | 754,347 | 0 | 0 | 754,347 |
| r. Builder's Overhead (0.0% Contract) | 0 | 0 | 0 | 0 |
| s. Builder's Profit (4.0% Contract) | 451,764 | 0 | 0 | 451,764 |
| t. Bonds | 0 | 0 | 0 | 0 |
| u. Building Permits | 0 | 0 | 0 | 0 |
| v. Special Construction | 0 | 0 | 0 | 0 |
| w. Special Equipment | 0 | 0 | 0 | 0 |
| x. Other 1: _____ | 163,851 | 0 | 0 | 163,851 |
| y. Other 2: _____ | 0 | 0 | 0 | 0 |
| z. Other 3: _____ | 0 | 0 | 0 | 0 |
| Contractor Costs | \$12,676,178 | \$0 | \$0 | \$12,338,969 |

O. PROJECT BUDGET - OWNER COSTS

MUST USE WHOLE NUMBERS ONLY!

| Item | (A) Cost | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | |
|--|----------|---|--------------------------------|-----------------------------|
| | | "30% Present Value Credit" | | (D) |
| | | (B) Acquisition | (C) Rehab/ New Construction | "70 % Present Value Credit" |
| 2. Owner Costs | | | | |
| a. Building Permit | 0 | 0 | 0 | 0 |
| b. Architecture/Engineering Design Fee \$7,387 /Unit) | 524,508 | 0 | 0 | 524,508 |
| c. Architecture Supervision Fee \$3,037 /Unit) | 215,650 | 0 | 0 | 215,650 |
| d. Tap Fees | 487,588 | 0 | 0 | 487,588 |
| e. Environmental | 18,406 | 0 | 0 | 18,406 |
| f. Soil Borings | 5,259 | 0 | 0 | 5,259 |
| g. Green Building (Earthcraft, LEED, etc.) | 28,398 | 0 | 0 | 0 |
| h. Appraisal | 21,165 | 0 | 0 | 21,165 |
| i. Market Study | 2,500 | 0 | 0 | 2,500 |
| j. Site Engineering / Survey | 177,488 | 0 | 0 | 177,488 |
| k. Construction/Development Mgt | 165,655 | 0 | 0 | 165,655 |
| l. Structural/Mechanical Study | 0 | 0 | 0 | 0 |
| m. Construction Loan Origination Fee | 300,000 | 0 | 0 | 300,000 |
| n. Construction Interest (4.0% for 20 months) | 733,093 | 0 | 0 | 733,093 |
| o. Taxes During Construction | 70,711 | 0 | 0 | 70,711 |
| p. Insurance During Construction | 165,655 | 0 | 0 | 165,655 |
| q. Permanent Loan Fee (2.0%) | 83,892 | 0 | 0 | 0 |
| r. Other Permanent Loan Fees | 70,995 | 0 | 0 | 0 |
| s. Letter of Credit | 0 | 0 | 0 | 0 |
| t. Cost Certification Fee | 0 | 0 | 0 | 0 |
| u. Accounting | 47,330 | 0 | 0 | 23,665 |
| v. Title and Recording | 70,995 | 0 | 0 | 21,298 |
| w. Legal Fees for Closing | 235,000 | 0 | 0 | 117,500 |
| x. Mortgage Banker | 0 | 0 | 0 | 0 |
| y. Tax Credit Fee | 122,660 | | | |
| z. Tenant Relocation | 0 | 0 | 0 | 0 |
| aa. Fixtures, Furnitures and Equipment | 155,000 | 0 | 0 | 0 |
| ab. Organization Costs | 0 | 0 | 0 | 0 |
| ac. Operating Reserve | 424,859 | 0 | 0 | 0 |
| ad. Contingency | 849,588 | 0 | 0 | 424,794 |
| ae. Security | 87,648 | 0 | 0 | 87,648 |
| af. Utilities | 0 | 0 | 0 | 0 |

O. PROJECT BUDGET - OWNER COSTS

| | | | | |
|--|---------------------|------------|------------|---------------------|
| (1) Other* specify: Consultants | 25,000 | 0 | 0 | 0 |
| (2) Other* specify: Marketing | 125,000 | 0 | 0 | 0 |
| (3) Other* specify: | 0 | 0 | 0 | 0 |
| (4) Other* specify: | 0 | 0 | 0 | 0 |
| (5) Other* specify: | 0 | 0 | 0 | 0 |
| (6) Other* specify: | 0 | 0 | 0 | 0 |
| (7) Other* specify: | 0 | 0 | 0 | 0 |
| (8) Other* specify: | 0 | 0 | 0 | 0 |
| (9) Other* specify: | 0 | 0 | 0 | 0 |
| (10) Other* specify: | 0 | 0 | 0 | 0 |
| Owner Costs Subtotal (Sum 2A..2(10)) | \$5,214,043 | \$0 | \$0 | \$3,562,583 |
| Subtotal 1 + 2 (Owner + Contractor Costs) | \$17,890,221 | \$0 | \$0 | \$15,901,552 |
| 3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A) | 2,000,000 | 0 | 0 | 2,000,000 |
| 4. Owner's Acquisition Costs | | | | |
| Land | 2,735,000 | | | |
| Existing Improvements | 0 | 0 | | |
| Subtotal 4: | \$2,735,000 | \$0 | | |
| 5. Total Development Costs | | | | |
| Subtotal 1+2+3+4: | \$22,625,221 | \$0 | \$0 | \$17,901,552 |

If this application seeks rehab credits only, in which there is no acquisition and no change in ownership, enter the greater of appraised value or tax assessment value here:

(Provide documentation at Tab E)

| | |
|-----|----------|
| \$0 | Land |
| \$0 | Building |

Maximum Developer Fee: \$2,080,018

Proposed Development's Cost per Sq Foot \$246 **Meets Limits**
 Applicable Cost Limit by Square Foot: \$325

2020 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

| Item | (A) Cost | Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s): | | |
|---|------------|---|-----------------------------------|------------------------------------|
| | | "30 % Present Value Credit" | | (D) "70 % Present Value Credit" |
| | | (B) Acquisition | (C) Rehab/ New Construction | |
| 1. Total Development Costs | 22,625,221 | 0 | 0 | 17,901,552 |
| 2. Reductions in Eligible Basis | | | | |
| a. Amount of federal grant(s) used to finance qualifying development costs | | 0 | 0 | 0 |
| b. Amount of nonqualified, nonrecourse financing | | 0 | 0 | 0 |
| c. Costs of nonqualifying units of higher quality (or excess portion thereof) | | 0 | 0 | 0 |
| d. Historic Tax Credit (residential portion) | | 0 | 0 | 0 |
| 3. Total Eligible Basis (1 - 2 above) | | 0 | 0 | 17,901,552 |
| 4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis) | | | | |
| a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i> | | | 0 | 0 |
| b. For Revitalization or Supportive Housing (Eligible Basis x 30%) | | | 0 | 5,370,466 |
| c. For Green Certification (Eligible Basis x 10%) | | | | 0 |
| Total Adjusted Eligible basis | | | 0 | 23,272,018 |
| 5. Applicable Fraction | | 100.00000% | 100.00000% | 100.00000% |
| 6. Total Qualified Basis (Eligible Basis x Applicable Fraction) | | 0 | 0 | 23,272,018 |
| 7. Applicable Percentage <i>(Beginning with 2016 Allocations, use the standard 9% rate.)</i> <i>(For tax exempt bonds, use the most recently published rates.)</i> | | 0.00% | 9.00% | 9.00% |
| 8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed) | | \$0 | \$0 | \$2,094,482 |
| | | \$2,094,482 Combined 30% & 70% P. V. Credit | | |

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. Construction Financing: List individually the sources of construction financing, including any such loans financed through grant sources:

| Source of Funds | Date of Application | Date of Commitment | Amount of Funds | Name of Contact Person |
|-----------------------------|---------------------|--------------------|-----------------|------------------------|
| 1. BOA Construction Loan | | | \$19,250,000 | William Ferrell |
| 2. | | | | |
| 3. | | | | |
| Total Construction Funding: | | | \$19,250,000 | |

2. Permanent Financing: List individually the sources of all permanent financing in order of lien position:

| Source of Funds | Date of Application | Date of Commitment | Amount of Funds | Annual Debt Service Cost | Interest Rate of Loan | Amortization Period IN YEARS | Term of Loan (years) |
|-----------------------------|---------------------|--------------------|-----------------|--------------------------|-----------------------|------------------------------|----------------------|
| 1. Fannie/Freddie Perm Loan | | | \$5,592,823 | \$317,621 | 4.50% | 35.00 | 35.00 |
| 2. | | | | | | | |
| 3. | | | | | | | |
| 4. | | | | | | | |
| 5. | | | | | | | |
| 6. | | | | | | | |
| 7. | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| 10. | | | | | | | |
| Total Permanent Funding: | | | \$5,592,823 | \$317,621 | | | |

3. Grants: List all grants provided for the development:

| Source of Funds | Date of Application | Date of Commitment | Amount of Funds | Name of Contact Person |
|-------------------------|---------------------|--------------------|-----------------|------------------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| Total Permanent Grants: | | | \$0 | |

Q. SOURCES OF FUNDS

4. Subsidized Funding

| | Source of Funds | Date of Commitment | Amount of Funds |
|--------------------------|------------------------|--------------------|-----------------|
| 1. | Housing Blueprint Loan | 3/5/2020 | \$4,696,125 |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| Total Subsidized Funding | | | \$4,696,125 |

5. Recap of Federal, State, and Local Funds

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds..... **FALSE**

If above is **True**, then list the amount of money involved by all appropriate types.

Below-Market Loans

| | | |
|----|-------------------|-------------|
| a. | Tax Exempt Bonds | \$0 |
| b. | RD 515 | \$0 |
| c. | Section 221(d)(3) | \$0 |
| d. | Section 312 | \$0 |
| e. | Section 236 | \$0 |
| f. | VHDA SPARC/REACH | \$0 |
| g. | HOME Funds | \$0 |
| h. | Other: HBF Loan | \$4,696,125 |
| i. | Other: | \$0 |

Market-Rate Loans

| | | |
|----|-------------------------|-------------|
| a. | Taxable Bonds | \$0 |
| b. | Section 220 | \$0 |
| c. | Section 221(d)(3) | \$0 |
| d. | Section 221(d)(4) | \$0 |
| e. | Section 236 | \$0 |
| f. | Section 223(f) | \$0 |
| g. | Other: Fannie / Freddie | \$5,592,823 |

Grants*

| | | |
|----|------|-----|
| a. | CDBG | \$0 |
| b. | UDAG | \$0 |

Grants

| | | |
|----|--------|--|
| c. | State | |
| d. | Local | |
| e. | Other: | |

*This means grants to the partnership. If you received a loan financed by a locality which received one of the listed grants, please list it in the appropriate loan column as "other" and describe the applicable grant program which funded it.

Q. SOURCES OF FUNDS

6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **N/A**

7. Some of the development's financing has credit enhancements..... **FALSE**
If **True**, list which financing and describe the credit enhancement:

8. Other Subsidies **Action:** Provide documentation (**Tab Q**)

a. **FALSE** Real Estate Tax Abatement on the increase in the value of the development.

b. **TRUE** **New** project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.

c. **FALSE** Other _____

9. A HUD approval for transfer of physical asset is required..... **FALSE**

2020 Low-Income Housing Tax Credit Application For Reservation

R. EQUITY

1. Equity

| | | | | |
|--|------------|-------------|---------|--|
| a. Portion of Syndication Proceeds Attributable to Historic Tax Credit | | | | |
| Amount of Federal historic credits | \$0 | x Equity \$ | \$0.000 | = \$0 |
| Amount of Virginia historic credits | \$0 | x Equity \$ | \$0.000 | = \$0 |
| b. Equity that Sponsor will Fund: | | | | |
| i. Cash Investment | \$0 | | | |
| ii. Contributed Land/Building | \$0 | | | |
| iii. Deferred Developer Fee | \$0 | | | (Note: Deferred Developer Fee cannot be negative.) |
| iv. Other: | \$0 | | | |
| ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A. | | | | |
| Equity Total | <u>\$0</u> | | | |

2. Equity Gap Calculation

| | |
|--|---------------|
| a. Total Development Cost | \$22,625,221 |
| b. Total of Permanent Funding, Grants and Equity | - \$5,592,823 |
| c. Equity Gap | \$17,032,398 |
| d. Developer Equity | - \$1,703 |
| e. Equity gap to be funded with low-income tax credit proceeds | \$17,030,695 |

3. Syndication Information (If Applicable)

| | | | |
|---|------------------|--------|--------------|
| a. Actual or Anticipated Name of Syndicator: | Bank of America | | |
| Contact Person: | William Ferrell | Phone: | 202-442-7322 |
| Street Address: | 1800 K Street NW | | |
| City: | Washington, DC | State: | |
| | | Zip: | 20006 |
| b. Syndication Equity | | | |
| i. Anticipated Annual Credits | \$1,738,000.00 | | |
| ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit) | \$0.980 | | |
| iii. Percent of ownership entity (e.g., 99% or 99.9%) | 99.99000% | | |
| iv. Syndication costs not included in Total Development Costs (e.g., advisory fees) | \$0 | | |
| v. Net credit amount anticipated by user of credits | \$1,737,826 | | |
| vi. Total to be paid by anticipated users of credit (e.g., limited partners) | \$17,030,695 | | |
| c. Syndication: | Private | | |
| d. Investors: | Corporate | | |

4. Net Syndication Amount

| | |
|---|---------------------|
| Which will be used to pay for Total Development Costs | <u>\$17,030,695</u> |
|---|---------------------|

5. Net Equity Factor

| | |
|--------------------------------------|-----------------------|
| Must be equal to or greater than 85% | <u>97.9999898724%</u> |
|--------------------------------------|-----------------------|

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by VHDA to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, VHDA at all times retains the right to substitute such information and assumptions as are determined by VHDA to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by VHDA for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

| | | |
|---|---|-----------------------|
| 1. Total Development Costs | | <u>\$22,625,221</u> |
| 2. Less Total of Permanent Funding, Grants and Equity | - | <u>\$5,592,823</u> |
| 3. Equals Equity Gap | | <u>\$17,032,398</u> |
| 4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment) | | <u>97.9999898724%</u> |
| 5. Equals Ten-Year Credit Amount Needed to Fund Gap | | <u>\$17,380,000</u> |
| Divided by ten years | | <u>10</u> |
| 6. Equals Annual Tax Credit Required to Fund the Equity Gap | | <u>\$1,738,000</u> |
| 7. Maximum Allowable Credit Amount (from Eligible Basis Calculation) | | <u>\$2,094,482</u> |
| 8. Requested Credit Amount | For 30% PV Credit: | <u>\$0</u> |
| | For 70% PV Credit: | <u>\$1,738,000</u> |
| Credit per LI Units | <u>\$24,478.8732</u> | |
| Credit per LI Bedroom | <u>\$19,528.0899</u> | |
| | Combined 30% & 70% PV Credit Requested | \$1,738,000 |

9. **Action:** Provide Attorney’s Opinion (**Mandatory Tab H**)

T. CASH FLOW

1. Revenue

Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

| | | |
|--|--------------------|------------------|
| Total Monthly Rental Income for LIHTC Units | | \$79,590 |
| Plus Other Income Source (list): | Wash / Dry / Other | \$1,265 |
| Equals Total Monthly Income: | | \$80,855 |
| Twelve Months | | x12 |
| Equals Annual Gross Potential Income | | \$970,260 |
| Less Vacancy Allowance | 7.0% | \$67,918 |
| Equals Annual Effective Gross Income (EGI) - Low Income Units | | \$902,341 |

2. Indicate the estimated monthly income for the Market Rate Units (based on Unit Details tab):

| | | |
|---|------|------------|
| Total Monthly Income for Market Rate Units: | | \$0 |
| Plus Other Income Source (list): | | \$0 |
| Equals Total Monthly Income: | | \$0 |
| Twelve Months | | x12 |
| Equals Annual Gross Potential Income | | \$0 |
| Less Vacancy Allowance | 0.0% | \$0 |
| Equals Annual Effective Gross Income (EGI) - Market Rate Units | | \$0 |

Action: Provide documentation in support of Operating Budget (**TAB R**)

3. Cash Flow (First Year)

| | | |
|----|--------------------------------------|-----------|
| a. | Annual EGI Low-Income Units | \$902,341 |
| b. | Annual EGI Market Units | \$0 |
| c. | Total Effective Gross Income | \$902,341 |
| d. | Total Expenses | \$530,725 |
| e. | Net Operating Income | \$371,616 |
| f. | Total Annual Debt Service | \$317,621 |
| g. | Cash Flow Available for Distribution | \$53,995 |

T. CASH FLOW

4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

| | Stabilized Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------|----------------------|---------|---------|---------|---------|
| Eff. Gross Income | 902,341 | 920,388 | 938,796 | 957,572 | 976,723 |
| Less Oper. Expenses | 530,725 | 546,647 | 563,046 | 579,938 | 597,336 |
| Net Income | 371,616 | 373,742 | 375,750 | 377,634 | 379,388 |
| Less Debt Service | 317,621 | 317,621 | 317,621 | 317,621 | 317,621 |
| Cash Flow | 53,995 | 56,121 | 58,129 | 60,013 | 61,767 |
| Debt Coverage Ratio | 1.17 | 1.18 | 1.18 | 1.19 | 1.19 |

| | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---------------------|---------|-----------|-----------|-----------|-----------|
| Eff. Gross Income | 996,258 | 1,016,183 | 1,036,507 | 1,057,237 | 1,078,382 |
| Less Oper. Expenses | 615,256 | 633,713 | 652,725 | 672,307 | 692,476 |
| Net Income | 381,002 | 382,470 | 383,782 | 384,930 | 385,906 |
| Less Debt Service | 317,621 | 317,621 | 317,621 | 317,621 | 317,621 |
| Cash Flow | 63,381 | 64,849 | 66,161 | 67,309 | 68,285 |
| Debt Coverage Ratio | 1.20 | 1.20 | 1.21 | 1.21 | 1.21 |

| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Eff. Gross Income | 1,099,949 | 1,121,948 | 1,144,387 | 1,167,275 | 1,190,620 |
| Less Oper. Expenses | 713,250 | 734,648 | 756,687 | 779,388 | 802,769 |
| Net Income | 386,699 | 387,301 | 387,700 | 387,887 | 387,851 |
| Less Debt Service | 317,621 | 317,621 | 317,621 | 317,621 | 317,621 |
| Cash Flow | 69,078 | 69,680 | 70,079 | 70,266 | 70,230 |
| Debt Coverage Ratio | 1.22 | 1.22 | 1.22 | 1.22 | 1.22 |

Estimated Annual Percentage Increase in Revenue 2.00% (Must be < 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be > 3%)

U. Building-by-Building Information

Must Complete

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

Number of BINS: 1

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID

DO NOT use the CUT feature

| Bldg # | BIN if known | NUMBER OF | | Street Address 1 | Street Address 2 | City | State | Zip | 30% Present Value Credit for Acquisition | | | | 30% Present Value Credit for Rehab / New Construction | | | | 70% Present Value Credit | | | |
|--------|--------------|------------------|-------------------|---------------------------|------------------|------------|-------|-------|--|---------------------------------------|-----------------------|---------------|---|---------------------------------------|-----------------------|---------------|--------------------------|---------------------------------------|-----------------------|---------------|
| | | TAX CREDIT UNITS | MARKET RATE UNITS | | | | | | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount | Estimate Qualified Basis | Actual or Anticipated In-Service Date | Applicable Percentage | Credit Amount |
| 1. | | 71 | | 5815 S Van Dorn Street | | Alexandria | VA | 22310 | | | | \$0 | | | | \$0 | \$23,272,018 | 12/01/22 | 9.00% | \$2,094,482 |
| 2. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 3. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 4. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 5. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 6. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 7. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 8. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 9. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 10. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 11. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 12. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 13. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 14. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 15. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 16. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 17. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 18. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 19. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 20. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 21. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 22. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 23. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 24. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 25. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 26. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 27. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 28. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 29. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 30. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 31. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 32. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 33. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 34. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| 35. | | | | | | | | | | | | \$0 | | | | \$0 | | | | \$0 |
| | | 71 | 0 | Totals from all buildings | | | | | \$0 | \$0 | \$0 | \$0 | \$23,272,018 | | | | \$0 | | | \$2,094,482 |

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:


1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless VHDA and its assigns against all losses, costs, damages, VHDA's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to VHDA's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
3. that points will be assigned only for representations made herein for which satisfactory documentation is submitted herewith and that no revised representations may be made in connection with this application once the deadline for applications has passed.
4. that this application form, provided by VHDA to applicants for tax credits, including all sections herein relative to basis, credit calculations, and determination of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of VHDA in reviewing reservation requests; that completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority.
5. that the undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings and that it will in all respects satisfy all applicable requirements of federal tax law and any other requirements imposed upon it by VHDA prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, VHDA is entitled to rely upon representations of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relative to the determination of qualified basis for the development as a whole and/or each building therein individually as well as the amounts and types of credit applicable thereof, but that the issuance of a reservation based on such representation in no way warrants their correctness or compliance with IRC requirements.
8. that VHDA may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested.
9. that reservations of credits are not transferable without prior written approval by VHDA at its sole discretion.

V. STATEMENT OF OWNER

10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or VHDA regulations, or other binding authority.
11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
15. that undersigned waives the right to pursue a Qualified Contract on this development.
16. that the information in this application may be disseminated to others for purposes of verification or other purposes consistent with the Virginia Freedom of Information Act. However, all information will be maintained, used or disseminated in accordance with the Government Data Collection and Dissemination Practices Act. The undersigned may refuse to supply the information requested, however, such refusal will result in VHDA's inability to process the application. The original or copy of this application may be retained by VHDA, even if tax credits are not allocated to the undersigned.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Owner: Oakwood South Nine Limited Partnership
By Oakwood South Nine Development LLC
Its, General Partner

By: 
Its: Nina Janopaul, President
(Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all VHDA Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Architect: LOGAN SCHUTZ
Virginia License#: 0401010221
Architecture Firm or Company: GRIMM + PARKER - ARCHITECTS

By:  _____
Its: PRINCIPAL _____
(Title)

Initials by Architect are also required on the following Tabs: Enhancement, Special Housing Needs and Unit Details.

W.

LIHTC SELF SCORE SHEET

Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by VHDA's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Item 5f requires a numeric value to be entered.

Please remember that this score is only an estimate. VHDA reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

- a. Signed, completed application with attached tabs in PDF format
- b. Active Excel copy of application
- c. Partnership agreement
- d. SCC Certification
- e. Previous participation form
- f. Site control document
- g. RESNET Certification
- h. Attorney's opinion
- i. Nonprofit questionnaire (if applicable)
- j. Appraisal
- k. Zoning document
- l. Universal Design Plans
- m. List of LIHTC Developments (Schedule A)

| Included | | Score |
|----------|-----------|-------|
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y, N, N/A | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Y | Y or N | 0 |
| Total: | | 0.00 |

1. READINESS:

- a. VHDA notification letter to CEO (via Locality Notification Information Application)
- b. Local CEO Opposition Letter
- c. Plan of development
- d. Location in a revitalization area based on Qualified Census Tract
- e. Location in a revitalization area with resolution
- f. Location in a Opportunity Zone

| | | |
|--------|----------|-------|
| Y | 0 or -50 | 0.00 |
| N | 0 or -25 | 0.00 |
| N | 0 or 40 | 0.00 |
| N | 0 or 10 | 0.00 |
| Y | 0 or 15 | 15.00 |
| N | 0 or 15 | 0.00 |
| Total: | | 15.00 |

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy (HUD or RD)
- f. Census tract with <12% poverty rate
- g. Development listed on the Rural Development Rehab Priority List
- h. Dev. located in area with little or no increase in rent burdened population
- i. Dev. located in area with increasing rent burdened population

| | | |
|--------|-----------------|--------|
| Y | 0 or up to 5 | 4.44 |
| N | 0 or 20 | 0.00 |
| 20.76% | Up to 40 | 40.00 |
| N | 0 or 5 | 0.00 |
| Y | 0 or 10 | 10.00 |
| 3% | 0, 20, 25 or 30 | 30.00 |
| N | 0 or 15 | 0.00 |
| N | Up to -20 | 0.00 |
| Y | Up to 20 | 20.00 |
| Total: | | 104.44 |

2020 Low-Income Housing Tax Credit Application For Reservation

3. DEVELOPMENT CHARACTERISTICS:

| | | | |
|---|---------------|-------------|----------------------|
| a. Amenities (See calculations below) | | | 71.00 |
| b. Project subsidies/HUD 504 accessibility for 5 or 10% of units | Y | 0 or 60 | 60.00 |
| or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units | N | 0 or 30 | 0.00 |
| or d. HUD 504 accessibility for 5% of units | N | 0 or 15 | 0.00 |
| e. Proximity to public transportation (within Northern VA or Tidewater) | Y20 | 0, 10 or 20 | 20.00 |
| f. Development will be Green Certified | Y | 0 or 10 | 10.00 |
| g. Units constructed to meet VHDA's Universal Design standards | 100% | Up to 15 | 15.00 |
| h. Developments with less than 100 units | Y | up to 20 | 11.60 |
| i. Historic Structure | N | 0 or 5 | 0.00 |
| | Total: | | <u><u>187.60</u></u> |

4. TENANT POPULATION CHARACTERISTICS:

| | |
|--------------|-----------|
| Locality AMI | State AMI |
| \$121,300 | \$57,400 |

| | | | |
|--|---------------|----------|---------------------|
| a. Less than or equal to 20% of units having 1 or less bedrooms | N | 0 or 15 | 0.00 |
| b. <plus> Percent of Low Income units with 3 or more bedrooms | 0.00% | Up to 15 | 0.00 |
| c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units) | 18.31% | Up to 10 | 10.00 |
| d. Units with rents at or below 40% of AMI (up to 10% of LI units) | 18.31% | Up to 10 | 10.00 |
| e. Units with rent and income at or below 50% of AMI | 63.38% | Up to 50 | 50.00 |
| f. Units with rents at or below 50% rented to tenants at or below 60% of AMI | 63.38% | Up to 25 | 0.00 |
| or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI | 63.38% | Up to 50 | 0.00 |
| | Total: | | <u><u>70.00</u></u> |

5. SPONSOR CHARACTERISTICS:

| | | | |
|--|---------------|----------|---------------------|
| a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units | Y | 0 or 50 | 50.00 |
| or b. Developer experience - 3 developments and at least 500,000 in liquid assets | N | 0 or 50 | 0.00 |
| or c. Developer experience - 1 development with 1 x units | N | 0 or 10 | 0.00 |
| d. Developer experience - life threatening hazard | N | 0 or -50 | 0.00 |
| e. Developer experience - noncompliance | N | 0 or -15 | 0.00 |
| f. Developer experience - did not build as represented | 0 | 0 or -2x | 0.00 |
| g. Developer experience - failure to provide minimum building requirements | N | 0 or -20 | 0.00 |
| h. Developer experience - termination of credits by VHDA | N | 0 or -10 | 0.00 |
| i. Developer experience - exceeds cost limits at certification | N | 0 or -50 | 0.00 |
| j. Management company rated unsatisfactory | N | 0 or -25 | 0.00 |
| | Total: | | <u><u>50.00</u></u> |

6. EFFICIENT USE OF RESOURCES:

| | | | |
|--------------------|---------------|-----------|---------------------|
| a. Credit per unit | | Up to 200 | 49.10 |
| b. Cost per unit | | Up to 100 | 31.82 |
| | Total: | | <u><u>80.92</u></u> |

7. BONUS POINTS:

| | | | |
|--|---------------|----------|----------------------|
| a. Extended compliance | 0 Years | 40 or 50 | 0.00 |
| or b. Nonprofit or LHA purchase option | Y | 0 or 60 | 60.00 |
| or c. Nonprofit or LHA Home Ownership option | N | 0 or 5 | 0.00 |
| d. Combined 9% and 4% Tax Exempt Bond Site Plan | Y | Up to 45 | 45.00 |
| e. RAD or PHA Conversion participation and competing in Local Housing Authority pool | N | 0 or 10 | 0.00 |
| | Total: | | <u><u>105.00</u></u> |

425 Point Threshold - all 9% Tax Credits
 325 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: 612.96

2020 Low-Income Housing Tax Credit Application For Reservation

Amenities:

| All units have: | Max Pts | Score |
|--|---------|---------------------|
| a. Community Room | 5 | 5.00 |
| b. Exterior walls constructed with brick and other low maintenance materials | 25 | 25.00 |
| c. Sub metered water expense | 5 | 5.00 |
| d. Watersense labeled faucets, toilets and showerheads | 3 | 0.00 |
| e. Infrastructure for high speed internet/broadband | 1 | 1.00 |
| f. Free WiFi Access in community room | 4 | 4.00 |
| g. Each unit provided free individual high speed internet access | 6 | 0.00 |
| h. Each unit provided free individual WiFi | 8 | 8.00 |
| i. Bath Fan - Delayed timer or continuous exhaust | 3 | 3.00 |
| j. Baths equipped with humidistat | 3 | 0.00 |
| k. Cooking Surfaces equipped with fire prevention features | 4 | 4.00 |
| l. Cooking surfaces equipped with fire suppression features | 2 | 0.00 |
| m. Rehab only: dedicated space to accept permanent dehumidification system | 2 | 0.00 |
| n. Provides Permanently installed dehumidification system | 5 | 5.00 |
| o. All interior doors within units are solid core | 3 | 3.00 |
| p. USB in kitchen, living room and all bedrooms | 1 | 1.00 |
| q. LED Kitchen Light Fixtures | 2 | 2.00 |
| r. Shelf or Ledge at entrance within interior hallway | 2 | 2.00 |
| s. New Construction: Balcony or patio | 4 | 0.00 |
| | | <u>68.00</u> |
| All elderly units have: | | |
| t. Front-control ranges | 1 | 1.00 |
| u. Independent/suppl. heat source | 1 | 1.00 |
| v. Two eye viewers | 1 | 1.00 |
| | | <u>3.00</u> |
| Total amenities: | | <u>71.00</u> |

X. Development Summary

Summary Information

2020 Low-Income Housing Tax Credit Application For Reservation

Deal Name: **Oakwood South Nine**

| | | |
|--|---|-------------------------------------|
| Cycle Type: 9% Tax Credits | Requested Credit Amount: \$1,738,000 | Total Score 612.96 |
| Allocation Type: New Construction | Jurisdiction: Fairfax County | |
| Total Units: 71 | Population Target: Elderly | |
| Total LI Units: 71 | | |
| Project Gross Sq Ft: 80,829.16 | Owner Contact: Nina Janopaul | |
| Green Certified? TRUE | | |

| Source of Funds | Amount | Per Unit | Per Sq Ft | Annual Debt Service |
|---------------------|-------------|----------|-----------|---------------------|
| Permanent Financing | \$5,592,823 | \$78,772 | \$69 | \$317,621 |

| Uses of Funds - Actual Costs | | | | |
|------------------------------|---------------------|------------------|-------|----------|
| Type of Uses | Amount | Per Unit | Sq Ft | % of TDC |
| Improvements | \$11,306,216 | \$159,242 | \$140 | 49.97% |
| General Req/Overhead/Profit | \$1,206,111 | \$16,987 | \$15 | 5.33% |
| Other Contract Costs | \$163,851 | \$2,308 | \$2 | 0.72% |
| Owner Costs | \$5,214,043 | \$73,437 | \$65 | 23.05% |
| Acquisition | \$2,735,000 | \$38,521 | \$34 | 12.09% |
| Developer Fee | \$2,000,000 | \$28,169 | \$25 | 8.84% |
| Total Uses | \$22,625,221 | \$318,665 | | |

| Total Development Costs | |
|--------------------------------|---------------------|
| Total Improvements | \$17,890,221 |
| Land Acquisition | \$2,735,000 |
| Developer Fee | \$2,000,000 |
| Total Development Costs | \$22,625,221 |

| Income | | |
|------------------------------------|-------|------------------|
| Gross Potential Income - LI Units | | \$970,260 |
| Gross Potential Income - Mkt Units | | \$0 |
| Subtotal | | \$970,260 |
| Less Vacancy % | 7.00% | \$67,918 |
| Effective Gross Income | | \$902,341 |

Proposed Cost Limit/Sq Ft: \$246
Applicable Cost Limit/Sq Ft: \$325

| Unit Breakdown | |
|--------------------|-----------|
| Supp Hsg | 0 |
| # of Eff | 0 |
| # of 1BR | 53 |
| # of 2BR | 18 |
| # of 3BR | 0 |
| # of 4+ BR | 0 |
| Total Units | 71 |

Rental Assistance? TRUE

| Expenses | | |
|---------------------------------|------------------|----------------|
| Category | Total | Per Unit |
| Administrative | \$122,895 | \$1,731 |
| Utilities | \$47,759 | \$673 |
| Operating & Maintenance | \$197,304 | \$2,779 |
| Taxes & Insurance | \$145,017 | \$2,042 |
| Total Operating Expenses | \$512,975 | \$7,225 |
| Replacement Reserves | \$17,750 | \$250 |
| Total Expenses | \$530,725 | \$7,475 |

| | Income Levels | Rent Levels |
|-----------|---------------|-------------|
| | # of Units | # of Units |
| <=30% AMI | 13 | 13 |
| 40% AMI | 0 | 0 |
| 50% AMI | 32 | 32 |
| 60% AMI | 26 | 26 |
| >60% AMI | 0 | 0 |
| Market | 0 | 0 |

| Cash Flow | |
|-----------------------------------|------------------|
| EGI | \$902,341 |
| Total Expenses | \$530,725 |
| Net Income | \$371,616 |
| Debt Service | \$317,621 |
| Debt Coverage Ratio (YR1): | 1.17 |

Income Averaging? FALSE

Extended Use Restriction? 30

2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$238.60** Credits/SF = **21.85139** Const \$/unit = **\$178,537.7183**

TYPE OF PROJECT GENERAL = 11000; ELDERLY = 12000
 LOCATION Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION N C=1; ADPT=2; REHAB(35,000+)=3; REHAB (15,000-35,000)=4

12000
100
1

*REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below

| | GENERAL | | Elderly | | | | |
|-----------------------------|----------------|-------|----------|----------|------------|-------------|-------------|
| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
| AVG UNIT SIZE | 0.00 | 0.00 | 1,058.99 | 1,300.60 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 0 | 53 | 18 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 0 | 252,677 | 310,326 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 23,140 | 28,420 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 22.62 | 9.20 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 34.14 | 14.96 | 0.00 | 0.00 | 0.00 |

| | GENERAL | | | | | | | |
|-----------------------------|---------|--------|--------|--------|--------|---------|---------|------|
| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR |
| AVG UNIT SIZE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

TOTAL COST PER UNIT POINTS **31.82**

TOTAL CREDIT PER UNIT POINTS **49.10**

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|---------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|--------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Credit Parameter - low rise | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|----------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|--------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Credit Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Northern Virginia Beltway (Rehab costs \$15,000-\$50,000)

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|---------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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2020 Low-Income Housing Tax Credit Application For Reservation

\$/SF = **\$238.60** Credits/SF = **21.85139** Const \$/unit = **\$178,537.72**

TYPE OF PROJECT: GENERAL = 11000; ELDERLY = 12000
 LOCATION: Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION: N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(10,000-35,000)=4

12000
100
1

*REHABS LOCATED IN BELTWAY (\$10,000-\$50,000) See Below

| | GENERAL | | Elderly | | | | |
|-----------------------------|----------------|-------|----------|----------|------------|-------------|-------------|
| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
| AVG UNIT SIZE | 0.00 | 0.00 | 1,058.99 | 1,300.60 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 0 | 53 | 18 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 0 | 252,677 | 310,326 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 23,140 | 28,420 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 22.62 | 9.20 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 34.14 | 14.96 | 0.00 | 0.00 | 0.00 |

| | GENERAL | | | | | | | |
|-----------------------------|---------|--------|--------|--------|--------|---------|---------|---------|
| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
| AVG UNIT SIZE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NUMBER OF UNITS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(COSTS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT COST PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<35,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS=>50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PARAMETER-(CREDITS<50,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CREDIT PARAMETER | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PROJECT CREDIT PER UNIT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COST PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| CREDIT PER UNIT POINTS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

TOTAL COST PER UNIT POINTS **31.82**

TOTAL CREDIT PER UNIT POINTS **49.10**

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|---------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|--------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Credit Parameter - low rise | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|----------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|--------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Credit Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Credit Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

Cost Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|---------|---------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 362,520 | 487,136 | 0 | 0 | 0 |

Credit Parameters - Elderly

| | Supportive Hsg | EFF-E | 1 BR-E | 2 BR-E | EFF-E-1 ST | 1 BR-E-1 ST | 2 BR-E-1 ST |
|------------------------------------|----------------|-------|--------|--------|------------|-------------|-------------|
| Standard Cost Parameter - low rise | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 30,000 | 40,313 | 0 | 0 | 0 |

Cost Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Credit Parameters - General

| | EFF-G | 1 BR-G | 2 BR-G | 3 BR-G | 4 BR-G | 2 BR-TH | 3 BR-TH | 4 BR-TH |
|------------------------------------|-------|--------|--------|--------|--------|---------|---------|---------|
| Standard Cost Parameter - low rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - mid rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Parameter Adjustment - high rise | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Cost Parameter | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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Partnership or Operating Agreement

Including chart of ownership structure with percentage of
interests (**MANDATORY**)

OAKWOOD SOUTH NINE LIMITED PARTNERSHIP

AGREEMENT OF LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is made and entered into as of the 12 day of January, 2020, by and among the undersigned persons (the “Partners”) upon the terms and conditions hereinafter set forth.

ARTICLE I

INTRODUCTION

Section 1.1 Affairs of the Partnership. The Partners, consisting of all of the partners of the Partnership, which was formed under the laws of the Commonwealth of Virginia pursuant to that certain Certificate of Limited Partnership filed with the Virginia State Corporation Commission on December 12, 2019, agree that this Agreement shall set forth all of the provisions governing the affairs of the Partnership.

Section 1.2 Defined Terms. The defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Section 1.2.

“Act” means the Virginia Revised Uniform Limited Partnership Act, as it may from time to time be amended.

“Additional General Partner” means any Person who is admitted to the Partnership as an Additional General Partner under the provisions of Article V after the date of this Agreement.

“Additional Partner” means any Person who is admitted to the Partnership as a Partner under the provisions of Article VI after the date of this Agreement.

“Adjusted Book Value” means, with respect to any asset, such asset’s adjusted basis for federal income tax purposes, with the following exceptions and adjustments:

(i) The initial Adjusted Book Value of any asset contributed to the Partnership by a Partner shall be the fair market value of such asset (unreduced by liabilities secured by such asset) as determined by the contributing Partner and the Partnership and as reflected on Schedule I attached hereto and made a part hereof.

(ii) The Adjusted Book Values of all Partnership assets shall be adjusted to equal their respective fair market values (unreduced by liabilities secured by such assets) as determined by the General Partner, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimus Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimus amount of Partnership Property as consideration for an interest in the Partnership if the General Partner reasonably determines that such adjustment is necessary or

appropriate to reflect the relative economic interests of the Partners in the Partnership; (c) the liquidation of the Partnership within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g); and (d) any other adjustments in the discretion of the General Partner as allowed under Regulations promulgated under Code Section 704(b), or any successor statute.

(iii) The Adjusted Book Value of any Partnership asset distributed to any Partner shall be the fair market value (unreduced by liabilities secured by such assets) of such asset on the date of distribution.

(iv) The Adjusted Book Values of Partnership assets shall be increased (or decreased) to reflect any adjustment to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation Section 1.704-1(b)(2)(iv)(m) and Section 7.4 hereof; provided, however, that Adjusted Book Values shall not be adjusted pursuant to this part (iv) to the extent the General Partner determines that an adjustment pursuant to part (ii) is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this part (iv).

(v) The Adjusted Book Value of each asset determined or adjusted pursuant to (i), (ii) or (iv) above shall thereafter be adjusted by the Depreciation taken into account with respect to such asset in computing Profit or Loss.

“Adjusted Capital Account Deficit” means, with respect to any Partner, the deficit balance, if any, in such Partner’s Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) Such deficit shall be decreased by any amounts which such Partner is obligated or is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g)(i) and 1.704-2(h)(5); and

(ii) Such deficit shall be increased by the items described in Treasury Regulation 1.704-1(b)(2)(ii)(d)(4), (5) and 6.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulation 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” or “Affiliated Person” means, when used with reference to a specified Person (i) any Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the specified Person, (ii) any Person who is an officer, Partner, or trustee of, or serves in a similar capacity with respect to, the specified Person, or of which the specified Person is an officer, Partner or trustee, or with respect to which the specified Person serves in a similar capacity, (iii) any Person that, directly or indirectly, is the beneficial owner of 5% or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified Person, or of which the specified Person is directly or indirectly the owner of 5% or more

of any class of equity securities in which the specified Person has a substantial beneficial interest and (iv) any Family Partner of the specified Person.

“Agreement” means this Agreement of Limited Partnership as originally executed and as amended from time to time, as the context requires. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” “hereby” and “hereunder,” when used with reference to this Agreement, refer to this Agreement as a whole unless the context otherwise requires.

“Capital Account” means the Capital Account to be maintained by the Partnership for each Partner in accordance with the following provisions:

(i) A Partner’s Capital Account shall be credited with such Partner’s Capital Contributions, the amount of any Partnership liabilities assumed by such Partner (or which are secured by Partnership Property distributed to such Partner), and such Partner’s distributive share of Profit; and

(ii) A Partner’s Capital Account shall be debited with the amount of money and the fair market value of any Partnership Property distributed to such Partner, the amount of any liabilities of such Partner assumed by the Partnership (or which are secured by Property contributed by such Partner to the Partnership), and such Partner’s distributive share of Loss.

(iii) If any Interest in the Partnership is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it is attributable to the transferred Interest.

It is intended that the Capital Accounts of all Partners shall be maintained in compliance with the provisions of Treasury Regulations Section 1.704-1(b) and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership, or Partners), are computed in order to comply with such Regulations, the General Partner may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Article VIII hereof upon the dissolution of the Partnership. The General Partner also shall make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Treasury Regulation Section 1.704-1(b).

“Capital Contribution” means, with respect to any Partner, the amount of money and the initial Adjusted Book Value of any property (other than money) contributed to the Partnership with respect to the Interest held by such Partner.

“Capital Transaction” means the sale, refinancing or other disposition of the Partnership’s interest in the Project.

“Code” means the Internal Revenue Code of 1986, as amended (or any corresponding provision of succeeding law).

“Depreciation” means, for each taxable year of the Partnership (or other period for which Depreciation must be computed), an amount equal to the depreciation, amortization or cost recovery deduction allowable with respect to the Partnership’s assets for such period, except that if the Adjusted Book Value of any asset differs from its adjusted basis for federal income tax purposes at the beginning of any such period, the Depreciation with respect to such asset shall be an amount which bears the same ratio to the beginning Adjusted Book Value of such asset as the federal income tax depreciation, amortization or cost recovery deduction allowable with respect to such asset for such period bears to such asset’s adjusted tax basis at the beginning of such period; provided, however, that if the federal income tax depreciation, amortization, or cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Adjusted Book Value using any reasonable method selected by the General Partner.

“Disability” shall mean mental disability, senility, insanity or other mental disease.

“Entity” means any association, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint stock association, joint venture, firm, trust, syndicate, business trust or cooperative, or any foreign associations of like structure.

“Family Partner” means, with respect to any individual, his spouse, brothers, sisters, ancestors, and descendants.

“General Partner” means Oakwood South Nine Development LLC, a Virginia limited liability company, or any Person who succeeds it in that capacity in accordance with the provisions of this Agreement.

“Insolvency” means, with respect to any Person, any of the following: (i) making an assignment for the benefit of creditors; (ii) filing a voluntary petition in bankruptcy; (iii) being adjudged bankrupt or insolvent or having entered against such Person an order of relief in any bankruptcy or insolvency proceedings; (iv) filing a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation; (v) filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person seeking any reorganization, arrangement, composition, readjustment, liquidation, or dissolution of such Person, or any similar relief under any statute, law or regulation; (vi) seeking, consenting to, or acquiescing in, the appointment of a trustee, receiver or liquidator of all or any substantial part of such Person’s properties; or (vii) the continuation of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation, for 120 days after the commencement thereof or the appointment of a trustee, receiver, or liquidator for all or any substantial part of such Person’s properties without such Person’s agreement or acquiescence, which appointment is not vacated or stayed for 120 days or, if the appointment is stayed, for 120 days after the expiration of the stay during which period the appointment is not vacated.

“Interest” means the entire ownership interest (which may be segmented into and/or expressed as a percentage of various rights and/or liabilities) of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of the Act.

“Major Decisions” shall have the meaning set forth in Section 4.3(B) hereof.

“Net Cash Flow” means all cash funds of the Partnership on hand at a given time (other than cash funds obtained as contributions to the capital of the Partnership by the Partners and cash funds obtained from loans to the Partnership) after (i) payment of all operating expenses of the Partnership as of such time, (ii) provision for payment of all outstanding and unpaid current obligations of the Partnership as of such time, and (iii) provision for any reserves to be held pursuant to this Agreement.

“Net Cash from Capital Transactions” means the net cash proceeds from Capital Transactions, less any portion thereof used to pay debts and liabilities of the Partnership (including debts and liabilities payable to the General Partner) or to establish reserves, all as determined by the General Partner.

“Nonrecourse Liability” has the meaning set forth in Treasury Regulation Section 1.704-2(b)(3).

“Notification” or “Notice” means a writing, containing the information required by this Agreement to be communicated to any person, delivered in person, sent by registered or certified mail, postage prepaid, by overnight courier or by electronic mail, to such person at the address set forth on Schedule I, the date of registry thereof or the date of the certification thereof being deemed the date of receipt of Notification; provided, however, that any written communication containing such information sent to such person and actually received by such person shall constitute Notice for all purposes of this Agreement.

“Partner” means a Person designated as a Partner in the Partnership as set forth on Schedule I, as such Schedule may be amended from time to time.

“Partner Minimum Gain” means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulation Section 1.704-2(i).

“Partner Nonrecourse Debt” has the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations.

“Partner Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership fiscal year equals the excess, if any, of the net increase, if any, in the amount of Partner Minimum Gain attributable to such Partner Nonrecourse Debt during that fiscal

year over the aggregate amount of any distributions during that fiscal year to the Partner that bears the economic risk of loss for such Partner Nonrecourse Debt to the extent such distributions are from the proceeds of such Partner Nonrecourse Debt and are allocable to an increase in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(2) of the Regulations.

“Partnership” means Oakwood South Nine Limited Partnership, a Virginia limited partnership.

“Partnership Minimum Gain” has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d), or any corresponding provision of succeeding Regulations.

“Partnership Nonrecourse Deductions” has the meaning set forth in Regulation Section 1.704-2(b)(1) and 1.704-2(c). The amount of Partnership Nonrecourse Deductions for a Partnership’s fiscal year equals the net increase, if any, in the amount of Partnership Minimum Gain during that fiscal year, determined according to the provisions of Regulation Section 1.704-2(c).

“Percentage Interests” means each Partner’s percentage of the total interests of the Partnership, as set forth opposite the name of such Partner under the column “Percentage Interests” on Schedule I attached hereto, as such percentage may be adjusted from time to time pursuant to the terms hereof.

“Person” means any individual or Entity.

“Profit” and “Loss” mean, for each taxable year of the Partnership (or other period for which Profit or Loss must be computed) the Partnership’s taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) All items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in computing Partnership taxable income or loss; and

(ii) Any tax-exempt income of the Partnership, not otherwise taken into account in computing Profit or Loss, shall be included in computing taxable income or loss; and

(iii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) (or treated as such pursuant to Regulations Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted from taxable income or loss; and

(iv) In lieu of the depreciation, amortization or cost recovery deductions allowable in computing taxable income or loss there shall be taken into account the Depreciation computed in accordance with the definition of Depreciation set forth above; and

(v) In the event the Adjusted Book Value of any Partnership asset is adjusted pursuant to parts (ii) or (iii) of the definition of Adjusted Book Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses; and

(vi) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Adjusted Book Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Adjusted Book Value; and

(vii) Notwithstanding any other provision of this definition of Profit and Loss, any items which are specially allocated pursuant to Section 7.4 hereof shall not be taken into account in computing Profits or Losses.

“Project” means a project consisting of residential rental apartment units located in Fairfax County, Virginia, to be acquired, owned, operated and/or disposed of by the Partnership, to be known as “Oakwood Apartments - South.”

“Regulations” or “Treasury Regulations” means the federal income tax regulations promulgated under the Code, as amended from time to time and including corresponding provisions of succeeding regulations.

“Schedule” means Schedule I annexed hereto as amended from time to time and as so amended at the time of reference thereto.

“Substitute Partner” means any Person who is admitted to the Partnership as a Substitute Partner under the provisions of Article VI after the date of this Agreement.

“Successor General Partner” means any Person admitted as a Successor General Partner to the Partnership under the provisions of Article V after the date of this Agreement.

“Tax Matters Partner” means the General Partner designated in Section 4.7 hereof as the tax matters partner as defined in Section 6231(a)(7) of the Code.

ARTICLE II

NAME, PURPOSE AND TERM

Section 2.1 Place of Business and Office; Resident Agent. The principal office of the Partnership shall be 4318 N. Carlin Springs Road, Arlington, VA 22203. The name and address of the resident agent are Arlington Partnership for Affordable Housing, Inc., 4318 N. Carlin Springs Road, Arlington, Virginia 22203. The General Partner may at any time change the location of such principal office and shall give due notice of any such change to the Partners.

Section 2.2 Purpose. The purpose of the Partnership is to acquire, finance, and operate and dispose of the Project, and to do all things necessary, convenient or incidental thereto. In addition, the Partnership may engage in and do any act concerning any or all lawful businesses for which partnerships may be organized according to the Act.

Section 2.3 Applications, Permits and Approvals. The Partnership is hereby authorized to make application for certificates of need, licenses, zoning and subdivision approvals, building permits and any other permits or approvals required under federal, state or local laws applicable to the Project to authorize the acquisition, construction and operation of the Project. Any and all acts taken on behalf of the Partnership in furtherance of obtaining such approvals are hereby ratified, confirmed and approved.

Section 2.4 Term. The Partnership shall be deemed to exist as of the date its Certificate of Limited Partnership is filed, and the duration of the Partnership shall be perpetual unless the Partnership is sooner dissolved in accordance with the provisions of this Agreement.

Section 2.5 Maintenance of Partnership as a Limited Liability Partnership. The General Partner shall take all necessary actions to maintain the Partnership as a limited partnership under the Act.

ARTICLE III

PARTNERS' CAPITAL

Section 3.1 General Partner. The name, address and amount of the initial Capital Contribution (paid in full) of the General Partner in its capacity as such are set forth on the Schedule.

Section 3.2 Other Partners. The name, address and amount of the initial Capital Contributions of the Partners (other than the General Partner) are set forth on the Schedule.

Section 3.3 Partnership Capital.

A. The capital of the Partnership shall be the amounts contributed by the Partners.

B. No Partner shall receive any interest, salary or drawing with respect to his Capital Contribution or his Capital Account or for services rendered on behalf of the Partnership or otherwise in his capacity as a Partner except as specifically provided in this Agreement.

C. Except as otherwise provided in this Agreement, no Partner shall have the right to withdraw or receive any return of his Capital Contribution. Under circumstances requiring a return of any Capital Contribution, no Partner shall have any right to receive any funds or property of the Partnership except as may be specifically provided in this Agreement.

Section 3.4 Loan by Partners. If any Partner shall loan any monies to the Partnership, the amount of any such loan shall not be an increase in his share of the distributions of the Partnership; but the amount of any such loan shall be an obligation of the Partnership to such Partner, and shall be

repaid with interest equal to the General Partner's cost of funds, and on such other reasonable terms as the General Partner shall determine.

Section 3.5 Liability of Partners. No Partner shall be personally liable for any liabilities, contracts, or obligations of the Partnership. A Partner's liability is limited to the amount of Capital Contributions made or required to be made by any such Partner pursuant to this Agreement. After his Capital Contributions have been fully paid, no Partner shall be required to make any further Capital Contributions or lend any funds to the Partnership or act as guarantor or indemnitor with respect to any Partnership liabilities or obligations except as otherwise required by the Act. The General Partner shall not have any personal liability for the repayment of the Capital Contributions of any other Partner. The obligation of any Partner to make any Capital Contribution shall be an obligation to the Partnership only and shall not inure to the benefit of, or be enforceable by any third party.

ARTICLE IV

RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNER

Section 4.1 Authorized Acts.

A. Subject to the provisions of this Agreement and in furtherance of the purpose of the Partnership as set forth in Section 2.2 hereof, the General Partner for, in the name of, and on behalf of the Partnership is hereby authorized:

(i) To acquire by purchase, lease or otherwise any interest in real or personal property or in any other partnership, corporation or other business entity, which may be necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(ii) To construct, rehabilitate, demolish, rebuild, repair, operate, maintain, finance and improve, and to own, or to sell, convey, assign, mortgage or lease, any or all of the real estate and any personal property necessary, convenient or incidental to the accomplishment of the purpose of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of the purpose of the Partnership, and to secure the same by mortgage, pledge or other lien on any assets of the Partnership.

(iv) To prepay in whole or in part, refinance, recast, increase, modify or extend any mortgages affecting the assets of the Partnership and in connection therewith to execute any extensions, renewals or modifications of any such mortgages on the assets of the Partnership.

(v) To employ a management company, which may be the General Partner or an Affiliate thereof, to manage the assets of the Partnership and to authorize the Partnership to pay reasonable compensation for such services, provided the Managing Partners (if more than one) shall act unanimously in connection therewith.

(vi) To execute any note, mortgage and/or loan agreement in order to secure a loan to the Partnership which note, mortgage and/or loan agreement may contain provision for the confession of judgment on behalf of the Partnership without the need to obtain any additional or further consent or approval of any Partner.

(vii) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to or in connection with, or incidental to the accomplishment of the purpose of the Partnership (or to employ any other entity, including a company which is owned wholly or partially by any one or more Affiliated Persons or which is an Affiliate of a General Partner, to undertake the foregoing on commercially reasonable, arms-length terms), so long as said activities and contracts may be lawfully carried on or performed by a limited partnership under the laws of the Commonwealth of Virginia.

(viii) To undertake the activities authorized by Section 2.3 of this Agreement.

(ix) To set up any reserves as described in this Agreement.

(x) To execute and deliver all notes, guaranties, agreements, documents and certificates required by any lender in connection with the financing or refinancing or modification of financing of the Project.

Section 4.2 Management of Partnership Business.

A. The business and affairs of the Partnership shall be managed under the direction and control of the General Partner who shall devote such of its time and services as the General Partner in its absolute discretion deems necessary.

B. Each of the Partners hereby agrees that any Partner may engage in and/or possess an interest in other business ventures of every nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management and development of real property.

C. The General Partner shall be reimbursed by the Partnership for all reasonable expenses incurred by it in connection with the business of the Partnership, but shall receive no salary or other compensation for serving as General Partner except as unanimously agreed to by the Partners.

D. The General Partner will take all reasonable steps to assure that the Partnership is classified as a partnership for tax purposes.

Section 4.3 Business Control.

A. No Partner other than the General Partner shall participate in or have any control over the Partnership business. The Partners hereby consent to the exercise by the General

Partner of the powers conferred on it by this Agreement and to the employment, when and if in the discretion of the General Partner the same is deemed necessary or advisable, of such brokers, agents or attorneys as the General Partner may determine (notwithstanding that any parties to this Agreement may have an interest in, or be one of, such brokers, agents or attorneys). No Partner other than the General Partner shall have any authority or right to act for or bind the Partnership.

B. Major Decisions. The following major decisions (“Major Decisions”) require the consent of all non-General Partners, and the Partnership shall not take any of the following actions without the prior approval of all non-General Partners (which approval shall not be unreasonably withheld, conditioned or delayed) of the specific action, including the form of instrument, parties involved or any other matter relating to such action:

- (i) Admitting a new Partner to the Partnership;
- (ii) Selling any of the assets of the Partnership (other than in the ordinary course of business in furtherance of the purpose of the Partnership);
- (iii) Leasing or otherwise encumbering any of the Partnership’s real property (other than residential and commercial leases in the ordinary course of business in furtherance of the purpose of the Partnership);
- (iv) Amending this Agreement in any manner;
- (v) Dissolving, liquidating or winding-up the affairs of the Partnership;
- (vi) Acquiring any real property (other than the Project as provided herein) or any interest in any entity;
- (vii) Entering into any merger, consolidation or restructuring of the Partnership;
- (viii) Initiating any proceeding under the Federal Bankruptcy Code or any similar law relating to the protection of creditors, or consent to the initiation against it of any such proceeding;
- (ix) Issuing any debt that is convertible into equity in the Partnership; or
- (xi) Borrowing money and issuing evidences of indebtedness in furtherance of the purpose of the Partnership, and to secure the same by mortgage, pledge or other lien on any assets of the Partnership.

Section 4.4 Duties and Obligations of the General Partner.

A. The General Partner shall take all action which may be necessary or appropriate for the continuation of the Partnership’s existence as a partnership under the Act.

B. The General Partner shall at all times conduct its affairs and the affairs of the Partnership in such a manner that the Partners will not have any personal liability for Partnership debts except for said Partners' Capital Contributions. The General Partner shall manage the activities of the Partnership in a manner consistent with the purpose and goals of the Partnership.

C. The General Partner from time to time shall prepare and file any amendment to the Articles as it deems necessary to accurately reflect the agreement of the Partners, the identity of the Partners, the amount of their respective Capital Contributions and any matters required by the Act to be reflected in an amendment to the Articles.

D. Subject to the other provisions herein, the General Partner shall prepare or cause to be prepared, and shall file, on or before the due date (or any extension thereof), any federal, state or local tax returns required to be filed by the Partnership. The General Partner shall cause the Partnership to pay any taxes payable by the Partnership to the extent the same are not payable by any other party.

E. The General Partner shall be under a fiduciary duty to conduct the affairs of the Partnership in the best interests of the Partnership, including the safekeeping and use of all Partnership funds and assets and the use thereof for the benefit of the Partnership. The General Partner shall at all times act in good faith and exercise due diligence in all activities relating to the conduct of the business of the Partnership.

Section 4.5 Liability of General Partner to Other Partners. The General Partner shall not be liable, responsible or accountable in damages or otherwise to any other Partner for any act performed by it in good faith and within the scope of the authority conferred on it by this Agreement, except for acts of malfeasance, intentional and willful misconduct or gross negligence, damages arising from any material misrepresentation, or breach of a warranty to, or an agreement with, the Partnership.

Section 4.6 Indemnification.

The Partnership shall indemnify and save harmless the General Partner against any claims or liability incurred by it provided that the acts or omissions giving rise to such claims or liabilities were performed in good faith and within the scope of its authority under this Agreement, except for acts of malfeasance, intentional and willful misconduct or gross negligence or for damages arising from any material misrepresentation, breach of warranty, or for damages arising from a breach of any other agreement with the Partnership, provided that any indemnity under this Section shall be provided out of and to the extent of Partnership assets only. Nothing contained in this paragraph shall be construed as imposing any liability on any Partner.

Section 4.7 Tax Matters Partner. The General Partner is hereby designated to serve as the Partnership's "Tax Matters Partner" and shall have all of the powers and responsibilities of such position as provided in Sections 6221 et seq. of the Code. Reasonable expenses incurred by the Tax Matters Partner directly relating to its performance of services as Tax Matters Partner will be borne by the Partnership. Each Partner who elects to participate in any administrative proceeding, as permitted by Sections 6221 et seq. of the Code, will be responsible for any expenses incurred by such

Partner in connection with such participation and for any additional costs and expenses incurred by the Partnership due to such participation. Further, the cost of any adjustments to a Partner and the cost of any resulting audits of or adjustment to a Partner's tax return will be borne solely by the affected Partner.

Section 4.8 Right of First Refusal. The Partnership shall grant to Arlington Partnership for Affordable Housing, Inc., a right of first refusal with the respect to the purchase of the Project after the end of the low-income housing tax credit compliance period, in order to satisfy the requirement of Section 42(i)(7) of the Code.

ARTICLE V

TRANSFERABILITY OF GENERAL PARTNER'S INTEREST

Section 5.1 Transfer of General Partner's Interest; Withdrawal by General Partner.

A. A General Partner may not withdraw or retire from the Partnership or sell, transfer or assign its interest as General Partner except after complying with the provisions of Section 5.1(D) and only with the prior consent of all of the Partners.

B. If a General Partner withdraws or retires from the Partnership or sells, transfers or assigns its entire interest pursuant to Section 5.1(A), it shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time of such withdrawal, sale, transfer or assignment shall have become effective. In addition, a General Partner who withdraws or retires in violation of this Agreement shall also be, and remain, liable to the Partnership and its Partners for damages resulting from the General Partner's breach of this Agreement; and, without limitation of remedies the Partnership may offset such damages against any amounts otherwise owed or distributable to the withdrawing General Partner.

C. The personal representatives, successors or assigns of any General Partner shall be, and remain, liable for all obligations and liabilities incurred by the General Partner prior to, or in connection with, his retirement or withdrawal.

D. A General Partner may withdraw from the Partnership pursuant to Section 5.1(A) only upon meeting the following further requirements:

(i) Any substitute General Partner(s) has (have) sufficient net worth and meet(s) all other published requirements of the Internal Revenue Service necessary to assure that the Partnership will continue to be classified as a partnership for federal income tax purposes;

(ii) The withdrawal of the General Partner is in conformity with the Act and none of the actions taken in connection with such withdrawal will cause the termination or

dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes; and

(iii) A substitute General Partner is admitted in compliance with the requirements of Section 5.2.

E. In the event of the withdrawal of a General Partner who is not then the sole General Partner, the Partnership shall be continued by the remaining General Partner or Managing Partners, who shall make and file such amendments to this Agreement and to the Articles as are required by the Act to reflect the fact that the withdrawn General Partner has ceased to be a General Partner of the Partnership.

F. In the event of the withdrawal of a sole General Partner, the withdrawn General Partner, or its successors, representatives, heirs or assigns shall promptly give Notification of such withdrawal to all Partners. In such event, the Partnership shall be dissolved unless within 90 days after the withdrawal of the sole General Partner, the remaining Partner or Partners unanimously consent in writing to continue the Partnership and to the appointment, effective as of the date of withdrawal of the sole General Partner, of one or more Successor Managing Partners.

G. Upon the retirement or withdrawal of a General Partner: (i) such retiring or withdrawing General Partner shall immediately cease to be a General Partner of the Partnership and such retiring or withdrawing General Partner shall no longer participate in the management of the Partnership; and (ii) the General Partner's Interest shall be converted to that of a Partner which is not a General Partner, with the same right to participate in allocations of Profit or Loss and in distributions of the Partnership as prior to the conversion.

H. The General Partner may at any time designate additional persons to be Managing Partners, whose interest in the Partnership shall be such as agreed upon by the General Partner and such Additional General Partner, provided that the interest of the other Partners shall not be affected thereby. Such additional persons shall become successor or Additional Managing Partners only upon meeting the conditions provided in Section 5.2.

Section 5.2 Admission of a Successor or Additional General Partner. A person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

A. The admission of such persons shall have been consented to by the General Partner and all of the Partners;

B. The successor and additional person shall have accepted and agreed to be bound by all the terms and provisions of this Agreement, by executing such documents or instruments that may be required or appropriate to effect the admission of such person as a General Partner and, where appropriate, such documents shall have been filed for recordation and all other actions required in connection with such admission shall have been performed;

C. If a successor or additional person is a corporation, it shall have provided the Partnership with satisfactory evidence of its authority to become a General Partner and to be bound by the terms and provisions of this Agreement; and

D. The admission of the successor or additional person is in conformity with the Act and none of the actions taken in connection with the admission of the successor person will cause the termination or dissolution of the Partnership, or will impair the limited liability of the Partners, or will cause the Partnership to be classified other than as a partnership for federal income tax purposes under the rules and regulations of the Internal Revenue Service promulgated at that time.

ARTICLE VI

TRANSFERABILITY OF PARTNER INTERESTS AND REPRESENTATIONS OF PARTNERS

Section 6.1 Withdrawal or Retirement. No Partner may withdraw or retire from the Partnership, or receive a return of his or its contributions, without the consent of the General Partner.

Section 6.2 Amended Agreement and Articles. Any transfer or change of any Partner's interest in the Partnership must be reflected in an appropriate amendment to this Agreement and when appropriate, to the Articles, and the General Partner shall be obligated to file any amendment to the Articles.

Section 6.3 Representations of Partners.

A. Each of the Partners severally represents and warrants to the Partnership and the General Partner as follows:

(i) Such Partner is acquiring his or its interest for his or its own account for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling the same; and, except as contemplated by this Agreement such Partner has no present or contemplated agreement, undertaking, arrangement, obligation, indebtedness or commitment providing for the disposition thereof.

(ii) Such Partner has full power and authority to enter into and to perform this Agreement in accordance with its terms.

(iii) Such Partner has conducted its own inquiry concerning the Partnership, its business and its personnel as such Partner has deemed appropriate; the Partnership has made available to such Partner any and all written information which he or it has requested and have answered to such Partner's satisfaction all inquiries made by such Partner; and such Partner has adequate net worth and means of providing for his or its current needs and personal contingencies to sustain a complete loss of his or its investment in the Partnership; such Partner's overall commitment to investments which are not readily

marketable is not disproportionate to his or its net worth and such Partner's investment in the Partnership will not cause such overall commitment to become excessive.

ARTICLE VII

ALLOCATIONS AND DISTRIBUTIONS TO PARTNERS

Section 7.1 Allocations of Profit and Loss.

A. After giving effect to the special allocations set forth in Section 7.4 hereof, Profit shall be allocated as follows:

(i) If one or more Partners have a negative Capital Account, to such Partners, in proportion to their negative Capital Accounts, until all such negative Capital Accounts have been increased to zero. This allocation shall offset against any allocation pursuant to Section 7.1(A)(ii) - (iv) hereof to the extent necessary to maintain Capital Account balances which conform to the desired distributions pursuant to Sections 7.2, 7.3 and 8.2 hereof.

(ii) Pro rata among the Partners on a cumulative basis based upon and up to the amount of Loss allocated to the Partners pursuant to Section 7.1(B)(iii) hereof.

(iii) Pro rata among the Partners on a cumulative basis based upon and up to the amount of Loss allocated pursuant to Section 7.1(B)(ii) hereof.

(iv) Any remaining Profit shall be allocated among the Partners in proportion to their Partnership Interests.

B. After giving effect to the special allocations set forth in Section 7.4 hereof, Loss shall be allocated as follows:

(i) Pro rata among the Partners on a cumulative basis based on and up to the amount of Profits allocated previously to the Partners pursuant to Section 7.1(A)(iv) hereof.

(ii) Pro rata among the Partners based upon and up to the amount of their Capital Contributions on a cumulative basis.

(iii) Any remaining Loss shall be allocated among the Partners in proportion to their Partnership Interests.

C. For the purposes of this Agreement, in the event of the transfer of all or any part of an Interest (in accordance with the provisions of this Agreement) at any time other than the end of a Partnership accounting year, the distributive share of the Profit or Loss from Partnership operations and Depreciation of the Partnership in respect of the Partnership interest so transferred shall be allocated between the transferor and the transferee in the same ratio as the number of days in such Partnership accounting year before and after such transfer, except that the provisions of this sentence

shall not be applicable to a gain or loss arising from a Capital Transaction. Gain or loss from any such Capital Transaction shall be allocated on the basis of Partnership Interests on the date the gain is realized or the loss incurred, as the case may be.

D. The allocations set forth in this Article VII are solely for the benefit of the Partners hereof and are not for the benefit of, nor do they create any rights on behalf of, any creditors of the Partnership.

Section 7.2 Distributions of Net Cash Flow. The Net Cash Flow of the Partnership for each calendar quarter or fraction thereof shall be distributed to the Partners as soon as practicable after the end of such calendar year to the Partners, pro rata, based on their Partnership Interests in the Partnership. In calculating Net Cash Flow, the General Partner shall have the right to set aside reserves in such amounts as the General Partner may determine to be necessary for current or future needs of the Partnership.

Section 7.3 Distributions of Net Cash from Capital Transactions. The Net Cash from Capital Transactions (other than a Capital Transaction which causes a dissolution and liquidation of the Partnership, which shall be governed by Section 8.2), shall be distributed to the Partners as soon as practicable to the Partners, pro rata, based on their Partnership Interests in the Partnership. In calculating Net Cash from Capital Transactions, the General Partner shall have the right to set aside reserves in such amounts as the General Partner may determine to be necessary for current or future needs of the Partnership.

Section 7.4 Special Allocations of Items in the Nature of Income or Gain.

A. Except as provided in Section 7.4(C) hereof, if any Partner unexpectedly receives any adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii) (d)(4), (5), or (6), items of Partnership income and gain shall be specially allocated to such Partner in an amount sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. This Section 7.4(A) is intended to comply with the qualified income offset requirement in Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistent therewith.

B. Except as provided in Sections 7.4(C) and (D) hereof, in the event any Partner has a deficit Capital Account at the end of any Partnership fiscal year which is in excess of such Partner's Adjusted Capital Account Deficit, each such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess for such year (and, if necessary, subsequent years) as quickly as possible.

C. Notwithstanding any other provision of this Article VII, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, each Partner shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the greater of (i) the portion of such Partner's share of the net decrease in Partnership Minimum Gain, determined in accordance with Regulations Section 1.704-2(g), that is allocable to the disposition of all or a portion of the Project subject to Nonrecourse Liabilities, determined in accordance with Regulations Section 1.704-2(f), or (ii) if such Partner would otherwise

have an Adjusted Capital Account Deficit at the end of such year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Section 1.704-2(f)(6) of the Treasury Regulations. This Section 7.4(C) is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith. To the extent permitted by such Section of the Treasury Regulations and for purposes of this Section 7.4(C) only, each Partner's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such fiscal year and without regard to any net decrease in Partner Minimum Gain during such fiscal year.

D. Notwithstanding any other provision of this Article VII except Section 7.4(C), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership fiscal year, each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to the greater of (i) the portion of such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4), or (ii) if such Partner would otherwise have an Adjusted Capital Account Deficit at the end of such year, an amount sufficient to eliminate such Adjusted Capital Account Deficit. Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. This Section 7.4(D) is intended to comply with the minimum gain chargeback requirement in such Section of the Treasury Regulations and shall be interpreted consistently therewith. Solely for purposes of this Section 7.4(D), each Person's Adjusted Capital Account Deficit shall be determined prior to any other allocations pursuant to this Article VII with respect to such fiscal year, other than allocations pursuant to Section 7.4(C) hereof.

E. Any Partner Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(f)(i).

F. Partnership Nonrecourse Deductions for any fiscal year or other period shall be allocated in the same manner as Losses are allocated pursuant to Section 7.1(B) hereof.

G. Notwithstanding anything to the contrary contained herein, in each taxable year of the Partnership, the General Partner shall be allocated at least 0.01% of each material item of Partnership income, gain, loss, deduction and credit.

H. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be

pecially allocated to the General Partner and the other Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

I. Any special allocations pursuant to Sections 7.4(A) through 7.4(F) hereof shall be taken into account in computing subsequent allocations of Profits or Losses pursuant to this Article VII, so that the net amount of any items so allocated and the Profits, Losses and all other items allocated to each Partner pursuant to this Article VII shall, to the extent possible, be equal to the net amount that would have been allocated to each such Person pursuant to the provisions of this Article VII if such special allocations had not been required.

J. It is the intent of the Partners that Profit and Loss be allocated in a manner which will conform to the Treasury Regulations promulgated pursuant to Code Section 704(b) (the “704(b) Regulations”) and that Partnership distributions be made in the priorities set forth herein. In the event that adherence to the allocation formulas set forth in Section 7.1 hereof does not result in compliance with the 704(b) Regulations, the General Partner, upon advice of counsel, may reallocate Profits and Losses in such a manner as to conform with the 704(b) Regulations while distributing Net Cash Flow pursuant to Section 7.2 hereof.

K. Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided among the General Partner and the other Partners in the same proportions as they share Profits and Losses, as the case may be, for the year.

ARTICLE VIII

DISSOLUTION, LIQUIDATION AND TERMINATION OF THE PARTNERSHIP

Section 8.1 Events Causing Dissolution. The Partnership shall dissolve upon the happening of any of the following events:

A. the sale of the entire Project or of substantially all of the assets of the Partnership (excepting (a) a disposition of the Project which qualifies, in whole or in part, under Section 1031 or Section 1033 of the Code or (b) a sale in which the Partnership receives purchase money financing in which case the Partnership shall dissolve upon receipt of final payment thereunder);

B. the death, Disability, Insolvency, retirement or withdrawal of a sole General Partner unless the Partnership is continued pursuant to Section 5.1(F);

C. the election to dissolve the Partnership made in writing by the Partners whose total Percentage Interests, as shown on the Schedule attached hereto, represent at least 80% of the Percentage Interests of all Partners; or

D. the happening of any other event causing dissolution of the Partnership under the Act.

Dissolution of the Partnership shall be effective on the day on which the event occurs giving rise to the dissolution. Articles of Dissolution may be filed under the Act at any time after the dissolution but before the completion of winding up of the Partnership. In any event, the Partnership shall not terminate until the assets of the Partnership have been distributed as provided in Section 8.2.

Section 8.2 Liquidation and Distributions on Dissolution.

A. As soon as practical after the dissolution of the Partnership, the General Partner shall give Notification to all the Partners of such fact and shall prepare a plan as to whether and in what manner the assets of the Partnership shall be liquidated. With the consent of the Partners, the assets of the Partnership, subject to its liabilities, may be transferred to a successor entity, upon such terms and conditions as are then agreed upon.

B. If the Partners fail to agree to transfer the assets of the Partnership, subject to its liabilities, to a successor entity pursuant to Section 8.2(A) upon dissolution of the Partnership, the General Partner (or any Partner if there be no General Partner) shall take full account of the Partnership's liabilities and property and the Partnership shall be liquidated as promptly as is consistent with obtaining the fair market value thereof, and the net proceeds shall be applied and distributed in the following order:

(i) First, to the payment of debts and liabilities of the Partnership other than loans or other debts and liabilities of the Partnership to Partners;

(ii) Second, to the setting up of any reserves which the General Partner or the liquidator deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(iii) Third, to the repayment of any unrepaid loans theretofore made by the Partners to the Partnership and to the payment of any unpaid amounts owing to the General Partner or its Affiliates under this Agreement; and

(iv) Fourth, to the Partners, pro rata based on their Partnership Interests, as shown on the Schedule.

C. If any Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such distribution occurs), such Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, except in accordance with Section 8.2(D) below.

D. At any time or from time to time after the date hereof, any Partner may, by written notice to the Partnership, obligate itself to restore up to a dollar amount specified in such notice (the "Restoration Amount") of any negative balance which would be standing in its Capital Account following the liquidation and winding-up of the Partnership or the liquidation of the Partner's

Interest in the Partnership and the making of all Capital Account adjustments required in connection therewith, provided the Restoration Amount specified by a Partner shall be reasonable in light of the financial and business condition and equity value of such Partner. In the event a Partner so obligates itself to restore the Restoration Amount, the Partners agree (i) that for the purposes of this Agreement such Partner shall be deemed to be irrevocably obligated to restore the negative balance standing in its Capital Account in an amount up to the Restoration Amount, and (ii) upon the liquidation and winding-up of the Partnership or the liquidation of such Partner's Interest in the Partnership, as the case may be, if, after taking into account all distributions of liquidation proceeds and other Capital Account adjustments for the taxable year of the Partnership during which the liquidation and winding-up of the Partnership or liquidation of such Partner's Interest in the Partnership occurs, as the case may be, such Partner has a negative balance in its Capital Account, that Partner shall be unconditionally obligated to restore to the Partnership an amount equal to the lesser of the Restoration Amount or the negative balance standing in his or its Capital Account, on or prior to the end of the taxable year of the Partnership during which the liquidation of the Partnership or such Partner's Interest in the Partnership occurs (or, if later, within ninety (90) days after the date of such liquidation). Any such contributed amounts shall be applied and distributed in the manner described in Section 8.2(B) hereof.

ARTICLE IX

BOOKS AND RECORDS; ACCOUNTING, TAX ELECTIONS, ETC.

Section 9.1 Books and Records. The books and records of the Partnership shall be maintained by the General Partner and shall be available for examination at reasonable times at the principal office of the Partnership by any Partner, or his duly authorized representatives, during regular business hours, and may be copied by said Partners at their own expense. The Partnership shall keep at its principal office, without limitation, the following records: a current list of the full name and last known address of each Partner; a copy of this Agreement; copies of the Partnership's federal, state and local income tax returns and reports, if any, for the three most recent years; copies of any financial statements of the Partnership for the three most recent years; and the Partnership books. The Partnership may provide such financial or other statements to the Partners as the General Partner in its discretion deems advisable.

Section 9.2 Bank Accounts. The bank accounts of the Partnership shall be maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made on such signature(s) as the General Partner may determine.

Section 9.3 Tax Returns; Elections. As soon as practicable after the end of each calendar year, the General Partner shall mail to each Partner sufficient information (including a Form K-1) with respect to the Partnership necessary for the preparation of such Partner's federal income tax return. Upon written request of any Partner, the General Partner shall provide said Partner with a true and complete copy of the Partnership's annual federal income tax return with respect to any taxable year of the Partnership so requested.

Section 9.4 Fiscal Year; Method of Accounting. The Partnership shall keep its books and records in accordance with the accounting methods followed for federal income tax purposes and/or otherwise generally in accordance with generally accepted accounting principles and procedures consistently applied, which shall reflect all Partnership transactions and shall be appropriate and adequate for the Partnership's business. The determination of the fiscal year and the method of accounting to be used in keeping the books of the Partnership shall be made by the General Partner.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Binding Provisions. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

Section 10.2 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reasons any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect any other provisions of this Agreement.

Section 10.3 Paragraph Titles. Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

Section 10.4 Discretion. Unless otherwise provided herein, any provision of this Agreement giving the General Partner the authority or power to make any decision on its own behalf or on the behalf of the Partnership shall be deemed to provide that the General Partner may make such decision(s) in its sole and absolute discretion.

Section 10.5 Amendments. This Agreement may be amended in any respect only with the consent of all Partners.

Section 10.6 Word Meanings. In this Agreement, the singular shall include the plural and the masculine gender shall include the feminine and neuter and vice versa, unless the context otherwise requires.

Section 10.7 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflict of laws, and the rights, duties and obligations of the Partners shall be as stated in the Act except as provided herein.

Section 10.8 Counterparts; Additional Partners. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all the parties reflected hereon as signatories. Each Substitute, Additional or Successor Partner shall become a signatory hereof by signing such number of

counterparts of this Agreement and such other instrument or instruments, and in such manner as the General Partner shall determine. By so signing, such Partner shall be deemed to have adopted and to have agreed to be bound by all the provisions of this Agreement; provided, however, that no such counterpart shall be binding until it shall have been signed by the General Partner.

Section 10.9 Entire Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained.

Section 10.10 Waiver of Partition. The Partners hereby waive any right of partition or any right to take any other action which otherwise might be available to them for the purpose of severing their relationship with the Partnership or their interest in the assets held by the Partnership from the interest of the other Partners.

Section 10.11 Third Party Rights. Any obligation of a Partner set forth herein to the Partnership or to any other Partner shall be an obligation only to the Partnership or such Partner, and shall not inure to the benefit of any third party.

Section 10.12 VHDA Provisions. Notwithstanding any other provision in this Agreement, this limited partnership and the partners shall be subject to regulation and supervision by the Virginia Housing Development Authority (the "Authority") in accordance with the Virginia Housing Development Authority Act, the Rules and Regulations of the Authority, and the Regulatory Agreement executed or to be executed between this Partnership and the Authority and shall be further subject to the exercise by the Authority of the rights and powers conferred on the Authority thereby. Notwithstanding any other provision of this Agreement, the Authority may rely upon the continuing effect of this provision which shall not be amended, altered, waived, supplemented or otherwise changed without the prior written consent of the Authority.

END OF ARTICLE X


IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Limited Partnership of Oakwood South Nine Limited Partnership as of the date first above written.

PARTNERS:

GENERAL PARTNER:

**OAKWOOD SOUTH NINE DEVELOPMENT
LLC**, a Virginia limited liability company

By:



Nina Janopaul
President

LIMITED PARTNER:

**ARLINGTON PARTNERSHIP FOR
AFFORDABLE HOUSING, INC.**, a Virginia non-
stock corporation

By:



Nina Janopaul
President

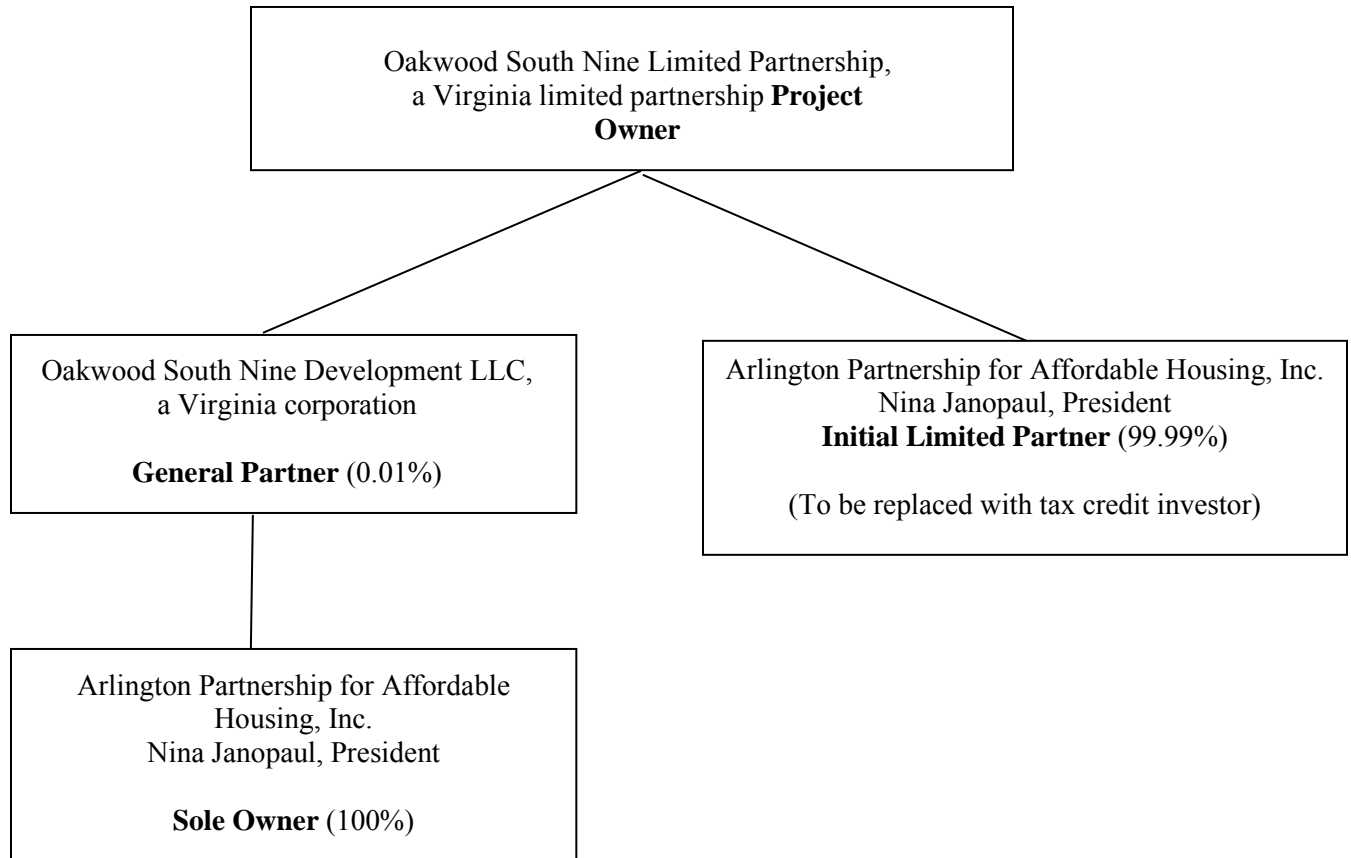
OAKWOOD SOUTH NINE LIMITED PARTNERSHIP

**SCHEDULE I
TO
AGREEMENT OF LIMITED PARTNERSHIP**

| <u>Partner's Name And Address</u> | <u>Capital Contribution</u> | <u>Percentage Interest</u> |
|---|-----------------------------|--------------------------------|
| <u>General Partner</u> Oakwood South Nine Development LLC c/o Arlington Partnership for Affordable Housing, Inc. 4318 N. Carlin Springs Road Arlington, Virginia 22203 njanopaul@apah.org | \$10.00 | 0.01% |
| <u>Limited Partner</u> Arlington Partnership for Affordable Housing, Inc. 4318 N. Carlin Springs Road Arlington, Virginia 22203 njanopaul@apah.org | \$10.00 | 99.99% |

Name of Development Project: Oakwood South Nine
Owner: Oakwood South Nine Limited Partnership

OWNERSHIP STRUCTURE – ORGANIZATIONAL CHART



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made as of the 9 day of March 2020, by and between OAKWOOD SOUTH NINE LIMITED PARTNERSHIP, a Virginia limited partnership (the "**Partnership**"), and ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC., a Virginia nonprofit corporation (the "**Developer**").

RECITALS

WHEREAS, the Partnership intends to develop, construct and lease seventy-one (71) low-income housing tax credit units and common areas located on a certain land condominium unit to be located in a building (the "**Building**") in Fairfax County, Virginia (the "**Project**"); and

WHEREAS, the Developer is to be paid a fee (the "**Development Fee**") for services rendered in connection with the development and construction of the Project. The Partnership intends that the Project will qualify for the low-income housing credit pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "**Credit**").

NOW THEREFORE in consideration of the foregoing, the mutual covenants of the parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

(1) The Developer shall perform or shall have performed prior to the date hereof the following services for the Partnership:

(a) Obtain construction financing on behalf of the Partnership in an amount sufficient to fund the construction of the Project.

(b) Prepare or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, and plans and specifications as may be required in connection with the construction of the Project.

(c) Prepare and submit to the Partnership for approval a construction budget and make recommendations to the Partnership regarding any necessary modifications thereto.

(d) Make available to the Partnership upon request copies of all contracts, option agreements, construction financing commitments, budgets, plans and specifications or other items prepared or obtained.

(e) Obtain a construction contract (the "**Construction Contract**") from a reputable general contractor (the "**General Contractor**"), which may be an affiliate of Developer, which Construction Contract shall require the General Contractor to post a payment and performance bond in the full amount of the Construction Contract or letter of credit in an amount acceptable to the Partnership.

(f) Perform or cause to be performed, in a diligent and efficient manner, general administration and supervision of construction of the Project, including but not limited to the

following:

(i) administration and supervision of the activities of the General Contractor and all other contractors, subcontractors and others employed in connection with the construction of the Project;

(ii) preparation of construction schedules and supervision of the scheduling of construction in conformity with such construction schedules;

(iii) periodic inspection of construction in progress, including but not limited to inspection at completion, for defects in construction and to assure compliance with the plans and specifications, and supervision of correction of any and all deficiencies noted pursuant to such inspections;

(iv) processing and payment of applications for progress payments made by the General Contractor, including verification of such applications against the progress of construction as indicated by the aforementioned periodic inspections; and

(v) analysis of requests for any and all change orders to or variations from the plans and specifications approved by the Partnership (the "*Plans and Specifications*") and approved project budget and submission of such requests to the Partnership for approval.

(g) Perform, or cause to be performed, in a diligent and efficient manner, preparation of contracts, letter agreements, purchase orders, and similar documents as are necessary to complete timely the construction of the Project in accordance with the Plans and Specifications.

(h) Cause the Project to be completed as required by funding sources and the Partnership in a manner consistent with good workmanship, in compliance with the following:

(i) the Plans and Specifications;

(ii) all obligations of the Partnership under any financing documents executed by the Partnership; and

(iii) all municipal, state, and other governmental laws, ordinances, and regulations governing the construction of the Project and the use thereof for its intended purposes and all other requirements of law applicable to construction of the Project.

(i) Maintain, or cause to be maintained, builders risk, contractor's liability, and workers' compensation insurance required by law and the Partnership, the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.

(j) Keep or cause to be kept separate project accounts and cost records and prepare and furnish upon request financial and progress reports and statements with respect to construction of the Project.

(k) Make available to the Partnership upon request copies of all contracts and subcontracts.

(l) Deliver to the Partnership copies of all inspection reports and applications for payment given any lender providing a loan to the Partnership.

(2) The Partnership agrees to compensate the Developer for its services by payment of a fee (the "**Development Fee**") in the amount of Two Million Dollars (\$2,000,000.00). The amount of the Development Fee may be increased immediately prior to construction loan closing to take into account: (i) additional savings in the budget which the Developer is able to achieve; and (ii) any additional sources of financing for the Project obtained by the Developer (the precise amount of such additional Development Fee to be agreed upon by Developer and Partnership based on an analysis of the budget immediately prior to construction loan closing). In addition, the Developer will be reimbursed for any advances related to development of the Project made by the Developer to the Partnership.

(3) The Development Fee shall be earned and all of the services to be provided by the Developer hereunder shall be completed during the period ending with construction completion of the Project and shall be paid at such times as the General Partner shall determine; *provided, however*, that (i) for services rendered by the Developer prior to the execution of this Development Agreement, the Developer shall earn Five Hundred Thousand Dollars (\$500,000.00) of the fee on the execution date hereof, and (ii) the remainder of the Development Fee shall be earned during the period ending with the Project's construction. The Development Fee shall be paid no later than December 31, 2034.

(4) This Development Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, shall be binding on and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns, and may not be changed orally.

(5) The Developer shall consent to any amendment to this Development Agreement required by a syndication investor in the Partnership; *provided, however*, the Developer may withhold its consent to any changes in services to be provided or fees to be paid hereunder.

(6) This Development Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Development Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all the parties reflected hereon as signatories.


(Signatures on following page)

IN WITNESS WHEREOF and intending to be bound legally hereby, the undersigned have executed this Development Agreement as of the day and year first above-written.

PARTNERSHIP:

OAKWOOD SOUTH NINE LIMITED
PARTNERSHIP, a Virginia limited partnership


By: Oakwood South Nine Development LLC,
a Virginia limited liability company
its general partner

By: 

Nina Janopaul, President

DEVELOPER:

ARLINGTON PARTNERSHIP FOR
AFFORDABLE HOUSING, INC., a Virginia
nonprofit corporation

By: 

Nina Janopaul, President

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, December 12, 2019

This is to certify that the certificate of limited partnership of

Oakwood South Nine Limited Partnership

was this day admitted to record in this office and that the said limited partnership is authorized to transact its business subject to all Virginia laws applicable to the limited partnership and its business.

Effective date: December 12, 2019



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, December 12, 2019

This is to certify that the certificate of organization of

Oakwood South Nine Development LLC

was this day issued and admitted to record in this office and that the said limited liability company is authorized to transact its business subject to all Virginia laws applicable to the company and its business.

Effective date: December 12, 2019



STATE CORPORATION COMMISSION

Attest:

Joel H. Beck

Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: Oakwood South Nine
Name of Applicant (entity): Oakwood South Nine Limited Partnership

I hereby certify that:

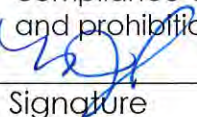
1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. ~~That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;~~
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and

Previous Participation Certification, cont'd

9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing Development Authority (VHDA) employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, ~~in the case of a multifamily rental housing property assisted by any federal or state governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.~~
12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.



Signature

Nina Janopaul

Printed Name

3/6/2020

Date (no more than 30 days prior to submission of the Application)

Oakwood South Nine

Exhibit: Previous Participation Certification Explanation

In 2017, the Arlington Partnership for Affordable Housing, Inc. (APAH) received IRS Form 8823 related to the Columbia Grove apartments. In 2016, APAH began demolition of a surface parking lot at the Columbia Grove site as part of construction of the Columbia Hills East and Columbia Hills West developments, triggering a non-compliance event that was pre-approved by VHDA, and will remain uncorrected for the life of the compliance period.

APAH has also received other IRS Form 8823s over the prior ten years as a result of minor non-compliance at other projects, all of which have been corrected.

Fisher House II achieved substantial completion on May 8, 2019, and the final cost certification is outstanding. The 8609 is due May 4, 2020.

Gilliam Place East and Gilliam Place West achieved substantial completion on August 12, 2019, and the final cost certification is outstanding. The 8609 is due September 1, 2020.

Nina Janopaul

President/CEO



Current Responsibilities

Nina Janopaul has been President/CEO of the Arlington Partnership for Affordable Housing (APAH) since 2007. APAH is a non-profit, community-based, award winning, affordable housing developer.

Ms. Janopaul oversees all elements of APAH's real estate development, operations, advocacy, resident services, and governance. During her tenure, APAH has grown its portfolio to 18 multifamily rental properties with 1,813 units, valued at more than \$325 million with another 800+ units in development. APAH is known for its nimble and effective real estate development, for pioneering innovative supportive housing partnerships and its community impact.

Under Ms. Janopaul's leadership, APAH has received numerous awards, including the Charles Edson award for best urban development in the country; the Urban Land Institute—DC's best Housing project; Developer of the Year from the Housing Association of Non-Profit Developers; Best Nonprofit by the Arlington Chamber of Commerce and the Arlington Community Foundation's Prize for Impact and Innovation.

Prior Experience

Before joining APAH, Ms. Janopaul was a principal at Capital Strategies Consulting, Inc. and provided services to a variety of organizations, including Enterprise Community Partners. Prior to 2000, she was the National Director of Development for Hostelling International – USA (formerly American Youth Hostels).



Education

B.A. Magna Cum Laude, Harvard University

Affiliations and Awards

*Northern Virginia Advisory Committee, Virginia Housing Development Authority
Past President and Current Board Member, HAND
Member of Leadership Council and Board of Directors, Northern Virginia Affordable Housing Alliance
Board Member, Virginia Diocesan Homes
Recipient, Virginia Housing Coalition's 2013 Innovations in Leadership Award*



Arlington Partnership
For Affordable Housing

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Oakwood South Nine
 Name of Applicant: Oakwood South Nine Limited Partnership

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Arlington Partnership for Affordable Housing, Inc. Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Principal's Name: Y or N

| Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
|--|---|---|------------------|------------------------|--|--------------------|---------------------------------------|
| 1 Leckey Gardens (formerly Lorcom Arms), 2031-2037 & 2035-2037 N. Woodrow St. Arlington, VA 22201 | Lorcom Arms Limited Partnership, (703) 276-7444 | Y | 40 | 32 | 4/2/2002 | 4/16/2003 | N |
| 2 Courthouse Crossings, 1220, 1230 & 1233 N. Scott St.; 1240 & 1250 N. Rolfe St. Arlington, VA 22209 | Courthouse Crossings Limited Partnership, (703) 276-7444 | Y | 112 | 112 | 6/1/2006 | 4/14/2008 | N |
| 3 Fisher House, 1201 & 1211 N. Kennebec St.; 5701 N. 11th Rd.; and 1111 N. Kenilworth St. Arlington, VA 22205 | Fisher House Limited Partnership, (703) 276-7444 | Y | 33 | 33 | 9/14/2007 | 6/19/2008 | N |
| 4 Parc Rosslyn, 1531 N. Pierce St. Arlington, VA 22209 | Rosslyn Ridge Apartments Limited Partnership, (703) 276-7444 | N | 238 | 96 | 9/30/2008 | 5/20/2009 | N |
| 5 Columbia Grove Apartments, 1001, 1003, 1011, 1012, 1014, 1015, 1017, 1018, 1020, 1024, 1026, 1030, 1034, and 1038 S. Frederick St. Arlington, VA 22204 | Columbia Grove Apartments Limited Partnership, (703) 276-7444 | Y | 208 | 130 | 1/10/2009 | 7/13/2012 | Y |
| 6 Buchanan Gardens, 914 South Buchanan St. Arlington, VA 22204 | Buchanan Gardens Limited Partnership, (703) 276-7444 | Y | 111 | 111 | 10/31/2011 | 8/8/2013 | N |
| 7 Arlington Mill Residences, 901 South Dinwiddie St., Arlington, VA 22204 | Arlington Mill Limited Partnership, (703) 276-7444 | Y | 122 | 121 | 1/31/2014 | 10/15/2014 | N |
| 8 Arna Valley View, 2300 South 25th St., Arlington, VA 22206 | AVV Apartments, LLC, (703) 276-7444 | N | 101 | 101 | 4/30/2001 | 2/7/2002 | N |
| 9 The Springs Apartments, 555 North Thomas St., Arlington, VA 22203 | The Springs Apartments Limited Partnership, (703) 276-7444 | Y | 104 | 98 | 9/29/2016 | 5/3/2017 | N |
| 10 Columbia Hills East Apartments, 1000 S. Frederick St. Arlington, VA 22204 | Columbia Hills East Limited Partnership, (703) 276-7444 | Y | 97 | 97 | 9/28/2018 | TBD | N |
| 11 Columbia Hills West Apartments, 1002 S. Frederick St. Arlington, VA 22204 | Columbia Hills West Limited Partnership, (703) 276-7444 | Y | 132 | 132 | 9/28/2018 | TBD | N |
| 12 Gilliam Place East, 918 S. Lincoln Street Arlington, VA 22204 | Gilliam Place East Limited Partnership, (703) 276-7444 | Y | 83 | 83 | 8/5/2019 | TBD | N |
| 13 Gilliam Place West, 3507 Columbia Pike Arlington, VA 22204 | Gilliam Place West Limited Partnership, (703) 276-7444 | Y | 90 | 90 | 8/2/2019 | TBD | N |
| 14 Fisher House II, 5705, 5711, 5717 Washington Blvd.; 1111 and 1209 N. Kensington St.; 5708 and 5708 11th St. N., and 5716 11th Rd N. all in Arlington VA 22205 | APAH Westover Apartments Limited Partnership, (703) 276-7444 | Y | 68 | 68 | 5700 11th St - 9/28/2018 5708 11th St - 10/19/2018 1209 N Kensington - 12/27/2018 1111 N. Kensington - 3/1/2019 | TBD | N |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
 TOTAL: 1,539 1,304

LIHTC as % of
 85% Total Units

List of LIHTC Developments (Schedule A)



Development Name: Oakwood South Nine
 Name of Applicant: Oakwood South Nine Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Oakwood South Nine Limited Partnership **Controlling GP (CGP) or 'Named' Managing Member of Proposed property?*** N
 Principal's Name: Y or N

| 1 | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev.? ² (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0 #DIV/0! **LIHTC as % of Total Units**

List of LIHTC Developments (Schedule A)



Development Name: Oakwood South Nine
 Name of Applicant: Oakwood South Nine Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Oakwood South Nine Development LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
 Principal's Name: Y or N

| | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev. (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0

#DIV/0! LIHTC as % of Total Units

List of LIHTC Developments (Schedule A)



Development Name: Oakwood South Nine
 Name of Applicant: Oakwood South Nine Limited Partnership

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2003 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Nina Janopaul Controlling GP (CGP) or 'Named' Managing Member of Proposed property? N
Y or N

| 1 | Development Name/Location | Name of Ownership Entity and Phone Number | CGP or 'Named' Managing Member at the time of dev. (Y/N)* | Total Dev. Units | Total Low Income Units | Placed in Service Date | 8609(s) Issue Date | Uncorrected 8823's? (Y/N) Explain "Y" |
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 0 0 #DIV/0! LIHTC as % of Total Units

Oakwood South Nine

Tab D: List of LIHTC Developments (Schedule A)

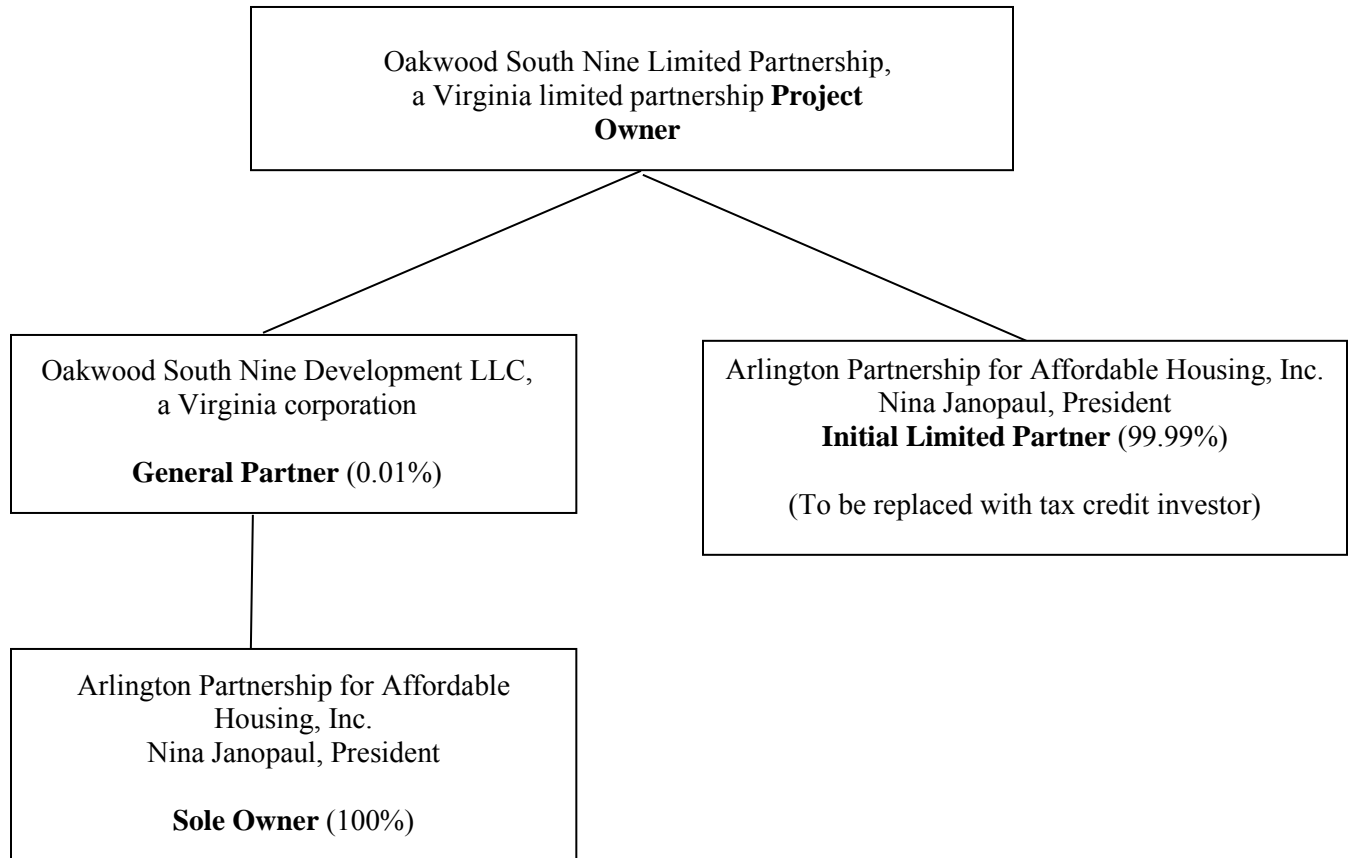
Addendum

Explanation of Uncorrected 8823

In 2017, APAH received IRS Form 8823 related to the Columbia Grove apartments. In 2016, APAH began demolition of a surface parking lot at the Columbia Grove site as part of construction of the Columbia Hills East and Columbia Hills West developments, triggering a non-compliance event that was pre-approved by VHDA, and will remain uncorrected for the life of the compliance period. APAH has also received other IRS Form 8823s over the prior ten years as a result of minor non-compliance at other projects, all of which have been corrected.

Name of Development Project: Oakwood South Nine
Owner: Oakwood South Nine Limited Partnership

OWNERSHIP STRUCTURE – ORGANIZATIONAL CHART



Nina Janopaul

President/CEO



Current Responsibilities

Nina Janopaul has been President/CEO of the Arlington Partnership for Affordable Housing (APAH) since 2007. APAH is a non-profit, community-based, award winning, affordable housing developer.

Ms. Janopaul oversees all elements of APAH's real estate development, operations, advocacy, resident services, and governance. During her tenure, APAH has grown its portfolio to 18 multifamily rental properties with 1,813 units, valued at more than \$325 million with another 800+ units in development. APAH is known for its nimble and effective real estate development, for pioneering innovative supportive housing partnerships and its community impact.

Under Ms. Janopaul's leadership, APAH has received numerous awards, including the Charles Edson award for best urban development in the country; the Urban Land Institute—DC's best Housing project; Developer of the Year from the Housing Association of Non-Profit Developers; Best Nonprofit by the Arlington Chamber of Commerce and the Arlington Community Foundation's Prize for Impact and Innovation.

Prior Experience

Before joining APAH, Ms. Janopaul was a principal at Capital Strategies Consulting, Inc. and provided services to a variety of organizations, including Enterprise Community Partners. Prior to 2000, she was the National Director of Development for Hostelling International – USA (formerly American Youth Hostels).



Education

B.A. Magna Cum Laude, Harvard University

Affiliations and Awards

*Northern Virginia Advisory Committee, Virginia Housing Development Authority
Past President and Current Board Member, HAND
Member of Leadership Council and Board of Directors, Northern Virginia Affordable Housing Alliance
Board Member, Virginia Diocesan Homes
Recipient, Virginia Housing Coalition's 2013 Innovations in Leadership Award*



Arlington Partnership
For Affordable Housing

E

Site Control
Documentation & Most
Recent Real Estate Tax
Assessment
(MANDATORY)

Oakwood South Nine Site Control Documentation Index

- 1) Comprehensive Agreement (Executed)**
 - a. Unexecuted Form of Contract to Ground Lease
 - b. Unexecuted Form Ground Lease

- 2) Contract to Ground Lease (Executed)**
 - a. Unexecuted Form Ground Lease

- 3) Agreement to Ground Lease APAH Oakwood to Oakwood South Nine Limited Partnership (Executed)**

- 4) County Board Resolution**

- 5) Tax Records**

COMPREHENSIVE AGREEMENT

by and between

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

and

APAH OAKWOOD LLC

6.21 ACRES OF LAND IN THE LEE DISTRICT

FAIRFAX COUNTY, VIRGINIA

Tax Map No. 081-2 ((1)) Parcel 0017C and

Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034

Dated as of March 6, 2020

COMPREHENSIVE AGREEMENT

THIS **COMPREHENSIVE AGREEMENT** (this “**Agreement**”) is made and entered into as of this 6 day of March, 2020 (the “**Agreement Date**”), by and between the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**FCRHA**”), and **APAH OAKWOOD LLC**, a Virginia limited liability company, or its permitted assignee or designee (“**APAH**”). APAH and FCRHA are each a “**Party**” to this Agreement and collectively, the “**Parties**”.

RECITALS:

R-1. FCRHA is the fee simple owner of the property located at the intersection of South Van Dorn Street and Oakwood Road, identified by Tax Map No. 081-2 ((1)) Parcel 0017C and Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034 (collectively, the “**Oakwood Property**”).

R-2. Pursuant to the Public Private Education Facilities and Infrastructure Act of 2002, as amended, Virginia Code Ann. §§ 56-575.1 to 575.16 (such law, the “**PPEA**”) and FCRHA’s PPEA guidelines, FCRHA evaluated proposals and selected APAH to develop and construct approximately 150 affordable senior housing units in one building with surface parking (the “**Development**”). The Development is anticipated to consist of two separate projects, with one project receiving nine percent (9%) low-income housing tax credits and the other receiving four percent (4%) low-income housing tax credits (together, the “**Tax Credits**”).

R-3. FCRHA and APAH entered into that certain Interim Agreement (the “**Interim Agreement**”) dated March 15, 2019 to promptly commence certain design and zoning related work and other due diligence on the Oakwood Property in order to meet the requirements established by the Virginia Housing and Development Authority (“**VHDA**”) for nine percent (9%) low-income housing Tax Credits.

R-4. During the term of the Interim Agreement, the Parties were to negotiate in good faith to enter into this Agreement pursuant to §56-575.9 of the PPEA and such other documents, as determined by the Parties, as are necessary to satisfy the requirements of the PPEA regarding the Development.

R-5. The Parties have now negotiated a comprehensive agreement consistent with the PPEA, the RFP, and other laws, the terms and conditions of which are set forth herein.

R-6. Having considered this Agreement and other information, FCRHA has determined that the Development should be completed pursuant to this Agreement, and that this Agreement and the Development serves the public purpose of the PPEA under the criteria of Va. Code § 56-575.4C.

NOW, THEREFORE, for and in consideration of the mutual promises, conditions and covenants herein set forth, the Parties agree as follows:

1. The foregoing recitals are hereby incorporated by this reference as if fully set forth herein.

2. The Parties agree that the Development shall be constructed, operated, maintained, managed, leased (as applicable), and owned (as applicable) pursuant to, among other things, written agreements to be executed by one or more of FCRHA, APAH or their respective subsidiaries and affiliates, as applicable, including, without limitation, the following written agreements, and any amendments to those agreements:

- a. Contract to Ground Lease, by and between FCRHA and APAH, in substantially the form which is attached hereto as **Exhibit A** (the "**Contract to Ground Lease**");
- b. Deed of Lease, by and between FCRHA, as landlord, and APAH, or its subsidiaries and affiliates, as tenant, in substantially the form which is attached hereto as **Exhibit B** (the "**Ground Lease**").

3. The Parties also agree as follows:

- a. This Agreement and the exhibits attached hereto and forming a part hereof set forth all the covenants, promises, agreements, conditions and understandings of the Parties hereto, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless reduced to writing and signed by all of the Parties affected.
- b. This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia. Should any provision of this Agreement require judicial interpretation, the Parties hereby agree and stipulate that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion of law that a document should be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that all Parties hereto have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before its execution of this Agreement.
- c. This Agreement may be executed in two or more counterparts, each of which shall constitute one and the same instrument. Delivery by telecopier, facsimile, or electronic mail of an executed counterpart of a signature page (in any electronic format, including, without limitation, ".TIFF", ".JPG", or Adobe Corporation's Portable Document Format (".PDF")) shall be deemed an original signature page and fully effective as such.

- d. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible in order to be legal, valid and enforceable.

(Remainder of Page Blank; Signatures Follow)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above-written.

FCRHA:

**FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY**, a political
subdivision of the Commonwealth of Virginia

By: 

Name: Thomas Fleetwood

Title: Assistant Secretary

APAH:

APAH OAKWOOD LLC a Virginia limited
liability company

By: Arlington Partnership for Affordable
Housing, Inc., sole member

By: 

Name: Yvona Janopaul

Title: President

Exhibit A

Form of Contract to Ground Lease

(See Attached)

CONTRACT TO GROUND LEASE
(Oakwood Property)

This Contract to Ground Lease (the “**Agreement**”) is made and entered into as of _____, 2020 (the “**Effective Date**”) by and between the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**FCRHA**”), and **APAH OAKWOOD LLC**, a Virginia limited liability company, or its permitted assignee or designee (“**APAH**”). APAH and FCRHA are each a “**Party**” to this Agreement and collectively, the “**Parties**”.

RECITALS:

- R-1. FCRHA is the fee simple owner of the property located at the intersection of South Van Dorn Street and Oakwood Road, identified by Tax Map No. 081-2 ((1)) Parcel 0017C and Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034 (collectively, the “**Oakwood Property**”).
- R-2. Pursuant to the Public Private Education Facilities and Infrastructure Act of 2002, as amended, Virginia Code Ann. §§ 56-575.1 to 575.16 (such law, the “**PPEA**”) and FCRHA’s PPEA guidelines, FCRHA evaluated proposals and selected APAH to develop and construct approximately 150 affordable senior housing units in one building with surface parking (the “**Development**”). The Development is anticipated to consist of two separate projects, with one project receiving nine percent (9%) low-income housing tax credits and the other receiving four percent (4%) low-income housing tax credits (together, the “**Tax Credits**”).
- R-3. FCRHA and APAH entered into that certain Interim Agreement (the “**Interim Agreement**”) dated March 15, 2019 to promptly commence certain design and zoning related work and other due diligence on the Oakwood Property in order to meet the requirements established by the Virginia Housing and Development Authority (“**VHDA**”) for nine percent (9%) low-income housing tax credits.
- R-4. During the term of the Interim Agreement: (i) APAH, on its own behalf and as agent of FCRHA, is to obtain the Land Use Entitlement Approvals (defined below); and (ii) the Parties are to negotiate in good faith to enter into a comprehensive agreement (as defined in §56-575.9 of the PPEA) (the “**Comprehensive Agreement**”). The Comprehensive Agreement is comprised of: (a) this Agreement, (b) the Ground Lease (defined below), and (c) such other documents, as determined by the Parties, as are necessary to satisfy the requirements of the PPEA regarding the Development.
- R-5. APAH and FCRHA agree that land use, planning and design process to obtain the Land Use Entitlement Approvals will continue throughout the term of this Agreement.
- R-6. APAH and FCRHA agree that, subject to APAH satisfying certain conditions precedent,

as set forth in this Agreement below, APAH will enter into a seventy-five (75) year ground lease for the Oakwood Property (the “**Ground Lease**”) for the development, construction, use and maintenance of the Development.

R-7. APAH and FCRHA desire to enter into this Agreement setting forth: (i) APAH’s option to enter into the Ground Lease for the Oakwood Property upon the satisfaction of certain conditions; (ii) the obligations of the Parties with respect to the design, review and approval of the Schematics (defined below), Final Plans and Specifications (defined below) and other matters related to the Land Use Entitlement Approvals, as set forth below in this Agreement.

NOW THEREFORE for and in consideration of the mutual promises of the Parties and of other good and valuable consideration receipt and sufficiency of which are hereby acknowledged FCRHA and APAH intending to be legally bound do hereby agree as follows:

Section 1. **GRANT OF OPTION.**

1.1 Property. FCRHA hereby grants to APAH an option to lease the Oakwood Property, subject to all of the terms and conditions of this Agreement. The term “**Property**” means the Oakwood Property and includes: (a) the real property (the “**Land**”) more particular described in *Exhibit A* of the Ground Lease, which is attached as Exhibit A to this Agreement, and made a part hereof; (b) all improvements, equipment and fixtures located on the Land at the time of the Closing (as defined in Section 8.1 below); (c) the Land Use Entitlement Approvals; and (d) other intangible property associated with the Land or the improvements, equipment and fixtures located thereon owned by FCRHA.

1.2 Option. The option described in Section 1.1 is referred to in this Agreement as the “**Option.**”

1.3 Recordation of this Agreement. This Agreement, and the Option created hereby, may be recorded by APAH in the Land Records of Fairfax County, Virginia (the “**Land Records**”). If this Agreement is recorded and later expires or is terminated as provided herein, then no later than five Business Days after the expiration or termination hereof, APAH shall deliver to FCRHA for recordation, duly signed and notarized by APAH, documents sufficient to confirm the expiration or termination of this Agreement and the termination of the Option, and otherwise in recordable form and reasonably acceptable to FCRHA (and this obligation of APAH shall survive expiration or termination of this Agreement). If APAH records this Agreement in the Land Records, APAH shall be responsible for payment of all fees and taxes associated with such recording.

1.4 Effect of Agreement; Interest in Real Property. The Parties intend that this Agreement is given by FCRHA to APAH as an option to lease the Property. The Parties intend that this Agreement creates a valid and present encumbrance on the Property in favor of APAH, effective as of the Effective Date, subject to any and all liens or encumbrances disclosed in the Land Records. Therefore, the Option shall be deemed an encumbrance upon the Property during the term of this Agreement effective as of the Effective Date and shall be binding upon and inure to the benefit of each of the Parties hereto and their respective successors and assigns (subject to Section 12.7 below).

Section 2. **INDEPENDENT CONSIDERATION.**

In consideration of and concurrently with FCRHA entering into this Agreement, APAH agrees to pay to FCRHA the sum of Ten Dollars (\$10.00) as “independent consideration” for the Option (the “**Consideration**”). The Consideration has been bargained for and agreed to as separate and independent consideration for APAH’s option to lease the Property pursuant to the terms herein, and for FCRHA’s execution and delivery of this Agreement. The Consideration shall be deemed fully earned by FCRHA upon receipt, and shall be considered non-refundable to APAH.

Section 3. **TERM; EXTENSION OF OPTION; EXERCISE OF OPTION.**

3.1 Term of Agreement. The term of this Agreement (the “**Term**”) begins on the Effective Date and will expire at 5:00 p.m. on the Expiration Date (defined herein), unless an Option Notice (defined below) has been sent to FCRHA by APAH and an Approval Notice (defined below) has been sent to APAH by FCRHA, in which case the Term will expire on the Closing Date (defined below). The initial Expiration Date shall be September 1, 2020 (the “**Initial Expiration Date**”). The Initial Expiration Date, as may be extended by mutual agreement in writing by the Parties or as specifically provided in this Section 3.1 below is the “**Expiration Date**.”

(a) If (i) APAH has not received an award of Tax Credits and has not sent an Option Notice on or before the Initial Expiration Date, (ii) this Agreement is then in full force and effect and APAH is not then in default beyond any applicable notice and cure period under this Agreement, and (ii) APAH has given FCRHA notice in writing of APAH’s election to extend the Term of this Agreement no less than 10 Business Days before the Initial Expiration Date, APAH shall have the right to extend the Term of this Agreement until 5:00 p.m. on September 1, 2021 (the “**Second Expiration Date**”); provided, however, that APAH shall re-apply for the Tax Credits and equity and financing as required pursuant to Section 9.3.

(b) If (i) APAH has not received an award of Tax Credits and has not sent an Option Notice on or before the Second Expiration Date, (ii) this Agreement is then in full force and effect and APAH is not then in default beyond any applicable notice and cure period under this Agreement, and (ii) APAH has given FCRHA notice in writing of APAH’s election to extend the Term of this Agreement no less than 10 Business Days before the Second Expiration Date, APAH shall have the right to extend the Term of this Agreement until 5:00 p.m. on September 1, 2022 (the “**Third Expiration Date**”); provided, however, that APAH shall re-apply for the Tax Credits and equity and financing as required pursuant to Section 9.3.

(c) If (i) APAH has not received an award of Tax Credits and has not sent an Option Notice on or before the Third Expiration Date, (ii) this Agreement is then in full force and effect and APAH is not then in default beyond any applicable notice and cure period under this Agreement, and (iii) APAH has given FCRHA notice in writing of APAH’s election to extend the Term of this Agreement no less than 10 Business Days before the Third Expiration Date, APAH shall have the right to extend the Term of this Agreement until 5:00 p.m. on September 1, 2023 (the “**Outside Expiration Date**”); provided, however, that APAH shall re-apply for the Tax Credits and equity and financing as required pursuant to Section 9.3.

(d) Notwithstanding anything to the contrary contained in this Agreement, in no event shall the Expiration Date be extended to a date beyond the Outside Expiration Date, except by a mutual agreement in writing executed by both Parties. If APAH has not exercised its right to extend the Expiration Date as expressly provided above, APAH will be deemed to have forever waived its right to further extend the Term of this Agreement beyond the then current Expiration Date, except by mutual agreement in writing executed by both Parties.

3.2 Condition to Right to Exercise. APAH may exercise the Option only if all of the following conditions have been met: (i) APAH has received an award of Tax Credits from VHDA for the Development; and (ii) in connection with the entitlement and development of the Development, APAH has received (A) a Comprehensive Plan Amendment; (B) an approved Special Exception for the Property; and (C) a Proffered Condition Amendment for the Property.

3.3 Exercise Notice. APAH shall exercise the Option (if at all) at any time during the Term, provided APAH has satisfied the conditions set forth in Section 3.2 above, by delivering a written notice to FCRHA (the “**Option Notice**”). The Option Notice shall include: (i) a certification from APAH that has satisfied the conditions precedent set forth in Section 3.2; (ii) reasonably detailed supporting documentation of the satisfaction of such conditions (the “**Supporting Documentation**”). Upon FCRHA’s receipt of the Option Notice, FCRHA shall have 20 Business Days to review the Supporting Documentation, and within such period FCRHA shall deliver a written notice to APAH either approving of the Supporting Documentation (the “**Approval Notice**”), or disapproving of all, or a portion, of the Supporting Documentation. In the event FCRHA sends an Approval Notice, then the Parties shall continue to proceed to the Closing in accordance with this Agreement. In the event FCRHA disapproves of all, or a portion of, the Supporting Documentation, then FCRHA’s written notice (the “**Disapproval Notice**”) shall set forth, in detail, each and every one of FCRHA’s objections to the Supporting Documentation, and any such additional information required by FCRHA to approve of the Supporting Documentation. Thereafter, within 15 Business Days following the APAH’s receipt of the Disapproval Notice, the APAH shall submit such additional information, or other documentation, requested by FCRHA in the Disapproval Notice. The process for FCRHA’s review and approval of the Supporting Documentation shall continue until FCRHA has approved of the Supporting Documentation, and FCRHA shall have no obligation to execute the Ground Lease until the APAH has obtained an Approval Notice from FCRHA; provided, however, in no event shall FCRHA unreasonably withhold, delay, or condition the approval of the Supporting Documentation.

3.4 Failure to Exercise. If APAH fails to deliver the Option Notice or fails to deliver the Supporting Documentation by the Expiration Date, then (a) this Agreement shall immediately terminate without further action of the Parties; (b) APAH shall promptly deliver to FCRHA such documentation (fully executed and acknowledged) reasonably requested by FCRHA to evidence termination of this Agreement; and (c) the Parties shall have no further obligations to each other except as otherwise specifically provided in this Agreement. This Section 3.4 is not intended to and does not in any way limit or affect any of the rights or remedies available to any Party in the event the other Party defaults in the due and timely performance of any of its obligations, or is in breach of any of its representations and warranties, under this Agreement.

Section 4. **TERMS OF LEASE.**

At the Closing, FCRHA and APAH shall enter into the Ground Lease, which will be substantially in the form of Exhibit A attached hereto and made a part hereof by this reference (except: (i) to the extent such terms and conditions are no longer applicable or are otherwise invalid or unenforceable under Virginia laws as of the Closing Date (as defined in Section 8.1 below); or (ii) as otherwise mutually agreed to by FCRHA and APAH). Promptly after delivery of the Option Notice, to the extent necessary, the Parties shall meet in good faith to determine if any modifications are necessary to the proposed Ground Lease to reflect either any new, or otherwise unanticipated, circumstances regarding the Property, financing of the Project, investor requirements or any changes in Virginia law that make any term or provision of the proposed Ground Lease invalid or unenforceable.

Section 5. **REPRESENTATIONS AND WARRANTIES OF FCRHA.**

5.1 In General. With the exception of those representations and warranties stated in Section 5.2, APAH has not relied and will not rely upon any representations or warranties, express or implied, affirmative or negative, concerning the Property made by FCRHA or any of FCRHA's agents or employees.

5.2 Representations and Warranties of FCRHA. FCRHA represents and warrants that the following facts and circumstances are true and correct as of the Effective Date and as of the Closing:

(a) Authority, Authorizations and Consents. FCRHA is a political subdivision of the Commonwealth of Virginia. FCRHA has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action and proceedings, and no further action or authorization is necessary on the part of FCRHA in order to consummate the transactions contemplated herein. This Agreement is a legal, valid and binding obligation of FCRHA, enforceable in accordance with its respective terms. FCRHA has obtained all authorizations, consents or approvals of any governmental entity or other person or entity required to be obtained or given in connection with the execution and delivery of this Agreement by FCRHA or the performance of any of FCRHA's obligations hereunder.

(b) No Violation. The execution and delivery of this Agreement by FCRHA, and the performance of its obligations hereunder, do not (i) violate, or conflict with any of FCRHA's obligations under, any contract to which it is a party or by which it is bound, or (ii) violate (and none of such obligations shall be void or voidable under) any law, regulation, order, arbitration award, judgment or decree to which it is a party or to which it is subject.

(c) Options; Leases. No person or entity other than APAH holds or will hold any option or other right to lease or purchase all or any part of any of the Property or any interest in the Property.

(d) No Pending Actions. To FCRHA's knowledge; (i) there are no actions, suits, proceedings (including any arbitration proceedings, condemnation, expropriation or other proceeding in eminent domain, or environmental, zoning or other land use regulation proceedings), orders, investigations or claims that are pending against or relating to the Property or the FCRHA's rights therein; and (ii) there are no proceedings threatened or planned to be instituted by or against or relating to the Property.

(e) Compliance with Laws. FCRHA has not received any written notice from any governmental entity asserting that the Property (or FCRHA with respect to the Property) is in violation of any Laws. "Law" and "Laws" means, with respect to any person or entity, any U.S. federal, state or local, and any foreign national, state or local, law, statute, common law, ordinance, code, treaty, rule, regulation, order, ordinance, permit, license, writ, injunction, directive, determination, judgment or decree or other requirement of any governmental entity, in each case, applicable to or binding upon such person or entity or any of its property or to which such person or entity or any of its property is subject.

Notwithstanding the representations in Section 5.2(b), Section 5.2(d) and Section 5.2(e), if circumstances occur that make the representations therein untrue or incorrect at any time after the Effective Date, FCRHA shall provide APAH notice required in Section 5.4, and FCRHA shall use reasonable efforts to make such representations true and correct as of the Closing, but shall otherwise have no liability for such representations being untrue or incorrect, unless the failure of the representations to be true and correct were directly related to the actions or omissions of FCRHA in breach of this Agreement. The provisions of this paragraph shall not limit APAH's right to terminate this Agreement as provided in Section 9.4.

5.3 Representations and Warranties of APAH. APAH represents and warrants that the following facts and circumstances are true and correct as of the Effective Date. In the event that any of the following representations and warranties are not true and correct as of the date APAH delivers the Option Notice to FCRHA, APAH shall use reasonable efforts to cause such representations and warranties to be true and correct as of the Closing Date.

(a) Authority, Authorizations and Consents. APAH is a Virginia limited liability company. APAH has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by APAH have been duly and validly authorized by all necessary action and proceedings, and no further action or authorization is necessary on the part of APAH in order to consummate the transactions contemplated herein. This Agreement is a legal, valid and binding obligation of APAH, enforceable in accordance with its respective terms. No authorization, consent or approval of, or notice to, any governmental entity or other person or entity is required to be obtained or given in connection with the execution and delivery of this Agreement by APAH or the performance of any of APAH's obligations hereunder. In the event that APAH assigns this Agreement (in accordance with its terms) to another entity, such entity will make the same (but corrected, as necessary) representations set forth in this Section 5.3(a) as of the Closing Date.

(b) No Violation. The execution and delivery of this Agreement by APAH, and the performance of its obligations hereunder, do not (i) violate, or conflict with any of APAH's

obligations under, any contract to which it is a party or by which it is bound, or (ii) violate (and none of such obligations shall be void or voidable under) any law, regulation, order, arbitration award, judgment or decree to which it is a party or to which it is subject.

(c) *Litigation and Claims*. To APAH's knowledge, there is no suit, action, arbitration, or legal, administrative, or other proceeding, or governmental investigation pending or threatened against APAH which could affect any of the transactions contemplated by this Agreement.

5.4 *Inaccuracies*. In the event that either Party becomes aware of facts or circumstances after the Effective Date that might result in any of that Party's representations or warranties set forth in Section 5.2 or Section 5.3 not being true as of the Closing, such Party shall give prompt written notice to the other Party of such facts or circumstances.

Section 6. **PROPERTY CONDITION; RIGHT OF ENTRY; TITLE.**

6.1 *Property Condition*. APAH acknowledges that except to the extent of any express representations and warranties set forth in Section 5.2, FCRHA has made no representations or warranties, express or implied, regarding the Property or matters affecting the Property, whether made by FCRHA, or on FCRHA's behalf or otherwise, and that except as otherwise provided in this Agreement, the leasehold interest in the Property shall be conveyed subject to, and in accordance with, the terms and conditions of the Ground Lease. For the avoidance of doubt, APAH shall accept possession of the Property on the commencement date of the Ground Lease "AS IS, WHERE IS, WITH ALL FAULTS", subject to the Permitted Exceptions.

6.2 *Right of Entry*. During the Term, APAH shall have reasonable rights of access to the Property to the extent set forth in this Section 6.2 for the purposes of surveying the Property and performing design and engineering analysis including environmental tests and studies and soils borings and tests, provided that neither APAH nor its contractors shall unreasonably disrupt the normal operation of the Property. APAH's access hereunder shall be in compliance with all applicable statutes, laws, rules, regulations, ordinances, and orders of any governmental or quasi-governmental authority having jurisdiction over the Property and APAH's or its contractors' activities thereon. All such entry shall be coordinated in advance with appropriate representatives of FCRHA; for purposes of this Section 6.2, the appropriate representatives shall be Kevin (Casey) Sheehan at 703-246-5146 and kevin.sheehan@fairfaxcounty.gov and Ahmed Rayyan at 703-246-5123 and ahmed.rayyan@fairfaxcounty.gov. Prior to APAH entering the Property, APAH (or its contractor) shall obtain and maintain, at APAH's (or its contractor's, as the case may be) sole cost and expense, the following insurance coverage, and shall cause each of its agents and contractors to obtain and maintain, and, upon request of FCRHA, shall deliver to FCRHA evidence of (i) general liability insurance, from an insurer reasonably acceptable to FCRHA, in the amount of \$1,000,000.00 combined single limit for personal injury and property damage per occurrence, (ii) workers' compensation insurance at statutory limits, (iii) employer's liability insurance in an amount not less than \$1,000,000, and (iii) professional liability insurance of not less than \$1,000,000 for any access to conduct environmental tests and studies and/or soil borings and tests. APAH shall provide FCRHA with original certificates of insurance for the coverage required above not less than five Business Days prior to any access, naming FCRHA and such other parties

designated by FCRHA as additional insureds and otherwise in form reasonably satisfactory to FCRHA. FCRHA shall have the right, in its discretion, to accompany APAH and its contractors. All damage to the Property resulting from any access by or at the direction of APAH or its contractors shall be repaired immediately by APAH, at its sole cost and expense, so that the Property shall be restored to the same condition in which it existed immediately prior to such access. APAH shall indemnify, defend and save FCRHA and its respective Commissioners, agents, directors, officers and employees (collectively, the “**Indemnitees**”) harmless from and against any and all losses, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses (including, without limitation, engineers’, architects’ and attorneys’ fees and disbursements), which may be suffered by, imposed upon or incurred by or asserted against FCRHA or any of the Indemnitees as a result of any access pursuant to this Section 6.2. The provisions of this Section 6.2 shall survive Closing or any termination of this Agreement.

6.3 Title. Prior to the Effective Date, APAH ordered from Commonwealth Land Title Insurance Company (“**Title Company**”), 1620 L Street, NW, 4th Floor, Washington, DC 20036, Attention: Mark Badanowski, Phone: (202) 312-5130, a Commitment for Title Insurance Policy (the “**Title Commitment**”) insuring APAH’s interest in the Property, and requested copies of any recorded instruments that affect the title to the Property or would be applicable to APAH’s leasehold estate therein under the Ground Lease. Items affecting FCRHA’s title to the Property as shown in the Title Commitment or survey on which APAH’s title review was based shall be the “**Permitted Exceptions**” for purposes of this Agreement and the Ground Lease, as applicable. Notwithstanding the foregoing, FCRHA agrees to take the following actions to be completed on or before Closing with respect to the Property:

(a) FCRHA shall be obligated at Closing to remove any and all existing mortgage liens or similar liens or encumbrances against the Property. FCRHA hereby represents to APAH that the mortgages which currently affect the Property, if any, can and will be released as aforesaid prior to the Closing;

(b) FCRHA shall be obligated at Closing to deliver such title affidavits or similar materials as are customary for the issuance of title insurance for conveyance of leasehold estates (a “**Title Policy**”), as applicable, and which are reasonably consistent with the forms of such documents typically executed by FCRHA;

(c) From the Effective Date until the Closing, without the prior written consent of APAH, FCRHA shall not voluntarily place or cause a lien to be placed on the Property or encumber or convey the Property or any portion thereof or any interest therein, nor amend or modify any existing encumbrances in any manner which will materially adversely affect the Property or any portion thereof or impose any material obligation with respect thereto. For purposes hereof, an encumbrance or obligation will be deemed to “materially adversely affect the Property or any portion thereof” or impose a “material obligation” if (1) the cost associated therewith on a stand-alone basis or aggregated with any other new or modified encumbrances or obligations subject to the provisions of this subsection (c) is greater than Twenty-Five Thousand Dollars (\$25,000), or (2) impacts the design, construction, configuration, square footage, or parking of the proposed Development. FCRHA shall comply with all terms of any mortgage, encumbrance, or other agreements affecting the Property or any portion thereof and shall not permit a default thereunder to exist or occur so long as this Agreement is in effect. If any monetary

lien or liens against the Property that FCRHA is either obligated to remove or has agreed in writing to remove, have not been removed and satisfied prior to Closing, then at Closing, FCRHA shall pay such amounts as required to fully satisfy said liens. If any new encumbrance or matter that materially adversely affects the Property appears on any updated title commitment or survey that APAH obtains after the Effective Date, and APAH disapproves of such encumbrance or matter, then APAH shall provide written notice to FCRHA of such disapproval. If, within 15 Business Days after receipt of such notice, FCRHA does not provide written notice to APAH of FCRHA's plan to cure, remove or otherwise address the encumbrance or matter in a manner that is reasonably satisfactory to APAH, then APAH shall have the right to terminate this Agreement, and except as otherwise expressly set forth in this Agreement, neither FCRHA nor APAH shall have any further liability hereunder.

Section 7. **GOVERNMENTAL APPROVALS, SCHEMATICS, PLANS AND SPECIFICATIONS.**

7.1 Land Use Entitlement Approvals. During the Term and in accordance with a commercially reasonable schedule, APAH covenants and agrees, at its expense, to file such applications with applicable Governmental Authority (as defined below) that are required in connection with the land use planning, design and other work activities necessary to obtain the following with respect to the Property that are necessary to develop and construct the Development (the "**Land Use Entitlement Approvals**"): (1) a Comprehensive Plan Amendment; (2) a Conceptual Development Plan and a Final Development Plan; (3) a Special Exception of the Property in connection with the Development; (4) a Proffered Condition Amendment for the Development; and (5) a Site Plan (defined below). Undefined capitalized terms in the preceding sentence have the meaning ascribed to such terms in Chapter 112 of the 1976 Code of the County of Fairfax, Virginia (the "**Zoning Ordinance**"). The Parties acknowledge that APAH began filing applications and other work necessary to obtain the Land Use Entitlement Approvals during the period that the Interim Agreement was in effect and that certain of the Land Use Entitlement Approvals have already been obtained prior to the Term. All such Land Use Entitlement Approvals shall be in form and substance satisfactory to APAH.

(a) "**Governmental Authority**" shall mean any of the following: the United States of America, the Commonwealth of Virginia, the County of Fairfax, Virginia, Fairfax County Department of Housing and Community Development, Fairfax County Redevelopment and Housing Authority and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having lawful jurisdiction over the Property or any portion thereof.

(b) FCRHA, at no out-of-pocket cost to FCRHA, shall (A) sign and join with APAH in filing any applications, (B) cooperate with APAH in obtaining any and all permits, regulatory agreements, consents, certificates, waivers, and other approvals relating to the Development, and (C) sign any applications made by APAH required to obtain such permits, consents, certificates, waivers, and approvals. APAH shall reimburse FCRHA within 10 Business Days after FCRHA's demand for any reasonable third party cost or expense incurred by FCRHA in obtaining such permits, consents, certificates, waivers, and approvals. Further, upon request, FCRHA shall provide such authorization or approvals as any Governmental Authority or other

third party may require to evidence the right of APAH to be seeking regulatory approval for its Development.

(c) FCRHA and APAH agree that obtaining the Land Use Entitlement Approvals and completion of the Schematics, Design Development Plans (defined below), Permit Documents (defined below) and Final Plans and Specifications in accordance with the terms of this Agreement are conditions precedent to Closing under this Agreement.

(d) APAH agrees to provide FCRHA copies of any approval requests, applications, site plans, or other submissions for Land Use Entitlement Approvals at least three Business Days prior to the submission of such documents and instruments to any Governmental Authority other than FCRHA. Additionally, APAH shall submit progress reports to FCRHA containing updates regarding the Land Use Entitlement Approvals process and preparation of the Submission Materials (defined below) at least every 60 days for FCRHA's review and approval. APAH and FCRHA may also set up a program of periodic team conference calls to provide regular updates concerning the development and construction of the Development, and if so, FCRHA may, in its sole discretion, waive the requirement for written progress reports, provided such waiver is in writing (including email).

(e) APAH shall file its initial Site Plan for review by the appropriate Governmental Authority within 120 days of obtaining from VHDA its initial letter of the award of Tax Credits for the Development.

(f) APAH shall use commercially reasonable efforts to obtain all Land Use Entitlement Approvals (except for the Site Plan) on or before the Expiration Date.

7.2 Submission and Review of Submission Materials. FCRHA and APAH acknowledge and agree that Exhibit C, attached hereto and made a part hereof, contains a general description of the Development upon which all Land Use Entitlement Approvals and the Schematics and the Final Plans and Specifications shall be based. APAH shall submit to FCRHA for its review and approval any documents, drawings, proffers and other instruments that APAH will submit to any Governmental Authority for any Land Use Entitlement Approvals related to the Development (including any modifications to any such documents, drawings, proffers and instruments) and any other documents that FCRHA shall reasonably request in connection with its review thereof. Without limiting the foregoing, APAH shall submit to FCRHA for its review and approval prior to submission to any Governmental Authority for approval of the Conceptual Development Plan or Final Development Plan or for Special Exception approval any and all information related to such submissions, including (without limitation) the proposed elevations and facades for the Development, building layouts, site development plans and other proffered amenities related to the Development (collectively, the "**Submission Materials**"). The Submission Materials shall include, without limitation: (i) Schematics; (ii) Design and Development Plans; (iii) Permit Documents; and (iv) Final Plans and Specifications. If FCRHA does not approve the Submission Materials, FCRHA shall so notify APAH in writing, specifying in what respects it disapproves of the Submission Materials. APAH and FCRHA shall reasonably cooperate with one another in addressing the comments of FCRHA. APAH shall revise the Submission Materials to reflect the agreed upon changes and shall then resubmit the Submission Materials to FCRHA for review. The initial review by FCRHA shall be carried out within five Business Days of the date of submission

of the Submission Materials; FCRHA's review of revisions to the Submission Materials shall be carried out within five Business Days of the date of submission of the revised Submission Materials. If FCRHA has not notified APAH of its determination within the applicable period, FCRHA shall be deemed to have approved the Submission Materials.

(a) The following definitions are used in this Section 7.2 and elsewhere in this Agreement as they relate to Submission Materials and design, development and construction of the Development:

(i) "**Schematics**" means the concept plans completed at approximately fifteen percent (15%) of the Final Plans and Specifications;

(ii) "**Design Development Plans**" means the plans, specifications and construction drawings completed at approximately thirty-five percent (35%) of the Final Plans and Specifications for the development and construction of the Development and the parties having determined the anticipated costs associated with the relocation, upgrade and bringing of utilities to the Property;

(iii) "**Permit Documents**" means the plans, specifications and construction drawings completed at approximately seventy-five percent (75%) of the Final Plans and Specifications for the development and construction of the Development; and

(iv) "**Final Plans and Specifications**" means one hundred percent (100%) of the final plans and specifications and construction drawings, including but not limited to the Site Plan and building plans prepared by APAH's architect and engineers for the Development which materially conform to the Schematics and other Submission Materials previously approved by FCRHA that are necessary for the development and construction of the Development.

(b) Within 90 days after receipt of final, unappealable Final Development Plan approval for APAH's proposed Development from each applicable Government Authority, APAH shall submit Schematics of the Development (which shall include, without limitation, the site layout design of the Property) for FCRHA's approval. If FCRHA does not approve the Schematics, FCRHA shall so notify APAH in writing, specifying in what respects it disapproves of the Schematics. APAH and FCRHA shall reasonably cooperate with one another in addressing the comments of FCRHA. APAH shall revise the Schematics to reflect the agreed upon changes and shall then resubmit the Schematics to FCRHA for review. The initial review by FCRHA shall be carried out within five Business Days of the date of submission of the Schematics; FCRHA's review of revisions to the Schematics shall be carried out within five Business Days of the date of submission of the revised Schematics. If FCRHA has not notified APAH of its determination within the applicable period, FCRHA shall be deemed to have approved the Schematics.

(c) Within 270 days after FCRHA has approved the Schematics, APAH shall submit completed proposed Final Plans and Specifications. FCRHA shall review the proposed Final Plans and Specifications to determine whether they materially conform to the Schematics. If FCRHA determines that they do so conform, FCRHA shall so notify APAH in writing. If FCRHA reasonably determines that the proposed Final Plans and Specifications, as so revised, do

not materially conform to the Schematics and other previously approved Submission Materials, FCRHA shall so notify APAH, specifying in writing in what respects they do not so conform. In such latter event, APAH and FCRHA shall reasonably cooperate with one another in addressing the comments of FCRHA. APAH shall revise the proposed Final Plans and Specifications to reflect the agreed upon changes and shall then resubmit the proposed Final Plans and Specifications to FCRHA for review. The initial review by FCRHA shall be carried out within five Business Days of the date of submission of the proposed Final Plans and Specifications; FCRHA's review of revisions to the proposed Final Plans and Specifications shall be carried out within five Business Days of the date of submission of the revised proposed Final Plans and Specifications. If FCRHA has not notified APAH of its determination within the applicable period, FCRHA shall be deemed to have approved the proposed Final Plans and Specifications or determined that they materially conform to the Schematics or other Submission Materials.

Section 8. CLOSING.

8.1 Time. If, and on the express condition that, APAH delivered the Option Notice and the Supporting Documentation prior to the Expiration Date, and FCRHA provided the Approval Notice, then on a date prior to December 31st of the year following the calendar year in which the Approval Notice was sent and after the satisfaction or waiver (if applicable) of the conditions precedent set forth in Section 9.1 and Section 9.2, the Parties shall each execute and exchange original counterparts and deposit into escrow the documents described in Section 8.3 and Section 8.4 below and shall close the transaction contemplated by this Agreement (the "**Closing**"). APAH shall select the date of Closing (the "**Closing Date**"), which shall be a Business Day, and give notice to FCRHA at least 15 Business Days prior to the Closing Date, unless otherwise agreed in writing by the Parties.

8.2 Escrow. The Parties shall conduct the Closing through the Title Company (the "**Escrow Agent**") or such other party mutually agreed between the Parties at the time of Closing. The terms of this Agreement (including, but not limited to, the terms contained in this Section 8), together with such additional instructions as the Escrow Agent shall reasonably request and to which the Parties shall agree, shall constitute the escrow instructions to the Escrow Agent. If there is any inconsistency between this Agreement and any additional escrow instructions given to the Escrow Agent, this Agreement shall control unless the intent to amend this Agreement is clearly and expressly stated in the additional escrow instructions.

8.3 FCRHA's Deposits into Escrow. FCRHA shall deposit into escrow on or before Closing the following documents:

- (a) Two duly executed counterpart originals of the Ground Lease;
- (b) A duly executed and acknowledged counterpart original memorandum of lease in a reasonable form that has been agreed to between FCRHA and APAH in recordable form (the "**Memorandum of Lease**");
- (c) A certificate of FCRHA signed by FCRHA affirming that all of FCRHA's representations and warranties set forth in Section 5.2 are true in all material respects as of the Closing Date; provided however, to the extent FCRHA is of facts or circumstances that result in

FCRHA's representations or warranties set forth in Section 5.2 not being true as of the Closing, FCRHA shall disclose such facts or circumstances in such certificate (the "**FCRHA Certificate**");

(d) Such additional documents, including written escrow instructions consistent with this Agreement, as are both (i) reasonably necessary for the consummation of the transactions contemplated by this Agreement and (ii) reasonably consistent with the forms of such documents typically executed by FCRHA.

8.4 APAH's Deposits into Escrow. APAH shall deposit into escrow on or before Closing:

(a) Two duly executed counterpart originals of the Ground Lease;

(b) A duly executed and acknowledged counterpart original of the Memorandum of Lease;

(c) Two duly executed counterpart originals of the Guaranty (as defined in the Ground Lease);

(d) A certificate of APAH signed by a person duly authorized to do so on behalf of APAH, affirming that all of the representations and warranties of APAH set forth in Section 5.3 are true in all material respects as of the Closing Date; provided however, to the extent APAH is aware of facts or circumstances that result in APAH's representations or warranties set forth in Section 5.3 not being true as of the Closing, the APAH shall disclose such facts or circumstances in such certificate (the "**APAH Certificate**");

(e) Such evidence as the Escrow Agent reasonably requires as to the authority of the person or persons executing documents on behalf of APAH;

(f) The Base Rent due at Closing, if any, in immediately available funds;

(g) Such additional documents, including written escrow instructions consistent with this Agreement, as are reasonably necessary for the lease of the Property in accordance with the terms of this Agreement.

8.5 Closing. When the Escrow Agent has received all documents identified in Section 8.3 and Section 8.4, and has received written notification from APAH and FCRHA that all conditions to Closing have been satisfied or waived; then, and only then, the Escrow Agent shall take the following actions in the following chronological order:

(a) Record in the Land Records the Memorandum of Lease (marked for return to APAH) against the Land;

(b) Deliver to APAH: (i) a conformed copy (showing all recording information thereon) of the Memorandum of Lease, (ii) a fully executed original of the Ground Lease; and (iii) the FCRHA Certificate;

(c) Deliver to FCRHA: (i) a conformed copy (showing all recording information thereon) of the Memorandum of Lease; (ii) a fully executed original of the Ground Lease; (iii) two duly executed counterpart originals of the Guaranty for the Ground Lease; and (iv) the APAH Certificate.

8.6 Closing Costs. As additional consideration for the lease of the Property pursuant to the Ground Lease, APAH shall pay all escrow and recording fees and other closing costs charged by the Escrow Agent.

Section 9. **CONDITIONS PRECEDENT; COVENANTS.**

9.1 APAH's Conditions. APAH's obligations under this Agreement to Close escrow are subject to the fulfillment of the following conditions at or prior to the Closing Date, each of which shall be deemed waived (other than Section 9.1(d) through Section 9.1(f), which may not be waived by APAH) unless APAH exercises its rights pursuant to Section 9.4 below to terminate the Agreement or to extend the time for the Closing in accordance with Section 3.1 above:

(a) Representations and Warranties. FCRHA's representations and warranties contained in Section 5.2, as restated as of the Closing in the FCRHA Certificate, shall be true in all material respects at and as of the Closing.

(b) No Exceptions. Any material qualification or any exceptions of any kind to any of the representations or warranties set forth in the FCRHA Certificate shall be acceptable to APAH, in its sole but reasonable discretion.

(c) Performance. FCRHA shall have performed and complied in all material respects with all covenants, agreements, terms and conditions required by this Agreement to be performed or complied with by FCRHA prior to or at the Closing.

(d) Tax Credit Award. APAH shall have obtained from the VHDA (and closed or be simultaneously closing) an award of Tax Credits for financing the construction to occur under the Ground Lease (and any and all challenge periods related to such award have expired).

(e) Financing. APAH shall have obtained from investors and lenders (and closed or be simultaneously closing) any equity investment or loan financing or both in amounts sufficient to finance the Development.

(f) Land Use Entitlement Approvals. APAH shall have been approved for final, non-appealable Land Use Entitlement Approvals from each applicable Governmental Authority.

(g) Permits and Construction Approvals. APAH shall have applied for and received all governmental approvals and permits, including building permits, for the construction of the buildings under the Ground Lease.

(h) Final Plans and Specifications. APAH shall have received approval from FCRHA of the Final Plans and Specifications.

(i) Construction Contract. APAH shall have entered into a contract with a reputable general contractor for the construction of the buildings and other improvements to be constructed under the Ground Lease.

9.2 FCRHA's Conditions. FCRHA's obligations under this Agreement to Close escrow are subject to the fulfillment of the following conditions at or prior to the Closing Date, each of which shall be deemed waived unless FCRHA exercises its rights pursuant to Section 9.4 below to terminate the Agreement:

(a) Representations and Warranties. APAH's representations and warranties contained in Section 5.3, as restated as of the Closing in the APAH Certificate, shall be true in all material respects at and as of the Closing.

(b) No Exceptions. Any material qualification or any exceptions of any kind to any of the representations or warranties set forth in the APAH Certificate shall be acceptable to FCRHA, in its sole but reasonable discretion.

(c) Performance. APAH shall have performed and complied in all material respects with all covenants, agreements, terms and conditions required by this Agreement to be performed or complied with by APAH prior to or at the Closing.

(d) No Litigation. There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings by or against APAH that would materially and adversely affect the ability of APAH to perform its obligations under this Agreement.

(e) Tax Credit Award. APAH shall have obtained from the VHDA (and closed or be simultaneously closing) an award of Tax Credits for financing the construction to occur under the Ground Lease (and any and all challenge periods related to such award have expired).

(f) Financing. APAH shall have obtained from investors and lenders (and closed or be simultaneously closing) any equity investment or loan financing or both in amounts sufficient to finance the Development.

(g) Land Use Entitlement Approvals. APAH shall have been approved for final, non-appealable Land Use Entitlement Approvals from each applicable Governmental Authority.

(h) Delivery of Option Notice; Approval of Supporting Documentation. APAH shall have delivered the Option Notice, the Supporting Documentation and any additional information required by FCRHA to issue the Approval Notice in accordance with Section 3.3, and FCRHA has approved the Supporting Documentation in accordance with Section 3.3.

9.3 Additional APAH Covenants. APAH covenants and agrees to satisfy the terms of this Section 9.3, prior to the Closing:

(a) Application for Tax Credits. APAH shall timely apply to VHDA for the Tax Credits in each applicable cycle during the Term for the Property, and APAH shall diligently and in good faith prosecute all steps and actions needed for the award of the Tax Credits. Promptly following the award of the Tax Credits, APAH shall (i) apply for and diligently prosecute in good faith all steps and actions needed to obtain loan or equity financing in amounts sufficient to finance the Development, and (ii) pursue the commitment of a tax credit investor for the purchase of the Tax Credits for the Project.

In the event APAH fails to satisfy the covenants set forth in this Section, FCRHA may avail itself to the rights and remedies set forth in Section 9.4 and Section 10 below.

9.4 Failure of Conditions. So long as a Party is not in default hereunder, if any condition to such Party's obligation to proceed with the Closing hereunder has not been satisfied as of the Closing Date or any other applicable date specified in this Agreement, such Party may, in its sole discretion, either (a) terminate this Agreement by delivering written notice to the other Party on or before the Closing Date, (b) extend the time available for the satisfaction of such condition, or (c) elect to close, notwithstanding the non-satisfaction of such condition, in which event such Party shall be deemed to have waived any such condition. If such Party elects to proceed pursuant to clause (b) above, and such condition remains unsatisfied after the end of such extension period, then, at such time, such Party may elect to proceed pursuant to either clause (a) or (c) of the preceding sentence. In the event the failure of a condition precedent for the benefit of either Party is not satisfied due to a breach of this Agreement by the other Party (for example, a failure or refusal to perform a Party's obligations under this Agreement), the benefitted Party's rights and remedies shall be as set forth in Section 10.

Section 10. **DEFAULT; REMEDIES.**

10.1 FCRHA Default. In the event FCRHA refuses to consummate the transaction contemplated by this Agreement or in the case of any other default or breach by FCRHA hereunder, APAH shall give FCRHA written notice of such default or breach and shall provide FCRHA with 30 days to cure the default or breach. In the event FCRHA fails to cure the default or breach within such 30 day period, APAH shall be entitled to (a) seek specific performance to enjoin FCRHA to cure such default or breach and consummate the transaction contemplated by this Agreement; or (b) terminate the Option. APAH may terminate the Option if any condition to Closing contained in Section 9.1 has not been satisfied or waived by APAH in writing by the Closing Date. Notwithstanding anything set forth above, APAH shall be entitled to recover monetary damages from FCRHA in the event FCRHA defaults or breaches this Agreement and fails to convey the Property, so long as: (x) such failure is the result of FCRHA's refusal to convey the Property and not the failure to satisfy any condition outside of FCRHA's reasonable control (e.g. Section 5.2(b), Section 5.2(d) and Section 5.2(e)); (y) all FCRHA's Conditions have been satisfied; and (z) APAH is not in default under this Agreement, beyond all applicable notice and cure periods.

10.2 APAH Default. In the case of any default or breach by APAH hereunder, FCRHA shall give APAH written notice of such default or breach and shall provide APAH with 30 days to cure the default or breach; provided, however, if such default or breach is not capable of being

cured within 30 days, then APAH shall have an additional 30 days so long as APAH continues to diligently pursue a cure. In the event APAH fails to cure the default or breach within such period, FCRHA may terminate the Option. Additionally, FCRHA may terminate the Option in the event of any condition to Closing contained in Section 9.2 has not been satisfied or waived by FCRHA in writing by the Closing Date. FCRHA's remedies for any default or breach by APAH hereunder shall be terminating the Option and any other remedies expressly set forth in this Agreement.

Section 11. **RISK OF LOSS; CONDEMNATION OR CASUALTY**

11.1 Risk of Loss. Risk of loss shall remain with FCRHA until Closing. FCRHA shall notify APAH of any (i) condemnation or taking by eminent domain of any portions of the Property or (ii) casualty event affecting the Property. APAH and FCRHA agree that FCRHA has no obligation to restore the Property in the event of a condemnation or casualty event.

11.2 Obligation to Close. Notwithstanding any condemnation or casualty event, APAH shall remain obligated to close under this Agreement so long as such condemnation or casualty event does not materially and adversely affect the Property. For purposes of this Section, a condemnation or casualty event will "materially and adversely affect the Property" if, after completion of such condemnation or the occurrence of such casualty event, as applicable, APAH would no longer be able to develop and construct the Development in substantial accordance with Land Use Entitlement Approvals, the Final Plans and Specifications and the Ground Lease, subject to any minor adjustments caused by such condemnation or casualty event, as applicable. In the event of a condemnation or casualty event that has a material and adverse effect on the Property, (A) APAH shall have the right to terminate this Agreement without liability on its part by so notifying FCRHA within 15 Business Days of FCRHA's notification to APAH of said condemnation or casualty event, and except as otherwise expressly set forth in this Agreement, neither FCRHA nor APAH shall have any further liability hereunder, and (B) if APAH does not so terminate the Agreement, then APAH shall remain obligated to close under this Agreement and neither such condemnation or casualty event nor the condition of the Property thereafter shall be deemed to give rise to a default hereunder.

Section 12. **MISCELLANEOUS PROVISIONS.**

12.1 No Brokers, Finders, Etc. None of the Parties has engaged any agent, broker, finder or investment or commercial banker in connection with the negotiation, execution or performance of this Agreement, or the transactions contemplated hereby.

12.2 Expenses. Except as specifically set forth herein, whether or not the transaction contemplated by this Agreement is consummated, each of the Parties shall pay their own fees and expenses incident to the negotiation, preparation, execution, delivery and performance of this Agreement.

12.3 Complete Agreement; Waiver and Modification, Etc. This Agreement constitutes the entire agreement between the Parties hereto and thereto pertaining to the subject matter hereof and thereof and supersedes all prior and contemporaneous agreements and understandings of the Parties. There are no representations, warranties, covenants or conditions by or benefiting any Party except those expressly stated or provided for in this Agreement, any implied representations,

warranties, covenants or conditions being hereby expressly disclaimed. No person or entity other than the Parties to this Agreement have any rights or remedies under or in connection with this Agreement, except rights or remedies validly assigned hereunder. No amendment, supplement or termination of or to this Agreement, and no waiver of any of the provisions hereof or thereof, shall require the consent of any person or entity other than the Parties hereto, nor shall any such amendment, supplement, termination or waiver be binding on a Party to this Agreement unless made in a writing signed by such Party.

12.4 Communications. Whether expressly so stated or not, all notices, demands, requests and other communications required or permitted by or provided for in this Agreement (“**Communications**”) shall be given in writing to the Parties at their respective addresses set forth below, or at such other address as a Party shall designate for itself in writing in accordance with this Section:

If to APAH, to:

APAH Oakwood LLC
c/o Arlington Partnership for Affordable Housing, Inc.
Attention: Nina Janopaul, President
4318 N. Carlin Springs Road
Arlington, Virginia 22203
e-mail: njanopaul@apah.org

With a copy to:

Gallagher Evelius & Jones LLP
Attention: Benjamin Rubin
218 N. Charles Street, Suite 400
Baltimore, Maryland 21201
e-mail: brubin@gejlaw.com

If to FCRHA, to:

Fairfax County Redevelopment and Housing Authority
Attention: Director, HCD
3700 Pender Drive
Fairfax, Virginia 22030-6039
e-mail: Thomas.Fleetwood@fairfaxcounty.gov

-and-

Fairfax County Redevelopment and Housing Authority
Attention: Ms. Teresa Lepe
3700 Pender Drive
Fairfax, Virginia 22030-6039

e-mail: Teresa.Lepe@fairfaxcounty.gov

With a copies to:

Office of the County Attorney
Attention: County Attorney
12000 Government Center Parkway, Suite 549
Fairfax, Virginia 22035-0064
e-mail: Beth.Teare@fairfaxcounty.gov

-and-

Arent Fox LLP
Attention: Jeffrey A. Mitchell, Esq.
1717 K Street N.W.
Washington, D.C. 20006
e-mail: Jeffrey.Mitchell@arentfox.com

Communications may be transmitted (a) electronic mail transmission (with a copy sent the next business day by one of the other methods permitted hereunder), (b) reputable overnight courier (with a signed receipt) or (c) hand delivery (with receipt acknowledged in writing by the office of the addressee). Except as otherwise provided in this Agreement, delivery or service of any Communications shall be deemed effective only upon receipt (or refusal of receipt), and receipt shall be deemed to have occurred when the Communications were delivered to the specified address without regard to whether or not a representative of the addressee was present to receive the Communications or was present but refused receipt of such Communications; provided, any Communications delivered after 5:00 P.M. local time of place of receipt, or on a day other than a Business Day, shall be deemed received on the next succeeding business day. Either of the Parties may change the address(es) to which any such Communications are to be delivered by furnishing 10 Business Days written notice of such change(s) to the other of the Parties in accordance with the provisions of this Section.

12.5 Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws of the Commonwealth of Virginia.

12.6 Headings; References; "Hereof," Etc. The Section headings in this Agreement are provided for convenience only, and shall not be considered in the interpretation hereof or thereof. References in this Agreement to Sections or Exhibits refer, unless otherwise specified, to the designated Section of or Exhibit to this Agreement, and terms such as "herein," "hereto" and "hereof" used in this Agreement refer to this Agreement as a whole.

12.7 Successors and Assigns. APAH may not assign its rights under this Agreement to any party without the consent of FCRHA, which may be withheld in FCRHA's sole and absolute discretion. Notwithstanding the foregoing to the contrary, APAH shall be permitted to assign its rights under this Agreement to any person or entity which directly or indirectly controls, is controlled by or is under common control with Arlington Partnership for Affordable Housing, Inc. ("**APAH Parent**"), or to any person or entity resulting from a merger or consolidation with APAH

Parent, or to any person or entity which acquires all the assets of APAH Parent's business as a going concern pursuant to a written agreement, reasonably acceptable to FCRHA, provided that (i) such assignment or sublease is not a subterfuge to avoid the application of the provisions of this Section 12.7, (ii) the assignee assumes, in full, the obligations of APAH hereunder, and (iii) APAH provides FCRHA with written notice of any such assignment. This Section 12.7 shall be subject to the provisions of Section 12.16, and shall in no way limit APAH's rights set forth in Section 12.16.

12.8 Severability. If for any reason any provision of this Agreement shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then that provision shall be ineffective only to the extent of that invalidity, illegality or unenforceability and in that jurisdiction only, without in any manner affecting the validity, legality or enforceability of the unaffected portion and the remaining provisions in that jurisdiction or any provision of this Agreement in any other jurisdiction.

12.9 Cumulative Rights and Remedies. The rights and remedies of each Party under this Agreement are cumulative, except as otherwise expressly provided.

12.10 Survival of Representations and Warranties. Except as otherwise expressly provided in this Agreement, all representations, warranties, covenants and agreements of the Parties contained in this Agreement shall be considered material and shall be effective and survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby notwithstanding any investigation of the matters covered thereby by or on behalf of any Party benefited by any such representation, warranty, covenant or agreement or any knowledge (actual or constructive) on the part of any Party benefited by any such representation, warranty, covenant or agreement as to the truth or accuracy (or falseness or inaccuracy) thereof.

12.11 Further Assurances. From time to time and at any time after the execution and delivery hereof, each of the Parties, at their own expense, shall execute, acknowledge and deliver any further instruments, documents and other assurances reasonably requested by the other Party, and shall take any other action consistent with the terms of this Agreement that may reasonably be requested by the other Party to evidence or carry out the intent of or to implement this Agreement.

12.12 Counterparts; Separate Signature Pages. This Agreement may be executed in any number of counterparts, or using separate signature pages. Each such executed counterpart and each counterpart to which such signature pages are attached shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

12.13 Time; Business Days. **WHETHER EXPRESSLY SO STATED OR NOT IN CONNECTION WITH ANY OBLIGATION, TIME IS OF THE ESSENCE IN THE PERFORMANCE OF EACH PARTY'S RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT, AND NO NOTICE OF A PARTY'S INTENT TO REQUIRE STRICT COMPLIANCE WITH ANY OF THE DEADLINES SET FORTH IN THIS AGREEMENT IS REQUIRED.** If any time period set forth in this Agreement would otherwise expire on a Saturday, Sunday or holiday, such time period shall be automatically extended to the next business

day. As used in this Agreement, the term "Business Days" shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by the County of Fairfax, Virginia or the federal government.

12.14 Estoppel Certificates. Each Party shall, from time to time upon 15 Business Days' prior request by another Party, execute, acknowledge and deliver to the requesting Party a certificate signed by an authorized representative of such Party stating that to the knowledge of such Party this Agreement (a) is or is not in full force and effect, (b) is or is not unmodified (and, if modified, the details of the modification(s)), and (c) that default(s) do or do not exist hereunder (and if defaults do exist, the nature thereof to the extent known).

12.15 Incorporation of Recitals. The Recitals set forth above are hereby incorporated into this Agreement.

12.16 Ownership Structure. FCRHA acknowledges that due to lender requirements, investor requirements, tax issues and certain other factors, some of which are not known to APAH as of the date of this Agreement, it is not possible for APAH to commit to a final ownership structure for the Development as of the date of this Agreement. Therefore, FCRHA agrees that APAH shall have the right to submit a proposed ownership structure of the ground tenant or ground tenants under one or more Ground Leases prior to the Closing Date for FCRHA's review and approval, which FCRHA shall approve, so long as (i) the ground tenant under any Ground Lease for the Development is controlled, directly or indirectly, by the APAH Parent and (ii) the rights of FCRHA under the Ground Lease are not materially adversely affected. *By way of example and not limitation*, APAH may separately establish a Ground Lease with a ground tenant to own a portion of the Development that utilizes the 9% Tax Credits and a separate Ground Lease with a ground tenant to own a portion of the Development that utilizes the 4% Tax Credits, or FCRHA may provide a single Ground Lease to a ground tenant that subleases a portion of the Property to a subtenant that utilizes the 9% Tax Credits and to a different subtenant that utilizes the 4% Tax Credits. To accomplish this apportionment, the Property may be subdivided or subjected to a land condominium regime. Due to the fluid nature of the ownership structure, FCRHA acknowledges and agrees that APAH, APAH Parent or one or more subsidiaries directly or indirectly controlled by APAH Parent may fulfill one or more of the obligations of APAH under this Agreement, including making an application for the Tax Credits.

[Signatures on the following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first written above.

FCRHA:

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, in its proprietary capacity

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA)
COUNTY OF FAIRFAX) to wit

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by _____, the _____, on behalf of the Fairfax County Redevelopment and Housing Authority.

Notary Public

My commission expires:

[APAH OAKWOOD LLC Signature Page Follows]

APAH:

APAH OAKWOOD LLC a Virginia limited liability company

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2020,
by _____, the _____, on behalf of APAH Oakwood LLC.

Notary Public

My commission expires:

EXHIBIT A

GROUND LEASE

Intentionally Omitted.

EXHIBIT B

Intentionally Omitted.

EXHIBIT C

DESCRIPTION OF DEVELOPMENT

Intentionally Omitted.

Exhibit B

Form of Ground Lease

(See Attached)

DEED OF LEASE

between

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

as Landlord

and

APAH OAKWOOD LLC

as Tenant

Premises:

Oakwood Property
Intersection of South Van Dorn Street and Oakwood Road
Alexandria, Virginia

_____, 202__

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Exhibit D – Project Schedule

Exhibit E – Form of Guaranty

Exhibit F – Approval Criteria for Residential Leases and Residential Tenants

DEED OF LEASE

This DEED OF LEASE (this “Lease”) made as of the _____ day of _____, 202____ between FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, in its proprietary capacity (“Landlord”) as the owner of certain land described below in Fairfax County, Virginia and not in its governmental or regulatory capacity, having an office at 12000 Government Center Parkway, Fairfax, VA 22035, and APAH OAKWOOD LLC, a Virginia limited liability company, or its permitted assignee or designee (“Tenant”) having an office at c/o Arlington Partnership for Affordable Housing, Inc., 4318 N. Carlin Springs Road, Arlington, VA 22203.

RECITALS

A. Landlord is the legal owner of certain real property identified as Fairfax County Tax Map No. 081-2 ((1)) Parcel 0017C and Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034 and located at the intersection in of South Van Dorn Street and Oakwood Road, and as further identified on Exhibit A attached hereto (the “Land”) and intends to use the real property for the purpose provided for in this Lease, together with any and all Buildings (as defined below) and other Improvements (defined below) on the Land and with all necessary, appurtenant easements and development rights related to the Land (together with the Land, the “Premises”).

B. Landlord and Tenant entered into a Contract to Ground Lease dated _____, 20[20] (the “Contract to Lease”), where Landlord and Tenant agreed that, upon satisfaction of certain conditions precedent, Landlord and Tenant shall enter into this Lease.

C. Landlord desires to lease to Tenant and Tenant desires to Lease from Landlord the Premises, in accordance with the terms and conditions of this Lease.

THEREFORE, Landlord and Tenant hereby mutually covenant and agree, in consideration of the mutual covenants set forth below (including, without limitation the covenant to pay Base Rent hereunder), that this Lease is made upon the terms, covenants and conditions hereinafter set forth.

ARTICLE 1

DEFINITIONS

The terms defined in this Article 1 shall, for all purposes of this Lease, have the following meanings.

“Additional Costs” shall consist of all other sums of money besides Base Rent, *including without limitation*, payments of Impositions (if and as applicable) and all costs, expenses and charges of every kind and nature (including, without limitation, all public and private utilities and services and any easement or agreement maintained for the benefit of the Premises) relating

to the Premises and as required under this Lease (and irrespective of whether paid directly to third parties (e.g. utility companies, taxing authorities, a Depository, etc.) or as a reimbursement or payment to Landlord) as the same shall become due from Tenant under this Lease and which shall be paid on or before the respective due dates of such sums.

“Affiliate” shall mean a Person that Controls, is Controlled by, or is under common Control with another Person. In the case of an individual, an Affiliate means and includes any individual who is a member of the immediate family (whether by birth or marriage) of a Person, including without limitation a spouse; a sibling of such individual or his spouse; a lineal descendant or ancestor of any of the foregoing or a trust for the benefit of any of the foregoing.

“APAH” shall mean Arlington Partnership for Affordable Housing, Inc., a Virginia nonprofit corporation.

“Applicable Laws” shall mean all applicable present and future federal, state and local laws, rules, orders, ordinances, regulations, statutes, requirements, proffers, permits, consents, certificates, approvals, codes and executive orders of all Governmental Authorities now existing or hereafter created, and of any and all of their departments and bureaus affecting or relating to Tenant or the Premises.

“Appraiser” shall have the meaning set forth in Section 9.04(a).

“Approved Property Manager” shall have the meaning set forth in Section 26.01.

“Architect” shall mean a registered architect engaged by Tenant from time to time as the primary design professional in respect of the particular item of Construction Work or other action for which the services of an Architect is required under any applicable provision of this Lease. It is acknowledged that in certain types of Construction Work or valuation of improvements the primary design professional for the item in question may actually be a licensed professional engineer rather than a registered architect and in any such cases the references to “Architect” herein shall be deemed to refer to such licensed professional engineer as is engaged by Tenant as the primary design professional for the matter in question. The initial Architect is Grimm and Parker Architecture, Inc.

“Bankruptcy Code” shall mean Title 11 of the United States Code.

“Bankruptcy Default” shall have the meaning provided in Section 24.01(i).

“Base Rent” means the rent payable by Tenant to Landlord in an amount equal to: with respect to any calendar year, (i) sixty-six and two thirds percent (66.66%) of Sublease Rent received by Tenant with respect to such calendar year, *less* (ii) any Project Operating Expenses with respect to such calendar year; provided, however, that if there is positive Tenant’s Other Net Cash Flow with respect to a calendar year, then in lieu of the deduction set forth in item (ii), the Base Rent shall include thirty-three and 33/100 percent (33.33%) of Tenant’s Other Net Cash Flow with respect to such calendar year.

“Building(s)” shall mean any building(s) hereafter erected on the Premises which are a part of the Project.

“Business Days” shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by either the Commonwealth of Virginia or the federal government.

“Calendar Quarter” shall mean each of the four consecutive three-month periods, which expire on March 31st, June 30th, September 30th and December 31st, respectively, in each calendar year.

“Capital Improvements” shall have the meaning provided in Section 11.09.

“Capitalized Rent Payment” shall have the meaning provided in Article 38.

“Certificate of Occupancy” shall mean with respect to each Building comprising the Project, a Residential Use Permit issued by the Fairfax County Department of Planning and Development (or such other appropriate Governmental Authority) pursuant to Part 7, Section 18 of the Zoning Ordinance of Fairfax County, Virginia or successor agency or successor statute.

“Commencement Date” shall mean the date of the mutual execution of this Lease by Landlord and Tenant.

“Commencement of Construction” shall mean the date that the Initial Construction Work commences, as set forth on the Project Schedule.

“Condominium Units” shall have the meaning provided in Article 38.

“Construction Agreements” shall mean any agreements in which Tenant (or Tenant’s general contractor) is a contracting party for Construction Work, rehabilitation, alteration, repair, replacement or demolition performed pursuant to this Lease.

“Construction Work” shall mean any construction, repair, replacement rehabilitation or renovation work performed by or on behalf of Tenant under this Lease, including, without limitation, (a) the Initial Construction Work, (b) alterations, capital repairs or replacements, (c) a Restoration, or (d) Capital Improvements.

“Consumer Price Index” shall mean the Consumer Price Index for all Urban Consumers Washington–Baltimore, DC–MD–VA–WV – All Items (1996=100), published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index thereto, appropriately adjusted; provided, that if there shall be no successor index, a substitute index or the appropriate adjustment of such successor index, as the case may be, shall be determined by Landlord, in its reasonable discretion.

“Control/Controlled/Controlling” shall mean, as applicable, (i) ownership of more than fifty percent (50%) of the outstanding voting stock of a corporation; (ii) other majority equity and control interest of an entity which is not a corporation, or (iii) the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute, according to the provisions of a contract or according to the organizational documents of the relevant entities.

“Counteroffer” shall have the meaning provided in Section 10.03(b).

“Depository” shall mean a savings bank, a savings and loan association or a commercial bank or trust company which would qualify as an Institutional Lender, designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, to serve as Depository pursuant to this Lease. In the event Tenant shall have failed to designate a Depository within ten (10) Business Days after request of Landlord, Landlord shall have the right to designate such Depository. Notwithstanding the foregoing, in the event a Mortgage exists on the Lease, any Institutional Lender designated by the Mortgagee (including, without limitation, the Mortgagee) as a Depository shall be deemed approved by Landlord and Tenant hereunder.

“Due Date” shall mean, with respect to an Imposition, the last date on which such Imposition can be paid without any fine, penalty, interest or cost being added thereto or imposed by law for the non-payment thereof (except with respect to interest that may be applied to a balance paid in installments when such installment payments are permitted by the applicable Governmental Authority).

“Environmental Activity” shall have the meaning provided in Section 14.03.

“Event of Default” shall have the meaning provided in Section 24.01.

“Expiration Date” shall mean (i) the Fixed Expiration Date or (ii) such earlier date upon which the term of this Lease shall cease or be terminated as hereinafter provided.

“Final Completion” shall mean all of the following have occurred: (i) Substantial Completion of the Initial Construction Work, (ii) all “punch-list” items identified in connection with satisfying the conditions to Substantial Completion of the Initial Construction Work have been completed or satisfied, (iii) (A) there are no existing mechanics’, laborers’ or materialmens’ liens or similar encumbrances related to the Initial Construction Work or (B) any existing mechanics’, laborers’ or materialmens’ liens or similar encumbrances on the Project are being contested by Tenant in accordance with the provisions of Section 15.02 of the Lease, and (iv) the applicable statutory lien periods provided in Section 43-4 of the Code of Virginia have expired.

“Final Completion Date” shall mean the date of Final Completion, as set forth in the Project Schedule, attached hereto as Exhibit D, as such date may be postponed due to Unavoidable Delays as provided in this Lease.

“Fixed Expiration Date” shall mean the last day of the calendar month after the seventy-fifth (75th) anniversary of the Commencement Date; provided however, if the Commencement Date is the first day of the calendar month, the Fixed Expiration Date shall be the day preceding the seventy-fifth (75th) anniversary of the Commencement Date.

“Fixtures” shall mean all fixtures incorporated in the Premises, including, without limitation, all machinery, dynamos, boilers, heating and lighting equipment, pumps, tanks, motors, air conditioning compressors, pipes, conduits, fittings, ventilating and communications apparatus, elevators, escalators, antennas, computers and sensors.

“GAAP” shall mean generally accepted accounting principles.

“Governmental Authority (Authorities)” shall mean any of the following: the

United States of America, the Commonwealth of Virginia, the County of Fairfax, Virginia, Fairfax County Department of Housing and Community Development, Fairfax County Redevelopment and Housing Authority and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having lawful jurisdiction over the Premises or any portion thereof. The term Governmental Authority shall also mean and include Landlord when acting in its governmental capacity, but not in its proprietary capacity.

“Gross Project Revenue” shall mean, with respect to each Lease Year (or any Calendar Quarter or other period of time, as applicable), excluding Sublease Rent and the Capitalized Rent Payment, any and all gross rentals, receipts, fees, proceeds and amounts of any kind (and anything else of value) actually received, by or for the account of Tenant, from or in connection with, or directly or indirectly arising out of the Premises or any part thereof, including without limitation, (i) all amounts received in respect of the Residential Leases, to the extent the same is paid directly to Tenant, (ii) payments to Tenant for electricity, air conditioning and cleaning, payments for providing goods or services of any kind provided to the Tax Credit Project Owners or directly to Residential Tenants or other subtenants or licensees in connection with the use, occupation or operation of a Residential Unit or other portion of the Premises, to the extent that the Tenant receives payment for such goods, services and utilities which is in excess of the costs paid by Tenant for such goods, services and utilities, and (iii) payments received by Tenant for concessions, licenses or agreements granted to third parties or Affiliates in connection with the providing of any such goods or services; but excluding proceeds received from (A) any Mortgage, (B) a casualty, to the extent such proceeds are to be used for a Restoration (i.e. not business interruption or rental interruption insurance, which will be a part of Gross Project Revenue), (C) a condemnation, (D) a Transfer, and (E) any other transaction the proceeds of which are considered to be capital in nature.

“Guarantor” shall mean a Person, or Persons (acting jointly and severally) that satisfy the Guarantor Net Worth Requirement in any circumstances where relevant and is approved in advance by Landlord to be a Guarantor of this Lease. Landlord acknowledges that it has approved Arlington Partnership for Affordable Housing, Inc., a Virginia non-profit corporation as an acceptable guarantor.

“Guarantor Net Worth Requirement” shall mean at all times after execution of the Guaranty until termination of the Guaranty: (i) an aggregate Net Worth of at least Ten Million Dollars (\$10,000,000); and (ii), a minimum liquidity (in accordance of the terms of the Guaranty) of at least One Million Dollars (\$1,000,000).

“Guaranty” means that certain Guaranty to be executed by Guarantor in substantially the same form as Exhibit E attached hereto.

“Hazardous Materials” shall have the meaning provided in Section 14.03.

“Housing Blueprint Loan” means the loan from Landlord to the Tenant made with funds from the Fairfax County Housing Blueprint program. Landlord and Tenant expect that the documents evidencing the Housing Blueprint Loan will require annual loan repayments in an amount equal to approximately thirty-three and one third percent (33.33%) of Sublease Rent

received by Tenant with respect to such calendar year.

“Impositions” shall have the meaning provided in Section 4.01.

“Impositions Account” shall have the meaning provided in Section 5.01(a).

“Improvement Approvals” shall have the meaning provided in Section 11.09(a).

“Improvements” shall mean the Buildings, Fixtures, structures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter constructed, re-constructed, erected, placed, installed or located on the Premises.

“Indemnitees” shall have the meaning provided in Section 19.01.

“Initial Construction Work” shall mean the initial design, development, and construction (including both materials and services) of the Project, which is identified in, and to be provided or performed under, and governed by this Lease.

“Institutional Lender” shall mean a savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), an insurance company organized and existing under the laws of the United States or any state thereof, a real estate investment trust, a religious, educational or eleemosynary institution, a governmental agency, body or entity, an employee, benefit, pension or retirement plan or fund, a commercial credit corporation, a commercial bank or trust company acting as trustee or fiduciary of various pension funds or other tax-exempt funds, or other form of entity that, in its ordinary course of business, is involved in the issuance or holding of mortgage loans secured by commercial or multifamily developments or a corporation or other entity which is owned wholly by an Institutional Lender (as defined herein), or any combination of the foregoing; provided, that any of the above entities shall qualify as an Institutional Lender within the provisions of this Section only if such entity shall have (as of the time of the closing of a loan or other financing secured in whole or in part by this Lease) individual or combined assets, as the case may be, of not less than Two Billion Dollars (\$2,000,000,000), subject to an annual adjustment by taking the product of \$2,000,000,000 and multiplying by a fraction, the numerator of which will be the Consumer Price Index for first month of any calendar year in which this calculation is to be determined and the denominator of which will be the Consumer Price Index for the month in which the Commencement Date occurs; *provided however*, that the foregoing minimum combined asset requirement will not apply to any governmental agency providing Tax Credits or loans hereunder.

“Involuntary Rate” shall mean the Prime Rate plus six percent (6%) per annum but, in no event, in excess of the maximum permissible interest rate then in effect in the Commonwealth of Virginia.

“Land” shall mean the land as generally depicted in Exhibit A annexed hereto, *provided however*, that this definition is subject to Section 2.02 below.

“Landlord” has the meaning set forth in the Preamble.

“Landlord’s Termination Rights” shall have the meaning provided in Section

10.04(f).

“Lease” shall mean this Agreement of Lease and all amendments, modifications and supplements thereof.

“Lease Year” shall mean a consecutive period of twelve (12) months, except that the first Lease Year shall commence on the Commencement Date and shall end on the last day of the calendar month after the first anniversary of the Commencement Date; *provided however*, if the Commencement Date is the first day of the calendar month, the first Lease Year shall end on the day preceding the anniversary of the Commencement Date; and each subsequent Lease Year shall commence on the day immediately following the previous Lease Year.

“Leasing Default” shall have the meaning provided in Section 24.01(h).

“Management Agreement” shall have the meaning provided in Section 26.01.

“Maintenance Capital Reserve” shall have the meaning provided in Section 12.02.

“Mortgage” shall mean any deed of trust, indenture, mortgage, or similar instrument which constitutes a lien on Tenant’s interest in this Lease and the leasehold estate created hereby, provided such mortgage is held by a Mortgagee, as defined in this Lease. A deed of trust, indenture, mortgage or similar interest which is not held by a Mortgagee is not a “Mortgage” as such term is used in this Lease.

“Mortgagee” shall mean the holder of a Mortgage on Tenant’s interest in the Lease and the leasehold estate created thereby (or an Tax Credit Project Owner’s interest in a Sublease in accordance with Article 38), *provided however* that such holder: (i) is an Institutional Lender; or (ii) has been approved by Landlord prior to the entering into of such Mortgage, which consent shall be in Landlord’s reasonable discretion. No holder of any deed of trust, indenture, mortgage, or similar instrument which constitutes a lien on Tenant’s interest in this Lease and the leasehold estate created hereby, but which is not a “Mortgage” hereunder, will be a “Mortgagee” as such term is used in this Lease nor will have the rights of a Mortgagee hereunder.

“Net Worth” shall mean, as of any date on which the amount thereof shall be determined for any entity, the value of all assets owned by such entity, minus the total liabilities of such entity; which shall be determined in accordance with GAAP, provided however, that real estate assets which are customarily valued based upon their fair market value by companies in the real estate industry shall be valued based upon such fair market value rather than any other method inconsistent with such valuation under a strict interpretation of GAAP rules.

“Net Worth Requirement” shall mean an aggregate Net Worth of at least Ten Million Dollars (\$10,000,000).

“New Lease” shall have the meaning provided in Section 10.05.

“New Tenant” shall have the meaning provided in Section 10.05(a).

“Notice” shall have the meaning provided in Section 25.01.

“Offer” shall have the meaning provided in Section 10.03(a).

“Offer Period” shall have the meaning provided in Section 10.03(a).

“Offer Terms” shall have the meaning provided in Section 10.03(a).

“Outside Final Completion Date” shall mean the date that is two hundred seventy (270) days after the Final Completion Date, subject to Unavoidable Delays.

“Permitted Transfer” shall have the meaning provided in Section 10.01(g).

“Person” shall mean an individual, corporation, partnership, joint venture, estate, trust, unincorporated association, any federal, state, County or municipal government or any bureau, department or agency thereof.

“Plans and Specifications” shall mean the completed final drawings and plans and specifications for the Initial Construction Work, a list of which is attached hereto as Exhibit C which are prepared by an Architect, as the same may be modified from time to time in accordance with the provisions of Article 11 hereof.

“Premises” shall have the meaning set forth in the Recitals.

“Prime Rate” shall mean the prime or base rate announced as such from time to time by Citibank, N.A., or its successors, at its principal office. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360 day year with twelve months of thirty (30) days each.

“Project” shall mean (i) one or more Buildings erected on the Premises and for the operation, maintenance and management by Tenant of a low income/affordable senior living residences facility (or facilities, as the case may be) on the Premises, which will include approximately one hundred fifty (150) Residential Units, and (ii) surface parking and related public areas, all as more particularly described in this Lease and on Exhibit B attached hereto, together with all Fixtures, and other Improvements on the Premises (including, without limitation, Capital Improvements) and any and all Restorations, alterations and replacements thereof, additions thereto and substitutions therefor.

“Project Operating Expenses” shall mean, with respect to each Lease Year (or any Calendar Quarter or other period of time, as applicable) all operating expenses of the Tenant for the use, operation and management of the Premises, including without limitation, (i) all public and private utilities and services and any easement or agreement maintained for the benefit of the Premises, (ii) Impositions (whether paid directly or into an Impositions Account in accordance with this Lease), (iii) insurance required to be maintained by Tenant pursuant to Article 7 of this Lease, (iv) all amounts due to Mortgagees under Mortgages (other than in connection with the Housing Blueprint Loan) (to the extent such amounts are not in duplication of other items that are Project Operating Expenses herein (e.g. Impositions)), (v) all repairs and replacements required under this Lease (or any Sublease or Residential Lease that is the obligation of Tenant, as landlord, provided the same is commercially standard in a first-class senior residential facility in the Fairfax

County, Virginia area), (vi) Capital Improvements, (vii) reasonable reserves for the Premises set aside by Tenant, and (viii) management fees payable by Tenant related to the Approved Property Manager, and (ix) any reasonable third-party out-of-pocket audit, accounting and legal costs and fees incurred by Tenant. Project Operating Expenses shall only include those expenses incurred by Tenant, as opposed to expenses incurred by the Tax Credit Project Owners.

“Project Schedule” shall mean the schedule to develop and construct the Construction Work from Commencement of Construction through the Final Completion Date, as is more particularly set forth in Exhibit D, attached hereto and made a part hereof.

“Proposed Transfer Premises” shall have the meaning provided in Section 10.03.

“Replacement Value” shall be deemed to be an amount equal to the costs of replacing the Improvements on the Property with new Improvements that contain the same number of Residential Units of substantially equal quality and character. Within ten (10) Business Days after Final Completion, Tenant shall deliver an estimate of or statement with respect to the Replacement Value prepared by the insurer(s) of the Project or another disinterested insurance provider. Sixty (60) days prior to the tenth (10th) anniversary of the date of Final Completion and each subsequent tenth (10th) anniversary thereafter for the Term of this Lease, Tenant shall provide an estimate of or statement with respect to the Replacement Value prepared by the insurer(s) of the Project or another disinterested insurance provider. Such estimate shall determine the current cost (including all hard and soft costs) of rebuilding the entire Project, without regard to depreciation of the Project, which amount shall then be deemed to be the Replacement Value. The amount of Replacement Value shall be adjusted on each anniversary of the initial determination of Replacement Value and of each subsequent decennial redetermination of Replacement Value throughout the Term by a percentage equal to the percentage change in the appropriate index in the Dodge Building Cost Index (or such other published index of construction costs which shall be selected from time to time by Landlord, provided that such index shall be a widely recognized measure of construction costs in the insurance industry and appropriate to the type and location of the Project) in effect on such anniversary date as compared to the same index in effect on the date of Final Completion or prior redetermination, whichever is latest.

“Residential Criteria Default(s)” shall have the meaning provided in Section 24.01(h).

“Residential Lease(s)” shall have the meaning provided in Section 26.04.

“Residential Tenant(s)” shall have the meaning provided in Section 26.04.

“Residential Unit(s)” means individually or collectively (as the context requires), any or all residential apartment unit(s) in the Project.

“Respective Allocation(s)” shall have the meaning provided in Section 9.04.

“Restoration” shall have the meaning provided in Section 8.01.

“Restoration Funds” shall have the meaning provided in Section 8.04(a).

8.02. “Restoration Plans and Specifications” shall have the meaning provided in Section

“Restore” shall have the meaning provided in Section 8.01.

“Substantial Completion” or “Substantially Complete(d)” shall mean that the Initial Construction Work for the Project (or applicable component thereof) has been completed in substantial accordance with the terms of this Lease and a Certificate of Occupancy has been issued for each Building and each Residential Unit (as applicable, in each instance subject only to (i) minor matters that do not materially adversely affect the use of the Project (or component thereof) for its intended purpose and which have been identified by Tenant, with input from the Architect, on a “punch-list,” and to (ii) items of exterior landscaping that cannot then be completed pending appropriate seasonal opportunity and which have been identified by Tenant on the “punch-list.” In the event that the Project consists of multiple Buildings, Substantial Completion shall be determined for each Building separately.

“Sublease” shall mean a sublease from the Tenant, as sublandlord, to a Tax Credit Project Owner, as subtenant, as further described in Article 38.

“Sublease Gross Project Revenue” shall have the meaning provided in Article 38.

“Sublease Net Cash Flow” shall have the meaning provided in Article 38.

“Sublease Project Operating Expenses” shall have the meaning provided in Article 38.

“Sublease Rent” shall have the meaning provided in Article 38.

“Tax Credit Project Owner” shall mean a Virginia limited partnership having APAH or an entity Controlled by APAH as its general partner and having a Tax Credit investor as its limited partner. The Tax Credit Project Owner will act as the subtenant under a Sublease, will receive an award of Tax Credits, and will own a portion of the Project for purposes of Section 42 of the Internal Revenue Code and the regulations promulgated thereunder, as further described in Section Article 38.

“Tax Credits” shall have the meaning provided in Article 38.

“Tax Year” shall mean each tax fiscal year of Fairfax County, Virginia.

“Taxes” shall mean federal, state and local real estate taxes, personal property taxes, or similar “ad valorem” taxes, occupancy or rent taxes or other assessments applicable to the Premises or Tenant’s ownership interests therein. The term “Taxes” does not include any federal, state, or local income taxes, sales or use taxes, gross receipts taxes, or other taxes or charges imposed upon Tenant as an entity or its partners or members, unless (and only to the extent that) any of the foregoing taxes in this sentence are secured or can be secured by a lien on the Premises when imposed.

“Tenant” has the meaning set forth in the Preamble.

“Tenant’s Other Net Cash Flow” shall mean, for each Lease Year (or any Calendar Quarter or other period of time, as applicable), Gross Project Revenue minus Project Operating Expenses.

“Term” shall mean the term of this Lease as set forth in Article 2 hereof.

“Termination Notice” shall have the meaning provided in Section 2.06.

“Title Matters” shall mean those matters affecting title to the Premises which are disclosed in the public records or may be disclosed by an inspection or survey of the Premises as of the date hereof, plus additional matters affecting title to the Premises that may be imposed from time to time in accordance with the provisions of Section 27.04, but excluding any monetary liens affecting the Premises created by Landlord.

“Transfer” shall have the meaning provided in Section 10.01(a).

“Unavoidable Delays” shall mean (i) with respect to Tenant or its obligations hereunder, delays incurred by Tenant due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty, unseasonably adverse weather conditions, or other similar causes beyond the control of Tenant (but not including Tenant’s insolvency or financial condition or the availability or applicability of insurance proceeds or condemnation awards), and (ii) with respect to Landlord or its obligations hereunder, delays incurred by Landlord due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions imposed by Landlord, in its governmental or regulatory capacity), enemy action, civil commotion, fire, unavoidable casualty or other similar causes beyond the control of Landlord (but not including Landlord’s insolvency or financial condition); in each case provided (x) such party shall have notified the other party reasonably promptly after such party knows of the occurrence of same and the effects of which a prudent Person in the position of the party asserting such delay could not have reasonably prevented and (y) such party takes reasonable steps to minimize the impact of such event upon the performance in question and keeps the other party reasonably informed, upon request, of the nature of the steps so taken and of the progress of the performance which is subject to Unavoidable Delay.

ARTICLE 2

PREMISES AND TERM OF LEASE

Section 2.01. Premises. Landlord does hereby demise and lease to Tenant, and Tenant does hereby hire and take from Landlord, the Premises, as more particularly described in Exhibit A, attached hereto and made a part hereof, subject to the Title Matters, TOGETHER WITH:

(a) all of the appurtenances, rights, privileges and easements in anyway now or hereafter appertaining thereto;

(b) all right, title and interest of Landlord in and to the land lying in the streets, avenues, ways and roads in front of and adjoining said Premises;

(c) all existing Improvements (including without limitation, the storm-water sewer management system) on the Premises as of the Commencement Date, if any; and

(d) the right of surface support of all Improvements to be constructed or erected on the Premises.

Section 2.02. Legal Description of the Land. Landlord and Tenant agree that, upon execution of this Lease, Exhibit A may contain a visual depiction of the Land. Prior to Commencement of Construction under this Lease, Tenant shall conduct a survey of the Land which provides, *inter alia*, a metes and bounds description of the Land and Landlord and Tenant shall, by amendment to this Lease, replace the visual depiction contained in Exhibit A with a revised Exhibit A containing such metes and bounds description, as approved by both Landlord and Tenant.

Section 2.03. Term. The term of this Lease is seventy-five (75) years (the "Term"). Landlord and Tenant agree that the Lease shall commence on the Commencement Date and expire on the Expiration Date.

Section 2.04. Use. During the Term, Tenant agrees that the Premises shall be used solely for the development, construction, reconstruction, rehabilitation, management and operation of the Project (as more particularly described in Exhibit B, attached hereto and made a part hereof), including any Restoration thereof, and the leasing of Residential Units and uses ancillary to the operation of the Premises as a senior living facility and for no other purpose.

Section 2.05. Ownership of the Improvements. During the Term, ownership and title to all Improvements and personal property located on the Premises (other than fee title to the land) shall be vested in and held by Tenant. During the Term, Tenant is entitled to all depreciation, allowances, investment tax credits, or other such rights, tax benefits, and privileges provided by federal, state, or local law to the owners of real property. Immediately upon the expiration of the Term, all right, title, and interest in the Improvements and personal property of Tenant located on the Premises (excluding any personal property of Residential Tenants) shall vest in Landlord without further action of Landlord or Tenant being necessary or required.

Section 2.06. Landlord's Right to Terminate. Subject to the rights of a Mortgagee under Section 10.04, in the event that Final Completion has not occurred by (or, in Landlord's reasonable judgment, is not contemplated to occur by) the Final Completion Date, Landlord shall have the right to terminate this Lease by providing notice to Tenant at any time after the Final Completion Date notifying Tenant (with a copy to each Mortgagee) of Landlord's intent to terminate (a "Termination Notice") if the Final Completion of the Project does not occur by a date certain on or after the Outside Final Completion Date; provided, however, that expiration of the statutory lien period provided in Section 43-4 of the Code of Virginia shall not be an element to determine whether Final Completion has occurred prior to the Outside Completion Date (or such later date for Final Completion, as provided in the Termination Notice) if a Termination Notice is sent. Such Termination Notice must be provided not less than ninety (90) days prior to the Outside Final

Completion Date in order to allow Tenant to complete the Initial Construction Work by the Outside Final Completion Date, or in the event such Termination Notice is sent on any date thereafter (*i.e.* less than ninety (90) days prior to the Outside Final Completion Date), Tenant shall have ninety (90) days from the date of such Termination Notice to achieve Final Completion. Any further delay in Final Completion resulting from Unavoidable Delays that occur after the Termination Notice is sent will not be counted against ninety (90) days to achieve Final Completion. Upon expiration of said notice period, if Final Completion has not yet occurred, Tenant shall provide to Landlord copies of the Plans and Specifications and such other similar materials related to the Project and assign any Construction Agreements to Landlord for the Project that are requested by Landlord, and this Lease shall terminate in accordance with Article 31 of this Lease.

ARTICLE 3

RENT

Section 3.01. Base Rent. Commencing on the Commencement Date, Tenant shall pay Base Rent to Landlord with respect to each calendar year. The annual Base Rent shall be payable on May 1st of each year with respect to the preceding calendar year. The Base Rent shall be paid to Landlord, in currency which, at the time of payment, is legal tender for public and private debts in the United States of America, without notice or demand, in the manner set forth in this Section.

Section 3.02. Proration of Base Rent, Impositions and Additional Costs. Any Base Rent, Impositions or other Additional Costs that are due for any partial month, year or other applicable period in the calendar year in which the Commencement Date occurs or the Expiration Date occurs shall be appropriately prorated.

Section 3.03. Net Lease; Audit Rights.

(a) It is the purpose and intention of Landlord and Tenant, and the parties hereto agree that Base Rent shall be absolutely net to Landlord without any abatement, deduction, counterclaim, set-off or offset whatsoever. In addition to the foregoing, all Additional Costs, expenses and other charges relating to the Premises of every kind and nature shall be paid directly by Tenant, or in the event the same are paid by Landlord or a Depository in accordance with this Lease, all such Additional Costs during the term of this Lease shall be reimbursed to Landlord on demand, except as otherwise specifically provided in this Lease.

(b) Tenant shall submit to Landlord with each annual payment of Base Rent, a complete statement made and certified by a duly authorized officer of Tenant, showing accurately in reasonable detail the calculation of Tenant's Other Net Cash Flow and Sublease Net Cash Flow made by Tenant and the Tax Credit Project Owners or other sublessees under Subleases, concessionaires, licensees, if any, upon and within the Premises during the preceding calendar year and following the expiration or termination of the Term a like statement (and all such statements under this clause with respect to the Tax Credit Project Owners shall also be audited by a certified public accountant reasonably acceptable to Landlord) covering the prior calendar year or then expired portion of the calendar year or fractional part thereof if at the end of the Term, as applicable.

(c) Tenant shall keep during the Term, for a period of three (3) consecutive years following the end of each calendar year, a permanent, complete and accurate record of all Gross Project Revenue, Sublease Gross Project Revenue, Project Operating Expenses, Sublease Project Operating Expenses and all other information necessary to determine Tenant's Other Net Cash Flow derived from the Premises for such calendar year. All such books and records kept by Tenant in relation to the Project and shall be open to the inspection and audit of Landlord and its representatives or agents at all reasonable times during ordinary business hours and upon reasonable prior notice. Tenant shall also submit to Landlord on or before the ninetieth (90th) day following the end of each calendar year, a complete statement showing accurately in reasonable detail the amount of Gross Project Revenue, Sublease Gross Project Revenue, Project Operating Expenses, Sublease Project Operating Expenses and all other information necessary to determine Tenant's Other Net Cash Flow derived from the Premises, each audited by a certified public accountant reasonably acceptable to Landlord covering the Lease Year (or Lease Years) that occurred (in whole or in part) during such calendar year. Upon the failure of Tenant to promptly supply Landlord with the statements required hereunder, Landlord shall be entitled, with at least one Business Day prior notice to Tenant, to conduct an audit of Tenant's books for such period or periods during which Tenant has failed to supply Landlord with statements at the cost and expense of Tenant together with an administrative fee of \$2,000.00, which shall be considered Additional Costs hereunder. If any audit by Landlord or its agents of Tenant's records shall reveal a deficiency in any payment of Base Rent, Tenant shall forthwith pay the Landlord the amount of the deficiency together with interest at the rate of ten (10%) percent per annum from the date when such payment of Base Rent should have been made, together with the reasonable cost of such audit.

Section 3.04. Base Rent and Additional Costs. All of the amounts payable by Tenant to or for the benefit of Landlord pursuant to this Lease, including, without limitation, Base Rent and Additional Costs which are due from Tenant in any of the provisions of this Lease shall constitute rent under this Lease for the purpose of Tenant's failure to pay any amounts due under this Lease after the expiration of any applicable notice and cure periods, and Landlord, in addition to the rights and remedies in this Lease, shall have all of the rights and remedies at law or in equity in the case of non-payment of rent. All Base Rent and Additional Costs shall be payable without offset or deduction (unless otherwise expressly provided in this Lease) to Landlord at Landlord's address set forth in this Lease or as Landlord may from time to time direct.

Section 3.05. Reimbursement of Expenses. Tenant shall reimburse Landlord upon demand for all: (a) Additional Costs paid directly by Landlord in accordance with the terms of this Lease; and (b) expenses, including without limitation reasonable attorneys' fees and disbursements, paid or incurred by Landlord in connection with any Event of Default, or arising out of any indemnity or "hold harmless" agreement given or made by Tenant to Landlord in this Lease, or otherwise incurred by Landlord in connection with the successful enforcement of its rights and Tenant's obligations under this Lease. Upon Tenant's request, Landlord shall provide reasonable documentation of any Additional Costs paid by Landlord. Tenant shall have the right to contest the amount or validity, in whole or in part, of any Additional Costs by appropriate proceedings diligently conducted in good faith, in which event Article 34 shall govern.

ARTICLE 4

IMPOSITIONS

Section 4.01. Impositions. Tenant shall pay, as hereinafter provided, all of the following items (collectively, “Impositions”) imposed by any Governmental Authority that are applicable to the Premises or the operation thereof: (a) Taxes, (b) water, water meter and sewer rents, rates and charges, (c) excises, (d) levies, (e) license and permit fees; (f) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply, if any, (g) fines, penalties and other similar or like governmental charges applicable to the foregoing and any interest or costs with respect thereto, and (h) any and all other governmental levies, fees, rents, proffers, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are (1) assessed, levied, confirmed, imposed upon or would have become due and payable out of or in respect of, or would have been charged with respect to, the Premises or any document to which Tenant is a party creating or transferring an interest or estate in the Premises, or the use and occupancy thereof by Tenant and (2) encumbrances or liens on (i) the Premises, or (ii) any appurtenances of the Premises, or (iii) any personal property (except personal property which is not owned by or leased to Tenant), Fixtures or other facility used in the operation thereof, or (vi) any amounts due to Landlord under this Lease, including Base Rent and Additional Costs (or any portion of either) payable by Tenant hereunder, each such Imposition, or installment thereof, during the Term to be paid not later than the Due Date thereof. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments (subject to the limitation on Tenant’s obligations set forth in Section 4.04 below) and shall be responsible for the payment of such installments only, together with applicable interest, if any, relating to periods for which such installment is due.

Section 4.02. Receipts. Tenant, from time to time upon request of Landlord, shall promptly furnish to Landlord official receipts of the appropriate imposing authority, or other evidence reasonably satisfactory to Landlord, evidencing the payment of Impositions.

Section 4.03. Landlord’s Taxes. Nothing herein contained shall require Tenant to pay municipal, state or federal income, gross receipts, inheritance, estate, succession, profit, capital or transfer gains taxes of Landlord (if any), or any corporate franchise tax imposed upon Landlord (if any) or any transfer or gains tax imposed on Landlord (if any).

Section 4.04. Impositions Beyond Term. Any Imposition relating to a period, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Expiration Date (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) shall be apportioned between Landlord and Tenant as of the Commencement Date or the Expiration Date, as the case may be, so that Tenant shall pay the portion of such Imposition attributable to the part of such fiscal period included in the period of time after the Commencement Date or before the Expiration Date and Landlord shall pay the portion of such Imposition attributable to the part of such fiscal period not included in the period

of time after the Commencement Date or before the Expiration Date. Notwithstanding the foregoing, no such apportionment of Impositions that are held in an Impositions Account as of the Expiration Date shall be made if this Lease is terminated prior to the Fixed Expiration Date as the result of an Event of Default; provided, however, that such apportionment shall be made at such time as there are no outstanding payment defaults.

Section 4.05. Tenant's Contest. Tenant may contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently that are conducted in good faith, and payment of any Imposition being contested may be postponed if, and only as long as:

(a) neither the Premises nor any part thereof, nor any interest of Landlord therein, nor any income of Landlord therefrom (except to the extent covered by security deposited in accordance with this Section 4.05) nor any other assets of or funds appropriated to Landlord would, by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost or subject to any new lien, encumbrance or charge, and Landlord by reason thereof be subject to any civil or criminal liability;

(b) Tenant shall have deposited with Depository, cash or other security reasonably satisfactory to Landlord in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may be assessed against or become a charge on the Premises or any part thereof in such proceedings; *provided however*, if a Mortgagee requires Tenant to deposit cash or other security reasonably acceptable to a Mortgagee in connection with any such contest, then Mortgagee's requirements shall take precedent over those provided in this Section 4.05(b) and shall satisfy Tenant's obligations under this Section 4.05(b), provided further, Tenant shall send notice to Landlord of such requirement with evidence reasonably satisfactory to Landlord of Tenant's compliance with such requirement.

(c) Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such Imposition or part thereof as finally determined in the proceedings, together with any costs, fees (including attorney's fees and disbursements), interest, penalties or other liabilities in connection therewith, and upon such payment, Depository will return, with interest, if any, any amount deposited with it, *provided however*, that Depository, at Landlord's request, shall disburse said moneys on deposit with it directly to the Governmental Authority to whom such Imposition is payable and any remaining monies, with interest, if any, shall be returned promptly to Tenant. If, at any time during the continuance of any proceedings, Landlord, in its reasonable opinion, deems the amount deposited with Depository insufficient, Tenant, within fifteen (15) Business Days after Landlord's demand, shall make a deposit of additional sums or other security to Depository as Landlord requests, and if Tenant fails to make the additional deposit, Landlord may direct Depository to apply the amount already deposited with Depository to the payment, removal and discharge of any Imposition, plus interest and penalties on the Imposition and costs, fees (including attorney's fees and disbursements) or other liability accruing in any of the proceedings, and the balance of any deposit (plus interest earned thereon), if any, shall be returned to Tenant. If the amount held by Depository is insufficient to pay the Imposition in full, Tenant shall pay to Landlord (or directly to the Governmental Authority, as Landlord directs in writing) the amount of the deficiency within ten (10) Business Days after demand.

Section 4.06. Contest Not Postpone Tenant's Obligation. Tenant shall have the right to seek a reduction in the valuation of the Premises assessed for Taxes or other Impositions and to prosecute any action or proceeding in connection therewith, provided that no such action or proceeding shall postpone Tenant's obligation to pay any Imposition except in accordance with the provisions of Section 4.05 hereof.

Section 4.07. Landlord Cooperation in Proceedings. Landlord shall not be required to join in any proceedings referred to in Sections 4.05 or 4.06 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements. In the event Tenant shall institute a proceeding referred to in Sections 4.05 or 4.06 hereof and no law, rule or regulation in effect at the time requires that such proceeding be brought by or in the name of Landlord, Landlord, nevertheless, shall, at Tenant's cost and subject to the reimbursement provisions hereinabove set forth, cooperate with Tenant in such proceeding. To the extent any such proceeding results in a refund, credit, or other recompense of Taxes or other Imposition paid by Tenant, Tenant shall be entitled to the full benefit thereof and Landlord shall assign any such refund, credit, or other recompense to Tenant or as Tenant may direct, except that Landlord shall be entitled to any refund, credit, or other recompense in connection with amounts paid by Landlord for any Impositions or as reimbursement for any amounts paid by Landlord in connection with such proceedings, if any.

Section 4.08. Tax Bills. Any certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition asserting non-payment of such Imposition shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill, at the time or date stated therein.

ARTICLE 5

DEPOSITS FOR IMPOSITIONS

Section 5.01. Impositions Subject to Deposit. Landlord, by written notice, may at any time after the occurrence and during the continuance of an Event of Default hereunder:

(a) require Tenant to deposit each month into an account to be held with the Depository (the "Impositions Account") an amount sufficient to pay 1/12th of the annual Taxes and, subject to Section 5.01(b), any other Impositions required to be paid by Tenant hereunder at least thirty (30) days prior to the Due Date for such Impositions; and

(b) require that Tenant provide to Landlord evidence of payment of any Impositions that Landlord allows Tenant to pay directly during such Event of Default, that are payable on a monthly or more frequent basis within ten (10) Business Days after the Due Date for such Impositions. Landlord may, at any time after the occurrence and during the continuance of an Event of Default, require that any Impositions that Landlord has allowed Tenant to pay directly

be subject to the monthly deposit requirements of Section 5.01(a) and the other provisions of this Article 5.

Section 5.02. Deposit of Impositions. After the occurrence and during the continuance of an Event of Default, Tenant, upon the demand of Landlord at any time, shall deposit with Depository on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of the annual Impositions for Taxes and those other Impositions required to be escrowed pursuant to Section 5.01(a). Except as set forth in Section 5.05 below, Landlord agrees that the amounts so deposited with the Depository shall be used to pay the Impositions for which such amounts were deposited. The Impositions Account may be held by Depository as a single bank account.

Section 5.03. Rights of Mortgagee. Notwithstanding anything in this Article 5 to the contrary, in the event that a Mortgagee (provided such Mortgagee be an Institutional Lender) shall require Tenant to deposit funds to ensure payment of such Impositions, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit under this Article 5.

Section 5.04. Changes to Deposits to Impositions Account.

(a) If at any time the monies so deposited by Tenant shall be insufficient to pay the next installment of Impositions then due, Tenant shall, after demand therefor by Landlord, deposit the amount of the insufficiency into the Impositions Account to enable Depository to pay the next installment of Impositions at least thirty (30) days prior to the Due Date thereof.

(b) If at any time the amount of any Imposition is increased or Landlord receives information from the entity or entities imposing such Imposition that an Imposition will be increased and the monthly deposits then being made by Tenant under this Section 5.01 would be insufficient to pay such Imposition thirty (30) days prior to the Due Date thereof, then upon notice from Landlord to Tenant of such fact, the monthly deposits shall thereupon be increased and Tenant shall deposit immediately with Depository sufficient monies for the payment of the increased Imposition. Thereafter, the monthly payments shall be adjusted so that Depository shall receive from Tenant sufficient monies to pay each Imposition at least thirty (30) days prior to the Due Date of such Imposition.

(c) For the purpose of determining whether Depository has on hand sufficient monies to pay any particular Imposition at least thirty (30) days prior to the Due Date thereof, deposits for each category of Imposition shall be treated separately. Depository shall not be obligated to use monies deposited for the payment of an Imposition not yet due and payable for the payment of an Imposition that is due and payable.

Section 5.05. Landlord's Rights During an Event of Default. At Landlord's option after the occurrence and during the continuance of an Event of Default by Tenant, Landlord may withdraw any monies deposited pursuant to Articles 4 or 5 for the cure of any monetary Event of Default. Landlord and Tenant shall enter into a mutually acceptable depository agreement with the Depository with respect to the Impositions Account. Tenant agrees that any such depository agreement will provide that Landlord will have a unilateral right to withdraw money from the

Impositions Account after the occurrence and during the continuance of an Event of Default by Tenant to pay Impositions or to cure a monetary Event of Default under this Lease and Tenant shall have no consent rights over any such withdrawal. If this Lease is terminated by reason of an Event of Default or if Tenant is dispossessed of the Premises pursuant to Article 24 of the Lease, all monies deposited in the Impositions Account then held by Depository shall, at Landlord's direction, be paid and applied to Landlord in payment for such Event of Default and any and all other sums due under this Lease and Tenant shall promptly pay any resulting deficiency (if any).

Section 5.06. Interest on Impositions Account. Any interest paid on monies deposited pursuant to this Article 5 shall become a part of the Impositions Account and shall be applied pursuant to the foregoing provisions.

ARTICLE 6

LATE CHARGES

In the event that any payment of Base Rent, Additional Costs or Impositions (to the extent the amount of such Impositions is due to be paid to Landlord) shall become overdue beyond the due date thereof (or if no such date is set forth in this Lease, then such due date for purposes of this Article 6 shall be deemed to be the date upon which demand therefor is made (or if with respect to Impositions, the Due Date for such Impositions)), a late charge on the sums so overdue equal to the Involuntary Rate, for the period from the due date to the date of actual payment, shall become due and payable to Landlord as liquidated damages for the administrative costs and expenses incurred by Landlord by reason of Tenant's failure to make prompt payment. The late charges will be considered Additional Costs and shall be paid by Tenant within ten (10) Business Days after demand. No failure by Landlord to insist upon the strict performance by Tenant of its obligations to pay late charges shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace periods or notice periods provided for in Article 24, provided however, this Article 6 is subject to Tenant's right to contest certain Additional Costs or Impositions, and no such late charge will be incurred while Tenant is contesting any such matters in good faith and in accordance with the terms of this Lease.

ARTICLE 7

INSURANCE

Section 7.01. Required Insurance During the Term of the Lease. Tenant shall maintain, or cause to be maintained, at its sole cost and expense the following required insurance:

(a) At all times during the Term after Substantial Completion of any Improvements on the Premises, Tenant shall maintain or cause to be maintained insurance for the Premises, and for any and all Improvements, equipment, motors and machinery owned or leased by Tenant and located, installed in or used in connection with the Premises, including all alterations, renovations, replacements, substitutions, changes and additions thereto, such insurance shall insure against loss or damage by fire, vandalism, malicious mischief, sprinkler leakage (if sprinklered) and such other hazards, casualties, risks and contingencies now covered by or that

may hereafter be considered as included within a standard “broad form” policy and against loss or damage by other risks and hazards covered by a standard extended coverage insurance policy (including without limitation, fire, lightning, hail, hurricane, windstorm, tidal wave, explosion, acts of terrorism, riot and civil commotion, vandalism, malicious mischief, strike, water damage, sprinkler leakage, burglary, theft, mold and microbial matter (to the extent available at commercially reasonable rates) in an amount equal to the Replacement Value, subject to commercially reasonable sub-limits. Tenant shall name Landlord and any Mortgagees as additional insureds on such policy or policies.

(b) At all times during the Term, Tenant shall maintain and keep in force commercial general liability insurance in standard form, protecting Tenant, and naming Landlord and any Mortgagees as additional insureds, against personal injury, including without limitation, bodily injury, death or property damage and elevator and contractual liability on an occurrence basis if available and if not, then on a claims made basis, in either case in an amount not less than Ten Million Dollars (\$10,000,000) per occurrence, subject to adjustment every year after the end of the first Lease Year to reflect the increase, if any, in the Consumer Price Index from the end of the first Lease Year; provided however, that all such increases shall be deferred each year until the sum of the total increase in the Consumer Price Index equals at least One Million Dollars (\$1,000,000) in the aggregate, at which time Landlord shall provide written notice to Tenant setting forth such calculation and requiring that the applicable amount of commercial general liability insurance hereunder be correspondingly increased by One Million Dollars (\$1,000,000); provided further, however, this One Million Dollars (\$1,000,000) threshold will again be deferred each year until the One Million Dollars (\$1,000,000) threshold is reached again in the manner set forth hereinabove. All such policies shall cover the entire Premises.

(c) At all times during the Term, Tenant shall maintain and keep in force flood insurance in an amount at least equal to the maximum limit of coverage available with respect to the Premises and the Project under the “Flood Disaster Protection Act of 1973,” and which otherwise complies with the national flood insurance program as set forth in said Act as well as subsequent amendments or successors thereto, provided that such insurance shall be required only if and so long as the Premises are or become included in a United States Department of Housing and Urban Development (or successor agency) designated flood prone area. If Tenant is required to maintain such flood insurance policy, then Landlord and any Mortgagees shall be listed as additional insureds on such policy.

(d) At all times during the Term, at its own cost and expense, Tenant shall provide and keep in force or cause to be provided and kept in force a policy covering business automobile liability which shall have minimum limits of One Million Dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury liability and property damage liability, subject to adjustment every year after the end of the first Lease Year to reflect any increases that are consistent with and customary for other comparable properties of comparable age and quality in the Northern Virginia area. This shall be an “any-auto” type of policy including owned, hired, non-owned and employee non-ownership coverage, if applicable. Landlord and Mortgagees shall be listed as additional insureds on such policy.

(e) Beginning when Tenant first commences to rent/sublease of any portion of the Premises (e.g., Residential Leases) and at all times thereafter during the Term,

Tenant shall maintain business or rental interruption insurance (including rental value) in form and substance reasonably acceptable to Landlord and any Mortgagee and in an annual aggregate amount equal to the estimated gross revenues from the Residential Leases (including, without limitation, the loss of all rental payable by all of the Residential Tenants under Residential Leases (whether or not such leases are terminable in the event of a fire or casualty)), such insurance to cover losses for a period from the time of loss until all repairs are fully completed with reasonable diligence and dispatch with an extended period of indemnity of one hundred eighty (180) days.

(f) Landlord may, on a commercially reasonable basis, from time to time by written notice to Tenant require Tenant to maintain, or cause to be maintained, at its sole cost and expense, such other insurance covering insurable hazards that are commonly insured against in the case of premises located in Fairfax County, Virginia, that are similarly situated and have similar uses to that of the Premises, provided such other insurance is available on a commercially reasonable basis, provided however, that in the event Tenant disputes the reasonableness of any new Landlord requirement hereunder, Landlord and Tenant shall resolve such dispute in accordance with Article 34 below.

Section 7.02. Required Insurance During Construction Work. In addition to the insurance required to be carried in Section 7.01 or otherwise in this Lease, during any time that Tenant is performing or is causing the performance of Construction Work on the Premises, Tenant shall maintain (or cause to be maintained) the following insurance on the Premises:

(a) a complete value “all risk” builders risk insurance on the Premises and any and all Improvements for which Construction Work is being done in an amount equal to the Replacement Value thereof. Landlord and Mortgagees shall be listed as additional insureds on such policy;

(b) worker’s compensation insurance in an amount not less than as required by the laws of the Commonwealth of Virginia and applicable federal laws;

(c) employer’s liability insurance in an amount not less than the amount maintained by prudent owners of properties in Falls Church, Virginia comparable to the Premises; and

(d) errors and omissions insurance policies for the architects, engineers and other professionals engaged by or on behalf of Tenant in connection with the Construction Work in an amount not less than Two Million Dollars (\$2,000,000) per occurrence, subject to adjustment every year after the end of the first Lease Year to reflect any increases that are consistent with and customary for other comparable properties of comparable age and quality in the Northern Virginia area.

Section 7.03. Additional Insurance Requirements.

(a) All insurance policies required by this Article 7 shall be issued by responsible companies authorized to issue insurance in the Commonwealth of Virginia, and have an AM Best rating of not less than A:VI (or other similar rating in the event an AM Best rating is no longer available).

(b) Landlord and Tenant shall cooperate in connection with the adjustment and collection of any insurance recoveries that may be due in the event of loss, and Tenant shall execute and deliver to Landlord such proofs of loss and other instruments which may reasonably be required for the purpose of obtaining the recovery of any such insurance moneys.

(c) Tenant shall not carry separate liability or property insurance concurrent in form or contributing in the event of loss with that required by this Lease to be furnished by Tenant, unless Landlord and any other parties designated by Landlord with a bona fide insurable interest are included therein as additional insureds with respect to liability and loss payees with respect to property, as their interests may appear, with loss payable as provided in this Lease. Tenant shall immediately notify Landlord of the carrying of any such separate insurance and shall cause copies of the declaration page(s) of the same to be delivered as in this Lease hereinafter required.

(d) Tenant shall provide written notice to Landlord promptly after Tenant is aware that any insurance claim or insurance proceeding has been filed against Tenant.

(e) Tenant shall procure policies for all such insurance required by any provision of this Lease for periods of not less than one (1) year (if such policy term is customary and available) and shall procure renewals or replacements thereof from time to time and deliver evidence of the same to Landlord at least thirty (30) days before the expiration thereof. If Tenant shall fail to procure any such policies or renewals thereof in accordance herewith, Landlord may procure the same, and Tenant shall be obligated to reimburse Landlord as Additional Costs hereunder for all costs incurred by Landlord in connection therewith.

Section 7.04. Deposit of Insurance Premiums. Landlord, by written notice, may at any time after the occurrence and during the continuance of an Event of Default hereunder, require Tenant to deposit on the first (1st) day of each calendar month with the Depository an amount sufficient to pay the annual premiums for insurance required to be carried by Tenant hereunder when the same shall become due and payable, *provided however*, if an Event of Default exists due to Tenant's failure to pay insurance premiums when due and as to which failure Landlord may (a) require payment to be made on demand or (b) pay the same, Landlord may at any time after such Event of Default has occurred and is continuing, pay such insurance premiums, whereupon Tenant shall be obligated to reimburse Landlord therefor as Additional Costs. Notwithstanding anything in this Article 7 to the contrary, in the event that a Mortgagee (provided such Mortgagee is an Institutional Lender) requires Tenant to deposit funds to ensure payment of insurance premiums, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit under this Section 7.04.

Section 7.05. Delivery of Certificates and Declaration Pages. Upon the execution and delivery of this Lease and thereafter not less than thirty (30) days prior to the expiration dates of the expiring policies theretofore furnished pursuant to this Article, certified copies of each of the policies required by this Article 7, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to Landlord of such payment, shall be delivered by Tenant to Landlord. Landlord shall not be deemed to have responsibility for or knowledge of the accuracy, adequateness or compliance of such policies with the requirements set forth in this Article 7. Tenant shall, upon the written request of Landlord, obtain and deliver to

Landlord, within fifteen (15) Business Days after the date of any such request, a certificate from Tenant's insurer or independent insurance agent certifying to Landlord, as certificate holder, in reasonable detail the insurance policies then being maintained by Tenant in accordance with the requirements of this Article 7, and providing for the non-cancellation of such policies except upon thirty (30) days prior written notice to Landlord (or ten (10) Business Days in the case of non-payment of premium).

Section 7.06. Landlord's Right to Procure Insurance. If Tenant fails to obtain and maintain insurance as in this Lease provided, Landlord may, but shall not be obligated to, effect and maintain any such insurance coverage and pay premiums therefor. All premiums so paid by Landlord shall constitute Additional Costs. Such Additional Costs shall be payable by Tenant within ten (10) Business Days after written notice from Landlord that Landlord has made payment of such premiums and reimbursement is being demanded therefor. The payment by Landlord of premiums for any such insurance policy shall not be, or be deemed to be, a waiver or release of the Event of Default by Tenant with respect thereto or the right of Landlord to pursue any other remedy under this Lease or by law in relation to such Event of Default.

Section 7.07. Waiver of Subrogation. Tenant hereby waives any and every claim which arises or may arise in its favor and against Landlord during the Term, for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Premises or any portion thereof or any claims for loss for which Landlord may be liable under this Lease, which loss or damage is covered by valid and collectible insurance policies, to the extent that such loss or damage is recoverable under such policies. This waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss or damage to the Premises or any of Tenant's (or its Residential Tenants, subtenants or licensees) property located within or upon, or constituting a part of, the Premises. Inasmuch as the said waiver will preclude the assignment of any claim by way of subrogation (or otherwise) to an insurance company (or any other person), Tenant agrees immediately to give each insurance company which has issued to it policies of insurance, written notice of the terms of this waiver, and to have the insurance policies properly endorsed, if necessary, to prevent the invalidation of coverage by reason of the waiver.

ARTICLE 8

USE OF INSURANCE PROCEEDS

Section 8.01. Tenant's Obligation to Restore.

(a) If all or any part of any of the Project shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord immediate notice thereof, except that no notice or related approvals from Landlord shall be required if the cost of repairs, alterations, restorations, replacements and rebuilding (collectively, "Restoration"), as reasonably estimated by Tenant, will be less than One Million Dollars (\$1,000,000) (as such amount is adjusted on the fifth (5th) anniversary of the Commencement Date and on each fifth (5th) anniversary of the Commencement Date thereafter occurring during the Term, by the percent increase, if any, in the Consumer Price Index for the

month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs). Whether or not the foregoing notice requirement applies, Tenant shall, whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose of such Restoration, with reasonable diligence (subject to Unavoidable Delays) repair, alter, restore, replace and rebuild (collectively, “Restore”) the same, at least to the extent of the value it would have had absent the casualty and as nearly as possible to the condition, quality and class of the Project existing immediately prior to such occurrence, with such changes or alterations as Tenant, with the consent of Landlord, may elect to make, provided that, after the Restoration, the Project shall be in substantial conformity with the original Plans and Specifications; with any changes as mutually agreed to by Tenant and Landlord, acting in their reasonable discretion. If Tenant shall fail or neglect to Restore with reasonable diligence (subject to Unavoidable Delays) the Project or the portion thereof so damaged or destroyed as required by this Article 8, or having so commenced such Restoration, shall fail to complete the same with reasonable diligence (subject to Unavoidable Delays) in accordance with the terms of this Lease, or if prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated for any reason, Landlord may after written notice to Tenant and expiration of the cure periods applicable to such failure, but shall not be required to, complete such Restoration at Tenant’s expense. Each such Restoration shall be done in accordance with the provisions of this Lease. In any case where this Lease shall expire or be terminated prior to the completion of Restoration, Tenant shall account to Landlord for all amounts spent in connection with any Restoration which was undertaken and shall pay over to Landlord, within ten (10) Business Days after demand, the remainder, if any, of the Restoration Funds previously received by it. Tenant’s obligations for any Restoration which commenced (or which Tenant was obligated to commence) under this Section 8.01 shall survive the expiration or termination of this Lease.

(b) Tenant will commence Restoration no later than six (6) months after the casualty and shall continue thereafter diligently and without interruption as provided herein. Tenant shall diligently prosecute such Restoration to completion, and in any event, such Restoration shall be completed, subject to Unavoidable Delays, within eighteen (18) months after the commencement of the Restoration, or such longer period as may be reasonably required as agreed to by Landlord and Tenant, in each party’s reasonable judgement. In the event Tenant does not commence Restoration within the applicable time period, or if Tenant does not thereafter diligently prosecute such Restoration to completion and complete such Restoration within the applicable time period (subject to Unavoidable Delay), then it shall be an Event of Default hereunder.

(c) In no event will Landlord be obligated to Restore the Project or any portion thereof or to pay any of the costs or expenses thereof.

Section 8.02. Restoration Approvals. Prior to commencing any Restoration, Tenant shall submit completed final drawings and plans and specifications (which may be in the form of field marked copies of the original plans and specifications) for the Restoration prepared by an Architect which comply with the all Applicable Laws and, to the extent possible given the amount of damage and destruction to the Project, materially conform to the original Plans and Specifications approved by Landlord for the Initial Construction Work or with any changes as mutually agreed to by Tenant and Landlord, acting in their reasonable discretion (the “Restoration Plans and Specifications”).

Landlord shall review the proposed Restoration Plans and Specifications to determine whether they do so materially comply. If Landlord determines that they do so comply, Landlord shall so notify Tenant in writing. If Landlord reasonably determines that the Restoration Plans and Specifications, as so revised, do not materially comply with the first sentence of this Section (and any changes agreed to by the parties), Landlord shall so notify Tenant, specifying in writing in what respects they do not so comply. In such latter event, Tenant and Landlord shall reasonably cooperate with one another in addressing the comments of Landlord. Tenant shall revise the proposed Restoration Plans and Specifications to reflect the agreed upon changes and shall then resubmit the Restoration Plans and Specifications to Landlord for review. The initial review by Landlord shall be carried out within twenty (20) Business Days of the date of submission of the Restoration Plans and Specifications; Landlord's review of revisions to the Restoration Plans and Specifications shall be carried out within twenty (20) Business Days of the date of submission of the revised Restoration Plans and Specifications. If Landlord has not notified Tenant of its determination within the applicable period, Landlord shall be deemed to have approved the Restoration Plans and Specifications and determined that they materially comply with this Section, with any changes mutually agreed to by Tenant and Landlord.

Section 8.03. Control of Proceeds. So long as a Mortgagee holds a Mortgage on the Premises, the proceeds of any fire or casualty insurance with respect thereto may be made payable to such Mortgagee or, if provided in the Mortgage, an insurance trustee, for application in accordance with the terms of the Mortgage, and such proceeds shall be held and disbursed by the Mortgagee to apply to the costs of Restoration pursuant to such provisions as the Mortgage may provide therefor. In the event that there is not a Mortgagee with respect the Premises at the time of such casualty (or any existing Mortgage is fully discharged by application of a portion of the insurance proceeds), or in the event the proceeds of fire or casualty insurance are not required to be paid to a Mortgagee or insurance trustee to Restore the Project under the terms of the applicable Mortgage but are nevertheless available to Tenant for such purposes, then the insurance proceeds (or remaining proceeds after the first use of insurance proceeds to discharge Mortgages) shall be deposited with the Depository (other than proceeds for rent insurance) and shall be subject to monthly disbursement procedures as more fully described in Section 8.04 below. If the insurance proceeds available for such purpose are not sufficient to Restore the Project to its prior condition or to a condition in compliance with this Lease, Tenant shall nonetheless, at its own cost and expense, provide the funds necessary, or obtain new financing as necessary, to Restore the Project to such condition. Provided no Event of Default has occurred and is continuing, any excess insurance proceeds remaining after the Restoration of the Project shall be paid over to Tenant or as Tenant may direct. If Depository is to disburse the insurance proceeds, the provisions of Section 8.04 shall apply.

Section 8.04. Conditions Precedent to Disbursements. The following shall be conditions precedent to each payment made to Tenant by Depository if required in Section 8.03 above:

(a) Subject to the provisions of Section 8.04, Section 8.05 and, if applicable, Section 8.06, Depository shall pay over to Tenant from time to time, upon the following terms, any monies which may be received by Depository from insurance provided by Tenant (other than rent insurance) or cash or the proceeds of any security deposited with Depository pursuant to Section 8.06 (collectively, the "Restoration Funds"); *provided however*, that Depository, before paying such monies over to Tenant, shall be entitled to reimburse itself and Landlord therefrom to

the extent, if any, of the necessary, reasonable and proper expenses (including reasonable attorneys' fees) paid or incurred by Depository and Landlord in the collection of such monies. Depository shall pay to Tenant, as hereinafter provided, the Restoration Funds, for the purpose of the Restoration.

(b) Prior to commencing any Restoration, Tenant shall furnish Landlord with an estimate of the cost of such Restoration, prepared by an Architect. Landlord, at Landlord's expense, may engage a licensed professional engineer or registered architect to prepare its own estimate of the cost of such Restoration. If there is any dispute as to the estimated cost of the Restoration, such dispute shall be resolved by dispute resolution in accordance with the provisions of Article 34, and any time required to resolve such dispute shall constitute an Unavoidable Delay in the Restoration process.

(c) Subject to the provisions of Section 8.04, Section 8.05 and, if applicable, Section 8.06, the Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, upon application to be submitted by Tenant to Depository and Landlord showing the cost of labor and materials purchased and delivered to the Premises for incorporation in the Restoration, or incorporated therein since the last previous application, and due and payable or paid by Tenant. If any vendor's, mechanic's, laborer's, or materialman's lien is filed against the Premises or any part thereof, or if any public improvement lien relating to the Restoration of the Premises is created or permitted to be created by Tenant and is filed against Landlord, or any assets of, or funds appropriated to, Landlord, Tenant shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise). Notwithstanding the foregoing, subject to the provisions of Section 8.04(d), the existence of any such lien shall not preclude Tenant from receiving any installment of Restoration Funds, provided such lien will be discharged with funds from such installment.

(d) The amount of any installment to be paid to Tenant shall be (i) the product of (x) the total Restoration Funds and (y) a fraction, the numerator of which is the cost of labor and materials theretofore incorporated (or delivered to the Premises to be incorporated) by Tenant in the Restoration and the denominator of which is the total estimated cost of the Restoration, such estimated cost determined in accordance with Section 8.04(b), less (ii) (A) all payments theretofore made to Tenant out of the Restoration Funds.

(e) Notwithstanding the foregoing, if Landlord makes the Restoration at Tenant's expense, as provided in Section 8.01(a), then Depository shall pay over the Restoration Funds to Landlord, upon request, to the extent not previously paid to Tenant pursuant to this Section 8.04, and Tenant shall pay to Landlord, within ten (10) Business Days after demand, any sums in excess of the portion of the Restoration Funds received by Landlord necessary to complete the Restoration. Upon completion of the Restoration, Landlord shall deliver to Tenant a certificate, in reasonable detail, setting forth the expenditures made by Landlord for such Restoration.

(f) There shall be submitted to Depository and Landlord the certificate of Architect in industry standard form to the effect that (i) the sum then requested to be withdrawn either has been paid by Tenant or is due and payable to contractors, subcontractors, materialmen, engineers, architects or other Persons (whose names and addresses shall be stated) who have

rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of said Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of said certificate, (ii) no part of such expenditures has been or is being made the basis, in any previous or then pending requisition, for the withdrawal of the Restoration Funds or has been made out of the Restoration Funds previously received by Tenant, (iii) the sum then requested does not exceed the value of the services and materials described in the certificate, and (iv) the balance of the Restoration Funds held by Depository will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion;

(g) There shall be furnished to Landlord an official search, or a certificate of a title insurance company reasonably satisfactory to Landlord, or other evidence reasonably satisfactory to Landlord, showing that there has not been filed any vendor's, mechanic's, laborer's or materialman's statutory or other similar lien affecting the Premises or any part thereof, or any public improvement lien with respect to the Premises or the Restoration created or permitted to be created by Tenant affecting Landlord, or the assets of, or funds appropriated to, Landlord, which had not been satisfied or discharged (by bonding or otherwise) except such as will be discharged upon payment of the requisite amount out of the sum then requested to be withdrawn; and

(h) At the time of making such payment, there is no existing and unremedied Event of Default on the part of Tenant.

Section 8.05. Major Casualty.

(a) If any loss, damage or destruction occurs, the cost of Restoration of which equals or exceeds Two Million Dollars (\$2,000,000) in the aggregate, determined as provided in Section 8.04(b) (as such amount is adjusted on the fifth (5th) anniversary of the Commencement Date and on each fifth (5th) anniversary of the Commencement Date thereafter occurring during the Term, by the percent increase, if any, in the Consumer Price Index for the month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs, in addition to the requirements set forth in this Article 8 with respect to Restoration, Tenant shall comply with the terms of Section 11.02, Section 11.04, Section 11.05, Section 11.06, Section 11.07, Section 11.08, Section 11.11, Section 11.12 and Section 11.15 with respect to such Restoration.

(b) Notwithstanding that the cost of Restoration is less than Two Million Dollars (\$2,000,000) (as such amount is increased as provided in Section 8.05(a)), such cost to be determined as provided in Section 8.04(b), to the extent that any portion of the Restoration involves, (i) a material changes to the exterior of the Project, or (ii) a change in the height, bulk or setback of the Project from the height, bulk or setback existing immediately prior to the damage or destruction, then Tenant shall furnish to Landlord at least thirty (30) days prior to commencement of the Restoration a complete set of Restoration Plans and Specifications for the Restoration, involving such work or such change, prepared by an Architect, subject to Landlord's review and approval as provided in this Article 8.

(c) In the event Tenant shall desire to modify the Restoration Plans and Specifications which Landlord theretofore has approved pursuant to Sections 8.02 or Article 11, Tenant shall submit the proposed modifications to Landlord. Landlord shall review the proposed changes to determine whether or not they (i) conform to the requirements of Section 8.01 and (ii) provide for design, equipment, engineering and materials which are comparable in quality to those provided for in the approved plans and specifications, and shall approve such proposed changes if they do so conform and so provide. If Landlord determines that the proposed changes are not satisfactory in light of the above criteria, it shall so advise Tenant, specifying in what respect the plans and specifications, as so modified, do not conform to requirements above. Tenant shall revise the plans and specifications so as to meet Landlord's objections and shall deliver same to Landlord for review. Each review by Landlord shall be carried out within twenty (20) Business Days of the date of delivery of the plans and specifications, as so revised (or one or more portions thereof), by Tenant, and if Landlord shall not have notified Tenant of its determination within such twenty (20) Business Day period, Landlord shall be deemed to have determined that the proposed changes are satisfactory.

Section 8.06. Deposit of Proceeds. If the cost of any Restoration, determined as provided in Section 8.04(b), exceeds both (i) Two Million Dollars (\$2,000,000) (as such amount shall be increased as provided in Section 8.05(a)) and (ii) the Restoration Funds, after all required payments to Mortgagees are made, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository, as security for completion of the Restoration, a bond, cash or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 8.04; *provided however*, that if Tenant has made arrangements for additional financing from a Mortgagee for portions of the cost of the Restoration then such portion of the Restoration costs expected to be advanced by the Mortgagee for such purpose need not be deposited with the Depository, and the new Mortgagee may act as the Depository with respect to disbursement of the insurance proceeds then available.

Section 8.07. No Abatement. This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of Base Rent, Additional Costs or Impositions payable hereunder, by reason of damage to or total, substantial or partial destruction of any of the Project or any part thereof or by reason of the untenability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant waives any and all rights available at law or in equity to quit or surrender the Premises or any part thereof. Tenant expressly agrees that its obligations hereunder, including, without limitation, the payment of all Base Rent, Additional Costs and Impositions required by this Lease shall continue as though the Project had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

Section 8.08. As-Built Plans. If for any completed Restoration the cost of which exceeds Two Million Dollars (\$2,000,000) (as such amount shall be increased as provided in Section 8.05(a)), Tenant has not theretofore delivered same to Landlord, Tenant shall deliver to Landlord, within ninety (90) days of the completion of such Restoration, a complete set of "as built" plans therefore (which may be in the form of field marked copies of the original plans and specifications) together with a statement in writing from Tenant or its Architect that such plans are complete and correct in all material respects.

Section 8.09. Casualty Where Restoration is Impossible or at End of Term. In the event of substantial damage or destruction by a casualty at any time after the seventieth (70th) anniversary of the Commencement Date, and so long as no Tenant Event of Default exists hereunder, Tenant, in lieu of Restoring the Project, subject to the rights of any Mortgagee, shall have the right to terminate this Lease upon thirty (30) days' notice to Landlord, in which event all insurance proceeds in respect of such casualty (or a sum equivalent to such amount) shall be payable as follows: first, to satisfy Tenant's obligations to any and all Mortgagees; second, to the demolition, clearing and grading work occasioned by such casualty described below; third, to pay any Base Rent, Additional Costs or other amounts owed by Tenant to Landlord under this Lease; and fourth, to be divided between Tenant and Landlord in relation to the loss sustained by each, taking into consideration the remaining Term and the discounted value of Landlord's remainder interest in the Improvements destroyed by such destruction, Tenant's interest in the remainder of the Term and the Improvements and such other matters as shall be appropriate to determining the amount of such loss after any taxes or other charges have been paid. If the parties are unable to agree on such division at the end of the immediately preceding sentence, then the division shall be made pursuant to dispute resolution in the manner provided in Article 34 hereof. Tenant, at its sole expense, shall deliver to Landlord any plans or other technical materials related to the design and construction of the Improvements and, at the request of Landlord, shall remove any damaged Improvements and restore that portion of the Premises on which the demolished Improvements were located to a cleared and safe condition and at a grade approximately level with the abutting land and otherwise in accordance with all Applicable Laws relating to the removal of Improvements on the Property. Upon the completion of any such demolition, clearing and grading work to the reasonable satisfaction of Landlord and the payment of such portion of any such insurance proceeds due to Landlord pursuant to the terms of this Section 8.09, and provided that no Tenant Event of Default exists hereunder, this Lease shall be terminated without liability or further recourse to the parties hereto, provided that any Base Rent and Additional Costs owed by Tenant to Landlord as of the date of said termination shall be paid or otherwise carried out in full.

ARTICLE 9

CONDEMNATION

Section 9.01. Taking of All or Substantially All of Premises.

(a) If the whole or substantially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease and the Term shall terminate and expire on the date of such taking.

(b) The term "substantially all of the Premises" shall mean such portion of the Premises as when so taken would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions, applicable zoning laws or building regulations then existing or prevailing permit the economic operations of the Project for their permitted uses hereunder.

(c) Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

Section 9.02. Date of Taking. For purposes of this Article 9, the date that the Premises will be deemed to be “taken” will be on the earlier of (i) the date on which actual possession of the whole or substantially all of the Premises, or a part thereof, as the case may be, is acquired by any lawful power or authority pursuant to the provisions of the applicable federal or Virginia law or (ii) the date in which title to the Premises or the portion thereof shall have vested in any lawful power or authority pursuant to the provisions of the applicable federal or Virginia law.

Section 9.03. Partial Taking: Tenant’s Obligation to Restore. If less than substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without abatement of Base Rent or Additional Costs or diminution of any of Tenant’s obligations hereunder. Tenant, whether or not the award or awards, if any, shall be sufficient for the purpose shall (subject to Unavoidable Delays) proceed diligently to Restore any remaining part of the Project not so taken so that the latter shall be complete, operable and in good condition and repair in conformity with the requirements of Section 8.01. In the event of a partial taking pursuant to this Section, the entire award attributable to such taking shall be deposited with the Depository for application to the cost of Restoration of the part of the Project not so taken. Subject to the provisions and limitations in this Article 9, Depository shall make available to Tenant as much of that portion of the award actually received and held by Depository, if any, less all necessary and proper expenses paid or incurred by Depository, the Mortgagee most senior in lien and Landlord in the condemnation proceedings, as may be necessary to pay the cost of Restoration of the part of the Project remaining. Such Restoration shall be done in accordance with and subject to the provisions of Article 8. Payments to Tenant shall be disbursed in the manner and subject to the conditions set forth in Article 8. Any balance of the award held by Depository and any cash and the proceeds of any security deposited remaining with Depository after completion of the Restoration and Landlord receiving its Respective Allocation pursuant to Section 9.04 below, shall be paid to Tenant or its Mortgagee, if any. Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

Section 9.04. Condemnation Award. In any condemnation proceedings, Landlord and Tenant each agree to cooperate in obtaining the highest award possible and agree to request that separate awards be made for Landlord’s and Tenant’s interests in the Premises and the Improvements. In the event that separate awards are not made for Landlord’s and Tenant’s interests in the Premises and the Improvements, any compensation which may be awarded on account of the taking of all of the Premises, and Improvements by eminent domain shall be fairly allocated between the ownership of the fee and the remainder of the leasehold estate in accordance with the loss and damage suffered by each, taking into consideration all the relevant facts and circumstances, including, but not limited to, the then present value of the Premises and all of the Improvements and the present value of Landlord’s remainder interest in such Improvements as well as the value of Landlord’s interest in the fee and Tenant’s interest in the Lease for the remainder of the Term (i.e. from the date the Premises is taken until the Fixed Expiration Date). If the parties are unable to agree on the allocation of the condemnation award between Landlord and Tenant (the “Respective Allocations”) within thirty (30) days after the condemnation proceedings have terminated, the allocation shall be determined by appraisal, using the method hereinafter set forth:

(a) If, during such negotiation period, the parties do not agree in writing, Landlord and Tenant shall each designate in writing, within five (5) Business Days after the expiration of the aforementioned thirty (30) day period, an MAI or similarly accredited appraiser (an “Appraiser”) having at least ten (10) years’ experience in the appraisal of commercial real estate in the Northern Virginia area of metropolitan Washington, DC for purposes of determining the Respective Allocations. The Appraiser may not be affiliated in any respect with either Landlord or Tenant or their respective affiliates. Within fifteen (15) Business Days after the designation of the Appraisers, the two Appraisers so designated shall designate a third Appraiser of the same qualifications. The Appraisers so designated shall, within sixty (60) days after the date of the third Appraiser is designated, determine the Respective Allocations.

(b) If the three Appraisers are unable to agree upon the Respective Allocations, then the Respective Allocations shall be the average of the two closest appraisals. Landlord and Tenant shall each cooperate with the Appraisers and provide all information reasonably requested by the Appraisers to all three (3) Appraisers at the same time. Any information provided by Landlord or Tenant to the Appraisers shall also simultaneously be delivered to the other party hereto. Each Appraisers shall give written notice to the parties stating his determination, and shall furnish to each party a copy of such determination signed by him.

(c) The determination of such Appraisers shall be final and binding upon the parties and a final judgment thereon may be entered in a court of competent jurisdiction on the petition of either party. If either party, or the two Appraisers designated by the parties, fail to timely designate an Appraiser (or a replacement Appraiser pursuant to the next sentence), then either party may apply to a court of competent jurisdiction to make such designation. In the event of the failure, refusal or inability of any Appraiser to act, a new Appraiser with the qualifications described above shall be appointed promptly in his stead. The party who designated the Appraiser so failing, refusing or unable to act shall designate the replacement Appraiser, or, if the Appraiser failing, refusing or unable to act was the Appraiser designated jointly by the parties’ Appraisers, the parties’ Appraisers shall jointly designate the replacement Appraiser.

(d) Landlord and Tenant shall each bear the cost of its Appraiser and Landlord and Tenant shall share equally the cost of the third Appraiser. If the Appraisers shall fail to make the determination herein provided, then either party shall have the right to institute such action or proceeding in such court as shall be appropriate in the circumstances and Tenant and Landlord shall share equally the cost of such action.

Section 9.05. Temporary Taking. If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay all Base Rent and Additional Costs and Impositions payable by Tenant hereunder without reduction or abatement and perform all of Tenant’s other obligations under this Lease, and Tenant shall be entitled to receive for itself any award or payments made in connection with such temporary taking, *provided however*, if the taking is for a period extending beyond the Term, such award or payment shall be apportioned between Landlord and Tenant as of the Expiration Date; and further *provided however*, that the amount of any award or payment allowed or retained for the Restoration of the

Project and not previously applied for such purpose shall remain the property of Landlord, if this Lease shall expire prior to such Restoration.

Section 9.06. Sale in Lieu of Condemnation. In the event of a negotiated sale of all or a portion of the Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation as provided in Section 9.04 above.

Section 9.07. Participation in Proceedings. Landlord, Tenant and any Mortgagee shall be entitled to file a claim and otherwise participate in any condemnation or similar proceeding and all hearings, trials and appeals in respect thereof.

Section 9.08. Claims for Personal Property. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant (and, if applicable, its Residential Tenants) shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Residential Tenants (but not including any Fixtures) and for relocation expenses of Tenant or its Residential Tenants, and all awards and damages in respect thereof shall belong to Tenant or its Residential Tenants, as applicable, and Landlord hereby waives any and all claims to any part thereof; *provided however*, that if there shall be no separate award or allocation for such trade fixtures or personal property, then such claims of Tenant and its Residential Tenants, or awards and damages, shall be addressed as provided in Section 9.04.

ARTICLE 10

ASSIGNMENT, SUBLETTING, MORTGAGES, ETC.

Section 10.01. Assignment; Subletting; Transfers.

(a) Tenant acknowledges that Landlord has examined and relied on (i) the creditworthiness and experience of Tenant, and (ii) Tenant's or its Affiliate's (if applicable) management and operation of properties such as the Project, in agreeing to lease the Premises to Tenant pursuant to the terms and conditions of this Lease. Except as otherwise specifically provided in this Section 10.01:

(i) neither this Lease nor any interest of Tenant in this Lease, shall be sold, assigned, or otherwise transferred, whether by operation of law or otherwise;

(ii) Tenant shall not sublet all or any portion of the Premises (except in connection with a Residential Lease or other subleases typically entered into in connection with ancillary or incidental uses typically found in affordable senior living facility projects, and except in accordance with Article 38 below);

(iii) nor shall any of the: (A) general or limited partnership interests of Tenant (if Tenant is a partnership), or (B) membership interests of Tenant (if Tenant is a limited liability company), or (C) issued or outstanding capital stock of Tenant (if Tenant is a corporation); be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise, nor shall any voting trust or similar agreement be entered into with respect to such

stock, nor any reclassification or modification of the terms of such stock take place, nor shall there be any merger or consolidation of such corporation into or with another corporation nor shall additional stock (or any warrants, options or debt securities convertible, directly or indirectly, into such stock) in any such corporation be issued if the issuance of such additional stock (or such other securities, when exercised or converted into stock), will result in a change of the controlling stock ownership of such corporation as held by the shareholders thereof as of the Commencement Date, *provided however*, Tenant may transfer such partnership interests, membership interests or capital stock (as applicable) in accordance with Article 38 below, so long as Control of Tenant does not change (i.e. the possession of power to direct or cause the direction of the management and policy of Tenant remains the same as prior to such transfer of interests or capital stock) and such transfer made in accordance with this proviso shall not constitute a Transfer.

Each of the foregoing transactions referenced in (i) through (iii) above are hereinafter referred to as a “Transfer”.

(b) Tenant may not make any Transfer prior to or within the first five (5) years after Final Completion. After the five (5) year anniversary of the Final Completion, Tenant may not make a Transfer, except upon the prior written approval of Landlord, which Landlord may grant or withhold in its sole and absolute discretion (subject to Section 10.01(e) below), *provided however*, that Landlord’s consent will not be unreasonably withheld, conditioned or delayed so long as (i) no Event of Default shall have occurred and then be continuing hereunder (or such Event of Default is cured simultaneously with such Transfer), and (ii) Tenant shall have otherwise complied with the provisions of this Article 10.

(c) Tenant may not make a Transfer to any Person, in which, an ownership interest, in the aggregate, of five percent (5%) or greater is then held, directly or indirectly (other than as a result of ownership of publicly traded securities), by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the Commonwealth of Virginia, the County of Fairfax, Virginia or any agency, department, political subdivision (including without limitation, the Fairfax County Redevelopment and Housing Authority), public authority or public benefit corporation of either, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the Commonwealth of Virginia, the County of Fairfax, Virginia or any agency, department, public authority or any public benefit corporation of either.

(d) In each instance wherein Tenant desires to effect a Transfer, and as a condition to the effectiveness thereof, Tenant shall, prior to the effective date of such transaction, notify Landlord of the proposed transaction and submit to Landlord the following documents and information (which documents may be unexecuted but shall, in all other respects, be in substantially final form) and such other information and documents Landlord may reasonably require:

(i) a copy of the proposed instrument(s) of assignment or sublease of the Premises or assignment of ownership interests in Tenant containing, *inter alia*, the name, address and telephone number of the assignee;

(ii) a copy of the proposed instrument(s) of assumption of Tenant's obligations under this Lease by said assignee (which need not be in a separate document from the instrument of assignment);

(iii) a certificate of the assignee or subtenant (or an authorized officer, general partner or managing member thereof), setting forth (x) in the case of a partnership or limited liability company, the names and addresses of all partners (general and limited (if applicable)) or members thereof of the assignee having a five percent (5%) or greater ownership interest in the assignee, (y) in the case of a corporation, the names and addresses of all persons having five percent (5%) or greater record ownership of stock in the assignee, and all directors and officers of the assignee; *provided however*, that in the case of an entity whose equity interests are publicly traded the names of the holders of publicly traded securities need not be disclosed; and

(iv) any such other documents and information as Landlord may reasonably request to permit Landlord to evaluate whether the proposed transferee or sublessee meets the criteria set forth in Section 10.01(e).

Landlord shall within twenty (20) Business Days after receipt of the foregoing, notify Tenant whether it grants its consent to such Transfer. In the event that Landlord denies its consent to such transaction or determines that the information provided in the applicable certificate is insufficient to determine whether or not Landlord's consent may not be unreasonably withheld, conditioned or delayed, then Landlord shall notify Tenant in writing specifying the reasons for such denial or determination. If Landlord shall not have notified Tenant of such denial or determination within such period, Landlord shall be deemed to have consented to the proposed transaction and to have determined that the documents and the information submitted establish compliance with the applicable provisions of this Section 10.01. Tenant agrees to bear and shall pay or reimburse Landlord on demand for all out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Landlord in connection with the review, approval and documentation of any Transfer under this Article 10. If Landlord has consented (or be deemed to have consented) to the proposed Transfer or has determined that the documents and information establish compliance with the applicable provisions of this Section 10.01, such consent or determination will still be conditioned upon the delivery to Landlord of the applicable executed documents of Transfer, assignment, or conveyance and receipt of payment or reimbursement by Landlord as set forth in the preceding sentence. Any attempted or purported Transfer, if made in contravention of this Article 10, shall be null and void and of no force and effect and shall constitute an immediate Event of Default under this Lease.

(e) Notwithstanding any of the foregoing in this Article 10 to the contrary, Landlord will not unreasonably withhold its consent to any proposed Transfer provided no Event of Default is then existing hereunder (or such Event of Default is cured simultaneously with such Transfer) and that the proposed transferee satisfies the following conditions:

(i) the proposed transferee shall have (or shall be Controlled by an entity that has) or shall have arranged for management services through an asset management or property management company approved by Landlord (which approval will not be unreasonably withheld, conditioned or delayed) that has at least ten (10) years of experience in operating and maintaining apartment projects similar or larger in size to the Project;

(ii) the proposed transferee shall have or shall be Controlled by an entity that has a Net Worth at least equal to the Net Worth Requirement;

(iii) the proposed transferee shall use the Premises for the uses permitted under this Lease;

(iv) the proposed transferee is not a person or entity prohibited from owning the interests of Tenant hereunder pursuant to Section 10.01(c) above; and

(v) Tenant shall pay all of Landlord's reasonable out-of-pocket costs and expenses related to its review and approval of the Transfer.

(f) Subject to compliance by a Mortgagee with the provisions of Sections 10.04 hereof, the requirements in this Section 10.01 of consent by Landlord shall not apply to the acquisition of the Premises by such Mortgagee or another purchaser of the Premises pursuant to a foreclosure of a Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, so long as such Mortgagee or purchaser, as applicable, shall, in the instrument transferring to such Mortgagee the interest of Tenant hereunder, assume and agree to perform all of the terms, covenants and conditions of this Lease thereafter to be observed or performed by Tenant. The notice and review periods set forth in this Section 10.01 shall not apply (i) in connection with a transfer by a Mortgagee to a purchaser from Mortgagee after a foreclosure or acceptance of a deed or instrument of transfer delivered in lieu of foreclosure, or (ii) to any purchaser at foreclosure; *provided however*, the criteria set forth in Section 10.01(e)(i)-(v) shall apply to any such purchaser except Mortgagee. Each reference in this Section 10.01 to "Mortgagee" shall be deemed to include a wholly owned subsidiary (direct or indirect) of such Mortgagee or its direct parent, provided such Mortgagee has delivered to Landlord a written notice advising that such a subsidiary should be so deemed and certifying (i) that such subsidiary is wholly owned (directly or indirectly) by such Mortgagee or its direct parent and (ii) that such subsidiary is authorized to act in the place and stead of such Mortgagee.

(g) Any Transfer approved by Landlord in accordance with, or otherwise allowed (with or without Landlord's approval) pursuant to the terms of this Article 10 shall be a "Permitted Transfer". Upon a Permitted Transfer, the previous "Tenant" shall be relieved from all subsequent obligations and liabilities arising under this Lease.

(h) No assignment of this Lease, subletting of the Premises as an entirety or substantially as an entirety or other Transfer shall have any validity except upon compliance with the provisions of this Article 10 or Article 38.

(i) Any assignment of this Lease will not be effective for purposes of this Lease unless and until the assignee, in the case of an assignment, executes, acknowledges and

delivers to Landlord an agreement that provides that the assignee (A) assumes the obligations and performance of this Lease and agree to be bound by all of the covenants, agreements, terms, provisions and conditions hereof on the part of Tenant to be performed or observed on and after the effective date of any such assignment, and (B) agrees that the provisions of this Article 10 will continue to be binding upon assignee in the future. Tenant covenants that, if Tenant engages in an assignment or transfer in violation of the provisions of this Lease, Tenant shall remain fully and primarily and jointly and severally liable for the payment of all Base Rent, Additional Costs and Impositions due and to become due under this Lease and for the performance and observance of all of the covenants, agreements, terms, provisions and conditions of this Lease on the part of Tenant to be performed or observed until a Permitted Transfer occurs.

(j) Notwithstanding anything to the contrary in this Section 10.01 to the contrary, Tenant may sublease any of the Residential Units to Residential Tenants (and any commercial space on the Premises, if any, to commercial tenants) in the ordinary course of Tenant's business without obtaining Landlord's prior consent; and any subleasing as provided in this subsection (j) shall not be considered a Transfer for purposes of this Article 10, and *provided further*, that any such subleasing of Residential Units is in compliance with the Exhibit F and Section 26.04 below.

(k) Notwithstanding anything to the contrary in this Section 10.01 to the contrary, *provided* Tenant (i) is not in an Event of Default, (ii) provides at least thirty (30) days prior written notice to Landlord of Tenant's intention to assign this Lease to an Affiliate of Tenant, (iii) Tenant provides Landlord with such reasonable documentation as requested by Landlord in order to verify compliance with Section 10.01(d) and Section 10.01(e) above, and (iv) Tenant pays Landlord's out-of pocket expenses in accordance with Section 10.01(e)(v) above, Tenant may assign this Lease or transfer all or any portion of the Premises to an Affiliate of Tenant without Landlord's consent or approval being required and such Transfer or assignment shall be a Permitted Transfer hereunder.

Section 10.02. Consent Limited to Transaction. Any consent by Landlord under Section 10.01 above shall apply only to the specific transaction thereby authorized and shall not relieve Tenant from any requirement hereunder of obtaining the consent of Landlord to any further Transfer of this Lease or the interests of Tenant.

Section 10.03. Landlord's Right of First Offer. Subject and subordinate to Section 10.01(k) above, in the event Tenant would like to make a Permitted Transfer with respect to all or any portion of the Premises (the "Proposed Transfer Premises") pursuant to the terms and conditions of this Article 10, Tenant shall promptly give Landlord notice of such election and shall first offer to transfer the Proposed Transfer Premises to Landlord or an Affiliate of Landlord pursuant to the terms of this Section 10.03. Such offer may be made by Tenant to Landlord prior to the time Tenant has made an offer to or received an offer from any third party.

(a) Tenant shall offer (the "Offer") to transfer to Landlord the Proposed Transfer Premises pursuant to terms determined in Tenant's sole and absolute discretion (the "Offer Terms"). The Offer shall be irrevocable for a period ending at 5:00 P.M. east coast time, on the sixtieth (60th) day (or the next Business Day if the sixtieth (60th) day is not a Business Day) following the day on which the Offer was made (the "Offer Period").

(b) In the event that the Offer is accepted by the Landlord during the Offer Period, Landlord shall close on the Proposed Transfer Premises within sixty (60) days after the Offer is accepted (or such longer time as is agreed to by the parties in writing) in accordance with the Offer Terms; *provided however*, that in the event that such closing does not occur within such period as a result of a default by Landlord after acceptance, then Tenant shall be entitled to Transfer the Proposed Transfer Premises to any third party in accordance with this Section 10.03(c). Landlord and Tenant shall execute such documents and instruments as may be necessary or appropriate to effect the transfer of the Proposed Transfer Premises pursuant to the terms of the Offer and this Section 10.03. In the event that Landlord does not elect to accept the Offer, Landlord may, at its election, make a counteroffer (“Counteroffer”) setting forth the price and other material terms on which Landlord would be willing to purchase the Proposed Transfer Premises, but Tenant has no obligation to accept or otherwise address any such Counteroffer. If Tenant elects to accept the Counteroffer, the parties shall close on the Proposed Transfer Premises in accordance with this Section 10.03(c).

(c) If the Offer is not accepted by Landlord (or a proposed Counteroffer is not accepted by Tenant) in the manner hereinabove provided, Tenant may transfer the Proposed Transfer Premises at any time within nine (9) months after the last day of the Offer Period, provided that the terms of any such Transfer of the Proposed Transfer Premises to such third party are substantially the same as the Offer Terms (which, in the case of price, means that the sale price is not less than: (i) ninety-five percent (95%) of the sale price set forth in the Offer Terms if Landlord did not make a Counteroffer, or (2) one hundred percent (100%) of the amount of the Counteroffer price if a Counteroffer was made). In the event that the Proposed Transfer Premises are not transferred to an unrelated third party within such nine (9) month period, such Transfer shall again be subject to all of the terms of this Section 10.03. If Tenant is required to re-offer the Proposed Transfer Premises to Landlord during such nine (9) month period, the procedures in subsections 10.03(a) and (b) shall apply.

(d) The Landlord’s right of first offer set out in this Section 10.03 is intended to apply only to the sale of the Proposed Transfer Premises by Tenant and is not intended to apply to a Mortgagee or another purchaser of the Premises pursuant to a foreclosure of a Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, which is not subject to this Section 10.03, *provided however*, in the event such Mortgagee or other purchaser of the Premises pursuant to a foreclosure of a Mortgage acquires this Lease and becomes a “Tenant” hereunder, this Section 10.03 shall apply to any future attempted Transfer of this Lease or Proposed Transfer Premises.

Section 10.04. Leasehold Mortgages.

(a) Tenant shall have the right to mortgage or pledge its interest in this Lease to one or more Mortgagees which at any time and from time to time during the Term, *provided however*, that (x) until Final Completion has occurred, all proceeds from any loan secured by Tenant’s interest in this Lease shall be used only in connection with the costs of pre-development, development, construction, carry, and operations of the Project and (y) no holder of any Mortgage, nor anyone claiming by, through or under any such Mortgage, shall by virtue thereof, acquire any greater rights hereunder than Tenant has, except the right to cure or remedy Tenant’s defaults or become entitled to a New Lease as more fully set forth in this Section 10.04

and Section 10.05 and such other rights as are expressly granted to Mortgagees in this Lease. No Mortgage shall be effective, unless:

(i) at the time of making such Mortgage there is no existing and unremedied Event of Default on the part of Tenant under any of the agreements, terms, covenants and conditions of this Lease on the part of Tenant to be performed; *provided however*, that if such Event of Default exists, but this Lease has not been terminated and such Event of Default will be cured simultaneously with the granting of such Mortgage or with the proceeds from such Mortgage, Tenant may nevertheless enter into such Mortgage for Tenant's interest in this Lease;

(ii) such Mortgage shall be subject to all the agreements, terms, covenants and conditions of this Lease;

(iii) such Mortgage shall contain in substance the following provisions:

"This instrument is executed upon condition that (unless this condition be released or waived by Landlord under said Lease or its successors in interest by an instrument in writing) no purchaser or transferee of said Lease at any foreclosure sale hereunder, or other transfer authorized by law by reason of a default hereunder where no foreclosure sale is required, shall, as a result of such sale or transfer, acquire any right, title or interest in or to said Lease or the leasehold estate hereby mortgaged or pledged, unless and until (i) Landlord has been given written notice of such sale or transfer of said Lease and the effective date thereof, and (ii) such purchaser or transferee has delivered to Landlord a duplicate original or certified copy of the instrument of sale or transfer to Landlord.

"The purchaser or transferee of said Lease shall, effective from and after the effective date of the foreclosure or transfer in lieu of foreclosure, assume and agree to perform all of the terms, covenants and conditions of the Lease to be observed or performed on the part of Tenant after the foreclosure or transfer and, that no further or additional mortgage or assignment of the Lease hereby mortgaged may be made except in accordance with the provisions contained in Article 10 of the Lease.

"This mortgage is not a security interest in or lien on the fee interest in the premises covered by the Lease hereby mortgaged.

"The mortgagee hereunder waives all right and option to retain and apply the proceeds of any insurance or the proceeds of any condemnation award toward the payment of the sum secured by this mortgage but only to the extent such proceeds are required for and applied to the demolition, repair or restoration of the mortgaged premises in accordance with the provisions of the Lease.

"In the event of foreclosure, the mortgagee shall not name, in such

foreclosure action or otherwise, and in any event shall not disturb the possession or right to possession (except for default) of, any subtenants of Tenant under the Lease) who are not Affiliates of Tenant.

“This mortgage and all rights of the mortgagee hereunder are, without the necessity for the execution of any further documents, subject to the terms of said Lease and the rights of the landlord thereunder, as said Lease may have been previously modified, amended or renewed with the consent of the mortgagor or its predecessors in interest, or may hereafter be modified, amended or renewed with the consent of the mortgagee. Nevertheless, the holder of this mortgage agrees from time to time upon request and without charge to execute, acknowledge and deliver any instruments reasonably requested by Landlord to evidence the foregoing.”

(b) Tenant or the Mortgagee shall give to Landlord written notice of the making of any Mortgage (which notice shall contain the name and office address of the Mortgagee) promptly after the execution and delivery of such Mortgage and a duplicate original or certified copy thereof.

(c) Landlord shall give to each Mortgagee, at the address of such Mortgagee set forth in the notice from such Mortgagee or from Tenant, and otherwise in the manner provided by Article 25, a copy of each notice given by Landlord to Tenant hereunder (including any notices of Event(s) of Default under the Lease) at the same time as and whenever any such notice shall thereafter be given by Landlord to Tenant, and no such notice by Landlord shall be deemed to have been duly given to Tenant (and no grace or cure period shall be deemed to have commenced) unless and until a copy thereof shall have been given to each such Mortgagee. Upon receipt of such notice, each Mortgagee shall have the right (but not the obligation) to remedy such Event of Default or cause the same to be remedied, within the following additional time periods (in each instance after the applicable period afforded Tenant for remedying the Event of Default or causing the same to be remedied has expired): (i) a period of ten (10) Business Days more in the case of a monetary Event of Default, and (ii) a period of fifteen (15) Business Days more in the case of a non-monetary Event of Default, or in the case of a non-monetary Event of Default which shall require more than the additional fifteen (15) Business Days to cure using due diligence, then such longer period of time as will be necessary, so long as such Mortgagee shall have commenced to cure (or caused to be commenced such cure) within such additional fifteen (15) Business Day period and continuously prosecutes or causes to be prosecuted the same to completion with reasonable diligence and continuity. Landlord shall accept performance by or on behalf of a Mortgagee of any covenant, condition or agreement on Tenant’s part to be performed hereunder with the same force and effect as though performed by Tenant, so long as such performance is made in accordance with the terms and provisions of this Lease. Landlord shall not object to any temporary entry onto the Premises by or on behalf of Mortgagee to the extent necessary to effect such Mortgagee’s cure rights, provided such entry is in compliance with all Applicable Laws. If possession of the Premises or any part thereof is required in order to cure

such Event of Default, Mortgagee shall notify Landlord within the applicable period afforded to Mortgagee hereunder.

(d) During any period in which Mortgagee, in good faith and acting with reasonable diligence and continuity, is attempting or in the process of curing (or caused to be commenced such cure) a non-monetary Event of Default within the time periods provided in Section 10.04(c), Landlord will not exercise any remedies to terminate this Lease or dispossess Tenant of possession thereof. At any time prior to the expiration of the additional cure period afforded Mortgagee under Section 10.04(c) to cure (or caused to be cured) the Event of Default, Mortgagee may send Landlord notice of its intention to institute foreclosure proceedings, and thereafter, provided Mortgagee commences such foreclosure proceedings, prosecutes such proceedings with all reasonable diligence and continuity (subject to Unavoidable Delays) and, upon obtaining such possession, commences promptly to cure the Event of Default and prosecutes the same to completion with all reasonable diligence and continuity (subject to Unavoidable Delays), Landlord will not exercise any remedies to terminate this Lease or dispossess Tenant of possession thereof; *provided however*, that: (i) Mortgagee shall have first delivered to Landlord, in writing, its agreement to cure (or caused to be cured), and (ii) during the period in which Mortgagee is curing (or causing such cure of) such Event of Default (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease are being duly performed (including, without limitation, payment of all Base Rent, Additional Costs and Impositions due hereunder (including further, without limitation, the payment of any Impositions or payments of installments for Impositions are being made to a Depository in accordance with Article 5 above)) within any applicable grace periods. However, at any time after the delivery of the aforementioned agreement, the Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, and, in such event, the Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Landlord (except for any obligations assumed by the Mortgagee and accruing prior to the date it delivers such notice), and, thereupon, Landlord shall have the unrestricted right to terminate this Lease, dispossess Tenant of the Premises and to take any other action Landlord deems appropriate by reason of any uncured Event of Default by Tenant.

(e) Notwithstanding anything in this Section 10.04 to the contrary, a Mortgagee shall not be required to cure any non-monetary Events of Default of Tenant that are not capable of being cured by such Mortgagee, and if any Mortgagee, assignee or transferee shall acquire the Premises pursuant to a foreclosure or transfer in lieu of foreclosure, then any such non-monetary Event of Default by Tenant that is not capable of being cured shall no longer be deemed an Event of Default of the acquiring Mortgagee, assignee or transferee of this Lease after such foreclosure or transfer in lieu of foreclosure (*provided however*, that Landlord may continue to pursue any and all remedies at law or in equity against the defaulting Tenant unless Tenant was released of such obligations, *provided further*, that any such remedies may not involve the disturbance of quiet possession of any Mortgagee, assignee or transferee of the Premises under this Lease or a New Lease).

(f) With respect to any non-monetary Event of Default, so long as a Mortgagee shall be diligently exercising its cure rights under this Section 10.04 with respect thereto within the applicable cure periods set forth above and so long as, if possession of the

Premises is required to cure the same, Mortgagee shall be taking the actions required by clause (d) of this Section 10.04, Landlord shall not (i) re-enter the Premises, (ii) serve a termination notice, or (iii) bring a proceeding on account of such default to (A) dispossess Tenant or other occupants of the Premises, (B) re-enter the Premises, or (C) terminate this Lease or the leasehold estate (such rights described in clauses (i), (ii) and (iii) being herein “Landlord’s Termination Rights”). In addition, with respect to any monetary Event of Default, Landlord shall not exercise any of Landlord’s Termination Rights so long as a Mortgagee shall be diligently exercising its cure rights under this Section 10.04 within the time periods set forth above. Upon any Mortgagee ceasing to diligently exercise such rights and undertaking such activities, Landlord may exercise any of Landlord’s Termination Rights hereunder. Nothing in the protections to Mortgagees provided in this Lease shall, however, be construed to either (i) extend the Term beyond the stated Fixed Expiration Date provided for in this Lease that would have applied if no Event of Default had occurred or (ii) require such Mortgagee to cure any non-monetary Event of Default by Tenant that is not capable of being cured and as a condition to preserving this Lease or, in the case of a Mortgagee only, to obtaining a New Lease as provided in Section 10.05.

(g) The exercise of any rights or remedies of a Mortgagee under a Mortgage, including the consummation of any foreclosure or transfer in lieu of foreclosure, shall not constitute an Event of Default; *provided however*, that any assignment of this Lease resulting from any such foreclosure or transfer in lieu of foreclosure to an entity other than a Mortgagee or an Affiliate of such Mortgagee shall be an Event of Default under this Lease unless such assignment meets the requirements of Section 10.03.

(h) Except as provided in clause (d) of this Section 10.04, no Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for so long as it remains, the owner of the leasehold estate created hereby and no performance by or on behalf of such Mortgagee of Tenant’s obligations hereunder shall cause such Mortgagee to be deemed to be a “mortgagee in possession” unless and until such Mortgagee shall take control or possession of the Premises.

(i) If there is more than one Mortgagee, the rights and obligations afforded by this Section 10.04 to a Mortgagee shall be exercisable only by the party whose collateral interest in the Premises is senior in lien (or which has obtained the consent of any Mortgagees that are senior to such Mortgagee).

(j) In addition to the other rights, notices and cure periods afforded to the holders of any Mortgage, Landlord further agrees that:

(i) without the prior written consent of each holder of a Mortgage, Landlord will neither agree to any modification or amendment of this Lease, nor accept a surrender or cancellation of this Lease;

(ii) Landlord shall consider in good faith any modification to the Lease requested by a Mortgagee or prospective Mortgagee (including the Mortgage language set forth in Section 10.04(a)(iii)) as a condition or term of granting financing to Tenant, provided that the same does not materially increase Landlord’s obligations or diminish Landlord’s rights and immunities hereunder;

(iii) the holder of the Mortgage most senior in lien priority on this Lease shall have the right to participate in any dispute resolution proceedings under Article 34 hereof;

(iv) the holder of the Mortgage most senior in lien priority on this Lease shall have the right to participate in the adjustments of any insurance claims of the nature set forth in Article 7 and Article 8 hereof and condemnation awards of the nature set forth in Article 9 hereof and to serve as the Depository (subject to any terms, conditions and covenants applicable to Mortgagee(s), as set forth in such Articles); and

(v) at the request of Tenant from time to time, Landlord shall execute and deliver an instrument addressed to the holder of any Mortgage confirming that such holder is a Mortgagee and entitled to the benefit of all provisions contained in the Lease which are expressly stated to be for the benefit of Mortgagees.

Section 10.05. New Lease. If Tenant has mortgaged its interest in this Lease in accordance with its terms, for so long as any such Mortgage is outstanding and of record, prior to the exercise of Landlord's Termination Rights, provided Mortgagee is continuing to exercise (and has not abandoned) its cure rights as provided in Section 10.04, Mortgagee shall have the option to obtain a new lease (a "New Lease") in accordance with the terms of this Section 10.05, which New Lease shall become effective upon the termination of this Lease.

(a) Mortgagee shall send written notice to Landlord in accordance with Article 25 of its exercise of the option to obtain a New Lease at any time during which Mortgagee is exercising its cure rights within the applicable cure periods provided in Section 10.04 above and prior to Landlord exercising Landlord's Termination Rights and Landlord shall enter into a New Lease of the Premises with the Mortgagee or any designee of the Mortgagee (such Mortgagee or such designee, the "New Tenant").

(b) The New Lease shall be effective commencing from the date of termination of this Lease and continuing for the remainder of the Term and upon all of the same agreements, terms, covenants and conditions of this Lease. Upon the execution of a New Lease, the New Tenant shall pay any and all sums which would at the time of the execution of the New Lease be due under this Lease but for its termination and New Tenant shall commence to remedy any non-monetary Events of Default from this Lease (that remains uncured in the New Lease) and that are of a nature or type that are capable of being cured by a party other than Tenant and New Tenant (or Mortgagee, on New Tenant's behalf) shall pay all costs and expenses, including, without limitation, reasonable counsel fees, court costs and disbursements incurred by Landlord in connection with the Events of Default and termination of this Lease, the recovery of possession of said Premises and the preparation, execution and delivery of such New Lease. In the event of a dispute between the parties as to the reasonability of New Tenant's diligence in remedying non-monetary Events of Default as provided in the preceding sentence, such dispute shall be determined by dispute resolution as provided in Article 34. Landlord shall have no obligation to deliver physical possession of the Premises in connection with the giving of any such New Lease to the extent that Landlord has not previously have recovered possession of same. As between Landlord and such New Tenant, any such New Lease and the leasehold estate thereby created,

subject to the same conditions contained in this Lease, shall continue to maintain the same priority as this Lease with regard to any Mortgage or any other lien, charge or encumbrance whether or not the same shall then be in existence.

(c) If there is more than one Mortgagee, Landlord shall enter into a New Lease with the Mortgagee whose Mortgage is senior in lien (or which has obtained the consent of any Mortgagees that are senior to such Mortgagee) as the Mortgagee entitled to the rights afforded by this Section 10.05.

(d) Any rejection of this Lease by any trustee of Tenant in any bankruptcy, reorganization, arrangement or similar proceeding which would otherwise cause this Lease to terminate, shall, without any action or consent by Landlord, Tenant or any Mortgagee, effect the transfer of Tenant's interest hereunder to the senior Mortgagee or its nominee or designee. Such Mortgagee may reject the transfer of this Lease upon such transfer upon giving notice thereof to Landlord no later than sixty (60) days after notice from Landlord of such transfer. Such Mortgagee shall thereupon have no further obligations hereunder. Alternatively, the senior Mortgagee may request a New Lease in accordance with the provisions of this Section 10.05.

(e) Except as expressly provided in Section 10.04(f) regarding Mortgagee not having to cure any non-monetary Event of Default by Tenant that is not capable of being cured, nothing in this Section 10.05 releases Tenant from any of its obligations under this Lease which have not been discharged or fully performed by Tenant or Mortgagee.

ARTICLE 11

INITIAL CONSTRUCTION OF THE PROJECT; RESTORATION; CAPITAL IMPROVEMENTS

Section 11.01. Initial Construction Work. Tenant shall cause the Project to be developed as described in the Plans and Specifications listed on Exhibit C. Tenant shall cause Final Completion of the Project on or before the Final Completion Date; provided, however, that an Event of Default shall not be deemed to have occurred with respect to Tenant's failure to cause Final Completion in a timely manner, until the Outside Final Completion Date has occurred. Until Final Completion of the Project, Tenant shall always prosecute construction of the Project (and, for purposes of this clause, "prosecute construction of the Project" shall include actions necessary to obtain construction financing) with reasonable diligence and continuity (subject to Unavoidable Delays) in accordance with the then applicable Project Schedule. Tenant shall provide Landlord with a copy of Tenant's Project Schedule, but Tenant is entitled to modify such Project Schedule from time to time as Tenant deems appropriate (except that Tenant may not modify the Project Schedule in a manner that would reflect Final Completion of the Project occurring after the Final Completion Date). Tenant shall promptly provide a copy of any revised Project Schedule to Landlord.

Section 11.02. Restoration – Construction Work in Excess of Ten Percent (10%) of the Replacement Value or That Would Affect the Exterior of any Building. If: (a) the estimated cost (determined as provided in Section 8.04(b) hereof) of any Restoration of the Initial Construction Work to be performed in accordance with the provisions of this Lease, other than any interior

alteration is greater than, (i) Two Million Dollars (\$2,000,000) (subject to adjustment as provided in Section 8.05(a)), or (ii) ten percent (10%) of the Replacement Value, either individually or in the aggregate with other Construction Work which is in any calendar year, or (b) the Construction Work involves work that would materially change the exterior of any Building (but not including painting of the exterior of a Building) or (c) the Construction Work would materially change the height, bulk or setback of any Building from the height, bulk or setback of the Building existing immediately before the commencement of the Construction Work; then in any such case, Tenant shall obtain the consent of Landlord for such Construction Work, which consent shall not be unreasonably withheld, which request shall be accompanied by sufficient information to permit Landlord to fairly evaluate the request. Following any request by Tenant to Landlord to approve any proposed modifications to the Construction Work as set forth herein, Landlord shall, subject to the terms set forth hereinabove in this Section, review the information submitted to Landlord and notify Tenant in writing of Landlord's approval or disapproval of such submission within twenty (20) Business Days after its receipt of the same from Tenant. If Landlord disapproves any such modifications, Landlord's notice to Tenant shall set forth in reasonable detail the reasons for such disapproval. If Landlord fails to notify Tenant in writing of either its approval or disapproval of any such submission within twenty (20) Business Days after its receipt of the same from Tenant, then such submission shall be deemed approved by Landlord (but such deemed approval shall not extend to any agency, regulator or authority of Landlord's right to review and approve any proposed modifications to the Construction Work in its governmental capacity, if applicable). Landlord shall bear the costs for the reasonable fees and expenses of any registered architect or licensed professional engineer selected by Landlord to review the information provided by Tenant to Landlord in connection with such Construction Work and to inspect the Construction Work on behalf of Landlord or may request to rely on the inspecting architects or engineers selected by the Mortgagee for such purposes.

Section 11.03. Standards of Construction and Maintenance during Lease Term. Throughout the term of this Lease, Tenant shall be obligated to construct and maintain the Project and make all appropriate capital replacement (including without limitation, all Capital Improvements) in a good and workmanlike manner that is consistent with the construction and maintenance standards for the Initial Construction Work of the Project.

Section 11.04. Modification of Approved Plans and Specifications. Prior to the Commencement Date, Tenant has submitted and Landlord has approved the Plans and Specifications for the Project. If Tenant desires to modify the Plans and Specifications after they have been approved by Landlord in any way which will materially affect any aspect of the exterior of any Building or result in a change in the height, bulk or setback of any Building, Tenant shall submit the proposed modifications to Landlord. Landlord shall review the proposed changes to determine whether they materially conform to the Plans and Specifications originally approved by Landlord. A modification will be "material" or will "materially affect" the exterior of the Building if the costs associated with such modification exceed: (a) Three Hundred Thousand Dollars (\$300,000) on an occurrence basis; or (b) Six Hundred Thousand Dollars (\$600,000) in the aggregate in any twelve (12) month period, and in such event, Landlord shall have the review and approval rights set forth herein for each modification over the Six Hundred Thousand Dollars (\$600,000) aggregate that costs more than One Hundred Thousand Dollars (\$100,000) in any instance. The initial review by Landlord shall be carried out within twenty (20) Business Days of the date of submission of the proposed modifications to the Plans and Specifications. If Landlord

determines that they do so conform, Landlord shall so notify Tenant. If Landlord reasonably determines that the Plans and Specifications, as so revised, do not materially conform to the Plans and Specifications originally approved by Landlord, Landlord shall so notify Tenant, specifying in what respects they do not so conform. Tenant shall either (i) withdraw the proposed modifications, in which case construction of the Project shall proceed on the basis of the Plans and Specifications previously approved by Landlord, or (ii) revise the proposed modifications to so conform and resubmit them to Landlord for review. Each review by Landlord after the initial review shall be carried out within ten (10) Business Days of the date of submission of the proposed modifications to the Plans and Specifications. If Landlord has not notified Tenant of its determination within the time period for Landlord's review as outlined above, Landlord shall be deemed to have determined that they materially conform to the Plans and Specifications previously approved by Landlord. Landlord and Tenant agree that the ten (10) Business Day review period outlined above shall only apply to modifications previously reviewed and commented on by Landlord. To the extent Tenant submits new or additional modifications outside the scope of Tenant's original submission to Landlord or in addition to any changes requested by Landlord as a result of its initial review, Landlord shall have twenty (20) Business Days to review and comment on such new or additional modifications thereto. It is understood and agreed that any consent or approval by Landlord to a modification under this Section 11.04 is a consent or approval by Landlord solely in its proprietary capacity and not in its governmental or regulatory capacity and no such approval hereunder shall in any manner be deemed to affect, limit or obligate the Board of Supervisors of Fairfax County in its governmental or regulatory capacity or the County of Fairfax, Virginia, or its agencies, departments or divisions (including without limitation the Department of Planning and Zoning) thereof with respect to any actions the foregoing may require or be requested to undertake that pertain in any manner to, any approval requests, inspections or other matters involving Governmental Authorities.

Section 11.05. Payment for Construction Work; Contested Matters. Tenant shall make full and timely payment or shall cause full and timely payment to be made to all contractors, subcontractors, materialmen, engineers, architects or other Persons who have rendered or furnished services or materials for any Construction Work (including the Initial Construction Work) or contest or discharge such matters in accordance with Section 15.02 below, to the extent such matters result in a lien or encumbrance against the Project.

Section 11.06. Landlord's Right to Use Field Personnel. Landlord reserves the right to maintain, at its sole cost and expense, its field personnel at the Premises to observe Tenant's construction methods and techniques and Landlord shall be entitled to have appropriate members of its field personnel or other designees attend Tenant's job and safety meetings. Such field personnel shall conduct themselves in such a manner so as not to interfere with Tenant's activities at the Premises and shall comply with any and all job site rules and regulations imposed by Tenant and its contractors on personnel on the job site. No such observation or attendance by Landlord's personnel or designees shall impose upon Landlord responsibility for any failure by Tenant to observe appropriate safety practices in connection with such construction, or constitute an acceptance of any work which does not comply in all respects with the provisions of this Lease.

Section 11.07. Commencement and Completion of all Construction Work. All Construction Work, once commenced, shall be completed within the time periods required in this Lease (subject to Unavoidable Delays), in a good and workmanlike manner and, with respect to

Construction Work for which this Lease requires Tenant to prepare plans and specifications, in substantial accordance with such plans and specifications, and all Applicable Laws.

Section 11.08. Supervision of Architect. All: (a) Initial Construction Work; and (b) Construction Work, the estimated cost of which (determined as provided in Section 8.04(b) hereof) is ten percent (10%) of the Replacement Value or more either individually or in the aggregate in any calendar year or (c) that involves work that would materially change the exterior of any Building or the height, bulk or setback of any Building shall be carried out under the supervision of an Architect if the work in question is of a type that is typically carried out under such supervision.

Section 11.09. Capital Improvements. From and after Final Completion, Tenant shall not replace or materially alter the Project, or any part thereof (except as provided to the contrary with respect to Fixtures in Article 13), or make any addition thereto, whether voluntarily or in connection with repairs required by this Lease (collectively, "Capital Improvements"), unless Tenant shall comply with the following requirements and, if applicable, with the additional requirements set forth in Section 11.10:

(a) No Capital Improvements shall be undertaken, as applicable, until Tenant shall have procured from all Governmental Authorities and paid for all permits, consents, certificates and approvals for the proposed Capital Improvements which are required to be obtained prior to the commencement of the proposed Capital Improvements (collectively, "Improvement Approvals"). Landlord shall not unreasonably refuse to join or otherwise cooperate in the application for any such Improvement Approvals, provided such application is made without cost, expense or liability (contingent or otherwise) to Landlord. True copies of all such Improvement Approvals shall be delivered by Tenant to Landlord prior to commencement of the proposed Capital Improvements.

(b) The Premises after completion of such Capital Improvements, shall have a value at least equal to the value of the Premises immediately before construction of such Capital Improvements. In addition, the Project shall at all times remain in substantial conformity with the original Plans and Specifications therefor (except to the extent specifically consented to by Landlord, in its sole but reasonable discretion).

(c) All Capital Improvements shall be made with reasonable diligence and continuity (subject to Unavoidable Delays) and in a good and workmanlike manner and in compliance with (i) all Improvement Approvals, (ii) if required pursuant to Section 11.10(a) or (b), in substantial accordance with the plans and specifications for such Capital Improvements as approved by Landlord, (iii) all Applicable Laws.

(d) No construction of any Capital Improvement shall be commenced until Tenant shall have delivered to Landlord certificate of insurance and copies of the declaration page(s) for the insurance required by Section 7.05. Such insurance policies shall comply with the terms of Section 7.03 above.

Section 11.10. Submissions to Landlord for Capital Improvements. If the estimated cost of any proposed Capital Improvements exceed Six Hundred Thousand Dollars (\$600,000) (as such

amount shall be increased as provided in Section 8.05(a)), either individually or in the aggregate with other Capital Improvements which are a related portion of a program or project of Capital Improvements constructed in any twelve (12) month period during the Term, Tenant shall comply with the following requirements:

(a) Intentionally omitted.

(b) Tenant shall furnish to Landlord at least thirty (30) days prior to commencement of the proposed Capital Improvements, complete plans and specifications for the Capital Improvements, prepared by an Architect (if the services of an Architect are necessary), for Landlord's approval, which approval shall not be unreasonably withheld provided such Capital Improvements shall be in substantial conformity with the original Plans and Specifications (except to the extent specifically consented to by Landlord in its sole, but reasonable discretion or as otherwise expressly provided in Article 8 above), and the Project shall be in substantial conformity with applicable requirements of this Lease; and

(c) If the Capital Improvements are of a type for which "as-built" plans are typically prepared, then within ninety (90) days after completion of any Capital Improvements, Tenant shall furnish to Landlord a complete set of "as-built" plans (which may be field marked copies of the construction plans) for such Capital Improvements, together with a permanent Certificate of Occupancy therefor issued by County of Fairfax, Virginia, to the extent a modification thereof was required.

The provisions of this Section 11.10 apply to Restoration or construction of additional Capital Improvements only and are not applicable for the Initial Construction Work.

Section 11.11. Completion of Construction Work. Upon Final Completion of the Project, Tenant shall furnish Landlord with (a) a certification of the Architect (certified to Landlord) that it has examined the applicable plans and specifications (that shall include the Plans and Specifications in the case of Initial Construction Work or a Restoration of the Project) and that, in its best professional judgment, after diligent inquiry, to its best knowledge and belief, the Construction Work has been completed in accordance with the plans and specifications applicable thereto and, as constructed, the Project complies with all Applicable Laws, (b) if required, a copy or copies of the temporary or permanent certificate(s) of occupancy for the Project issued by the Fairfax County Department of Planning and Development (or such other appropriate Governmental Authority), and (c) with respect to the Initial Construction Work (or a Restoration for which "as built" plans will be issued) of the Project, within ninety (90) days after Substantial Completion, a complete set of "as built" plans and a survey showing the Project. Landlord shall have an unrestricted non-exclusive license to use such "as built" plans and survey in connection with any Restoration of the Project without paying any additional cost or compensation therefor, which license shall be subject to the rights of the parties preparing such plans and survey under copyright and other applicable laws.

Section 11.12. Construction Agreements. Throughout the Term, all Construction Agreements shall include the following provisions; provided, however, that Landlord shall not unreasonably withhold its consent to any revisions to such language reasonably requested by a contractor or materialman:

(a) [“Contractor”]/[“Subcontractor”]/[“Materialman”] hereby agrees that Landlord shall not be liable in any manner for payment or otherwise to [“contractor”]/[“subcontractor”]/[“materialman”] in connection with the purchase of any building materials for the Project and Landlord shall have no obligation to pay any compensation to [“contractor”]/[“subcontractor”]/[“materialman”] by reason of such materials becoming incorporated into the Project.

(b) [“Contractor”]/[“Subcontractor”]/ [“Materialman”] hereby agrees that regardless of the fact that [“contractor”]/ [“subcontractor”]/[“materialman”] performed work at the Premises (as such term is defined in the Lease) or any part thereof; Landlord is not liable in any manner for payment or otherwise to [“contractor”]/ [“subcontractor”]/[“materialman”] in connection with the work performed at the Premises.

(c) Landlord shall be a third party beneficiary of all guarantees and warranties of [“contractor”]/[“subcontractor”]/[“materialman”] hereunder and such guarantees and warranties shall be enforceable against [“contractor”]/[“subcontractor”]/[“Materialman”] by said Landlord.

(d) Landlord is not a party to this [“agreement”] [“contract”] nor will Landlord in any way be responsible to any party for any and or all claims of any nature whatsoever arising or which may arise from such [“contract”] [“agreement”].”

Section 11.13. Demolition of the Project. Except as hereinafter provided, Tenant shall not demolish the Project during the Term. If the Project is substantially destroyed as a result of a fire or other casualty and it is necessary in connection with a Restoration to demolish the remainder of the Project, Tenant shall have the right, subject to compliance with the terms of Article 8 and Article 11, to demolish the remainder of the Project.

Section 11.14. Materials Incorporated in Project. The materials to be incorporated in the Project at any time during the Term shall, upon purchase of same and at all times thereafter during the Term, constitute the property of Tenant, and upon construction of the Project or the incorporation of such materials therein, title thereto shall vest in Tenant. Nothing in this Section shall limit the Landlord’s vesting of all right, title, and interest in such materials located on the Premises at the expiration or earlier termination of the Term.

Section 11.15. Landlord Approval of Financing of Construction Work. Prior to Commencement of Construction (or commencement of a Restoration that is subject to Section 8.05(a)), Tenant shall provide Landlord with a detailed financing plan for the Construction Work to be completed and any and all other costs and expenses which may be necessary to achieve Final Completion (the “Financing Plan”). The Financing Plan shall be subject to the prior written approval of Landlord (including, without limitation, Tenant’s proposed Mortgagee and any member or investor of Tenant providing equity funding as part of Tenant’s Financing Plan), which approval shall not be unreasonably withheld, conditioned or delayed so long as the Financing Plan is consistent with the Construction Work set forth in the Plans and Specifications (or Restoration Plans and Specifications, if applicable) approved by Landlord in accordance with the terms of this Lease. To the extent that Tenant determines that any modifications to the Financing Plan for the Project are necessary after such Financing Plan has been approved by Landlord, Tenant shall make

such modifications to such Financing Plan and submit the revised Financing Plan to Landlord for informational purposes, provided however, that if Section 11.04 allows for Landlord's right to approve changes to the Plans and Specifications thereunder, Landlord shall also have the right to approve modifications to the Financing Plan under this Section 11.15. Landlord will review and approve the Financing Plan in writing, or disapprove such Financing Plan, provided Landlord sends with any notice of disapproval sufficient details and explanation for the reason of such disapproval and any requested changes to the modifications of such Financing Plan necessary to obtain Landlord's approval, within ten (10) Business Days after receipt of the proposed Financing Plan. If Landlord fails to notify Tenant in writing of either its approval or disapproval of the proposed modifications to such Financing Plan within ten (10) Business Days after its receipt of the same from Tenant, then such proposed modifications to such Financing Plan shall be deemed approved by Landlord. As used in the preceding two sentences, "Financing Plan," means the initial Financing Plan or any modifications of the Financing Plan which require Landlord's approval hereunder.

ARTICLE 12

REPAIRS AND MAINTENANCE; CAPITAL RESERVE; PARKING

Section 12.01. Repairs. Tenant shall take good care of the Premises, including, without limitation, the Project, roofs, foundations and appurtenances thereto, water, sewer and gas connections, pipes and mains which are located on or service the Premises and all Fixtures, and shall put, keep and maintain the Project in good and safe order and condition in a manner that is consistent with the maintenance of other comparable market rate apartment projects in Fairfax County, Virginia, and make all repairs therein and thereon, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary or appropriate to keep the same in good and safe order and condition in a good and workmanlike manner that is consistent with the construction and maintenance standards for the Initial Construction Work of the Project, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, *provided however* that Tenant's obligations with respect to Restoration resulting from a casualty or condemnation shall be as provided in Article 8 and Article 9 hereof. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to the Premises or the Project. When used in this Section 12.01, the term "repairs" shall include all necessary replacements, alterations and additions. All repairs made by Tenant shall be at least equal in quality and class to the original work and shall be made in compliance with all Applicable Laws.

Section 12.02. Capital Reserve. Commencing upon Substantial Completion of the Project, Tenant shall, on the first day of each month during the Term, make monthly deposits to a capital reserve fund (the "Maintenance Capital Reserve") in an amount equal to \$250.00/Residential Unit per annum, escalating each year by the increase in the Consumer Price Index for the year in question.

(a) Tenant shall utilize the funds in the Maintenance Capital Reserve to cover the costs of repair and maintenance of the Project, including, without limitation, Capital Improvements.

(b) Depository shall hold the monies deposited into the Maintenance Capital Reserve in an interest bearing account for the purpose of paying (or reimbursing Tenant for) the maintenance and repair charges of the Project pursuant to a depository agreement reasonably satisfactory to Landlord and Tenant.

(c) Any interest paid on monies deposited with the Depository pursuant to this Section 12.02 shall be added to the Maintenance Capital Reserve.

(d) After the occurrence and during the continuance of an Event of Default and subject to any rights of a Mortgagee, Landlord, at Landlord's option, may withdraw any monies from the Maintenance Capital Reserve for the purpose of performing maintenance, repairs or capital improvements for the Project, as Landlord may reasonably determine. Notwithstanding the foregoing, this Section 12.02(d) will not apply to the extent that Landlord's rights hereunder would violate or conflict with a Mortgagee's rights to any Maintenance Capital Reserve for the Project.

(e) Landlord shall not be liable for any delay in investing or reinvesting monies deposited with the Depository pursuant to Section 12.02 or for any loss incurred by reason of any such investments, except for any willful misconduct or negligence of Landlord.

Section 12.03. Maintenance Capital Reserve in the Event of a Transfer. In the event of a sale or transfer by either party of its interest in the Premises, such party shall transfer to the person who owns or acquires such interest in the Premises or is the transferee of such party's interest under this Lease, all of such party's rights with respect to the Maintenance Capital Reserve if it is then held by the Depository, if applicable, subject to the provisions thereof. Upon such transfer, the transferor shall be deemed to be released and relieved from all liability with respect to such deposited monies and the non-transferring party shall look solely to the transferee with respect thereto, and the provisions hereof shall apply to each successive transfer of such party's rights with respect to such deposits.

Section 12.04. Mortgagee and Reserves. Notwithstanding anything in Section 12.02 and Section 12.03 to the contrary, in the event that a Mortgagee (provided such Mortgagee be an Institutional Lender) shall require Tenant to deposit funds for maintaining and replacing Capital Improvements, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit in the Maintenance Capital Reserve.

Section 12.05. Parking. Tenant hereby covenants and agrees that during the Term it shall provide parking for the Premises in accordance with all Applicable Laws.

Section 12.06. No Obligation on Landlord. Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Premises, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, Restoration or repair to, nor to demolish, any Project. Tenant assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Premises.

ARTICLE 13

FIXTURES

Section 13.01. Property of Tenant. All Fixtures shall be and shall remain the property of Tenant throughout the Term. Nothing in this Section shall limit the Landlord's vesting of all right, title, and interest in such Fixtures at the expiration or earlier termination of the Term.

Section 13.02. Maintenance, Repair and Replacement. Tenant shall keep all Fixtures in good order and shall maintain, repair and replace the same when necessary with items at least equal in utility to the Fixtures being replaced, *provided however*, that Tenant will not be required to maintain, repair and replace any Fixtures which performed a function which has become obsolete or otherwise is no longer necessary or desirable in connection with the use or operation of the Premises, unless such failure to replace would reduce the value of the Premises or would result in a reduced level of maintenance of the Premises, in which case Tenant shall be required to install such Fixtures as may be necessary to prevent such reduction in the value of the Premises or in the level of maintenance.

ARTICLE 14

REQUIREMENTS OF PUBLIC AUTHORITIES AND OF INSURANCE UNDERWRITERS AND POLICIES;

Section 14.01. Compliance with Applicable Laws. Tenant promptly shall comply with all Applicable Laws, including without limitation, requiring the removal of any encroachment, or affecting the construction, maintenance, use, operation, management or occupancy of the Premises, whether or not the same involve or require any structural changes or additions in or to the Premises, without regard to the nature or cost of the work required to be done, extraordinary, as well as ordinary, or whether or not such changes or additions are required on account of any particular use to which the Premises, or any part thereof, may be put, and without regard to the fact that Tenant is not the fee owner of the Premises. Tenant also shall comply with any and all provisions and requirements of any casualty, liability or other insurance policy required to be carried by Tenant under the provisions of this Lease.

Section 14.02. Right to Contest. Tenant, at its expense, after notice to Landlord, may contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any Applicable Laws, provided that: (a) Landlord shall not be subject to civil or criminal penalty or to prosecution for a crime, nor shall the Premises or any part thereof be subject to being condemned or vacated, by reason of non-compliance or otherwise by reason of such contest; (b) if an adverse decision in such proceeding or the failure to pay any judgment resulting from such adverse decision could result in the imposition of any lien against the Premises, then before the commencement of such contest, Tenant shall furnish to Landlord the bond of a surety company reasonably satisfactory to Landlord, or other deposit or security in each case in form, substance and amount reasonably satisfactory to Landlord, and shall indemnify Landlord against the cost of such compliance and liability resulting from or incurred in connection with such contest or non-compliance (including the costs and expenses in connection with such contest; (c) Tenant shall keep Landlord regularly advised as to the status of such proceedings; (d) such contest shall

be prosecuted with diligence and in good faith to final adjudication, settlement, compliance or other disposition of the Applicable Laws so contested; (e) such contest, and any disposition thereof (including, without limitation, the cost of complying therewith and paying all interest, penalties, fines, liabilities, fees and expenses in connection therewith), shall be at the sole cost of and shall be paid by Tenant; (1) promptly after disposition of the contest, Tenant shall comply with such Applicable Laws to the extent determined by such contest; and (f) Tenant shall comply with any Applicable Laws in accordance with the applicable provisions of this Lease if the Premises, or part thereof, shall be in danger of being forfeited or if Landlord is in danger of being subject to criminal liability or penalty, or civil liability, in connection with such contest. Landlord shall be deemed subject to prosecution for a crime if Landlord or any of its respective officers, directors, partners, shareholders, agents or employees is charged with a crime of any kind whatever unless such charge is withdrawn ten (10) Business Days before such party is required to plead or answer thereto.

Section 14.03. Environmental Requirements. Tenant shall not undertake, or, to the extent within its reasonable control, permit or suffer any Environmental Activity other than (i) in compliance with all Applicable Laws and all of the terms and conditions of all insurance policies covering, related to or applicable to the Premises, and (ii) in such a manner as shall keep the Premises free from any lien imposed in respect of or as a consequence of such Environmental Activity. Tenant shall act in a commercially reasonable manner to ensure that any Environmental Activity undertaken or permitted at the Premises by Tenant, its agents or representatives, is undertaken in a manner as to provide prudent safeguards against potential risks to human health or the environment or to the Premises. Tenant shall notify Landlord within twenty-four (24) hours (or the next Business Day if such twenty-four (24) hour period includes a day that is not a Business Day) of any known material release of Hazardous Materials from or at the Premises. Landlord shall have the right, upon reasonable advanced notice and in cooperation with the Tenant, from time to time and at Landlord's expense to conduct an environmental audit of the Premises during regular business hours, and Tenant shall reasonably cooperate in the conduct of such environmental audit. Landlord shall provide a copy of any such audit to Tenant. Landlord shall use its reasonable efforts to minimize interference with Tenant's and any subtenant's use and occupancy of the Premises in performing such environmental audit, and shall repair any damage to the Premises caused by the same, except that Landlord shall have no such repair obligation to the extent the damage was due to any Environmental Activity. If Tenant shall breach the covenants provided in this Section, then in addition to any other rights and remedies which may be available to Landlord under this Lease or otherwise at law or in equity, Landlord may require Tenant to take all actions, or to reimburse Landlord for the costs of any and all actions taken by Landlord, as are necessary or reasonably appropriate to cure such breach. Tenant shall not be responsible for and shall have no liability in connection with any Environmental Activity undertaken or permitted by Landlord, its agents, employees, representatives, licensees, or invitees. For purposes of this Section, "Environmental Activity" means any storage, installation, existence, release, threatened release, discharge, generation, abatement, removal, disposal, handling or transportation from, under, into or on the Premises of (A) any substance, product, waste or other material of any nature whatsoever that is listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, the Emergency Planning and Community Right of Know Act of 1986, 42 U.S.C. § 11001, *et seq.*, and the Virginia State Water Control Law, Va. Code Ann.

§ 62.1-44.2, *et seq.*; (B) any substance, product, waste or other material of any nature whatsoever that may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (C) petroleum or crude oil or products thereof, other than petroleum and petroleum products that are contained within regularly-operated motor vehicles or products used in connection with the construction, operation, and maintenance of the Project; and (D) asbestos (the materials described in clauses (A) through (D) above are collectively referred to herein as “Hazardous Materials”).

ARTICLE 15

DISCHARGE OF LIENS; BONDS

Section 15.01. Creation of Liens. Subject to the provisions of Section 15.02 hereof, except as otherwise expressly provided herein, Tenant shall not create or permit to be created any mechanic’s, laborer’s or materialman’s lien upon the Premises or any part thereof, a lien upon the income therefrom or any assets of, or funds appropriated to, Landlord, and Tenant shall not suffer any other encumbrance, matter or thing whereby the estate, right and interest of Landlord in the Premises or any part thereof might be impaired.

Section 15.02. Discharge of Liens. If any mechanic’s, laborer’s or materialman’s lien (other than a lien arising out of any work performed by Landlord) at any time shall be filed in violation of the obligations of Tenant pursuant to Section 15.01 against the Premises or any part thereof or the Project or any part thereof, or, if any public improvement lien created or permitted to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant, within forty-five (45) days after notice of the filing thereof shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged of record within the 45-day period, and if such lien continues for an additional ten (10) Business Days after notice by Landlord to Tenant, then, in addition to any other right or remedy, Landlord may, but is not obligated to, discharge the lien either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, including all reasonable costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the Involuntary Rate, from the respective dates of Landlord’s making of the payment or incurring of the costs and expenses, shall constitute Additional Costs and shall be paid by Tenant to Landlord within ten (10) Business Days after demand. Notwithstanding the foregoing provisions of this Section 15.02, Tenant shall not be required to discharge (and Landlord shall not pay or discharge) any such lien if Tenant is in good faith contesting the same and has furnished a cash deposit or a security bond or other such security reasonably satisfactory to Landlord in an amount sufficient to pay such lien with interest and penalties.

Section 15.03. No Authority to Contract in Name of Landlord. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the

performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Landlord's interest in the Premises or any part thereof, or any assets of, or funds appropriated to, Landlord. Notice is hereby given that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant or any Residential Tenant or other subtenant (or any sub-subtenants of either), for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof or any assets of, or funds appropriated to, Landlord. Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the estate or assets of, or funds appropriated to, Landlord or of any interest of Landlord in the Premises.

ARTICLE 16

DELIVERY OF POSSESSION

Landlord shall deliver possession of the Premises on the Commencement Date "AS IS, WHERE IS, WITH ALL FAULTS", subject to the Title Matters.

ARTICLE 17

REPRESENTATIONS

Section 17.01. As-Is Condition; No Representations. Tenant acknowledges that Tenant is fully familiar with the Land, the Premises, the physical condition thereof, the Title Matters and the zoning status thereof. Tenant accepts the Premises in its existing legal and physical condition and state of repair, and, except as otherwise expressly set forth in this Lease, no representations, statements, or warranties, express or implied, have been made by or on behalf of Landlord in respect of the Land, the Premises, the status of title thereof, the physical condition thereof, including, without limitation, the zoning or other laws, regulations, rules and orders applicable thereto, Taxes, or the use that may be made of the Premises, that Tenant has relied on no such representations, statements or warranties, and that Landlord shall in no event whatsoever be liable for any latent or patent defects in the Premises.

Section 17.02. Tenant's Representations. Tenant represents that:

(a) Tenant is duly organized under the laws of the Commonwealth of Virginia, and is validly existing and in good standing under the laws of the Commonwealth of Virginia;

(b) Tenant has not dealt with any broker in connection with this Lease or the transactions contemplated hereby and it agrees to indemnify and hold Landlord harmless from and against any claim for commission or other compensation in connection herewith that is asserted by any broker, finder or other agent which claims to have dealt with Tenant, together with the cost of defending any such claim; and

(c) the execution and delivery of this Lease, and all documents and instruments collateral to this Lease, by the officer(s) of Tenant executing and delivering the same, have been duly authorized by all requisite company action on the part of Tenant, and, upon such execution and delivery, this Lease and such other documents and instruments shall constitute valid and binding obligations of Tenant.

ARTICLE 18

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

Section 18.01. No Liability for Injury. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other Person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Project (including, but not limited to, any of the common areas within the Project, Fixtures, elevators, hatches, openings, installations, stairways, hallways, or other common facilities), or the streets or sidewalk area within the Premises or which may arise from any other cause whatsoever except to the extent any of the foregoing shall have resulted from the gross negligence, or intentional misconduct of Landlord, its officers, agents, employees or licensees.

Section 18.02. No Liability for Utility Failure. Landlord, in its proprietary capacity, shall not be liable to Tenant or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody, or caused by any public or quasi-public work, except to the extent any of the foregoing shall have resulted from the gross negligence or intentional misconduct of Landlord, its officers, agents, employees or licensees.

Section 18.03. No Liability for Soil Conditions. In addition to the provisions of Sections 18.01 and 18.02, Landlord shall not be liable to Tenant or to any other Person for any injury or damage to any property of Tenant or of any other Person or to the Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Premises, it being agreed that Tenant shall assume and bear all risk of loss with respect thereto, except to the extent such injury or damage results from the activities of Landlord on the Premises or an land adjacent to the Premises.

ARTICLE 19

INDEMNIFICATION OF LANDLORD AND OTHERS

Section 19.01. Indemnification. Tenant shall not do, or knowingly permit any Residential Tenants or other subtenants (or sub-subtenants of either), or any employee, agent or contractor of

Tenant to do any act or thing upon the Premises or elsewhere which may reasonably be likely to subject Landlord to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of law or any other Applicable Laws, and shall use its reasonable efforts to exercise such control over the Premises so as to fully protect Landlord against any such liability. Tenant, to the fullest extent permitted by law, shall indemnify and save Landlord and its respective agents, directors, officers and employees (collectively, the “Indemnitees”), harmless from and against any and all loss, cost, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses (including without limitation engineers’, architects’ and reasonable attorneys’ fees and charges), which may be suffered by, imposed upon or incurred by or asserted against any of the Indemnitees, by reason of any of the following occurring prior to the Expiration Date, except to the extent that the same shall have been caused in whole or in part by the gross negligence or intentional misconduct of any of the Indemnitees:

(a) construction of the Project or any other work or thing done in or on the Premises or any part thereof;

(b) any use, non-use, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises or any part thereof;

(c) any negligent or tortious act or failure to act within the Premises on the part of Tenant or any agent, contractor, servant or employee of Tenant;

(d) any accident, injury (including death at any time resulting therefrom) or damage to any Person or property occurring in or on the Premises or any part thereof;

(e) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with;

(f) any lien or claim which may have arisen out of any act of Tenant or any agent, contractor, servant or employee of Tenant against or on the Premises, or any lien or claim created or permitted to be created by Tenant in respect of the Premises against any assets of, or funds appropriated to any of the Indemnitees under the laws of the Commonwealth of Virginia or of any other Governmental Authority or any liability which may be asserted against any of the Indemnitees with respect thereto;

(g) any failure on the part of Tenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in Construction Agreements, Residential Leases or other contracts and agreements affecting the Premises, on Tenant’s part to be kept, observed or performed;

(h) any failure on the part of Tenant to comply with any and all Applicable Laws related to the Residential Units, Exhibit F and Article 26 hereof;

(i) any tax attributable to the execution, delivery or recording of this Lease other than any real property transfer gains tax or other transfer tax which may be imposed on Landlord; or

(j) any contest by Tenant permitted pursuant to the provisions of this Lease, including, without limitation, Articles 4 and 14 hereof.

Section 19.02. Not Affected by Insurance. The obligations of Tenant under this Article 19 shall not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises; *provided however*, Tenant shall be relieved of its indemnity obligation to the extent of the amount actually recovered from one or more of the insurance carriers of either Tenant or Indemnitee, and (a) paid to Indemnitee, or (b) paid for Indemnitee's benefit in reduction of any such liability, penalties, damage, expense, or charges imposed upon Indemnitee.

Section 19.03. Notice and Defense Process. If any claim, action or proceeding is made or brought against any of the Indemnitees by reason of any event for which Tenant has agreed to indemnify the Indemnitees in Section 19.01, then, upon demand by Landlord, Tenant shall resist or defend such claim, action or proceeding (in such Indemnitee's name, if necessary) by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Tenant) or (in all other instances) by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld. Additionally, except with respect to personal injury or other liability claims within the coverage limits afforded by Tenant's liability insurance and being defended by attorneys for, or approved by, Tenant's insurance carrier, Landlord may, following consultation with Tenant, if reasonable under the circumstances, engage its own attorneys to defend or to assist in its defense of such claim, action or proceeding and Tenant shall pay the reasonable fees and disbursements of such attorneys. Tenant shall control the settlement of any such claim, action, or proceeding. Landlord's consent to any such settlement shall not be required if such settlement provides solely for the payment of money and does not impose any other liability on Landlord; otherwise Landlord's consent to a proposed settlement will be required, provided such consent will not be unreasonably withheld.

Section 19.04. Survival. The provisions of this Article 19 shall survive the Expiration Date with respect to actions or the failure to take any actions or any other matter arising prior to the Expiration Date.

ARTICLE 20

LANDLORD'S RIGHT OF INSPECTION; RIGHT TO PERFORM TENANT'S COVENANTS.

Section 20.01. Landlord Right of Inspection. Tenant shall permit Landlord and its agents or representatives to enter the Premises at all reasonable times and upon reasonable notice, subject to the rights of Residential Tenants and other permitted subtenants under this Lease, if any (and except in cases of emergency) for the purpose of (a) inspecting the same, (b) determining whether or not Tenant is in compliance with its obligations hereunder, and (c) making any necessary repairs to the premises and performing any work therein that may be necessary by reason of Tenant's failure to make any such repairs or perform any such work, provided that, except in any emergency, Landlord shall have given Tenant notice specifying such repairs or work and Tenant shall have failed to make such repairs or to do such work within thirty (30) days after the giving of such notice (subject to Unavoidable Delays), or if such repairs or such work cannot reasonably be

completed during such thirty (30) day period, to have commenced and be diligently pursuing the same.

Section 20.02. Landlord Right to Cure. If Tenant at any time shall be in an Event of Default, after notice thereof and after applicable grace periods, if any, provided under this Lease for Tenant or a Mortgagee, respectively, to cure or commence to cure same, Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) perform such obligation on Tenant's behalf. If Tenant disputes a claim by Landlord that Tenant is failing to comply with the terms of this Lease regarding the maintenance and repair of the Premises the parties shall resolve such dispute resolution pursuant to Article 34 below before Tenant is obligated to perform the disputed obligations.

Section 20.03. Reimbursement of Landlord. All reasonable sums paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection with its performance of any obligation pursuant to Section 20.02, together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment or incurring of each such sum, cost, expense, charge, payment or deposit until the date of actual repayment to Landlord, shall be paid by Tenant to Landlord within ten (10) Business Days after Landlord shall have submitted to Tenant a statement, in reasonable detail, substantiating the amount demanded by Landlord. Any payment or performance by Landlord pursuant to Section 20.02 shall not be nor be deemed to be a waiver or release of breach or Event of Default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings or take such other action as may be permissible hereunder if an Event of Default by Tenant shall have occurred. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep insurance in force as required by this Lease to the amount of the insurance premium or premiums not paid, but Landlord also shall be entitled to recover, as damages for such breach, the uninsured amount of any loss and damage and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of an uninsured damage to or destruction of the Premises. If as a result of such dispute resolution it is determined that Tenant was complying with the terms of this Lease regarding the maintenance and repair of the Premises, then Landlord shall not be entitled to reimbursement for any work they may have performed.

Section 20.04. No Duty on Landlord. Nothing in this Article 20 or elsewhere in this Lease shall imply any duty upon the part of Landlord to do any work required to be performed by Tenant hereunder and performance of any such work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord, during the progress of any such work, may keep and store at the Premises all necessary materials, tools, supplies and equipment so long as such storage does not materially interfere with the operation of the Premises or the use of any Residential Units. To the extent that Landlord undertakes such work or repairs, such work or repairs shall be commenced and completed in a good and workmanlike manner, and with reasonable diligence, subject to Unavoidable Delays.

ARTICLE 21

[RESERVED]

ARTICLE 22

NO ABATEMENT OF BASE RENT OR ADDITIONAL COSTS

Except as may be otherwise expressly provided herein, there shall be no abatement, offset, diminution or reduction of Base Rent or Additional Costs payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances.

ARTICLE 23

NO UNLAWFUL OCCUPANCY

Section 23.01. No Unlawful Use. Tenant shall not use or occupy, nor, to the extent within its reasonable control, permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) or that is offensive by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the Certificate of Occupancy for the Premises or the Applicable Laws or which may make void or voidable any insurance then in force on the Premises. Tenant shall take, promptly upon the discovery of any such unpermitted, unlawful, illegal or extra hazardous use, such actions as Tenant deems necessary to address such unpermitted, unlawful, illegal or extra hazardous use. If for any reason Tenant shall fail to take such actions, and such failure shall continue for thirty (30) days after notice from Landlord to Tenant specifying such failure, Landlord is hereby irrevocably authorized to take all such actions in Tenant's name and on Tenant's behalf, Tenant hereby appointing Landlord as Tenant's attorney-in-fact coupled with an interest for all such purposes. If Tenant disputes Landlord's claim as to the existence of such unpermitted, unlawful, illegal or extra hazardous use or Tenant's actions with respect thereto, then the parties shall resolve such dispute pursuant to the provisions of Article 34 and the procedures set forth in Section 20.02, Section 20.03 and Section 20.04 following such dispute regarding Landlord's right to cure and right to reimbursement shall apply hereunder.

Section 23.02. No Adverse Possession. Tenant shall not knowingly suffer or permit the Premises or any portion thereof to be used by the public in such manner as might reasonably tend to impair title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof.

ARTICLE 24

EVENTS OF DEFAULT; CONDITIONAL LIMITATIONS, REMEDIES, ETC.

Section 24.01. Events of Default. Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to pay any item of Base Rent, Additional Costs or Impositions or any part thereof, when the same shall become due and payable and such failure shall continue for five (5) Business Days after notice from Landlord to Tenant;

(b) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Lease, and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall diligently and continuously prosecute the same to completion);

(c) if Tenant shall abandon the Premises;

(d) if Tenant is a corporation, limited partnership or limited liability company, if Tenant shall at any time fail to maintain its proper entity existence in good standing, or to pay any franchise tax when and as the same shall become due and payable and such failure shall continue for thirty (30) days after notice thereof from any governmental agency to Tenant;

(e) if this Lease or the estate of Tenant hereunder shall be assigned or subleased, transferred, mortgaged or encumbered, or there shall be a Transfer, without Landlord's approval to the extent required hereunder or without compliance with the provisions of this Lease applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from Landlord to Tenant;

(f) if a levy under execution or attachment (other than a Mortgage) shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding, insured over, or otherwise within a period of thirty (30) days; and

(g) if, after notice and opportunity to cure as provided in the Guaranty, Guarantor shall default in the performance or observance of any term of the Guaranty;

(h) if at any time it is determined that five percent (5%) or more of the Residential Leases or the Residential Tenants (or a combination thereof) fail to comply with the criteria set forth in Exhibit F for Residential Leases and Residential Tenants as a result of Tenant's actions or failure to act (but not as a result of any default, act, omission, misrepresentation, misstatement or fraud by a Residential Tenant, provided that Tenant takes such actions as provided in this Section 24.01(h) after Tenant becomes aware of such default, act, omission, misrepresentation, misstatement or fraud) (each being a "Residential Criteria Default" and collectively, "Residential Criteria Defaults"), and Tenant does not commence to cure such Residential Criteria Defaults within thirty (30) days after notice thereof by Landlord to Tenant specifying such failure or cure such Residential Criteria Defaults within thirteen (13) months after such notice (either such failure being, a "Leasing Default"); and

(i) if any of the following occur (each of the following individually and collectively referred to as a "Bankruptcy Default")

(i) if Tenant shall admit, in writing, that it is unable to pay its debts as such become due;

(ii) if Tenant shall make an assignment for the benefit of creditors;

(iii) if Tenant shall file a voluntary petition under the Bankruptcy Code or if such petition is filed against it, and an order for relief is entered, or if Tenant shall file any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant, or if Tenant shall take any corporate action in furtherance of any action described in Sections 24.01(i)(ii), (iii) or (iv) hereof;

(iv) if within ninety (90) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant or such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within thirty (30) days after the expiration of any such stay, such appointment shall not have been vacated.

Section 24.02. Expiration and Termination of Lease.

(a) If any Event of Default (other than a Bankruptcy Default or Leasing Default) shall occur, Landlord (subject to Section 24.14 below) may, at any time thereafter, at its option, give notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall not be less than fifteen (15) Business Days after the giving of such notice, and if, on the date specified in such notice, Tenant shall have failed to cure the breach which was the basis for the Event of Default, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as of the date specified in the notice and such date shall be the Expiration Date and Tenant immediately shall quit and surrender the Premises.

(b) If an Event of Default described in Sections 24.01(a) – (g) shall occur, or this Lease is terminated as provided in Section 24.02(a), Landlord, without notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor and may dispossess Tenant by summary proceedings or other lawful process.

Section 24.03. Effect of Termination. If this Lease is terminated as provided in Section 24.02(a), or Tenant is dispossessed by summary proceedings or otherwise as provided in Section 24.02(b), hereof:

(a) Tenant shall pay to Landlord all Base Rent, Additional Costs and Impositions payable by Tenant under this Lease to the Expiration Date or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord may, (i) complete all construction required to be performed by Tenant hereunder and may repair and alter the Premises in such manner as Landlord may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depository pursuant to Articles 8, 9, 11 or 12) without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, (ii) let or relet the Premises for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, or (iii) any combination of (i) and (ii), as Landlord determines; and out of any Base Rent, Additional Costs, Impositions and other sums collected or received as a result of such reletting Landlord shall: (1) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements, (2) second, pay to itself the reasonable cost and expense sustained in securing a new tenant and other occupant, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the reasonable cost and expense of operating and maintaining the Premises, and (3) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord; Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability.

Section 24.04. Survival of Obligations. No termination of this Lease pursuant to Section 24.02(a) or taking possession of the Premises pursuant to Section 24.02(b) or reletting the Premises pursuant to Section, or any part thereof, pursuant to Sections 24.03(b), shall relieve Tenant of its liabilities and obligations under this Lease to: (a) achieve Final Completion of the Initial Construction Work (or Restoration if a casualty or condemnation occurred before the Expiration Date) hereunder, and (b) otherwise pay all of its obligations under Section 24.03 which become due through the Expiration Date (but not afterwards); all of which shall survive such expiration, termination, repossession or reletting.

Section 24.05. Tenant's Waiver. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 24. Tenant shall execute, acknowledge and deliver any instruments which Landlord may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

Section 24.06. Leasing Default.

(a) If any Leasing Default shall occur, Landlord may (subject to Section 24.14 below), at its option, give notice to Tenant stating that Landlord is terminating any Management Agreement then in effect for the Project and removing the Approved Property Manager from the Premises. Thereafter, Landlord, without further notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor, and undertake any leasing and property management duties, responsibilities or obligations that Landlord deems necessary or desirable for the Project, provided such actions are commercially reasonable and consistent with the management of comparable market rate apartment projects in Fairfax County, Virginia. During any period that Landlord undertakes leasing or property management duties as the result of a Leasing Default, Landlord shall use good faith efforts to cure the Residential Criteria Defaults that resulted in the Leasing Default. Landlord shall not be liable to indictment, prosecution or damages for any actions or failure to act by Landlord in its leasing or property management capacity, except to the extent such action or failure to act was not commercially reasonable. Any sums expended by Landlord in connection with Landlord's duties set forth in this Section 24.06(a) shall be Additional Costs and shall be paid by Tenant in accordance with the terms of this Lease. Failure to pay Additional Costs in accordance with the terms hereof will (after the applicable notice and cure period) constitute an Event of Default by Tenant under Section 24.01(a) above.

(b) In addition to the remedies set forth in this Section 24.06, Landlord may avail itself to any other remedies set forth in this Article 24, except those remedies set forth in Section 24.02 and Section 24.03 above (but subject to Section 24.06(d) below) if Tenant commits an Leasing Default.

(c) Landlord may continue to operate and manage the Project for so long as any of the Residential Criteria Defaults that caused the Leasing Default that resulted in Landlord undertaking any leasing or property management responsibilities for the Project remain uncured. Once all such Residential Criteria Defaults have been cured and Tenant is no longer in a Leasing Default, Tenant shall retain all leasing and property management duties (and may retain an Approved Property Manager for such purposes) in accordance with the terms of this Lease.

(d) In the event that Tenant commits a Leasing Default within thirty-six (36) months after the date on which a prior Leasing Default was cured, in addition to Landlord's rights under this Section 24.06, Landlord may avail itself to any other remedies set forth in this Lease, including the termination of this Lease pursuant to Section 24.02 and Section 24.03 above. Any Residential Criteria Defaults that occurred during any period in which Landlord was responsible for the leasing and management of the Property shall not be considered in determining whether Tenant has committed a Leasing Default. All of Landlord's rights set forth in this Section 24.06 shall be subject to the rights of Tenant's (or its subtenants') Mortgagees and Tax Credit investors set forth in this Lease or set forth in any agreements between Tenant (or its subtenants) and those parties.

Section 24.07. Bankruptcy Defaults and Remedies.

(a) If any Bankruptcy Default shall occur, Landlord may (subject to Section 24.14 below), at its option, give notice to Tenant stating that Landlord is terminating any Management Agreement then in effect for the Project and removing the Approved Property

Manager from the Premises. Thereafter, Landlord, without further notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor, and undertake any leasing and property management duties, responsibilities or obligations that Landlord deems necessary or desirable for the Project, provided such actions are commercially reasonable and consistent with the management of comparable market rate apartment projects in Fairfax County, Virginia. Landlord shall not be liable to indictment, prosecution or damages for any actions or failure to act by Landlord in its leasing or property management capacity, except to the extent such action or failure to act was due to the gross negligence or willful misconduct of Landlord. Any sums expended by Landlord in connection with Landlord's duties set forth in this Section 24.07(a) shall be Additional Costs and shall be paid by Tenant in accordance with the terms of this Lease. Failure to pay such Additional Costs in accordance with the terms hereof will (after the applicable notice and cure period) constitute an Event of Default by Tenant under Section 24.01(a) above.

(b) If an order for relief is entered or if a stay of proceeding or other acts becomes effective in favor of Tenant or Tenant's interest in this Lease in any proceeding which is commenced by or against Tenant under the present or any future Bankruptcy Code or any other present or future applicable federal, state or other statute or law, Landlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately assure the complete and continuous future performance of all of Tenant's obligations under this Lease (including without limitation, the obligations set forth in Articles 3, 4, 7, 8, 9, 10, 11, 12, 13, 15, 19, 20, 24, 26 and 37 of this Lease).

(c) Notwithstanding anything in this Article 24 (other than Section 24.14) to the contrary, Landlord and Tenant agree that, in the event a Bankruptcy Default hereunder results in a liquidation of Tenant's assets under Chapter 7 of the Bankruptcy Code, Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on ten (10) Business Days' notice to Tenant, Tenant as debtor-in-possession or said trustee and upon the expiration of said ten (10) day period this Lease shall cease and expire and Tenant, Tenant as debtor-in-possession or trustee shall immediately quit and surrender the Premises.

(d) Nothing contained in this Article 24 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding Sections of this Article 24.

Section 24.08. No Reinstatement. No receipt of moneys by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease (unless such receipt cures the Event of Default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Base Rent, Additional Costs or Impositions payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise

expressly provided, it being agreed that after the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

Section 24.09. Waiver of Notice of Re-Entry; Waiver of Jury Trial. Except as otherwise expressly provided herein or as prohibited by applicable law, Tenant hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Landlord and Tenant waive and shall waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage. The terms "enter", "re-enter", "entry" or "re-entry", as used in this Lease are not restricted to their technical legal meaning.

Section 24.10. No Waiver by Landlord. No failure by Landlord or any prior Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial amounts due to Landlord from Tenant under this Lease during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease still continue in full force and effect with respect to any other than existing or subsequent breach thereof.

Section 24.11. Injunction. In the event of any actual or threatened Event of Default by Tenant with respect to any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease.

Section 24.12. Rights Cumulative. Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 24.13. Enforcement Costs. If Landlord is the prevailing party, Tenant shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant. If Landlord is the prevailing party, Tenant also

shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in enforcing any of the covenants and provisions of this Lease and incurred in any action brought by Landlord against Tenant on account of the provisions hereof, and all such costs, expenses, and reasonable attorneys' fees and disbursements may be included in and form a part of any judgment entered in any proceeding brought by Landlord against Tenant on or under this Lease. All of the sums paid or obligations incurred by Landlord hereunder, with interest at the Involuntary Rate, shall be paid by Tenant to Landlord within fifteen (15) Business Days after demand by Landlord.

Section 24.14. Mortgagee Protections. Landlord's rights contained in this Article 24 are subject to the rights of Mortgagee set forth in Section 10.04 and Section 10.05 and nothing contained in this Articles 24 shall be deemed to modify or limit Mortgagee's rights thereunder.

ARTICLE 25

NOTICES

Section 25.01. Notice Addresses. Whenever it is provided in this Lease that a notice, demand, request, consent, approval or other communication (each of which is herein referred to as "Notice") shall or may be given to or served upon either of the parties by the other, and whenever either of the parties desire to give or serve upon the other any Notice with respect this Lease or the Premises, each Notice shall be in writing. No Notice will be effective for any purpose unless the Notice is given or served as follows: (a) by personal delivery (with receipt acknowledged), (b) delivered by reputable, national overnight delivery service (with its confirmatory receipt therefor), next Business Day delivery specified, (c) sent by registered or certified United States mail, postage prepaid, or (d) sent by using the most current business technology at the time of giving such notice, provided that such use is a generally accepted practice at the time, with a confirmatory copy to be delivered thereafter by duplicate notice in accordance with any of clauses (a), (b) or (c) above, in each case to the parties as follows:

If to APAH, to:

APAH Oakwood LLC
c/o Arlington Partnership for Affordable Housing, Inc.
Attention: Nina Janopaul, President
4318 N. Carlin Springs Road
Arlington, Virginia 22203
e-mail: njanopaul@apah.org

With a copy to:

Gallagher Evelius & Jones LLP
Attention: Benjamin Rubin
218 N. Charles Street, Suite 400
Baltimore, Maryland 21201
e-mail: brubin@gejlaw.com

And a copy to:

[TAX CREDIT EQUITY INVESTOR]

If to FCRHA, to:

Fairfax County Redevelopment and Housing Authority
Attention: Director, HCD
3700 Pender Drive
Fairfax, Virginia 22030-6039
e-mail: Thomas.Fleetwood@fairfaxcounty.gov

-and-

Fairfax County Redevelopment and Housing Authority
Attention: Ms. Teresa Lepe
3700 Pender Drive
Fairfax, Virginia 22030-6039
e-mail: Teresa.Lepe@fairfaxcounty.gov

With a copies to:

Office of the County Attorney
Attention: County Attorney
12000 Government Center Parkway, Suite 549
Fairfax, Virginia 22035-0064
e-mail: Beth.Teare@fairfaxcounty.gov

-and-

Arent Fox LLP
Attention: Jeffrey A. Mitchell, Esq.
1717 K Street N.W.
Washington, D.C. 20006
e-mail: Jeffrey.Mitchell@arentfox.com

Either party may change the address(es) to which any such Notice is to be delivered by furnishing ten (10) Business Days written notice of such change(s) to the other party in accordance with the provisions of this Section 25.01.

Section 25.02. When Notices Deemed Given. Every Notice shall be deemed to have been given or served (a) if given by hand or overnight mail, upon delivery thereof, (b) if given by the

most current business technology at the time of giving such notice, at the time confirmation of such transmission is received by the sender provided that a confirmatory copy to be delivered thereafter by duplicate notice in accordance with any of clauses (a), (b) or (c) in Section 25.01 above, and (c) if given by certified or registered mail, on the third (3rd) business day after the posting the same, postage prepaid; in each case with failure to accept delivery to constitute delivery for such purpose.

Section 25.03. Notices to Mortgagees. If requested in writing by any Mortgagee (which request shall be made in the manner provided in Section 25.01 and shall specify an address to which Notices shall be given), any Notice of Default to a party shall also be given contemporaneously to such holder in the manner herein specified.

ARTICLE 26

OPERATION AND MANAGEMENT OF THE PROJECT; RESIDENTIAL UNITS; BOOKS AND RECORDS

Section 26.01. Property Manager. Provided that no Event of Default exists, Tenant may select and enter into an agreement for the management and operation of the Premises with any party without the consent of Landlord if such party is an Affiliate of Tenant or such parties satisfies the following requirements: (a) such proposed property manager, or the officer or manager having supervisory responsibility for the Project has at least ten (10) years' experience operating low income/affordable senior living facility projects similar in size to or larger than the Project, (b) such proposed property manager is not one against whom any action or proceeding is pending to enforce rights of the Commonwealth of Virginia or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the Commonwealth of Virginia or to any such agency, department, public authority or public benefit corporation, and (c) such proposed property manager is not one with respect to whom any notice of default which remains uncured has been given by the Commonwealth of Virginia or any agency, department, public authority or any public benefit corporation thereof arising out of a contractual obligation to the Commonwealth of Virginia or to any such agency, department, public authority or public benefit corporation. Tenant shall, prior to the effective date of any such management agreement, notify Landlord of the proposed management agreement and submit to Landlord all information and documents Landlord may reasonably require for its review with respect to the criteria set forth above. If Landlord determines that the third-party manager does not comply with the foregoing criteria, Landlord shall so advise Tenant in writing within twenty (20) Business Days, specifying in what respect the proposed third-party manager does not conform to the requirements above. In such event, Tenant shall submit a different third-party manager for Landlord's review in accordance with the terms of this Section or provide evidence reasonably satisfactory to Landlord that such third-party property manager has satisfied the criteria set forth above. Each review by Landlord shall be carried out within twenty (20) Business Days of the date of delivery of the information requested hereunder, and if Landlord does not notify Tenant of its determination within such twenty (20) Business Day period, Landlord shall be deemed to have determined that the third-party property manager is satisfactory. Each property manager that satisfies the requirements of this Section 26.01 shall be an "Approved Property Manager" and any management agreement between Tenant and an Approved Property Manager with respect to the Project shall be a "Management Agreement". Notwithstanding the foregoing, S.L. Nusbaum Realty Co., or an

Affiliate of the Tenant is an Approved Property Manager under this Lease. Tenant shall not enter into a management agreement with a new third-party property manager or consent to the assignment by an Approved Property Manager of its interest under its Management Agreement, without first complying with the notification and verification requirements set forth in this Section 26.01.

Section 26.02. Compliance with the Housing Criteria. Tenant covenant and agrees at all times to comply with Exhibit F (as now in effect or as may be amended from time to time during the Term) with respect to any and all Residential Units in the Project.

Section 26.03. Termination of Approved Property Manager. Landlord shall have the right to require the replacement of an Approved Property Manager with a Person chosen by Landlord upon the earliest to occur of any one or more of the following events: (i) the occurrence and continuance of a Leasing Default or Bankruptcy Default, (ii) thirty (30) days after notice from Landlord to Tenant that such Approved Property Manager has engaged in fraud, gross negligence, malfeasance or willful misconduct arising from or in connection with its performance at the Project, or (iii) Tenant has entered into a new management agreement, or approved the assignment of an existing Management Agreement from an Approved Property Manager without first complying with the terms of Section 26.01 above. Landlord's rights set forth in this Section 26.03 shall be subject to the rights of Mortgagees set forth in this Lease.

Section 26.04. Residential Leases.

(a) Notwithstanding anything else herein to the contrary, Tenant may, without Landlord's consent, enter into residential tenant leases which meet the lease criteria set forth on Exhibit F hereto (all residential leases meeting such criteria being herein referred to, collectively, as "Residential Leases"), provided no Event of Default shall have occurred and then be continuing hereunder, unless such Event of Default is cured simultaneously with such subletting, and Tenant shall have complied with the provisions of this Section 26.04. Residential Leases shall mean tenant leases by Tenant of residential units to certain residential tenants meeting the financial and reporting requirements set forth on Exhibit F (all residential tenants meeting such criteria being herein referred to, collectively, as "Residential Tenants").

(b) Each Residential Lease shall obligate the Residential Tenant pursuant thereto to occupy and use the premises included therein for purposes consistent with the Applicable Laws, the financial and reporting conditions set forth on Exhibit F and the provisions of this Lease. Except as otherwise provided below, with respect to each and every Residential Lease under the provisions of this Lease, it is further agreed that:

(i) no Residential Lease shall be for a term of more than one (1) year;

(ii) each Residential Lease shall specifically state that subject to the rights of any Mortgagee, if there is a termination of this Lease, or if Landlord shall exercise its rights to dispossess Tenant or to re-enter the Premises, any Residential Tenant which is not an Affiliate of Tenant will at Landlord's election, attorn to Landlord and Landlord will have all rights of a landlord under such Residential

Lease, including without limitation, the right to enforce those rights by court proceeding or otherwise;

(iii) the receipt by Landlord of any amounts from any Residential Tenant or other occupant of any part of the Premises shall not be deemed or construed as releasing Tenant from Tenant's obligations hereunder; and

(iv) the Residential Tenant will not pay rent or other sums under the Residential Lease more than one (1) month in advance (excluding security and other deposits required under such Residential Lease).

(c) Tenant shall enforce its rights as the landlord under all Residential Leases.

Section 26.05. Residential Lease Not a Transfer. Notwithstanding anything contained in this Lease to the contrary, a Residential Lease shall not require Landlord's prior consent and shall not be deemed a Transfer hereunder.

Section 26.06. Acts of Residential Tenants. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease results from or is caused by an act or omission by any Residential Tenant, or subtenant of a Residential Tenant, shall not relieve Tenant of Tenant's obligation to cure the same. Tenant shall take any and all reasonable steps necessary to prevent any such violation or breach.

Section 26.07. Collection of Rental Payments from Residential Tenants. Landlord, after an Event of Default by Tenant, may, subject to the rights of any Mortgagee under this Lease, collect rent and all other sums due under the Residential Leases, and apply the net amount collected to any amounts due to Landlord under this Lease (including without limitation, Base Rent, Additional Costs and Impositions), but no such collection shall be, or be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease or the acceptance by Landlord of any Residential Tenant as tenant hereunder, or a release of Tenant from performance by Tenant of its obligations under this Lease.

Section 26.08. Record Keeping. At all times during the Term, Tenant shall maintain at its principal place of business or such other place as agreed to by Landlord and Tenant, a complete and accurate set of files, books and records in connection with the Project and with respect to the operation and maintenance of the Project, including without limitation, compliance with any and all requirements of Exhibit F of this Lease. At all times during the Term, Landlord may, at such reasonable times during normal business hours and upon reasonable advanced notice, inspect Tenant's files, books, records and related material pertaining to compliance with requirements of Exhibit F of this Lease and pertaining to maintenance of the Project. Tenant agrees that Landlord, or any of its duly authorized representatives, shall, until the expiration of three (3) years after the expiration or earlier termination of this Lease, have access to the records related to compliance with requirements of Exhibit F of this Lease and maintenance of the Project. Tenant shall: (i) keep and maintain accurate, true, and complete books and records (A) with respect to all requirements of Exhibit F of this Lease, and (B) which shall fully reflect the physical condition and maintenance status of the Project, together with all business licenses and permits required to be kept and

maintained pursuant to the provisions of any Applicable Laws, and (ii) upon Landlord's request therefor, certify such files, books and records to Landlord as true, complete, and accurate in all material respects.

Section 26.09. Rent Roll. Upon Landlord's request (which will be limited to no more than two (2) times in any calendar year and at any time when Tenant is in an Event of Default under this Lease), Tenant will provide: (i) a copy of a rent roll for the Project showing the name of each Residential Tenant, the Residential Unit occupied, the Residential Lease expiration date, the rent payable for the current month, and the date through which rent has been paid; and (ii) a monthly property management report for the Project, showing the number of inquiries made and rental applications received from prospective Residential Tenants and deposits received from Residential Tenants, and materials relating to marketing and leasing efforts for the Project.

ARTICLE 27

SUBORDINATION; LANDLORD MORTGAGES

Section 27.01. Lease Not Subordinate. Landlord's interest in this Lease and in the Premises shall not be subject or subordinate to (a) any Mortgage now or hereafter placed upon Tenant's interest in this Lease or (b) any other liens, security interests or encumbrances now or hereafter affecting Tenant's interest in this Lease.

Section 27.02. Landlord Mortgage. Tenant's leasehold interest in the Premises shall be prior to any mortgage, lien or other encumbrance on Landlord's interest in the Premises, subject to the Title Matters. As of the date hereof, Landlord represents to Tenant that there is no mortgage encumbering Landlord's interest in the Premises.

Section 27.03. No Impairment of Title. Nothing contained in this Lease or any action or inaction by Landlord shall be deemed or construed to mean that Landlord has granted to Tenant any right, power or permission to do any act or make any agreement which may create, give rise to, or be the foundation for, any right, title, interest, lien, charge or other encumbrance other than this Lease upon the estate of Landlord in the Premises. In amplification and not in limitation of the foregoing, Tenant shall not permit any portion of the Premises to be used by any person or persons or by the public, as such, at any time or times during the term of this Lease, in such manner as might impair Landlord's title to or interest in the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse use, adverse possession, prescription, dedication, or other similar claims of, in, to or with respect to the Premises or any part thereof.

Section 27.04. Easements. Notwithstanding the provisions of Section 27.03 to the contrary, Tenant shall have the right to create customary and ordinary utility and other operationally related easements which are reasonably required in connection with any Construction Work or operation of the Premises for the Permitted Uses; provided that Tenant provides each such easement to Landlord for its prior written approval, which approval shall not be unreasonably withheld or delayed. Landlord shall review any proposed easement (or modification thereof) within fifteen (15) Business Days of its receipt of such easement from Tenant. If Landlord has not notified Tenant of its determination within the applicable period,

Landlord shall be deemed to have approved such easement. Landlord agrees that if required by the applicable utility provider or other easement grantee, Landlord shall join in the execution of such easements as approved by Landlord in accordance with the provisions of this Section 27.04.

ARTICLE 28

GUARANTY

Concurrently with the execution of this Lease, Tenant shall cause Guarantor or another creditworthy entity satisfactory to Landlord in its sole discretion to enter into the Guaranty in the form annexed hereto as Exhibit E, pursuant to which Guarantor guaranties to Landlord: (i) the complete performance of all of Tenant's obligations in this Lease necessary to achieve Final Completion; and (ii) the timely payment and performance of all of Tenant's other obligations under this Lease from the Commencement Date through Final Completion. In the event that Guarantor fails to meet the Guarantor Net Worth Requirement at any time prior to Final Completion, Tenant shall promptly replace such Guarantor with another creditworthy entity meeting the Guarantor Net Worth Requirement and cause such entity to enter into the Guaranty in the form annexed hereto as Exhibit E.

ARTICLE 29

CERTIFICATES BY LANDLORD AND TENANT

Section 29.01. Tenant Estoppels. At any time and from time to time upon not less than ten (10) Business Days' notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any other party specified by Landlord a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Base Rent and Additional Costs have been paid, stating whether or not to the knowledge of Tenant, Landlord is in default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge, and certifying as to any other matter with respect to this Lease as Landlord or such other addressee may reasonably request.

Section 29.02. Landlord Estoppels. At any time and from time to time upon not less than ten (10) Business Days' notice by Tenant, Landlord shall execute, acknowledge and deliver to Tenant or any other party specified by Tenant a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Base Rent and Additional Costs have been paid, and stating whether or not to the best knowledge of Landlord, Tenant is in an Event of Default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such Event of Default of which Landlord may have knowledge, and certifying as to any other matter with respect to this Lease as Tenant or such other addressee may reasonably request.

ARTICLE 30

CONSENTS AND APPROVALS

Section 30.01. Consent Not a Waiver. It is understood and agreed that the granting of any consent or approval by Landlord to Tenant to perform any act of Tenant requiring Landlord's consent or approval under the terms of this Lease, or the failure on the part of Landlord to object to any such action taken by Tenant without Landlord's consent or approval (except in any instance where Landlord has been deemed to have consented to or deemed to have approved something as expressly provided in this Lease), Landlord shall not be deemed to granted such consent or approval for any further similar act by Tenant for which approval or consent is required. Tenant hereby expressly covenants and warrants that as to all matters requiring Landlord's consent or approval under the terms of this Lease, Tenant shall secure such consent or approval for each and every happening of the event requiring such consent or approval, and shall not claim any waiver on the part of Landlord of the requirement to secure such consent or approval.

Section 30.02. Consent Not To Be Unreasonably Delayed. Anywhere in this Lease where Landlord has agreed not to unreasonably withhold its consent, Landlord also agrees that its consent shall not be unreasonably delayed.

Section 30.03. Landlord Not Liable for Money Damages. Whenever in this Lease Landlord's consent or approval is required and this Lease provides that Landlord's consent or approval shall not be unreasonably withheld and Landlord shall refuse such consent or approval, or in any instance in which Landlord shall delay its consent or approval, Tenant shall in no event be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim, for money damages (nor shall Tenant claim any money damages by way of set-off, counterclaim or defense) based upon any claim or assertion by Tenant that Landlord unreasonably withheld or unreasonably delayed its consent or approval, unless Tenant's claim is based upon an assertion that Landlord acted in bad faith. Tenant's sole remedy shall be an action or proceeding to enforce any such provision, for specific performance, injunction or declaratory judgment or for a determination as to whether Landlord reasonably withheld its consent and the decisions shall be final and conclusive on the parties.

ARTICLE 31

SURRENDER AT END OF TERM

Section 31.01. Surrender at End of Term. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall well and truly surrender and deliver up to Landlord the Premises and the Project in good order, condition and repair, reasonable wear and tear and damage by casualty or condemnation excepted, free and clear of all lettings, occupancies, liens and encumbrances other than those, if any, existing at the date hereof, created by or consented to by Landlord, Residential Leases the term of which extends beyond the Expiration Date, or which lettings and occupancies by their express terms and conditions extend beyond the Expiration Date, and which Landlord shall have consented and agreed, in writing, may extend beyond the Expiration Date, without any

payment or allowance whatever by Landlord. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

Section 31.02. Delivery of Residential Leases and Other Agreements. On the last day of the Term or upon any earlier termination of the Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall deliver to Landlord Tenant's executed counterparts of all Residential Leases and any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises, all original licenses and permits then pertaining to the Premises, permanent or temporary Certificates of Occupancy then in effect for the Project, and all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Fixtures installed in the Project, together with a duly executed assignment thereof to Landlord and all records required by Section 26.08.

Section 31.03. Abandonment of Property. Any personal property of Tenant or of any Residential Tenant, or subtenant of a Residential Tenant which shall remain on the Premises for ten (10) Business Days after the termination of this Lease and after the removal of Tenant or such Residential Tenant, or subtenant of a Residential Tenant from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Residential Tenant, or subtenant of a Residential Tenant and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any Residential Tenant, or subtenant of a Residential Tenant.

Section 31.04. Survival. The provisions of this Article 31 shall survive any termination of this Lease.

ARTICLE 32

ENTIRE AGREEMENT

This Lease, together with the Exhibits hereto, contains all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between them other than as herein or therein set forth and other than as may be expressly contained in any written agreement between the parties executed simultaneously herewith.

ARTICLE 33

QUIET ENJOYMENT

Landlord covenants that so long as this Lease is full force and effect and Tenant is not in default beyond notice and grace hereunder, Tenant shall and may (subject, however, to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or any Person claiming through Landlord and free of any encumbrance created or suffered

by Landlord, except those encumbrances, liens or defects of title, created or suffered by Tenant and the Title Matters.

ARTICLE 34

DISPUTE RESOLUTION

Section 34.01. Mediation. If, after the Effective Date, a dispute occurs between Landlord and Tenant with respect to any matter arising under this Lease that is subject to this Article 34, the party raising a dispute or claim shall give the other written notice specifying the nature of the dispute and the monetary amount involved, if any. For a period of fifteen (15) Business Days after receipt of such notice, Landlord and Tenant shall proceed diligently and in good faith in an effort to resolve the dispute to their mutual satisfaction. If Landlord and Tenant fail to resolve the dispute prior to the expiration of the 15-day period, then mediation may be commenced by a written demand made by either party upon the other. As part of such demand, the moving party shall identify a mediator. If the non-moving party does not agree with the mediator chosen by the moving party, the non-moving party shall send written notice to the moving party of its decision and choose its own mediator within five (5) Business Days thereafter, and Landlord's and Tenant's mediators shall work together and within ten (10) Business Days thereafter, choose a mediator agreeable to both mediators from a list of approved mediators from the AAA (defined below). The mediation shall be held at a date, time and place mutually agreeable to Landlord and Tenant and shall be administered in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"). The costs of the mediation shall be borne equally by Landlord and Tenant.

Section 34.02. Intentionally Omitted.

Section 34.03. Non-Binding Presumption. The decision and award of the mediator, if any, will not be binding on Landlord or Tenant (but may be introduced into evidence in any court or proceeding between the parties) unless Landlord and Tenant enter into a written agreement memorializing the decision and award of the mediator.

Section 34.04. Judicial Proceedings. Except as otherwise specifically provided in this Lease or as otherwise mutually agreed in writing by Landlord and Tenant, any dispute between the parties arising from or in connection with this Lease shall be resolved by judicial proceedings.

ARTICLE 35

INVALIDITY OF CERTAIN PROVISIONS

If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 36

RECORDING OF MEMORANDUM

Tenant, at Tenant's sole cost and expense, may record a memorandum of (a) this Lease, or (b) any amendment or modification of this Lease. Landlord shall, upon the request of Tenant, join in the execution of a memorandum of this Lease or a memorandum of any amendment or modification of this Lease in proper form for recordation.

ARTICLE 37

MISCELLANEOUS

Section 37.01. Captions. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 37.02. Table of Contents. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

Section 37.03. Pronouns. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" or "successors or assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

Section 37.04. Depository Charges. Depository may pay to itself out of the monies held by Depository pursuant to this Lease its reasonable charges for services rendered hereunder. Tenant shall pay Depository any additional charges for such services.

Section 37.05. More than One Entity. If more than one entity is named as or becomes Tenant hereunder, Landlord may require the signatures of all such entities in connection with any notice to be given or action to be taken by Tenant hereunder except to the extent that any such entity shall designate another such entity as its attorney-in-fact to act on its behalf, which designation shall be effective until receipt by Landlord of notice of its revocation. Subject to Section 37.06, each entity named as Tenant shall be fully liable for all of Tenant's obligations hereunder. Any notice by Landlord to any entity named as Tenant shall be sufficient and shall have the same force and effect as though given to all parties named as Tenant. If all such parties designate in writing one entity to receive copies of all notices, Landlord agrees to send copies of all notices to that entity.

Section 37.06. Limitation of Liability.

(a) None of Landlord's members, directors, officers, employees, agents or servants shall have any liability (personal or otherwise) hereunder, and no property or assets of such Persons shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder.

(b) Subject to (and not in limitation of) Guarantor's obligations under the Guaranty, the liability of Tenant or of any Person who has at any time acted as Tenant hereunder for damages or otherwise shall be limited to Tenant's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, any funds held by Depository pursuant to any of the provisions of this Lease, and any other rights, privileges, licenses, franchises, claims, causes or action or other interests, sums or receivables appurtenant to the Premises. Neither Tenant nor any such Person nor any of the members, directors, officers, employees, agents or servants or either shall have any liability (personal or otherwise) hereunder beyond Tenant's interest in the Premises, and no other property or assets of Tenant or any such Person or any of the members, directors, officers, employees, agents or servants of either shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder.

Section 37.07. No Merger. Except as otherwise expressly provided in this Lease, there shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, this Lease or the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises.

Section 37.08. Refuse. Tenant shall store all refuse from the Premises off the streets in an enclosed area on the Premises in accordance with the requirements of municipal and private sanitation services serving the Premises.

Section 37.09. No Brokers. Each of the parties represents to the other that it has not dealt with any broker, finder or like entity in connection with this Lease. If any claim is made by any Person who shall claim to have acted or dealt with Landlord or Tenant in connection with this transaction, the party for whom the Person claims to represent will pay the brokerage commission, fee or other compensation to which such Person is entitled and shall reimburse the other for any costs or expenses including, without limitation, reasonable attorneys' fees and disbursements, incurred by the other party in defending itself against claims made against it for any such brokerage commission, fee or other compensation.

Section 37.10. Amendments in Writing. This Lease may not be changed, modified, or terminated orally, but only by a written instrument of change, modification or termination executed by the party against whom enforcement of any change, modification, or termination is sought.

Section 37.11. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 37.12. Successors and Assigns. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, Landlord and Tenant and their respective successors and assigns that are permitted under this Lease.

Section 37.13. Sections. All references in this Lease to "Articles" or "Sections" shall refer to the designated Article(s) or Section(s), as the case may be, of this Lease.

Section 37.14. Plans and Specifications. All of Tenant's right, title and interest in all plans and drawings required to be furnished by Tenant to Landlord under this Lease and in any and all other plans, drawings, specifications or models prepared in connection with construction of the Project, any Restoration or Capital Improvements, shall become the sole and absolute property of Landlord upon the Expiration Date or any earlier termination of this Lease. Tenant shall deliver all such documents to Landlord promptly upon the Expiration Date or any earlier termination of this Lease. Tenant's obligation under this Section 37.14 shall survive the Expiration Date. Notwithstanding the foregoing, if a New Lease is entered into, then the New Tenant shall be entitled to such documents, *provided however*, the New Tenant shall be obligated to deliver the same to Landlord at the expiration or earlier termination of the New Lease.

Section 37.15. Licensed Professionals. All references in this Lease to "licensed professional engineer," "licensed surveyor" or "registered architect" shall mean a professional engineer, surveyor or architect who is licensed or registered, as the case may be, by the Commonwealth of Virginia.

Section 37.16. Matters Effecting Title to Premises. Landlord shall not enter into or cause there to be entered into any agreements, easements, instruments, or other documents that will encumber or otherwise effect title to the Premises without obtaining the prior written consent of Tenant.

Section 37.17. No Joint Venture. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

Section 37.18. Tax Benefits. To the extent permitted by law, Tenant shall have the right to all depreciation deductions, investment tax credits and other similar tax benefits attributable to any construction, demolition and Restoration performed by Tenant or attributable to the ownership of the Project. Landlord, from time to time, shall execute and deliver such instruments as Tenant shall reasonably request in order to effect the provisions of this Section 37.18, and Tenant shall pay Landlord's reasonable costs and expenses thereof. Landlord makes no representations as to the availability of any such deductions, credits or tax benefits.

Section 37.19. [Intentionally Omitted.]

Section 37.20. Submission Not an Offer. Submission of this Lease by Landlord to Tenant does not constitute an offer by Landlord to lease the Premises upon the terms hereof, and in no event will Landlord be bound hereunder except upon the mutual execution and delivery by Landlord and Tenant of the Lease, and the approval of such execution by Landlord's Board of Directors pursuant to applicable law.

ARTICLE 38

TAX CREDIT SYNDICATION

Landlord hereby acknowledges that the right to syndicate the low-income housing tax credits ("Tax Credits") allocated to the Project is a material benefit bargained for by Tenant. Therefore, Landlord agrees that Tenant shall have the right to syndicate the Tax

Credits allocated to the Project and Landlord shall cooperate with Tenant in connection with any syndication of the Tax Credits. To effectuate any syndication, Tenant shall: (a) subject the Premises to a condominium regime (including a land condominium regime) such that one or more condominium units (the "Condominium Units") contain all of the low-income units that generate the Tax Credits, (b) enter into one or more Subleases pursuant to which Tenant subleases the Condominium Units to the Tax Credit Project Owners, (c) in furtherance of items (a) and (b), cause the Tax Credit Project Owners to operate the Project as two separate tax credit projects with two separate Subleases, with one Sublease used in connection with 4% Tax Credits and the other Sublease used in connection with 9% Tax Credits, and (d) cause the Tax Credit Project Owners to grant their interest in the Subleases as collateral to the Mortgagees or (e) use a different structure for the leasing, operation and management of the Project and to maximize the Tax Credits; so long as any such structure does not materially adversely affect the rights and obligations of Landlord or violate any of the provisions of this Lease. Furthermore, Tenant shall not be charged any fee by Landlord in connection with a syndication of the Tax Credits allocated to the Project.

The Subleases will describe the calculation of net cash flow ("Sublease Net Cash Flow"), gross project revenue ("Sublease Gross Project Revenue") and project operating expenses ("Sublease Project Operating Expenses"). The base rent due to Tenant under the Subleases ("Sublease Rent") will be based upon such calculations, and the Subleases will require that fifty percent (50%) of the Sublease Net Cash Flow will be paid to the Tenant as Sublease Rent. The Sublease to the 9% Tax Credit Project Owner will also include a one-time capitalized rent payment to the Tenant (the "Capitalized Rent Payment"), and Tenant intends to use the proceeds of such capitalized rent payment to make a loan to the 4% Tax Credit Project Owner. Landlord and Tenant agree that the Capitalized Rent Payment will be treated separately from Sublease Net Cash Flow and Sublease Rent and not a part of their calculations. Further, the Capitalized Rent Payment will not be a part of the calculations of Tenant's Other Net Cash Flow. Landlord shall have the right to review and approve the provisions of any Sublease, which approval shall not be unreasonably withheld; provided however, that any provisions related to the calculation of Sublease Rent under any Sublease, including without limitation, definitions and calculations of Sublease Net Cash Flow, Sublease Gross Project Revenue and Sublease Project Operating Expenses shall be subject to Landlord's approval, which Landlord may grant or withhold in its sole and absolute discretion. Tenant shall not amend any provisions of the Subleases that affect Landlord's rights, including any provisions affecting the calculation of Sublease Rent (and the other definitions set forth in this paragraph), without Landlord's approval, which Landlord may grant or withhold in its sole and absolute discretion.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

[SIGNATURE BLOCKS TO BE INSERTED PRIOR TO CLOSING]

Exhibit A

[Legal Description of Land]

[Attached]

All those lots or parcels of land, together with the improvements thereon and the appurtenances thereunto belonging, situate, lying and being in the County of Fairfax, Virginia and more particularly described as follows:

Parcel 1:

Beginning at an iron pipe found on the easterly variable width right of way line of South Van Dorn Street, Route 613, and said point marking a corner to the administrator of Ronald L. Collins.

Thence, departing said variable width right of way of South Van Dorn Street, Route 613 and running with said the administrator of Ronald L. Collins N 78° 41' 20" E, 383.95 feet to an iron pipe found and said point marking a corner of Brookland Estates First Addition.

Thence, departing said the administrator of Ronald L. Collins and running with said Brookland Estates First Addition and N/F Barlow S 04° 24' 20" E, 183.65 feet to an iron pipe set.

Thence, continuing with said N/F Barlow N 78° 38' 40" E, 75.54 feet to an iron pipe found and said point being a corner of Brookland Estates First Addition.

Thence, departing said N/F Barlow and running with said Brookland Estates First Addition S 06° 51' 57" E, 407.70 to an iron pipe found.

Thence continuing with said Brookland Estates First Addition S 62° 45' 10" W, 93.86 feet to an iron pipe set and said point marking a corner of N/F Barden.

Thence, departing said Brookland Estates First Addition and running with said N/F Barden S 89° 34' 37" N, 398.07 feet to an iron pipe found on the easterly side of the variable width right of way of South Van Dorn Street, Route 613.

Thence, departing said N/F Barden and running with said easterly side of the variable width right of way of South Van Darn Street, Route 613 N 03° 21' 27" W, 544.55 feet to the point of beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded in Deed Book 9836 at page 1996, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-2-01-0017C

Parcel 2:

Beginning at an iron pipe found on the easterly right-of-way line of South Van Dorn Street, said pipe marking a corner to Lynch Limited Partnership. Thence, with said Partnership, N 89° 34' 37" E, 398.07 feet to a point a corner to Lot 7, Brookland Estates. Thence, with Lot 7, the same course continued with Lot 6, S 03° 24' 19" E, 103.89 feet to a point a corner to Orange. Thence, with said Orange, S 89° 34' 10" W, 398.26 feet to a point on the aforementioned right-of-way line of South Van Dorn Street. Thence, with said Street, N 03° 21' 27" W, 103.93 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded

in Deed Book 9837 at page 39, among the land records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0032

Parcel 3:

Beginning at a point on the easterly right-of-way line of South Van Dorn Street, said point marking a corner to Barden. Thence, with said Barden, N 89° 34' 10" E, 398.26 feet to a point in the line of Lot 6, Brookland Estates. Thence, with said Lot 6, the same course continued with Lot 5, S 03° 24' 19" E, 103.86 feet a corner to Lytle. Thence, with said Lytle, S 89° 34' 10" W, 398.35 feet to a point on the aforementioned right-of-way line of South Van Dorn Street. Thence, with said right-of-way line, N 03° 21' 27" W, 103.86 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded in Deed Book 9837 at page 51, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0033

Parcel 4:

Beginning at an iron pipe found on the easterly right-of-way line of South Van Dorn Street, said pipe marking a corner to Orange. Thence, with said Orange, N 89° 34' 10" E, 398.35 feet to a point in the line of Brookland Estates. Thence, with Brookland Estates S 03° 24' 19" E, 103.89 feet to a point a corner to Willow Creek. Thence, with said Willow Creek, S 89° 19' 02" W, 398.24 feet to a point on the aforementioned right of way line of South Van Dorn Street. Thence, with said right of way line, N 03° 21' 27" W, 105.65 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance recorded in Deed Book 9837 at page 63, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0034

Parcels 1 through 4, inclusive LESS AND EXCEPT the land conveyed by Deed dated April 27, 1966 and recorded July 21, 1966 in Deed Book 2795 at page 292; by Deed dated April 27, 1966 and recorded August 4, 1966 in Deed Book 2801 at page 745; by Deed dated February 4, 1966 and recorded September 12, 1966 in Deed Book 2818 at page 142; and by Deed dated April 28, 1966 and recorded March 17, 1967 in Deed Book 2873 at page 328.

(End of Exhibit "A")

Exhibit B

Project Description

The Oakwood Senior Housing development is the creation of 150 units of new independent senior affordable homes in the Lee District. This project leverages an approximately 6.21 acre site area and current storm water retention pond at the intersection of Oakwood Road and S. Van Dorn Street on or about 5815 South Van Dorn Street.

This affordable housing development is 100% committed affordable, senior housing with a mix of one- and two-bedroom apartments designed to meet the needs of the target senior population.

This development will feature ample community amenities, such as landscaped areas, resident services offices and meeting space, in addition to services and programs that support the whole resident.

APAH has included communal multipurpose spaces in the design to allow for computer/library and meeting areas, wellness programs and activities for the senior residents. APAH will also be exploring indoor/outdoor greenhouse programming and free wi-fi access in community spaces.

In addition to the rental homes and community amenities, the new development will provide improved storm water protection with a comprehensive set of new measures that meet modern requirements for on-site quantity and quality controls. This allows APAH to add housing and maintain the current storm water drainage.

Exhibit C

[List of Plans and Specifications]

**[EXHIBIT C WILL BE AGREED UPON BY LANDLORD AND TENANT AND ADDED
HERETO PRIOR TO EXECUTION OF THE GROUND LEASE]**

Exhibit D

[Project Schedule]

**[EXHIBIT D WILL BE AGREED UPON BY LANDLORD AND TENANT AND ADDED
HERETO PRIOR TO EXECUTION OF THE GROUND LEASE]**

Exhibit E

Form of

GUARANTY OF COMPLETION

THIS GUARANTY OF COMPLETION (this "Guaranty") is made this ___ day of _____, 2021, by _____, a _____ (the "Guarantor") in favor of FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, its successors and assigns ("FCRHA").

RECITALS

WHEREAS, APAH OAKWOOD LLC, a Virginia limited liability company ("Tenant"), and FCRHA, as landlord, have entered into the Deed of Lease, dated _____, 20__ by and between FCRHA and Tenant (the "Lease"), covering real property located in the county of Fairfax, Virginia, as more particularly described in Exhibit A attached hereto and made a part thereof (the "Premises");

WHEREAS, Tenant is obligated to deliver a payment and performance guaranty for the Final Completion (as defined in the Lease) of the Project (as defined in the Lease), and Tenant has caused the delivery of this Guaranty by Guarantor, to satisfy Tenant's obligations with respect to the delivery of such guaranty; and

WHEREAS, the Guarantor will receive material benefit from the execution of this Guaranty and the execution of the Lease by Tenant;

NOW, THEREFORE, IN CONSIDERATION of the agreement by FCRHA to enter into the Lease with Tenant and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees with FCRHA as follows:

1. The Recitals set forth above are hereby incorporated in this Guaranty by this reference. Capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings as are set forth in the Lease.

2. If Tenant shall (a) fail to achieve Final Completion, within the period or periods required by the Lease, and in accordance with all laws, rules, regulations and requirements of all governmental authorities having jurisdiction, or (b) fail to keep the Premises free from all liens and claims which may be filed or made for performing work and labor thereon or furnishing materials therefor in connection with the construction of the Initial Construction Work; then Guarantor hereby guarantees to FCRHA that it shall:

(i) cause the Final Completion to occur, in the manner and within the period of time required by the Lease and in accordance with the Plans and Specifications, amended only as approved in writing by FCRHA, and in accordance

with all laws, rules, regulations and requirements of all governmental authorities having jurisdiction;

(ii) cause any such mechanics' or materialmen's liens and claims related to the Initial Construction Work to be removed or bonded and thereafter keep the Premises thereon free from all such liens and claims;

(iii) make payment in full to any contractor(s) to which Tenant is obligated in accordance with the Lease for any and all contracts related to the Initial Construction Work; and

(iv) pay all costs and expenses incurred in doing (i), (ii) and (iii) of this Section; provided however, that if Guarantor fails to timely take the actions described in (i), (ii) and (iii) of this Section and pay the costs and expenses incurred in connection therewith, then FCRHA may take the actions described in (i), (ii) and (iii) of this Section and Guarantor shall pay to or reimburse FCRHA for all such costs and expenses incurred by FCRHA in connection therewith.

Guarantor further agrees to indemnify and hold harmless FCRHA from any loss (including reasonable attorney's fees) resulting from any default by Guarantor under the terms of this Guaranty

3. Guarantor hereby waives (to the extent permitted by applicable laws) notice of acceptance of this Guaranty by FCRHA and any and all notices and demands of every kind and description which may be required to be given by any statute or rule or law (other than notices required by the terms of the Lease), and agrees that the liability of Guarantor hereunder shall in no way be affected, diminished or released (a) by any forbearance which may be granted to Tenant (or to any successor to it or to any person or entity which shall have assumed the obligations of Tenant under the Lease), (b) by any waiver by FCRHA of any term, covenant or condition in any of the Lease, (c) by reason of any change or modification in any construction contract with any contractor or any of the construction contracts, or (d) by the acceptance of additional security for the obligations under the Lease or the release by FCRHA of any security or of any party primarily or secondarily liable under the Lease, including one or more of the undersigned (if applicable).

4. Guarantor hereby agrees that the Plans and Specifications, and any other terms, covenants and conditions contained in the Lease or any construction contract with any contractor may be altered, extended, changed, modified or released by Tenant, with the approval of FCRHA (when required under the Lease), and without notice to or the consent of Guarantor, without in any manner affecting the obligations of Guarantor under this Guaranty or releasing Guarantor therefrom. Guarantor specifically acknowledges and agrees that change orders approved by Tenant shall in no manner release Guarantor from the obligations evidenced by this Guaranty.

5. Guarantor agrees that this Guaranty may be enforced by FCRHA without the necessity at any time of resorting to or exhausting any other remedies under the Lease and without the necessity at any time of having recourse under the Lease. Guarantor further agrees that nothing herein contained shall prevent FCRHA from suing under the Lease or terminating the Lease or from exercising any other right available to it under the Lease, and the exercise of any of the

aforementioned rights shall not constitute a legal or equitable discharge of Guarantor, it being the purpose and intent of Guarantor that its obligations under this Guaranty be released therefrom upon payment of all sums due hereunder and achievement of Final Completion in accordance with the terms and conditions of the Lease and this Guaranty. Notwithstanding anything to the contrary herein, this Guaranty shall terminate and be of no further force or effect and Guarantor shall be released of all obligations hereunder upon the achievement of Final Completion, as set forth in the Lease.

6. Nothing contained in this Guaranty shall operate as a release or discharge in whole or in part, of any claim of Guarantor against Tenant by subrogation or otherwise, by reason of any act done or any payment made by Guarantor pursuant to the provisions of this Guaranty; provided, however, all such claims shall be subordinate to the claims of FCRHA and Guarantor assigns all of its right, title and interest in all claims of Guarantor as security for the fulfillment of all of Guarantor's obligations under this Guaranty.

7. Guarantor acknowledges, consents and agrees (a) that the provisions of this Guaranty and the rights of all parties to this Guaranty are governed by the laws of the Commonwealth of Virginia and interpreted and construed in accordance with such laws and (b) that the United States District Court for the Eastern District of Virginia or any court of competent jurisdiction of the Commonwealth of Virginia will have jurisdiction in any proceeding instituted to enforce this Guaranty and any objections to venue are waived by Guarantor.

8. GUARANTOR AND FCHRA HEREBY, JOINTLY AND SEVERALLY, WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH GUARANTOR AND FCHRA MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS GUARANTY OR THE LEASE. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS GUARANTY. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY GUARANTOR, AND GUARANTOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. GUARANTOR FURTHER REPRESENTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS GUARANTY AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

9. The rights, powers, privileges and discretions (the "Rights") to which FCRHA may be entitled hereunder shall inure to the benefit of its successors and assigns. All the Rights of FCRHA are cumulative and not alternative and may be enforced successively or concurrently. Failure of FCRHA to exercise any of its Rights shall not be deemed a waiver thereof and no waiver of any of its Rights shall be effective unless in writing and signed by FCRHA. The terms, covenants and conditions of or imposed upon Guarantor herein shall be binding upon his respective heirs, personal representatives, successors and assigns.

10. Guarantor represents and warrants that it has examined or has had an opportunity to examine the Lease, and that it has full power, authority and legal right to execute and deliver this Guaranty, and that this Guaranty is a binding legal obligation of Guarantor.

11. In case any provision contained in this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty but this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

WITNESS the signature and seal of Guarantor as of the day and year first above written.

GUARANTOR:

_____,
a _____

By: _____ [SEAL]

Name:

Title:

EXHIBIT A

Description of the Premises

Intentionally Omitted.

Exhibit F

Exhibit F 9%/4% Project

Criteria for Affordable Housing Units, Tenants, Rents and Eligible Household Income

The Premises shall be used as a residential rental development having one hundred percent (100%) of its 150 dwelling units operated as affordable housing (such dwelling units may be referred to as “**Affordable Housing Units**” or as “**AHUs**”). At all times during the term of the Lease Tenant shall maintain, as applicable, all AHUs in compliance with (a) as and when applicable, the laws, rules, and regulations of the federal Low-Income Housing Tax Credit Program administered under Section 42 of the Internal Revenue Code of 1986, as amended, (“**LIHTC Program**”) and/or the applicable requirements of the Virginia Housing Development Authority, and (b) with the terms and conditions of the Lease and this Exhibit F thereto. Notwithstanding anything herein to the contrary, so long as an AHU Unit is subject to the regulatory restrictions of the LIHTC Program, then Tenant shall comply with the requirements of (a) and (b) above with respect to such AHU Unit. At such time as an ASH Unit is not a subject to the regulatory restrictions of the LIHTC Program (i.e., after the expiration of the extended use restriction period), then Tenant need only comply with requirements of (b) with respect to such AHU Unit.

1. Designation on Approved Plans

Approved site plans and building plans shall include a table setting forth the number of units in each of the bedroom count categories and shall demonstrate that such units meet the minimum floor area limitations. The AHUs accepted as part of proffered conditions associated with a rezoning application for the Premises and included on approved site plans shall be deemed features shown for purposes of Va. Code Ann. §15.2-2232 and, as such, shall not require further approvals pursuant thereto in the event the Board of Supervisors shall acquire or lease such units.

2. Administration of Affordable Housing Units

A. All AHUs are to be initially leased for a minimum six (6) -month term with a maximum term of one (1) year and maximum renewal term(s) of one (1) year to tenants who meet the eligibility criteria established in accordance with the Lease, including, but not limited to, the terms of this Exhibit F and/or all applicable LIHTC Program requirements. Such leases are referred to as “**Affordable Housing Leases**” and qualified tenant occupants of such AHUs are referred to herein as “**Affordable Housing Tenants.**” The Affordable Housing Leases for AHUs shall include conditions that require the Affordable Housing Tenant to occupy the AHU as his or her domicile, that prohibit the subleasing of the unit, that require continued compliance with the applicable eligibility criteria, and that require the Affordable Housing Tenant to

annually verify under oath, on a form approved by the Fairfax County Department of Housing and Community Development (“**DHCD**”), the total household annual income and such other facts that the Tenant may require in order to ensure that the Affordable Housing Tenant household continues to meet the applicable eligibility criteria. The fact that an Affordable Housing Tenant applicant does not possess a housing choice (a/k/a “Section 8”) voucher or other subsidy shall not be a permissible reason for Tenant to reject or discriminate against such applicant. provided, however, that the Tenant shall be allowed to apply reasonable credit, background and other admissions criteria to all applicants.

B.

- (1) As used in this Exhibit, area median income (“**AMI**”), or any specified percentage of AMI, means the annual estimate of area median income, or percentage thereof, for the Washington Metropolitan Statistical Area (“**WMSA**”) published by the United States Department of Housing and Urban Development (“**HUD**”), as adjusted for household size.
- (2) Affordable Housing Tenant households must continue to meet the eligibility and income criteria set forth in this Exhibit F in order to continue occupancy of the AHU, provided that (a) during any period in which a unit is subject to LIHTC Program restrictions, an Affordable Housing Tenant household will continue to be eligible so long as it complies with LIHTC Program requirements, and (b) during any period in which a unit is not subject to LIHTC Program restrictions, an Affordable Housing Tenant household will continue to be eligible so long as its income does not exceed 80%¹ of AMI. However, an Affordable Housing Tenant household that no longer meets such criteria may continue to occupy an AHU until the end of the applicable lease term.
- (3) AHUs may not be subleased.

C. Within fifteen (15) days of the end of each quarter, the Tenant shall provide the DHCD with a certified statement from the property manager as of the first of such quarter providing for:

- (1) The address and name of the Premises and the name of the Tenant.
- (2) The number of AHUs by bedroom count and floor area, which are vacant.
- (3) The number of AHUs by bedroom count and floor area that are leased. For each such unit, the statement shall contain the following information:
 - (i) The unit number, address, bedroom count and floor area.
 - (ii) The Affordable Housing Tenant's name and household size.
 - (iii) The effective date of the Affordable Housing Lease.

(iv) The Affordable Housing Tenant's household income as of the date of the lease as certified by such Affordable Housing Tenant and confirmed by acceptable third party verification (e.g. IRS W-2 Form) at such Affordable Housing Tenant's most recent (re)certification.

(v) The current monthly rent.

(vi) The Area Median Income ("AMI") level.

(4) That to the best of the Tenant's information and belief, the tenant households who lease AHUs meet the eligibility criteria established in accordance with the Lease, including, but not limited to, the terms of this Exhibit F and, to the extent applicable, the LIHTC Program requirements.

(5) At the request of DHCD, the Tenant will provide the DHCD with a copy of each new or revised annual tenant verification obtained from the renters of AHUs pursuant to Paragraph B above.

D. Distribution of Affordable Housing Units by AMI Level and Unit Type. The table below sets forth the number of AHUs that shall be occupied by households having incomes at or below thirty percent (30%), fifty percent (50%) and sixty percent (60%) of AMI, as applicable:

As units become vacant, Tenant shall lease such units with households whose incomes fall into a category that is under-represented based on the table below.

| Number of Units | Area Median Income (AMI) |
|------------------------|---------------------------------|
| 15 | 30% |
| 60 | 50% |
| 75 | 60% |

In the event of federal cuts to the Housing Choice Voucher (a/k/a Section 8) program, the FCRHA will prioritize the funding of any Project-Based Vouchers awarded to the Project in accordance with and subject to Section 8 laws, rules, and regulations.

E. Affordable Housing Unit Rental Pricing. The maximum rent charged to the Affordable Housing Tenant for each AHU at each AMI tier shall be calculated and reset each year throughout the term of the Lease pursuant to the formula established under the federal LIHTC Program and administered by the Virginia Development Housing Authority under Section 42 of the Internal Revenue Code of 1986, as amended from time to time, provided however, that in the event such LIHTC Program should be terminated or discontinued at any time during the term of the Lease, all units shall be deemed to be affordable to a tenant household if the monthly rent charged to the Affordable Housing Tenant for that unit, together with reasonable utility costs, does not exceed thirty percent (30%) of the monthly gross income of households whose incomes do not exceed, as applicable, thirty percent (30%), fifty percent (50%), and sixty percent (60%) of the annual AMI as established above. For purposes of establishing the maximum affordable

rent, (a) the imputed household size for determining the applicable income limit is assumed to be one person for a unit that does not have a separate bedroom, and 1.5 persons per separate bedroom for a unit with one or more separate bedrooms and (b) the AMI level for each AHU shall be as set forth in Section 3.D above. This method of establishing annual rent charged to the Affordable Housing Tenant will continue to apply to all AHUs both during and after the period of time that the LIHTC Program is in effect for any of the AHUs and shall continue through the end of the lease term. Notwithstanding anything to the contrary contained herein, if rental subsidy payments are made to or on behalf of a tenant household under the Section 8 Housing Choice Voucher Program (either tenant- or project-based) or any other rental subsidy program, then (x) the unit shall be deemed affordable if the tenant's share of rent and utilities does not exceed the maximum amount described above, and (y) such tenant may occupy any AHU as long as the tenant's share of the rent and utilities does not exceed the maximum amount described above and the tenant's household income is at or below the designated AMI applicable to the unit.

F. Intentionally omitted.

G. Eligible Affordable Housing Tenant Household Incomes. The maximum eligible household gross income for Affordable Housing Tenant households for each AHU at each AMI level shall be calculated and reset each year using HUD's annual estimate of AMI for the WMSA as referenced above, adjusted for household size, and, if applicable, applied in accordance with LIHTC Program.

H. Household Size. The minimum household size for any unit shall be one person per bedroom. The maximum household size for any unit shall not exceed the applicable limits of state and local laws and regulations and any limits of federal programs applicable to the Project.

3. Occupancy of Affordable Housing Units

A. Before a prospective Affordable Housing Tenant may rent an AHU, he or she must meet the eligibility criteria established in the Lease and this Exhibit F, including, but not limited to the household income limitations for eligible households. The Tenant is responsible for determining that the proposed Affordable Housing Tenant household meets the eligibility criteria applicable to an Affordable Housing Tenant household for the applicable AHU at a particular AMI level.

B. Affordable Housing Tenants must occupy the AHUs as their domicile and shall provide an executed affidavit on an annual basis certifying their continuing occupancy of the units. Affordable Housing Tenants shall provide such affidavit to the Tenant by the date that may be specified in their Affordable Housing Lease or that may otherwise be specified by the Tenant.

C. The Affordable Housing Lease shall provide that in the event an Affordable Housing Tenant fails to provide Tenant with an executed affidavit as provided for in the preceding paragraph within thirty (30) days after a written request for such affidavit, then the Affordable Housing Tenant shall be in default with respect to the Affordable Housing Lease. Tenant shall take appropriate enforcement action when necessary with respect to such default (including providing notice and cure periods in compliance with applicable residential landlord-tenant laws

(including, without limitation, state and Fairfax County fair housing laws) and commencement of eviction proceedings for failure to comply). Provided Tenant has acted in accordance with the foregoing, a failure by an Affordable Housing Tenant to vacate a unit if evicted as a result of such default will not be considered an Affordable Housing Criteria Default under the terms of the Lease.

D. The Affordable Housing Lease shall provide that in the event an Affordable Housing Tenant fails to occupy the applicable AHU for a period in excess of sixty (60) days, a default under the applicable Affordable Housing Lease shall occur. Tenant shall take appropriate enforcement action when necessary with respect to such default. Provided Tenant has acted in accordance with the foregoing, a failure by an Affordable Housing Tenant to vacate a unit if evicted as a result of such default will not be considered an Affordable Housing Criteria Default under the terms of the Lease.

E. The Affordable Housing Lease shall provide that in the event an Affordable Housing Tenant fails to occupy the applicable AHU for a period in excess of sixty (60) days, a default under the applicable Affordable Housing Lease shall occur. The Affordable Housing Lease shall automatically terminate, become null and void and Tenant shall require occupants to vacate the AHU within thirty (30) days of written notice from the Tenant and Tenant shall take appropriate enforcement action when necessary if such Affordable Housing Tenant fails to vacate the applicable unit (including providing notice and cure periods in compliance with applicable residential landlord-tenant laws (including, without limitation, state and Fairfax County fair housing laws) and commencement of eviction proceedings for failure to comply). Provided Tenant has acted in accordance with the foregoing, a failure by an Affordable Housing Tenant to vacate a unit will not be considered an Affordable Housing Criteria Default under the terms of the Lease.

4. Additional Criteria

A. Utility Charges. The rental charges actually collected by Tenant from Affordable Housing Tenants may include or exclude utility charges, at the option of Tenant, and such utility charges may be billed directly from the provider of such utility to the individual Affordable Housing Tenants and/or billed separately by Tenant to the individual Affordable Housing Tenants.

B. Certification of Income. Tenant shall obtain from each prospective Affordable Housing Tenant of an AHU a certification of income in using a form to be reasonably acceptable to both parties. Annually thereafter, Tenant shall make a determination on the basis of current income of whether the income of any Affordable Housing Tenant exceeds the applicable income limit and shall obtain a recertification of income from all tenants of AHUs on forms approved by Landlord. Upon request of Landlord, copies of all certifications and recertifications shall be furnished to Landlord. Tenant shall maintain in its records the certifications and recertifications for five (5) years or for such longer periods as may be required by the LIHTC Program.

C. Evidence of Income. In a manner and form agreed to by Landlord and Tenant, Tenant shall obtain written evidence substantiating the information given on the Affordable Housing Tenants' certifications and recertifications of income and shall retain the evidence in its files for

a time supportive of the certification requirements of the immediately preceding clause. HUD Handbook 4350.3 REV-1 sets forth instructions for verifying and calculating incomes.

D. No Restrictions Against Families with Children. Tenant shall not restrict occupancy of AHUs which can be occupied by more than one person by reason of the fact that there are children in a family; provided however, that all of the AHUs are senior living facilities only.

E. Number of Affordable Housing Units Rented. Tenant shall not permit an Affordable Housing Tenant to rent more than one AHU at any given time.

F. Reports. Tenant shall prepare, or shall cause the managing agent of the Premises to prepare, such reports as may be required by Section 26.09 of the Lease and this Exhibit F.

G. Components of Development.

(i) all of the AHUs shall be rented or available on a non-transient basis; and

(ii) none of the AHUs shall be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanatorium or rest home.

H. Continuance of Rental Restriction. Subject to maintenance and repair of AHUs in the ordinary course of business, and subject to the casualty and condemnation provisions of the Lease, Tenant shall maintain all of the AHUs rented or available for rental on a continuous basis.

I. [Intentionally Deleted]

J. Furnishing Tenant Information. Tenant agrees to furnish to Landlord, on an annual basis a Certification of Continuing Program Compliance, in a form to be reasonably acceptable to both parties, and maintain on file Tenant Income Certifications, in a form to be reasonably acceptable to both parties, in order to permit verification that the covenants set forth in this Lease and this Exhibit F are being satisfied by Tenant. The Affordable Housing Leases shall contain clauses wherein each Affordable Housing Tenant certifies as to the accuracy of statements made in the Tenant Income Certification and agrees that family income and other eligibility requirements shall be deemed substantial and material obligations of such Affordable Housing Tenant's tenancy, that Affordable Housing Tenant shall comply with all requests for information with respect thereto from Tenant and that failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation by such Affordable Housing Tenant of a substantial obligation.

K. Covenant to Notify. Tenant will notify Landlord of the occurrence of any event of which Tenant has notice and which event, to the knowledge of Tenant, would constitute a default in Tenant's obligations under this Exhibit F.

L. Acts Requiring Landlord Approval. Tenant shall not without the prior written approval of Landlord, such approval not to be unreasonably withheld or delayed:

(i) require, as a condition of the occupancy or leasing of any AHU, any consideration or deposit except for an application fee, the prepayment of the first month's rent plus a security deposit in an amount not in excess of two (2) month's gross rent, pet deposits, and, to the extent applicable, such other amounts addressed in paragraph P below. Any funds collected as security deposits shall be kept separate and apart from all other funds of the Premises. If interest is earned on such trust account, it shall accrue to the benefit of the Affordable Housing Tenant, unless otherwise required by law or federal or state regulation; or

(ii) permit the use of the AHUs for any purpose except the use which was originally intended, or permit commercial use greater than that approved by Landlord.

M. Non-Discrimination in Housing. Tenant shall comply with all federal, state, and Fairfax County fair housing laws and equal employment laws and all rules and regulations promulgated in connection therewith.

N. Other Income – Tenant shall have the right to charge for the following in addition to the rent:

(i) Parking – (1) one parking space per unit.

(ii) Laundry - Either an in-unit washer and dryer or in building coin operated machines will be provided;

(iii) Other Fees – Other fees including, but not limited to, pet premiums, late charges, administration fees associated with managing and invoice for utilities, NSF Fee, processing fees, early lease termination fees, charges for use of the community laundry facilities, etc.;

(iv) Bulk Cable Charge – If Tenant installs or causes to be installed the equipment necessary to provide cable, FIOS, telephone, internet, or other related services, then Tenant shall be entitled to charge a fee to Affordable Housing Tenants that elect to use such equipment and additional fees for the related services that such Affordable Housing Tenants elect to use; and

(v) Storage – A monthly charge to those Affordable Housing Tenants that lease a storage unit provided by Tenant at the Premises.

5. LIHTC Program

To the extent any provision of this Exhibit F or the Deed of Ground Lease conflicts with the LIHTC Program laws, regulations, rules and guidance, then the LIHTC Program requirements shall control. This includes without limitation the requirements of Internal Revenue Code Section 42(h)(6)(E)(ii) prohibiting the eviction or termination of tenancy other than for good cause.

CONTRACT TO GROUND LEASE
(Oakwood Property)

This Contract to Ground Lease (the “**Agreement**”) is made and entered into as of March 6, 2020 (the “**Effective Date**”) by and between the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (“**FCRHA**”), and **APAH OAKWOOD LLC**, a Virginia limited liability company, or its permitted assignee or designee (“**APAH**”). APAH and FCRHA are each a “**Party**” to this Agreement and collectively, the “**Parties**”.

RECITALS:

- R-1. FCRHA is the fee simple owner of the property located at the intersection of South Van Dorn Street and Oakwood Road, identified by Tax Map No. 081-2 ((1)) Parcel 0017C and Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034 (collectively, the “**Oakwood Property**”).
- R-2. Pursuant to the Public Private Education Facilities and Infrastructure Act of 2002, as amended, Virginia Code Ann. §§ 56-575.1 to 575.16 (such law, the “**PPEA**”) and FCRHA’s PPEA guidelines, FCRHA evaluated proposals and selected APAH to develop and construct approximately 150 affordable senior housing units in one building with surface parking (the “**Development**”). The Development is anticipated to consist of two separate projects, with one project receiving nine percent (9%) low-income housing tax credits and the other receiving four percent (4%) low-income housing tax credits (together, the “**Tax Credits**”).
- R-3. FCRHA and APAH entered into that certain Interim Agreement (the “**Interim Agreement**”) dated March 15, 2019 to promptly commence certain design and zoning related work and other due diligence on the Oakwood Property in order to meet the requirements established by the Virginia Housing and Development Authority (“**VHDA**”) for nine percent (9%) low-income housing tax credits.
- R-4. During the term of the Interim Agreement: (i) APAH, on its own behalf and as agent of FCRHA, is to obtain the Land Use Entitlement Approvals (defined below); and (ii) the Parties are to negotiate in good faith to enter into a comprehensive agreement (as defined in §56-575.9 of the PPEA) (the “**Comprehensive Agreement**”). The Comprehensive Agreement is comprised of: (a) this Agreement, (b) the Ground Lease (defined below), and (c) such other documents, as determined by the Parties, as are necessary to satisfy the requirements of the PPEA regarding the Development.
- R-5. APAH and FCRHA agree that land use, planning and design process to obtain the Land Use Entitlement Approvals will continue throughout the term of this Agreement.
- R-6. APAH and FCRHA agree that, subject to APAH satisfying certain conditions precedent,

as set forth in this Agreement below, APAH will enter into a seventy-five (75) year ground lease for the Oakwood Property (the “**Ground Lease**”) for the development, construction, use and maintenance of the Development.

R-7. APAH and FCRHA desire to enter into this Agreement setting forth: (i) APAH’s option to enter into the Ground Lease for the Oakwood Property upon the satisfaction of certain conditions; (ii) the obligations of the Parties with respect to the design, review and approval of the Schematics (defined below), Final Plans and Specifications (defined below) and other matters related to the Land Use Entitlement Approvals, as set forth below in this Agreement.

NOW THEREFORE for and in consideration of the mutual promises of the Parties and of other good and valuable consideration receipt and sufficiency of which are hereby acknowledged FCRHA and APAH intending to be legally bound do hereby agree as follows:

Section 1. GRANT OF OPTION.

1.1 Property. FCRHA hereby grants to APAH an option to lease the Oakwood Property, subject to all of the terms and conditions of this Agreement. The term “**Property**” means the Oakwood Property and includes: (a) the real property (the “**Land**”) more particular described in *Exhibit A* of the Ground Lease, which is attached as Exhibit A to this Agreement, and made a part hereof; (b) all improvements, equipment and fixtures located on the Land at the time of the Closing (as defined in Section 8.1 below); (c) the Land Use Entitlement Approvals; and (d) other intangible property associated with the Land or the improvements, equipment and fixtures located thereon owned by FCRHA.

1.2 Option. The option described in Section 1.1 is referred to in this Agreement as the “**Option**.”

1.3 Recordation of this Agreement. This Agreement, and the Option created hereby, may be recorded by APAH in the Land Records of Fairfax County, Virginia (the “**Land Records**”). If this Agreement is recorded and later expires or is terminated as provided herein, then no later than five Business Days after the expiration or termination hereof, APAH shall deliver to FCRHA for recordation, duly signed and notarized by APAH, documents sufficient to confirm the expiration or termination of this Agreement and the termination of the Option, and otherwise in recordable form and reasonably acceptable to FCRHA (and this obligation of APAH shall survive expiration or termination of this Agreement). If APAH records this Agreement in the Land Records, APAH shall be responsible for payment of all fees and taxes associated with such recording.

1.4 Effect of Agreement; Interest in Real Property. The Parties intend that this Agreement is given by FCRHA to APAH as an option to lease the Property. The Parties intend that this Agreement creates a valid and present encumbrance on the Property in favor of APAH, effective as of the Effective Date, subject to any and all liens or encumbrances disclosed in the Land Records. Therefore, the Option shall be deemed an encumbrance upon the Property during the term of this Agreement effective as of the Effective Date and shall be binding upon and inure to the benefit of each of the Parties hereto and their respective successors and assigns (subject to Section 12.7 below).

Section 2. **INDEPENDENT CONSIDERATION.**

In consideration of and concurrently with FCRHA entering into this Agreement, APAH agrees to pay to FCRHA the sum of Ten Dollars (\$10.00) as “independent consideration” for the Option (the “**Consideration**”). The Consideration has been bargained for and agreed to as separate and independent consideration for APAH’s option to lease the Property pursuant to the terms herein, and for FCRHA’s execution and delivery of this Agreement. The Consideration shall be deemed fully earned by FCRHA upon receipt, and shall be considered non-refundable to APAH.

Section 3. **TERM; EXTENSION OF OPTION; EXERCISE OF OPTION.**

3.1 Term of Agreement. The term of this Agreement (the “**Term**”) begins on the Effective Date and will expire at 5:00 p.m. on the Expiration Date (defined herein), unless an Option Notice (defined below) has been sent to FCRHA by APAH and an Approval Notice (defined below) has been sent to APAH by FCRHA, in which case the Term will expire on the Closing Date (defined below). The initial Expiration Date shall be September 1, 2020 (the “**Initial Expiration Date**”). The Initial Expiration Date, as may be extended by mutual agreement in writing by the Parties or as specifically provided in this Section 3.1 below is the “**Expiration Date.**”

(a) If (i) APAH has not received an award of Tax Credits and has not sent an Option Notice on or before the Initial Expiration Date, (ii) this Agreement is then in full force and effect and APAH is not then in default beyond any applicable notice and cure period under this Agreement, and (ii) APAH has given FCRHA notice in writing of APAH’s election to extend the Term of this Agreement no less than 10 Business Days before the Initial Expiration Date, APAH shall have the right to extend the Term of this Agreement until 5:00 p.m. on September 1, 2021 (the “**Second Expiration Date**”); provided, however, that APAH shall re-apply for the Tax Credits and equity and financing as required pursuant to Section 9.3.

(b) If (i) APAH has not received an award of Tax Credits and has not sent an Option Notice on or before the Second Expiration Date, (ii) this Agreement is then in full force and effect and APAH is not then in default beyond any applicable notice and cure period under this Agreement, and (ii) APAH has given FCRHA notice in writing of APAH’s election to extend the Term of this Agreement no less than 10 Business Days before the Second Expiration Date, APAH shall have the right to extend the Term of this Agreement until 5:00 p.m. on September 1, 2022 (the “**Third Expiration Date**”); provided, however, that APAH shall re-apply for the Tax Credits and equity and financing as required pursuant to Section 9.3.

(c) If (i) APAH has not received an award of Tax Credits and has not sent an Option Notice on or before the Third Expiration Date, (ii) this Agreement is then in full force and effect and APAH is not then in default beyond any applicable notice and cure period under this Agreement, and (iii) APAH has given FCRHA notice in writing of APAH's election to extend the Term of this Agreement no less than 10 Business Days before the Third Expiration Date, APAH shall have the right to extend the Term of this Agreement until 5:00 p.m. on September 1, 2023 (the “**Outside Expiration Date**”); provided, however, that APAH shall re-apply for the Tax Credits and equity and financing as required pursuant to Section 9.3.

(d) Notwithstanding anything to the contrary contained in this Agreement, in no event shall the Expiration Date be extended to a date beyond the Outside Expiration Date, except by a mutual agreement in writing executed by both Parties. If APAH has not exercised its right to extend the Expiration Date as expressly provided above, APAH will be deemed to have forever waived its right to further extend the Term of this Agreement beyond the then current Expiration Date, except by mutual agreement in writing executed by both Parties.

3.2 Condition to Right to Exercise. APAH may exercise the Option only if all of the following conditions have been met: (i) APAH has received an award of Tax Credits from VHDA for the Development; and (ii) in connection with the entitlement and development of the Development, APAH has received (A) a Comprehensive Plan Amendment; (B) an approved Special Exception for the Property; and (C) a Proffered Condition Amendment for the Property.

3.3 Exercise Notice. APAH shall exercise the Option (if at all) at any time during the Term, provided APAH has satisfied the conditions set forth in Section 3.2 above, by delivering a written notice to FCRHA (the “**Option Notice**”). The Option Notice shall include: (i) a certification from APAH that has satisfied the conditions precedent set forth in Section 3.2; (ii) reasonably detailed supporting documentation of the satisfaction of such conditions (the “**Supporting Documentation**”). Upon FCRHA’s receipt of the Option Notice, FCRHA shall have 20 Business Days to review the Supporting Documentation, and within such period FCRHA shall deliver a written notice to APAH either approving of the Supporting Documentation (the “**Approval Notice**”), or disapproving of all, or a portion, of the Supporting Documentation. In the event FCRHA sends an Approval Notice, then the Parties shall continue to proceed to the Closing in accordance with this Agreement. In the event FCRHA disapproves of all, or a portion of, the Supporting Documentation, then FCRHA’s written notice (the “**Disapproval Notice**”) shall set forth, in detail, each and every one of FCRHA’s objections to the Supporting Documentation, and any such additional information required by FCRHA to approve of the Supporting Documentation. Thereafter, within 15 Business Days following the APAH’s receipt of the Disapproval Notice, the APAH shall submit such additional information, or other documentation, requested by FCRHA in the Disapproval Notice. The process for FCRHA’s review and approval of the Supporting Documentation shall continue until FCRHA has approved of the Supporting Documentation, and FCRHA shall have no obligation to execute the Ground Lease until the APAH has obtained an Approval Notice from FCRHA; provided, however, in no event shall FCRHA unreasonably withhold, delay, or condition the approval of the Supporting Documentation.

3.4 Failure to Exercise. If APAH fails to deliver the Option Notice or fails to deliver the Supporting Documentation by the Expiration Date, then (a) this Agreement shall immediately terminate without further action of the Parties; (b) APAH shall promptly deliver to FCRHA such documentation (fully executed and acknowledged) reasonably requested by FCRHA to evidence termination of this Agreement; and (c) the Parties shall have no further obligations to each other except as otherwise specifically provided in this Agreement. This Section 3.4 is not intended to and does not in any way limit or affect any of the rights or remedies available to any Party in the event the other Party defaults in the due and timely performance of any of its obligations, or is in breach of any of its representations and warranties, under this Agreement.

Section 4. **TERMS OF LEASE.**

At the Closing, FCRHA and APAH shall enter into the Ground Lease, which will be substantially in the form of Exhibit A attached hereto and made a part hereof by this reference (except: (i) to the extent such terms and conditions are no longer applicable or are otherwise invalid or unenforceable under Virginia laws as of the Closing Date (as defined in Section 8.1 below); or (ii) as otherwise mutually agreed to by FCRHA and APAH). Promptly after delivery of the Option Notice, to the extent necessary, the Parties shall meet in good faith to determine if any modifications are necessary to the proposed Ground Lease to reflect either any new, or otherwise unanticipated, circumstances regarding the Property, financing of the Project, investor requirements or any changes in Virginia law that make any term or provision of the proposed Ground Lease invalid or unenforceable.

Section 5. **REPRESENTATIONS AND WARRANTIES OF FCRHA.**

5.1 In General. With the exception of those representations and warranties stated in Section 5.2, APAH has not relied and will not rely upon any representations or warranties, express or implied, affirmative or negative, concerning the Property made by FCRHA or any of FCRHA's agents or employees.

5.2 Representations and Warranties of FCRHA. FCRHA represents and warrants that the following facts and circumstances are true and correct as of the Effective Date and as of the Closing:

(a) Authority, Authorizations and Consents. FCRHA is a political subdivision of the Commonwealth of Virginia. FCRHA has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action and proceedings, and no further action or authorization is necessary on the part of FCRHA in order to consummate the transactions contemplated herein. This Agreement is a legal, valid and binding obligation of FCRHA, enforceable in accordance with its respective terms. FCRHA has obtained all authorizations, consents or approvals of any governmental entity or other person or entity required to be obtained or given in connection with the execution and delivery of this Agreement by FCRHA or the performance of any of FCRHA's obligations hereunder.

(b) No Violation. The execution and delivery of this Agreement by FCRHA, and the performance of its obligations hereunder, do not (i) violate, or conflict with any of FCRHA's obligations under, any contract to which it is a party or by which it is bound, or (ii) violate (and none of such obligations shall be void or voidable under) any law, regulation, order, arbitration award, judgment or decree to which it is a party or to which it is subject.

(c) Options; Leases. No person or entity other than APAH holds or will hold any option or other right to lease or purchase all or any part of any of the Property or any interest in the Property.

(d) No Pending Actions. To FCRHA's knowledge; (i) there are no actions, suits, proceedings (including any arbitration proceedings, condemnation, expropriation or other proceeding in eminent domain, or environmental, zoning or other land use regulation proceedings), orders, investigations or claims that are pending against or relating to the Property or the FCRHA's rights therein; and (ii) there are no proceedings threatened or planned to be instituted by or against or relating to the Property.

(e) Compliance with Laws. FCRHA has not received any written notice from any governmental entity asserting that the Property (or FCRHA with respect to the Property) is in violation of any Laws. "Law" and "Laws" means, with respect to any person or entity, any U.S. federal, state or local, and any foreign national, state or local, law, statute, common law, ordinance, code, treaty, rule, regulation, order, ordinance, permit, license, writ, injunction, directive, determination, judgment or decree or other requirement of any governmental entity, in each case, applicable to or binding upon such person or entity or any of its property or to which such person or entity or any of its property is subject.

Notwithstanding the representations in Section 5.2(b), Section 5.2(d) and Section 5.2(e), if circumstances occur that make the representations therein untrue or incorrect at any time after the Effective Date, FCRHA shall provide APAH notice required in Section 5.4, and FCRHA shall use reasonable efforts to make such representations true and correct as of the Closing, but shall otherwise have no liability for such representations being untrue or incorrect, unless the failure of the representations to be true and correct were directly related to the actions or omissions of FCRHA in breach of this Agreement. The provisions of this paragraph shall not limit APAH's right to terminate this Agreement as provided in Section 9.4.

5.3 Representations and Warranties of APAH. APAH represents and warrants that the following facts and circumstances are true and correct as of the Effective Date. In the event that any of the following representations and warranties are not true and correct as of the date APAH delivers the Option Notice to FCRHA, APAH shall use reasonable efforts to cause such representations and warranties to be true and correct as of the Closing Date.

(a) Authority, Authorizations and Consents. APAH is a Virginia limited liability company. APAH has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by APAH have been duly and validly authorized by all necessary action and proceedings, and no further action or authorization is necessary on the part of APAH in order to consummate the transactions contemplated herein. This Agreement is a legal, valid and binding obligation of APAH, enforceable in accordance with its respective terms. No authorization, consent or approval of, or notice to, any governmental entity or other person or entity is required to be obtained or given in connection with the execution and delivery of this Agreement by APAH or the performance of any of APAH's obligations hereunder. In the event that APAH assigns this Agreement (in accordance with its terms) to another entity, such entity will make the same (but corrected, as necessary) representations set forth in this Section 5.3(a) as of the Closing Date.

(b) No Violation. The execution and delivery of this Agreement by APAH, and the performance of its obligations hereunder, do not (i) violate, or conflict with any of APAH's

obligations under, any contract to which it is a party or by which it is bound, or (ii) violate (and none of such obligations shall be void or voidable under) any law, regulation, order, arbitration award, judgment or decree to which it is a party or to which it is subject.

(c) *Litigation and Claims.* To APAH's knowledge, there is no suit, action, arbitration, or legal, administrative, or other proceeding, or governmental investigation pending or threatened against APAH which could affect any of the transactions contemplated by this Agreement.

5.4 *Inaccuracies.* In the event that either Party becomes aware of facts or circumstances after the Effective Date that might result in any of that Party's representations or warranties set forth in Section 5.2 or Section 5.3 not being true as of the Closing, such Party shall give prompt written notice to the other Party of such facts or circumstances.

Section 6. **PROPERTY CONDITION; RIGHT OF ENTRY; TITLE.**

6.1 *Property Condition.* APAH acknowledges that except to the extent of any express representations and warranties set forth in Section 5.2, FCRHA has made no representations or warranties, express or implied, regarding the Property or matters affecting the Property, whether made by FCRHA, or on FCRHA's behalf or otherwise, and that except as otherwise provided in this Agreement, the leasehold interest in the Property shall be conveyed subject to, and in accordance with, the terms and conditions of the Ground Lease. For the avoidance of doubt, APAH shall accept possession of the Property on the commencement date of the Ground Lease "AS IS, WHERE IS, WITH ALL FAULTS", subject to the Permitted Exceptions.

6.2 *Right of Entry.* During the Term, APAH shall have reasonable rights of access to the Property to the extent set forth in this Section 6.2 for the purposes of surveying the Property and performing design and engineering analysis including environmental tests and studies and soils borings and tests, provided that neither APAH nor its contractors shall unreasonably disrupt the normal operation of the Property. APAH's access hereunder shall be in compliance with all applicable statutes, laws, rules, regulations, ordinances, and orders of any governmental or quasi-governmental authority having jurisdiction over the Property and APAH's or its contractors' activities thereon. All such entry shall be coordinated in advance with appropriate representatives of FCRHA; for purposes of this Section 6.2, the appropriate representatives shall be Kevin (Casey) Sheehan at 703-246-5146 and kevin.sheehan@fairfaxcounty.gov and Ahmed Rayyan at 703-246-5123 and ahmed.rayyan@fairfaxcounty.gov. Prior to APAH entering the Property, APAH (or its contractor) shall obtain and maintain, at APAH's (or its contractor's, as the case may be) sole cost and expense, the following insurance coverage, and shall cause each of its agents and contractors to obtain and maintain, and, upon request of FCRHA, shall deliver to FCRHA evidence of (i) general liability insurance, from an insurer reasonably acceptable to FCRHA, in the amount of \$1,000,000.00 combined single limit for personal injury and property damage per occurrence, (ii) workers' compensation insurance at statutory limits, (iii) employer's liability insurance in an amount not less than \$1,000,000, and (iii) professional liability insurance of not less than \$1,000,000 for any access to conduct environmental tests and studies and/or soil borings and tests. APAH shall provide FCRHA with original certificates of insurance for the coverage required above not less than five Business Days prior to any access, naming FCRHA and such other parties

designated by FCRHA as additional insureds and otherwise in form reasonably satisfactory to FCRHA. FCRHA shall have the right, in its discretion, to accompany APAH and its contractors. All damage to the Property resulting from any access by or at the direction of APAH or its contractors shall be repaired immediately by APAH, at its sole cost and expense, so that the Property shall be restored to the same condition in which it existed immediately prior to such access. APAH shall indemnify, defend and save FCRHA and its respective Commissioners, agents, directors, officers and employees (collectively, the “**Indemnitees**”) harmless from and against any and all losses, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses (including, without limitation, engineers’, architects’ and attorneys’ fees and disbursements), which may be suffered by, imposed upon or incurred by or asserted against FCRHA or any of the Indemnitees as a result of any access pursuant to this Section 6.2. The provisions of this Section 6.2 shall survive Closing or any termination of this Agreement.

6.3 Title. Prior to the Effective Date, APAH ordered from Commonwealth Land Title Insurance Company (“**Title Company**”), 1620 L Street, NW, 4th Floor, Washington, DC 20036, Attention: Mark Badanowski, Phone: (202) 312-5130, a Commitment for Title Insurance Policy (the “**Title Commitment**”) insuring APAH’s interest in the Property, and requested copies of any recorded instruments that affect the title to the Property or would be applicable to APAH’s leasehold estate therein under the Ground Lease. Items affecting FCRHA’s title to the Property as shown in the Title Commitment or survey on which APAH’s title review was based shall be the “**Permitted Exceptions**” for purposes of this Agreement and the Ground Lease, as applicable. Notwithstanding the foregoing, FCRHA agrees to take the following actions to be completed on or before Closing with respect to the Property:

(a) FCRHA shall be obligated at Closing to remove any and all existing mortgage liens or similar liens or encumbrances against the Property. FCRHA hereby represents to APAH that the mortgages which currently affect the Property, if any, can and will be released as aforesaid prior to the Closing;

(b) FCRHA shall be obligated at Closing to deliver such title affidavits or similar materials as are customary for the issuance of title insurance for conveyance of leasehold estates (a “**Title Policy**”), as applicable, and which are reasonably consistent with the forms of such documents typically executed by FCRHA;

(c) From the Effective Date until the Closing, without the prior written consent of APAH, FCRHA shall not voluntarily place or cause a lien to be placed on the Property or encumber or convey the Property or any portion thereof or any interest therein, nor amend or modify any existing encumbrances in any manner which will materially adversely affect the Property or any portion thereof or impose any material obligation with respect thereto. For purposes hereof, an encumbrance or obligation will be deemed to “materially adversely affect the Property or any portion thereof” or impose a “material obligation” if (1) the cost associated therewith on a stand-alone basis or aggregated with any other new or modified encumbrances or obligations subject to the provisions of this subsection (c) is greater than Twenty-Five Thousand Dollars (\$25,000), or (2) impacts the design, construction, configuration, square footage, or parking of the proposed Development. FCRHA shall comply with all terms of any mortgage, encumbrance, or other agreements affecting the Property or any portion thereof and shall not permit a default thereunder to exist or occur so long as this Agreement is in effect. If any monetary

lien or liens against the Property that FCRHA is either obligated to remove or has agreed in writing to remove, have not been removed and satisfied prior to Closing, then at Closing, FCRHA shall pay such amounts as required to fully satisfy said liens. If any new encumbrance or matter that materially adversely affects the Property appears on any updated title commitment or survey that APAH obtains after the Effective Date, and APAH disapproves of such encumbrance or matter, then APAH shall provide written notice to FCRHA of such disapproval. If, within 15 Business Days after receipt of such notice, FCRHA does not provide written notice to APAH of FCRHA's plan to cure, remove or otherwise address the encumbrance or matter in a manner that is reasonably satisfactory to APAH, then APAH shall have the right to terminate this Agreement, and except as otherwise expressly set forth in this Agreement, neither FCRHA nor APAH shall have any further liability hereunder.

Section 7. **GOVERNMENTAL APPROVALS, SCHEMATICS, PLANS AND SPECIFICATIONS.**

7.1 Land Use Entitlement Approvals. During the Term and in accordance with a commercially reasonable schedule, APAH covenants and agrees, at its expense, to file such applications with applicable Governmental Authority (as defined below) that are required in connection with the land use planning, design and other work activities necessary to obtain the following with respect to the Property that are necessary to develop and construct the Development (the "**Land Use Entitlement Approvals**"): (1) a Comprehensive Plan Amendment; (2) a Conceptual Development Plan and a Final Development Plan; (3) a Special Exception of the Property in connection with the Development; (4) a Proffered Condition Amendment for the Development; and (5) a Site Plan (defined below). Undefined capitalized terms in the preceding sentence have the meaning ascribed to such terms in Chapter 112 of the 1976 Code of the County of Fairfax, Virginia (the "**Zoning Ordinance**"). The Parties acknowledge that APAH began filing applications and other work necessary to obtain the Land Use Entitlement Approvals during the period that the Interim Agreement was in effect and that certain of the Land Use Entitlement Approvals have already been obtained prior to the Term. All such Land Use Entitlement Approvals shall be in form and substance satisfactory to APAH.

(a) "**Governmental Authority**" shall mean any of the following: the United States of America, the Commonwealth of Virginia, the County of Fairfax, Virginia, Fairfax County Department of Housing and Community Development, Fairfax County Redevelopment and Housing Authority and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having lawful jurisdiction over the Property or any portion thereof.

(b) FCRHA, at no out-of-pocket cost to FCRHA, shall (A) sign and join with APAH in filing any applications, (B) cooperate with APAH in obtaining any and all permits, regulatory agreements, consents, certificates, waivers, and other approvals relating to the Development, and (C) sign any applications made by APAH required to obtain such permits, consents, certificates, waivers, and approvals. APAH shall reimburse FCRHA within 10 Business Days after FCRHA's demand for any reasonable third party cost or expense incurred by FCRHA in obtaining such permits, consents, certificates, waivers, and approvals. Further, upon request, FCRHA shall provide such authorization or approvals as any Governmental Authority or other

third party may require to evidence the right of APAH to be seeking regulatory approval for its Development.

(c) FCRHA and APAH agree that obtaining the Land Use Entitlement Approvals and completion of the Schematics, Design Development Plans (defined below), Permit Documents (defined below) and Final Plans and Specifications in accordance with the terms of this Agreement are conditions precedent to Closing under this Agreement.

(d) APAH agrees to provide FCRHA copies of any approval requests, applications, site plans, or other submissions for Land Use Entitlement Approvals at least three Business Days prior to the submission of such documents and instruments to any Governmental Authority other than FCRHA. Additionally, APAH shall submit progress reports to FCRHA containing updates regarding the Land Use Entitlement Approvals process and preparation of the Submission Materials (defined below) at least every 60 days for FCRHA's review and approval. APAH and FCRHA may also set up a program of periodic team conference calls to provide regular updates concerning the development and construction of the Development, and if so, FCRHA may, in its sole discretion, waive the requirement for written progress reports, provided such waiver is in writing (including email).

(e) APAH shall file its initial Site Plan for review by the appropriate Governmental Authority within 120 days of obtaining from VHDA its initial letter of the award of Tax Credits for the Development.

(f) APAH shall use commercially reasonable efforts to obtain all Land Use Entitlement Approvals (except for the Site Plan) on or before the Expiration Date.

7.2 Submission and Review of Submission Materials. FCRHA and APAH acknowledge and agree that Exhibit C, attached hereto and made a part hereof, contains a general description of the Development upon which all Land Use Entitlement Approvals and the Schematics and the Final Plans and Specifications shall be based. APAH shall submit to FCRHA for its review and approval any documents, drawings, proffers and other instruments that APAH will submit to any Governmental Authority for any Land Use Entitlement Approvals related to the Development (including any modifications to any such documents, drawings, proffers and instruments) and any other documents that FCRHA shall reasonably request in connection with its review thereof. Without limiting the foregoing, APAH shall submit to FCRHA for its review and approval prior to submission to any Governmental Authority for approval of the Conceptual Development Plan or Final Development Plan or for Special Exception approval any and all information related to such submissions, including (without limitation) the proposed elevations and facades for the Development, building layouts, site development plans and other proffered amenities related to the Development (collectively, the "**Submission Materials**"). The Submission Materials shall include, without limitation: (i) Schematics; (ii) Design and Development Plans; (iii) Permit Documents; and (iv) Final Plans and Specifications. If FCRHA does not approve the Submission Materials, FCRHA shall so notify APAH in writing, specifying in what respects it disapproves of the Submission Materials. APAH and FCRHA shall reasonably cooperate with one another in addressing the comments of FCRHA. APAH shall revise the Submission Materials to reflect the agreed upon changes and shall then resubmit the Submission Materials to FCRHA for review. The initial review by FCRHA shall be carried out within five Business Days of the date of submission

of the Submission Materials; FCRHA's review of revisions to the Submission Materials shall be carried out within five Business Days of the date of submission of the revised Submission Materials. If FCRHA has not notified APAH of its determination within the applicable period, FCRHA shall be deemed to have approved the Submission Materials.

(a) The following definitions are used in this Section 7.2 and elsewhere in this Agreement as they relate to Submission Materials and design, development and construction of the Development:

(i) "**Schematics**" means the concept plans completed at approximately fifteen percent (15%) of the Final Plans and Specifications;

(ii) "**Design Development Plans**" means the plans, specifications and construction drawings completed at approximately thirty-five percent (35%) of the Final Plans and Specifications for the development and construction of the Development and the parties having determined the anticipated costs associated with the relocation, upgrade and bringing of utilities to the Property;

(iii) "**Permit Documents**" means the plans, specifications and construction drawings completed at approximately seventy-five percent (75%) of the Final Plans and Specifications for the development and construction of the Development; and

(iv) "**Final Plans and Specifications**" means one hundred percent (100%) of the final plans and specifications and construction drawings, including but not limited to the Site Plan and building plans prepared by APAH's architect and engineers for the Development which materially conform to the Schematics and other Submission Materials previously approved by FCRHA that are necessary for the development and construction of the Development.

(b) Within 90 days after receipt of final, unappealable Final Development Plan approval for APAH's proposed Development from each applicable Government Authority, APAH shall submit Schematics of the Development (which shall include, without limitation, the site layout design of the Property) for FCRHA's approval. If FCRHA does not approve the Schematics, FCRHA shall so notify APAH in writing, specifying in what respects it disapproves of the Schematics. APAH and FCRHA shall reasonably cooperate with one another in addressing the comments of FCRHA. APAH shall revise the Schematics to reflect the agreed upon changes and shall then resubmit the Schematics to FCRHA for review. The initial review by FCRHA shall be carried out within five Business Days of the date of submission of the Schematics; FCRHA's review of revisions to the Schematics shall be carried out within five Business Days of the date of submission of the revised Schematics. If FCRHA has not notified APAH of its determination within the applicable period, FCRHA shall be deemed to have approved the Schematics.

(c) Within 270 days after FCRHA has approved the Schematics, APAH shall submit completed proposed Final Plans and Specifications. FCRHA shall review the proposed Final Plans and Specifications to determine whether they materially conform to the Schematics. If FCRHA determines that they do so conform, FCRHA shall so notify APAH in writing. If FCRHA reasonably determines that the proposed Final Plans and Specifications, as so revised, do

not materially conform to the Schematics and other previously approved Submission Materials, FCRHA shall so notify APAH, specifying in writing in what respects they do not so conform. In such latter event, APAH and FCRHA shall reasonably cooperate with one another in addressing the comments of FCRHA. APAH shall revise the proposed Final Plans and Specifications to reflect the agreed upon changes and shall then resubmit the proposed Final Plans and Specifications to FCRHA for review. The initial review by FCRHA shall be carried out within five Business Days of the date of submission of the proposed Final Plans and Specifications; FCRHA's review of revisions to the proposed Final Plans and Specifications shall be carried out within five Business Days of the date of submission of the revised proposed Final Plans and Specifications. If FCRHA has not notified APAH of its determination within the applicable period, FCRHA shall be deemed to have approved the proposed Final Plans and Specifications or determined that they materially conform to the Schematics or other Submission Materials.

Section 8. CLOSING.

8.1 Time. If, and on the express condition that, APAH delivered the Option Notice and the Supporting Documentation prior to the Expiration Date, and FCRHA provided the Approval Notice, then on a date prior to December 31st of the year following the calendar year in which the Approval Notice was sent and after the satisfaction or waiver (if applicable) of the conditions precedent set forth in Section 9.1 and Section 9.2, the Parties shall each execute and exchange original counterparts and deposit into escrow the documents described in Section 8.3 and Section 8.4 below and shall close the transaction contemplated by this Agreement (the "**Closing**"). APAH shall select the date of Closing (the "**Closing Date**"), which shall be a Business Day, and give notice to FCRHA at least 15 Business Days prior to the Closing Date, unless otherwise agreed in writing by the Parties.

8.2 Escrow. The Parties shall conduct the Closing through the Title Company (the "**Escrow Agent**") or such other party mutually agreed between the Parties at the time of Closing. The terms of this Agreement (including, but not limited to, the terms contained in this Section 8), together with such additional instructions as the Escrow Agent shall reasonably request and to which the Parties shall agree, shall constitute the escrow instructions to the Escrow Agent. If there is any inconsistency between this Agreement and any additional escrow instructions given to the Escrow Agent, this Agreement shall control unless the intent to amend this Agreement is clearly and expressly stated in the additional escrow instructions.

8.3 FCRHA's Deposits into Escrow. FCRHA shall deposit into escrow on or before Closing the following documents:

- (a) Two duly executed counterpart originals of the Ground Lease;
- (b) A duly executed and acknowledged counterpart original memorandum of lease in a reasonable form that has been agreed to between FCRHA and APAH in recordable form (the "**Memorandum of Lease**");
- (c) A certificate of FCRHA signed by FCRHA affirming that all of FCRHA's representations and warranties set forth in Section 5.2 are true in all material respects as of the Closing Date; provided however, to the extent FCRHA is of facts or circumstances that result in

FCRHA's representations or warranties set forth in Section 5.2 not being true as of the Closing, FCRHA shall disclose such facts or circumstances in such certificate (the "**FCRHA Certificate**");

(d) Such additional documents, including written escrow instructions consistent with this Agreement, as are both (i) reasonably necessary for the consummation of the transactions contemplated by this Agreement and (ii) reasonably consistent with the forms of such documents typically executed by FCRHA.

8.4 APAH's Deposits into Escrow. APAH shall deposit into escrow on or before Closing:

(a) Two duly executed counterpart originals of the Ground Lease;

(b) A duly executed and acknowledged counterpart original of the Memorandum of Lease;

(c) Two duly executed counterpart originals of the Guaranty (as defined in the Ground Lease);

(d) A certificate of APAH signed by a person duly authorized to do so on behalf of APAH, affirming that all of the representations and warranties of APAH set forth in Section 5.3 are true in all material respects as of the Closing Date; provided however, to the extent APAH is aware of facts or circumstances that result in APAH's representations or warranties set forth in Section 5.3 not being true as of the Closing, the APAH shall disclose such facts or circumstances in such certificate (the "**APAH Certificate**");

(e) Such evidence as the Escrow Agent reasonably requires as to the authority of the person or persons executing documents on behalf of APAH;

(f) The Base Rent due at Closing, if any, in immediately available funds;

(g) Such additional documents, including written escrow instructions consistent with this Agreement, as are reasonably necessary for the lease of the Property in accordance with the terms of this Agreement.

8.5 Closing. When the Escrow Agent has received all documents identified in Section 8.3 and Section 8.4, and has received written notification from APAH and FCRHA that all conditions to Closing have been satisfied or waived; then, and only then, the Escrow Agent shall take the following actions in the following chronological order:

(a) Record in the Land Records the Memorandum of Lease (marked for return to APAH) against the Land;

(b) Deliver to APAH: (i) a conformed copy (showing all recording information thereon) of the Memorandum of Lease, (ii) a fully executed original of the Ground Lease; and (iii) the FCRHA Certificate;

(c) Deliver to FCRHA: (i) a conformed copy (showing all recording information thereon) of the Memorandum of Lease; (ii) a fully executed original of the Ground Lease; (iii) two duly executed counterpart originals of the Guaranty for the Ground Lease; and (iv) the APAH Certificate.

8.6 Closing Costs. As additional consideration for the lease of the Property pursuant to the Ground Lease, APAH shall pay all escrow and recording fees and other closing costs charged by the Escrow Agent.

Section 9. **CONDITIONS PRECEDENT; COVENANTS.**

9.1 APAH's Conditions. APAH's obligations under this Agreement to Close escrow are subject to the fulfillment of the following conditions at or prior to the Closing Date, each of which shall be deemed waived (other than Section 9.1(d) through Section 9.1(f), which may not be waived by APAH) unless APAH exercises its rights pursuant to Section 9.4 below to terminate the Agreement or to extend the time for the Closing in accordance with Section 3.1 above:

(a) Representations and Warranties. FCRHA's representations and warranties contained in Section 5.2, as restated as of the Closing in the FCRHA Certificate, shall be true in all material respects at and as of the Closing.

(b) No Exceptions. Any material qualification or any exceptions of any kind to any of the representations or warranties set forth in the FCRHA Certificate shall be acceptable to APAH, in its sole but reasonable discretion.

(c) Performance. FCRHA shall have performed and complied in all material respects with all covenants, agreements, terms and conditions required by this Agreement to be performed or complied with by FCRHA prior to or at the Closing.

(d) Tax Credit Award. APAH shall have obtained from the VHDA (and closed or be simultaneously closing) an award of Tax Credits for financing the construction to occur under the Ground Lease (and any and all challenge periods related to such award have expired).

(e) Financing. APAH shall have obtained from investors and lenders (and closed or be simultaneously closing) any equity investment or loan financing or both in amounts sufficient to finance the Development.

(f) Land Use Entitlement Approvals. APAH shall have been approved for final, non-appealable Land Use Entitlement Approvals from each applicable Governmental Authority.

(g) Permits and Construction Approvals. APAH shall have applied for and received all governmental approvals and permits, including building permits, for the construction of the buildings under the Ground Lease.

(h) Final Plans and Specifications. APAH shall have received approval from FCRHA of the Final Plans and Specifications.

(i) Construction Contract. APAH shall have entered into a contract with a reputable general contractor for the construction of the buildings and other improvements to be constructed under the Ground Lease.

9.2 FCRHA's Conditions. FCRHA's obligations under this Agreement to Close escrow are subject to the fulfillment of the following conditions at or prior to the Closing Date, each of which shall be deemed waived unless FCRHA exercises its rights pursuant to Section 9.4 below to terminate the Agreement:

(a) Representations and Warranties. APAH's representations and warranties contained in Section 5.3, as restated as of the Closing in the APAH Certificate, shall be true in all material respects at and as of the Closing.

(b) No Exceptions. Any material qualification or any exceptions of any kind to any of the representations or warranties set forth in the APAH Certificate shall be acceptable to FCRHA, in its sole but reasonable discretion.

(c) Performance. APAH shall have performed and complied in all material respects with all covenants, agreements, terms and conditions required by this Agreement to be performed or complied with by APAH prior to or at the Closing.

(d) No Litigation. There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings by or against APAH that would materially and adversely affect the ability of APAH to perform its obligations under this Agreement.

(e) Tax Credit Award. APAH shall have obtained from the VHDA (and closed or be simultaneously closing) an award of Tax Credits for financing the construction to occur under the Ground Lease (and any and all challenge periods related to such award have expired).

(f) Financing. APAH shall have obtained from investors and lenders (and closed or be simultaneously closing) any equity investment or loan financing or both in amounts sufficient to finance the Development.

(g) Land Use Entitlement Approvals. APAH shall have been approved for final, non-appealable Land Use Entitlement Approvals from each applicable Governmental Authority.

(h) Delivery of Option Notice; Approval of Supporting Documentation. APAH shall have delivered the Option Notice, the Supporting Documentation and any additional information required by FCRHA to issue the Approval Notice in accordance with Section 3.3, and FCRHA has approved the Supporting Documentation in accordance with Section 3.3.

9.3 Additional APAH Covenants. APAH covenants and agrees to satisfy the terms of this Section 9.3, prior to the Closing:

(a) *Application for Tax Credits.* APAH shall timely apply to VHDA for the Tax Credits in each applicable cycle during the Term for the Property, and APAH shall diligently and in good faith prosecute all steps and actions needed for the award of the Tax Credits. Promptly following the award of the Tax Credits, APAH shall (i) apply for and diligently prosecute in good faith all steps and actions needed to obtain loan or equity financing in amounts sufficient to finance the Development, and (ii) pursue the commitment of a tax credit investor for the purchase of the Tax Credits for the Project.

In the event APAH fails to satisfy the covenants set forth in this Section, FCRHA may avail itself to the rights and remedies set forth in Section 9.4 and Section 10 below.

9.4 Failure of Conditions. So long as a Party is not in default hereunder, if any condition to such Party's obligation to proceed with the Closing hereunder has not been satisfied as of the Closing Date or any other applicable date specified in this Agreement, such Party may, in its sole discretion, either (a) terminate this Agreement by delivering written notice to the other Party on or before the Closing Date, (b) extend the time available for the satisfaction of such condition, or (c) elect to close, notwithstanding the non-satisfaction of such condition, in which event such Party shall be deemed to have waived any such condition. If such Party elects to proceed pursuant to clause (b) above, and such condition remains unsatisfied after the end of such extension period, then, at such time, such Party may elect to proceed pursuant to either clause (a) or (c) of the preceding sentence. In the event the failure of a condition precedent for the benefit of either Party is not satisfied due to a breach of this Agreement by the other Party (for example, a failure or refusal to perform a Party's obligations under this Agreement), the benefitted Party's rights and remedies shall be as set forth in Section 10.

Section 10. **DEFAULT; REMEDIES.**

10.1 FCRHA Default. In the event FCRHA refuses to consummate the transaction contemplated by this Agreement or in the case of any other default or breach by FCRHA hereunder, APAH shall give FCRHA written notice of such default or breach and shall provide FCRHA with 30 days to cure the default or breach. In the event FCRHA fails to cure the default or breach within such 30 day period, APAH shall be entitled to (a) seek specific performance to enjoin FCRHA to cure such default or breach and consummate the transaction contemplated by this Agreement; or (b) terminate the Option. APAH may terminate the Option if any condition to Closing contained in Section 9.1 has not been satisfied or waived by APAH in writing by the Closing Date. Notwithstanding anything set forth above, APAH shall be entitled to recover monetary damages from FCRHA in the event FCRHA defaults or breaches this Agreement and fails to convey the Property, so long as: (x) such failure is the result of FCRHA's refusal to convey the Property and not the failure to satisfy any condition outside of FCRHA's reasonable control (e.g. Section 5.2(b), Section 5.2(d) and Section 5.2(e)); (y) all FCRHA's Conditions have been satisfied; and (z) APAH is not in default under this Agreement, beyond all applicable notice and cure periods.

10.2 APAH Default. In the case of any default or breach by APAH hereunder, FCRHA shall give APAH written notice of such default or breach and shall provide APAH with 30 days to cure the default or breach; provided, however, if such default or breach is not capable of being

cured within 30 days, then APAH shall have an additional 30 days so long as APAH continues to diligently pursue a cure. In the event APAH fails to cure the default or breach within such period, FCRHA may terminate the Option. Additionally, FCRHA may terminate the Option in the event of any condition to Closing contained in Section 9.2 has not been satisfied or waived by FCRHA in writing by the Closing Date. FCRHA's remedies for any default or breach by APAH hereunder shall be terminating the Option and any other remedies expressly set forth in this Agreement.

Section 11. **RISK OF LOSS; CONDEMNATION OR CASUALTY**

11.1 Risk of Loss. Risk of loss shall remain with FCRHA until Closing. FCRHA shall notify APAH of any (i) condemnation or taking by eminent domain of any portions of the Property or (ii) casualty event affecting the Property. APAH and FCRHA agree that FCRHA has no obligation to restore the Property in the event of a condemnation or casualty event.

11.2 Obligation to Close. Notwithstanding any condemnation or casualty event, APAH shall remain obligated to close under this Agreement so long as such condemnation or casualty event does not materially and adversely affect the Property. For purposes of this Section, a condemnation or casualty event will "materially and adversely affect the Property" if, after completion of such condemnation or the occurrence of such casualty event, as applicable, APAH would no longer be able to develop and construct the Development in substantial accordance with Land Use Entitlement Approvals, the Final Plans and Specifications and the Ground Lease, subject to any minor adjustments caused by such condemnation or casualty event, as applicable. In the event of a condemnation or casualty event that has a material and adverse effect on the Property, (A) APAH shall have the right to terminate this Agreement without liability on its part by so notifying FCRHA within 15 Business Days of FCRHA's notification to APAH of said condemnation or casualty event, and except as otherwise expressly set forth in this Agreement, neither FCRHA nor APAH shall have any further liability hereunder, and (B) if APAH does not so terminate the Agreement, then APAH shall remain obligated to close under this Agreement and neither such condemnation or casualty event nor the condition of the Property thereafter shall be deemed to give rise to a default hereunder.

Section 12. **MISCELLANEOUS PROVISIONS.**

12.1 No Brokers, Finders, Etc. None of the Parties has engaged any agent, broker, finder or investment or commercial banker in connection with the negotiation, execution or performance of this Agreement, or the transactions contemplated hereby.

12.2 Expenses. Except as specifically set forth herein, whether or not the transaction contemplated by this Agreement is consummated, each of the Parties shall pay their own fees and expenses incident to the negotiation, preparation, execution, delivery and performance of this Agreement.

12.3 Complete Agreement; Waiver and Modification, Etc. This Agreement constitutes the entire agreement between the Parties hereto and thereto pertaining to the subject matter hereof and thereof and supersedes all prior and contemporaneous agreements and understandings of the Parties. There are no representations, warranties, covenants or conditions by or benefiting any Party except those expressly stated or provided for in this Agreement, any implied representations,

warranties, covenants or conditions being hereby expressly disclaimed. No person or entity other than the Parties to this Agreement have any rights or remedies under or in connection with this Agreement, except rights or remedies validly assigned hereunder. No amendment, supplement or termination of or to this Agreement, and no waiver of any of the provisions hereof or thereof, shall require the consent of any person or entity other than the Parties hereto, nor shall any such amendment, supplement, termination or waiver be binding on a Party to this Agreement unless made in a writing signed by such Party.

12.4 Communications. Whether expressly so stated or not, all notices, demands, requests and other communications required or permitted by or provided for in this Agreement (“**Communications**”) shall be given in writing to the Parties at their respective addresses set forth below, or at such other address as a Party shall designate for itself in writing in accordance with this Section:

If to APAH, to:

APAH Oakwood LLC
c/o Arlington Partnership for Affordable Housing, Inc.
Attention: Nina Janopaul, President
4318 N. Carlin Springs Road
Arlington, Virginia 22203
e-mail: njanopaul@apah.org

With a copy to:

Gallagher Evelius & Jones LLP
Attention: Benjamin Rubin
218 N. Charles Street, Suite 400
Baltimore, Maryland 21201
e-mail: brubin@gejlaw.com

If to FCRHA, to:

Fairfax County Redevelopment and Housing Authority
Attention: Director, HCD
3700 Pender Drive
Fairfax, Virginia 22030-6039
e-mail: Thomas.Fleetwood@fairfaxcounty.gov

-and-

Fairfax County Redevelopment and Housing Authority
Attention: Ms. Teresa Lepe
3700 Pender Drive
Fairfax, Virginia 22030-6039

e-mail: Teresa.Lepe@fairfaxcounty.gov

With a copies to:

Office of the County Attorney
Attention: County Attorney
12000 Government Center Parkway, Suite 549
Fairfax, Virginia 22035-0064
e-mail: Beth.Teare@fairfaxcounty.gov

-and-

Arent Fox LLP
Attention: Jeffrey A. Mitchell, Esq.
1717 K Street N.W.
Washington, D.C. 20006
e-mail: Jeffrey.Mitchell@arentfox.com

Communications may be transmitted (a) electronic mail transmission (with a copy sent the next business day by one of the other methods permitted hereunder), (b) reputable overnight courier (with a signed receipt) or (c) hand delivery (with receipt acknowledged in writing by the office of the addressee). Except as otherwise provided in this Agreement, delivery or service of any Communications shall be deemed effective only upon receipt (or refusal of receipt), and receipt shall be deemed to have occurred when the Communications were delivered to the specified address without regard to whether or not a representative of the addressee was present to receive the Communications or was present but refused receipt of such Communications; provided, any Communications delivered after 5:00 P.M. local time of place of receipt, or on a day other than a Business Day, shall be deemed received on the next succeeding business day. Either of the Parties may change the address(es) to which any such Communications are to be delivered by furnishing 10 Business Days written notice of such change(s) to the other of the Parties in accordance with the provisions of this Section.

12.5 Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws of the Commonwealth of Virginia.

12.6 Headings; References; "Hereof," Etc. The Section headings in this Agreement are provided for convenience only, and shall not be considered in the interpretation hereof or thereof. References in this Agreement to Sections or Exhibits refer, unless otherwise specified, to the designated Section of or Exhibit to this Agreement, and terms such as "herein," "hereto" and "hereof" used in this Agreement refer to this Agreement as a whole.

12.7 Successors and Assigns. APAH may not assign its rights under this Agreement to any party without the consent of FCRHA, which may be withheld in FCRHA's sole and absolute discretion. Notwithstanding the foregoing to the contrary, APAH shall be permitted to assign its rights under this Agreement to any person or entity which directly or indirectly controls, is controlled by or is under common control with Arlington Partnership for Affordable Housing, Inc. ("**APAH Parent**"), or to any person or entity resulting from a merger or consolidation with APAH

Parent, or to any person or entity which acquires all the assets of APAH Parent's business as a going concern pursuant to a written agreement, reasonably acceptable to FCRHA, provided that (i) such assignment or sublease is not a subterfuge to avoid the application of the provisions of this Section 12.7, (ii) the assignee assumes, in full, the obligations of APAH hereunder, and (iii) APAH provides FCRHA with written notice of any such assignment. This Section 12.7 shall be subject to the provisions of Section 12.16, and shall in no way limit APAH's rights set forth in Section 12.16.

12.8 Severability. If for any reason any provision of this Agreement shall be held invalid, illegal or unenforceable in whole or in part in any jurisdiction, then that provision shall be ineffective only to the extent of that invalidity, illegality or unenforceability and in that jurisdiction only, without in any manner affecting the validity, legality or enforceability of the unaffected portion and the remaining provisions in that jurisdiction or any provision of this Agreement in any other jurisdiction.

12.9 Cumulative Rights and Remedies. The rights and remedies of each Party under this Agreement are cumulative, except as otherwise expressly provided.

12.10 Survival of Representations and Warranties. Except as otherwise expressly provided in this Agreement, all representations, warranties, covenants and agreements of the Parties contained in this Agreement shall be considered material and shall be effective and survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby notwithstanding any investigation of the matters covered thereby by or on behalf of any Party benefited by any such representation, warranty, covenant or agreement or any knowledge (actual or constructive) on the part of any Party benefited by any such representation, warranty, covenant or agreement as to the truth or accuracy (or falseness or inaccuracy) thereof.

12.11 Further Assurances. From time to time and at any time after the execution and delivery hereof, each of the Parties, at their own expense, shall execute, acknowledge and deliver any further instruments, documents and other assurances reasonably requested by the other Party, and shall take any other action consistent with the terms of this Agreement that may reasonably be requested by the other Party to evidence or carry out the intent of or to implement this Agreement.

12.12 Counterparts; Separate Signature Pages. This Agreement may be executed in any number of counterparts, or using separate signature pages. Each such executed counterpart and each counterpart to which such signature pages are attached shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

12.13 Time; Business Days. **WHETHER EXPRESSLY SO STATED OR NOT IN CONNECTION WITH ANY OBLIGATION, TIME IS OF THE ESSENCE IN THE PERFORMANCE OF EACH PARTY'S RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT, AND NO NOTICE OF A PARTY'S INTENT TO REQUIRE STRICT COMPLIANCE WITH ANY OF THE DEADLINES SET FORTH IN THIS AGREEMENT IS REQUIRED.** If any time period set forth in this Agreement would otherwise expire on a Saturday, Sunday or holiday, such time period shall be automatically extended to the next business

day. As used in this Agreement, the term "Business Days" shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by the County of Fairfax, Virginia or the federal government.

12.14 Estoppel Certificates. Each Party shall, from time to time upon 15 Business Days' prior request by another Party, execute, acknowledge and deliver to the requesting Party a certificate signed by an authorized representative of such Party stating that to the knowledge of such Party this Agreement (a) is or is not in full force and effect, (b) is or is not unmodified (and, if modified, the details of the modification(s)), and (c) that default(s) do or do not exist hereunder (and if defaults do exist, the nature thereof to the extent known).

12.15 Incorporation of Recitals. The Recitals set forth above are hereby incorporated into this Agreement.

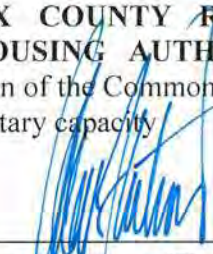
12.16 Ownership Structure. FCRHA acknowledges that due to lender requirements, investor requirements, tax issues and certain other factors, some of which are not known to APAH as of the date of this Agreement, it is not possible for APAH to commit to a final ownership structure for the Development as of the date of this Agreement. Therefore, FCRHA agrees that APAH shall have the right to submit a proposed ownership structure of the ground tenant or ground tenants under one or more Ground Leases prior to the Closing Date for FCRHA's review and approval, which FCRHA shall approve, so long as (i) the ground tenant under any Ground Lease for the Development is controlled, directly or indirectly, by the APAH Parent and (ii) the rights of FCRHA under the Ground Lease are not materially adversely affected. *By way of example and not limitation*, APAH may separately establish a Ground Lease with a ground tenant to own a portion of the Development that utilizes the 9% Tax Credits and a separate Ground Lease with a ground tenant to own a portion of the Development that utilizes the 4% Tax Credits, or FCRHA may provide a single Ground Lease to a ground tenant that subleases a portion of the Property to a subtenant that utilizes the 9% Tax Credits and to a different subtenant that utilizes the 4% Tax Credits. To accomplish this apportionment, the Property may be subdivided or subjected to a land condominium regime. Due to the fluid nature of the ownership structure, FCRHA acknowledges and agrees that APAH, APAH Parent or one or more subsidiaries directly or indirectly controlled by APAH Parent may fulfill one or more of the obligations of APAH under this Agreement, including making an application for the Tax Credits.

[Signatures on the following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first written above.

FCRHA:

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, in its proprietary capacity

By: 
Name: Thomas Fleetwood
Title: Assistant Secretary

COMMONWEALTH OF VIRGINIA)
COUNTY OF FAIRFAX) to wit

The foregoing instrument was acknowledged before me this 6th day of March, 2020, by Thomas Fleetwood, the Assistant Secretary on behalf of the Fairfax County Redevelopment and Housing Authority.

Felicia Renee Thompson
Notary Public


My commission expires:
October 31, 2020

FELICIA RENEE THOMPSON
NOTARY PUBLIC
REGISTRATION # 7681576
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES
OCTOBER 31, 2020

[APAH OAKWOOD LLC Signature Page Follows]

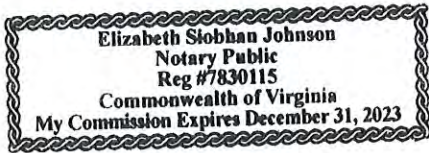
APAH:

APAH OAKWOOD LLC a Virginia limited liability company

By: 
Name: Nina Janopaul
Title: President

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX, to wit:

The foregoing instrument was acknowledged before me this 5th day of March, 2020,
by Nina Janopaul, the President, on behalf of APAH Oakwood LLC.




7830115
Notary Public

My commission expires:
12/31/2023

EXHIBIT A
GROUND LEASE
(Attached)

DEED OF LEASE

between

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

as Landlord

and

APAH OAKWOOD LLC

as Tenant

Premises:

Oakwood Property
Intersection of South Van Dorn Street and Oakwood Road
Alexandria, Virginia

_____, 202__

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Exhibit C – List of Plans and Specifications

Exhibit D – Project Schedule

Exhibit E – Form of Guaranty

Exhibit F – Approval Criteria for Residential Leases and Residential Tenants

DEED OF LEASE

This DEED OF LEASE (this “Lease”) made as of the _____ day of _____, 202____ between FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, in its proprietary capacity (“Landlord”) as the owner of certain land described below in Fairfax County, Virginia and not in its governmental or regulatory capacity, having an office at 12000 Government Center Parkway, Fairfax, VA 22035, and APAH OAKWOOD LLC, a Virginia limited liability company, or its permitted assignee or designee (“Tenant”) having an office at c/o Arlington Partnership for Affordable Housing, Inc., 4318 N. Carlin Springs Road, Arlington, VA 22203.

RECITALS

A. Landlord is the legal owner of certain real property identified as Fairfax County Tax Map No. 081-2 ((1)) Parcel 0017C and Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034 and located at the intersection in of South Van Dorn Street and Oakwood Road, and as further identified on Exhibit A attached hereto (the “Land”) and intends to use the real property for the purpose provided for in this Lease, together with any and all Buildings (as defined below) and other Improvements (defined below) on the Land and with all necessary, appurtenant easements and development rights related to the Land (together with the Land, the “Premises”).

B. Landlord and Tenant entered into a Contract to Ground Lease dated _____, 20[20] (the “Contract to Lease”), where Landlord and Tenant agreed that, upon satisfaction of certain conditions precedent, Landlord and Tenant shall enter into this Lease.

C. Landlord desires to lease to Tenant and Tenant desires to Lease from Landlord the Premises, in accordance with the terms and conditions of this Lease.

THEREFORE, Landlord and Tenant hereby mutually covenant and agree, in consideration of the mutual covenants set forth below (including, without limitation the covenant to pay Base Rent hereunder), that this Lease is made upon the terms, covenants and conditions hereinafter set forth.

ARTICLE 1

DEFINITIONS

The terms defined in this Article 1 shall, for all purposes of this Lease, have the following meanings.

“Additional Costs” shall consist of all other sums of money besides Base Rent, *including without limitation*, payments of Impositions (if and as applicable) and all costs, expenses and charges of every kind and nature (including, without limitation, all public and private utilities and services and any easement or agreement maintained for the benefit of the Premises) relating

to the Premises and as required under this Lease (and irrespective of whether paid directly to third parties (e.g. utility companies, taxing authorities, a Depository, etc.) or as a reimbursement or payment to Landlord) as the same shall become due from Tenant under this Lease and which shall be paid on or before the respective due dates of such sums.

“Affiliate” shall mean a Person that Controls, is Controlled by, or is under common Control with another Person. In the case of an individual, an Affiliate means and includes any individual who is a member of the immediate family (whether by birth or marriage) of a Person, including without limitation a spouse; a sibling of such individual or his spouse; a lineal descendant or ancestor of any of the foregoing or a trust for the benefit of any of the foregoing.

“APAH” shall mean Arlington Partnership for Affordable Housing, Inc., a Virginia nonprofit corporation.

“Applicable Laws” shall mean all applicable present and future federal, state and local laws, rules, orders, ordinances, regulations, statutes, requirements, proffers, permits, consents, certificates, approvals, codes and executive orders of all Governmental Authorities now existing or hereafter created, and of any and all of their departments and bureaus affecting or relating to Tenant or the Premises.

“Appraiser” shall have the meaning set forth in Section 9.04(a).

“Approved Property Manager” shall have the meaning set forth in Section 26.01.

“Architect” shall mean a registered architect engaged by Tenant from time to time as the primary design professional in respect of the particular item of Construction Work or other action for which the services of an Architect is required under any applicable provision of this Lease. It is acknowledged that in certain types of Construction Work or valuation of improvements the primary design professional for the item in question may actually be a licensed professional engineer rather than a registered architect and in any such cases the references to “Architect” herein shall be deemed to refer to such licensed professional engineer as is engaged by Tenant as the primary design professional for the matter in question. The initial Architect is Grimm and Parker Architecture, Inc.

“Bankruptcy Code” shall mean Title 11 of the United States Code.

“Bankruptcy Default” shall have the meaning provided in Section 24.01(i).

“Base Rent” means the rent payable by Tenant to Landlord in an amount equal to: with respect to any calendar year, (i) sixty-six and two thirds percent (66.66%) of Sublease Rent received by Tenant with respect to such calendar year, *less* (ii) any Project Operating Expenses with respect to such calendar year; provided, however, that if there is positive Tenant’s Other Net Cash Flow with respect to a calendar year, then in lieu of the deduction set forth in item (ii), the Base Rent shall include thirty-three and 33/100 percent (33.33%) of Tenant’s Other Net Cash Flow with respect to such calendar year.

“Building(s)” shall mean any building(s) hereafter erected on the Premises which are a part of the Project.

“Business Days” shall mean any day which is not a Saturday, Sunday or a day observed as a holiday by either the Commonwealth of Virginia or the federal government.

“Calendar Quarter” shall mean each of the four consecutive three-month periods, which expire on March 31st, June 30th, September 30th and December 31st, respectively, in each calendar year.

“Capital Improvements” shall have the meaning provided in Section 11.09.

“Capitalized Rent Payment” shall have the meaning provided in Article 38.

“Certificate of Occupancy” shall mean with respect to each Building comprising the Project, a Residential Use Permit issued by the Fairfax County Department of Planning and Development (or such other appropriate Governmental Authority) pursuant to Part 7, Section 18 of the Zoning Ordinance of Fairfax County, Virginia or successor agency or successor statute.

“Commencement Date” shall mean the date of the mutual execution of this Lease by Landlord and Tenant.

“Commencement of Construction” shall mean the date that the Initial Construction Work commences, as set forth on the Project Schedule.

“Condominium Units” shall have the meaning provided in Article 38.

“Construction Agreements” shall mean any agreements in which Tenant (or Tenant’s general contractor) is a contracting party for Construction Work, rehabilitation, alteration, repair, replacement or demolition performed pursuant to this Lease.

“Construction Work” shall mean any construction, repair, replacement rehabilitation or renovation work performed by or on behalf of Tenant under this Lease, including, without limitation, (a) the Initial Construction Work, (b) alterations, capital repairs or replacements, (c) a Restoration, or (d) Capital Improvements.

“Consumer Price Index” shall mean the Consumer Price Index for all Urban Consumers Washington–Baltimore, DC–MD–VA–WV – All Items (1996=100), published by the United States Department of Labor, Bureau of Labor Statistics, or any successor index thereto, appropriately adjusted; provided, that if there shall be no successor index, a substitute index or the appropriate adjustment of such successor index, as the case may be, shall be determined by Landlord, in its reasonable discretion.

“Control/Controlled/Controlling” shall mean, as applicable, (i) ownership of more than fifty percent (50%) of the outstanding voting stock of a corporation; (ii) other majority equity and control interest of an entity which is not a corporation, or (iii) the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute, according to the provisions of a contract or according to the organizational documents of the relevant entities.

“Counteroffer” shall have the meaning provided in Section 10.03(b).

“Depository” shall mean a savings bank, a savings and loan association or a commercial bank or trust company which would qualify as an Institutional Lender, designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, to serve as Depository pursuant to this Lease. In the event Tenant shall have failed to designate a Depository within ten (10) Business Days after request of Landlord, Landlord shall have the right to designate such Depository. Notwithstanding the foregoing, in the event a Mortgage exists on the Lease, any Institutional Lender designated by the Mortgagee (including, without limitation, the Mortgagee) as a Depository shall be deemed approved by Landlord and Tenant hereunder.

“Due Date” shall mean, with respect to an Imposition, the last date on which such Imposition can be paid without any fine, penalty, interest or cost being added thereto or imposed by law for the non-payment thereof (except with respect to interest that may be applied to a balance paid in installments when such installment payments are permitted by the applicable Governmental Authority).

“Environmental Activity” shall have the meaning provided in Section 14.03.

“Event of Default” shall have the meaning provided in Section 24.01.

“Expiration Date” shall mean (i) the Fixed Expiration Date or (ii) such earlier date upon which the term of this Lease shall cease or be terminated as hereinafter provided.

“Final Completion” shall mean all of the following have occurred: (i) Substantial Completion of the Initial Construction Work, (ii) all “punch-list” items identified in connection with satisfying the conditions to Substantial Completion of the Initial Construction Work have been completed or satisfied, (iii) (A) there are no existing mechanics’, laborers’ or materialmens’ liens or similar encumbrances related to the Initial Construction Work or (B) any existing mechanics’, laborers’ or materialmens’ liens or similar encumbrances on the Project are being contested by Tenant in accordance with the provisions of Section 15.02 of the Lease, and (iv) the applicable statutory lien periods provided in Section 43-4 of the Code of Virginia have expired.

“Final Completion Date” shall mean the date of Final Completion, as set forth in the Project Schedule, attached hereto as Exhibit D, as such date may be postponed due to Unavoidable Delays as provided in this Lease.

“Fixed Expiration Date” shall mean the last day of the calendar month after the seventy-fifth (75th) anniversary of the Commencement Date; provided however, if the Commencement Date is the first day of the calendar month, the Fixed Expiration Date shall be the day preceding the seventy-fifth (75th) anniversary of the Commencement Date.

“Fixtures” shall mean all fixtures incorporated in the Premises, including, without limitation, all machinery, dynamos, boilers, heating and lighting equipment, pumps, tanks, motors, air conditioning compressors, pipes, conduits, fittings, ventilating and communications apparatus, elevators, escalators, antennas, computers and sensors.

“GAAP” shall mean generally accepted accounting principles.

“Governmental Authority (Authorities)” shall mean any of the following: the

United States of America, the Commonwealth of Virginia, the County of Fairfax, Virginia, Fairfax County Department of Housing and Community Development, Fairfax County Redevelopment and Housing Authority and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having lawful jurisdiction over the Premises or any portion thereof. The term Governmental Authority shall also mean and include Landlord when acting in its governmental capacity, but not in its proprietary capacity.

“Gross Project Revenue” shall mean, with respect to each Lease Year (or any Calendar Quarter or other period of time, as applicable), excluding Sublease Rent and the Capitalized Rent Payment, any and all gross rentals, receipts, fees, proceeds and amounts of any kind (and anything else of value) actually received, by or for the account of Tenant, from or in connection with, or directly or indirectly arising out of the Premises or any part thereof, including without limitation, (i) all amounts received in respect of the Residential Leases, to the extent the same is paid directly to Tenant, (ii) payments to Tenant for electricity, air conditioning and cleaning, payments for providing goods or services of any kind provided to the Tax Credit Project Owners or directly to Residential Tenants or other subtenants or licensees in connection with the use, occupation or operation of a Residential Unit or other portion of the Premises, to the extent that the Tenant receives payment for such goods, services and utilities which is in excess of the costs paid by Tenant for such goods, services and utilities, and (iii) payments received by Tenant for concessions, licenses or agreements granted to third parties or Affiliates in connection with the providing of any such goods or services; but excluding proceeds received from (A) any Mortgage, (B) a casualty, to the extent such proceeds are to be used for a Restoration (i.e. not business interruption or rental interruption insurance, which will be a part of Gross Project Revenue), (C) a condemnation, (D) a Transfer, and (E) any other transaction the proceeds of which are considered to be capital in nature.

“Guarantor” shall mean a Person, or Persons (acting jointly and severally) that satisfy the Guarantor Net Worth Requirement in any circumstances where relevant and is approved in advance by Landlord to be a Guarantor of this Lease. Landlord acknowledges that it has approved Arlington Partnership for Affordable Housing, Inc., a Virginia non-profit corporation as an acceptable guarantor.

“Guarantor Net Worth Requirement” shall mean at all times after execution of the Guaranty until termination of the Guaranty: (i) an aggregate Net Worth of at least Ten Million Dollars (\$10,000,000); and (ii), a minimum liquidity (in accordance of the terms of the Guaranty) of at least One Million Dollars (\$1,000,000).

“Guaranty” means that certain Guaranty to be executed by Guarantor in substantially the same form as Exhibit E attached hereto.

“Hazardous Materials” shall have the meaning provided in Section 14.03.

“Housing Blueprint Loan” means the loan from Landlord to the Tenant made with funds from the Fairfax County Housing Blueprint program. Landlord and Tenant expect that the documents evidencing the Housing Blueprint Loan will require annual loan repayments in an amount equal to approximately thirty-three and one third percent (33.33%) of Sublease Rent

received by Tenant with respect to such calendar year.

“Impositions” shall have the meaning provided in Section 4.01.

“Impositions Account” shall have the meaning provided in Section 5.01(a).

“Improvement Approvals” shall have the meaning provided in Section 11.09(a).

“Improvements” shall mean the Buildings, Fixtures, structures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter constructed, re-constructed, erected, placed, installed or located on the Premises.

“Indemnitees” shall have the meaning provided in Section 19.01.

“Initial Construction Work” shall mean the initial design, development, and construction (including both materials and services) of the Project, which is identified in, and to be provided or performed under, and governed by this Lease.

“Institutional Lender” shall mean a savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), an insurance company organized and existing under the laws of the United States or any state thereof, a real estate investment trust, a religious, educational or eleemosynary institution, a governmental agency, body or entity, an employee, benefit, pension or retirement plan or fund, a commercial credit corporation, a commercial bank or trust company acting as trustee or fiduciary of various pension funds or other tax-exempt funds, or other form of entity that, in its ordinary course of business, is involved in the issuance or holding of mortgage loans secured by commercial or multifamily developments or a corporation or other entity which is owned wholly by an Institutional Lender (as defined herein), or any combination of the foregoing; provided, that any of the above entities shall qualify as an Institutional Lender within the provisions of this Section only if such entity shall have (as of the time of the closing of a loan or other financing secured in whole or in part by this Lease) individual or combined assets, as the case may be, of not less than Two Billion Dollars (\$2,000,000,000), subject to an annual adjustment by taking the product of \$2,000,000,000 and multiplying by a fraction, the numerator of which will be the Consumer Price Index for first month of any calendar year in which this calculation is to be determined and the denominator of which will be the Consumer Price Index for the month in which the Commencement Date occurs; *provided however*, that the foregoing minimum combined asset requirement will not apply to any governmental agency providing Tax Credits or loans hereunder.

“Involuntary Rate” shall mean the Prime Rate plus six percent (6%) per annum but, in no event, in excess of the maximum permissible interest rate then in effect in the Commonwealth of Virginia.

“Land” shall mean the land as generally depicted in Exhibit A annexed hereto, *provided however*, that this definition is subject to Section 2.02 below.

“Landlord” has the meaning set forth in the Preamble.

“Landlord’s Termination Rights” shall have the meaning provided in Section

10.04(f).

“Lease” shall mean this Agreement of Lease and all amendments, modifications and supplements thereof.

“Lease Year” shall mean a consecutive period of twelve (12) months, except that the first Lease Year shall commence on the Commencement Date and shall end on the last day of the calendar month after the first anniversary of the Commencement Date; *provided however*, if the Commencement Date is the first day of the calendar month, the first Lease Year shall end on the day preceding the anniversary of the Commencement Date; and each subsequent Lease Year shall commence on the day immediately following the previous Lease Year.

“Leasing Default” shall have the meaning provided in Section 24.01(h).

“Management Agreement” shall have the meaning provided in Section 26.01.

“Maintenance Capital Reserve” shall have the meaning provided in Section 12.02.

“Mortgage” shall mean any deed of trust, indenture, mortgage, or similar instrument which constitutes a lien on Tenant’s interest in this Lease and the leasehold estate created hereby, provided such mortgage is held by a Mortgagee, as defined in this Lease. A deed of trust, indenture, mortgage or similar interest which is not held by a Mortgagee is not a “Mortgage” as such term is used in this Lease.

“Mortgagee” shall mean the holder of a Mortgage on Tenant’s interest in the Lease and the leasehold estate created thereby (or an Tax Credit Project Owner’s interest in a Sublease in accordance with Article 38), *provided however* that such holder: (i) is an Institutional Lender; or (ii) has been approved by Landlord prior to the entering into of such Mortgage, which consent shall be in Landlord’s reasonable discretion. No holder of any deed of trust, indenture, mortgage, or similar instrument which constitutes a lien on Tenant’s interest in this Lease and the leasehold estate created hereby, but which is not a “Mortgage” hereunder, will be a “Mortgagee” as such term is used in this Lease nor will have the rights of a Mortgagee hereunder.

“Net Worth” shall mean, as of any date on which the amount thereof shall be determined for any entity, the value of all assets owned by such entity, minus the total liabilities of such entity; which shall be determined in accordance with GAAP, provided however, that real estate assets which are customarily valued based upon their fair market value by companies in the real estate industry shall be valued based upon such fair market value rather than any other method inconsistent with such valuation under a strict interpretation of GAAP rules.

“Net Worth Requirement” shall mean an aggregate Net Worth of at least Ten Million Dollars (\$10,000,000).

“New Lease” shall have the meaning provided in Section 10.05.

“New Tenant” shall have the meaning provided in Section 10.05(a).

“Notice” shall have the meaning provided in Section 25.01.

“Offer” shall have the meaning provided in Section 10.03(a).

“Offer Period” shall have the meaning provided in Section 10.03(a).

“Offer Terms” shall have the meaning provided in Section 10.03(a).

“Outside Final Completion Date” shall mean the date that is two hundred seventy (270) days after the Final Completion Date, subject to Unavoidable Delays.

“Permitted Transfer” shall have the meaning provided in Section 10.01(g).

“Person” shall mean an individual, corporation, partnership, joint venture, estate, trust, unincorporated association, any federal, state, County or municipal government or any bureau, department or agency thereof.

“Plans and Specifications” shall mean the completed final drawings and plans and specifications for the Initial Construction Work, a list of which is attached hereto as Exhibit C which are prepared by an Architect, as the same may be modified from time to time in accordance with the provisions of Article 11 hereof.

“Premises” shall have the meaning set forth in the Recitals.

“Prime Rate” shall mean the prime or base rate announced as such from time to time by Citibank, N.A., or its successors, at its principal office. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360 day year with twelve months of thirty (30) days each.

“Project” shall mean (i) one or more Buildings erected on the Premises and for the operation, maintenance and management by Tenant of a low income/affordable senior living residences facility (or facilities, as the case may be) on the Premises, which will include approximately one hundred fifty (150) Residential Units, and (ii) surface parking and related public areas, all as more particularly described in this Lease and on Exhibit B attached hereto, together with all Fixtures, and other Improvements on the Premises (including, without limitation, Capital Improvements) and any and all Restorations, alterations and replacements thereof, additions thereto and substitutions therefor.

“Project Operating Expenses” shall mean, with respect to each Lease Year (or any Calendar Quarter or other period of time, as applicable) all operating expenses of the Tenant for the use, operation and management of the Premises, including without limitation, (i) all public and private utilities and services and any easement or agreement maintained for the benefit of the Premises, (ii) Impositions (whether paid directly or into an Impositions Account in accordance with this Lease), (iii) insurance required to be maintained by Tenant pursuant to Article 7 of this Lease, (iv) all amounts due to Mortgagees under Mortgages (other than in connection with the Housing Blueprint Loan) (to the extent such amounts are not in duplication of other items that are Project Operating Expenses herein (e.g. Impositions)), (v) all repairs and replacements required under this Lease (or any Sublease or Residential Lease that is the obligation of Tenant, as landlord, provided the same is commercially standard in a first-class senior residential facility in the Fairfax

County, Virginia area), (vi) Capital Improvements, (vii) reasonable reserves for the Premises set aside by Tenant, and (viii) management fees payable by Tenant related to the Approved Property Manager, and (ix) any reasonable third-party out-of-pocket audit, accounting and legal costs and fees incurred by Tenant. Project Operating Expenses shall only include those expenses incurred by Tenant, as opposed to expenses incurred by the Tax Credit Project Owners.

“Project Schedule” shall mean the schedule to develop and construct the Construction Work from Commencement of Construction through the Final Completion Date, as is more particularly set forth in Exhibit D, attached hereto and made a part hereof.

“Proposed Transfer Premises” shall have the meaning provided in Section 10.03.

“Replacement Value” shall be deemed to be an amount equal to the costs of replacing the Improvements on the Property with new Improvements that contain the same number of Residential Units of substantially equal quality and character. Within ten (10) Business Days after Final Completion, Tenant shall deliver an estimate of or statement with respect to the Replacement Value prepared by the insurer(s) of the Project or another disinterested insurance provider. Sixty (60) days prior to the tenth (10th) anniversary of the date of Final Completion and each subsequent tenth (10th) anniversary thereafter for the Term of this Lease, Tenant shall provide an estimate of or statement with respect to the Replacement Value prepared by the insurer(s) of the Project or another disinterested insurance provider. Such estimate shall determine the current cost (including all hard and soft costs) of rebuilding the entire Project, without regard to depreciation of the Project, which amount shall then be deemed to be the Replacement Value. The amount of Replacement Value shall be adjusted on each anniversary of the initial determination of Replacement Value and of each subsequent decennial redetermination of Replacement Value throughout the Term by a percentage equal to the percentage change in the appropriate index in the Dodge Building Cost Index (or such other published index of construction costs which shall be selected from time to time by Landlord, provided that such index shall be a widely recognized measure of construction costs in the insurance industry and appropriate to the type and location of the Project) in effect on such anniversary date as compared to the same index in effect on the date of Final Completion or prior redetermination, whichever is latest.

“Residential Criteria Default(s)” shall have the meaning provided in Section 24.01(h).

“Residential Lease(s)” shall have the meaning provided in Section 26.04.

“Residential Tenant(s)” shall have the meaning provided in Section 26.04.

“Residential Unit(s)” means individually or collectively (as the context requires), any or all residential apartment unit(s) in the Project.

“Respective Allocation(s)” shall have the meaning provided in Section 9.04.

“Restoration” shall have the meaning provided in Section 8.01.

“Restoration Funds” shall have the meaning provided in Section 8.04(a).

8.02. “Restoration Plans and Specifications” shall have the meaning provided in Section

“Restore” shall have the meaning provided in Section 8.01.

“Substantial Completion” or “Substantially Complete(d)” shall mean that the Initial Construction Work for the Project (or applicable component thereof) has been completed in substantial accordance with the terms of this Lease and a Certificate of Occupancy has been issued for each Building and each Residential Unit (as applicable, in each instance subject only to (i) minor matters that do not materially adversely affect the use of the Project (or component thereof) for its intended purpose and which have been identified by Tenant, with input from the Architect, on a “punch-list,” and to (ii) items of exterior landscaping that cannot then be completed pending appropriate seasonal opportunity and which have been identified by Tenant on the “punch-list.” In the event that the Project consists of multiple Buildings, Substantial Completion shall be determined for each Building separately.

“Sublease” shall mean a sublease from the Tenant, as sublandlord, to a Tax Credit Project Owner, as subtenant, as further described in Article 38.

“Sublease Gross Project Revenue” shall have the meaning provided in Article 38.

“Sublease Net Cash Flow” shall have the meaning provided in Article 38.

38. “Sublease Project Operating Expenses” shall have the meaning provided in Article

“Sublease Rent” shall have the meaning provided in Article 38.

“Tax Credit Project Owner” shall mean a Virginia limited partnership having APAH or an entity Controlled by APAH as its general partner and having a Tax Credit investor as its limited partner. The Tax Credit Project Owner will act as the subtenant under a Sublease, will receive an award of Tax Credits, and will own a portion of the Project for purposes of Section 42 of the Internal Revenue Code and the regulations promulgated thereunder, as further described in Section Article 38.

“Tax Credits” shall have the meaning provided in Article 38.

“Tax Year” shall mean each tax fiscal year of Fairfax County, Virginia.

“Taxes” shall mean federal, state and local real estate taxes, personal property taxes, or similar “ad valorem” taxes, occupancy or rent taxes or other assessments applicable to the Premises or Tenant’s ownership interests therein. The term “Taxes” does not include any federal, state, or local income taxes, sales or use taxes, gross receipts taxes, or other taxes or charges imposed upon Tenant as an entity or its partners or members, unless (and only to the extent that) any of the foregoing taxes in this sentence are secured or can be secured by a lien on the Premises when imposed.

“Tenant” has the meaning set forth in the Preamble.

“Tenant’s Other Net Cash Flow” shall mean, for each Lease Year (or any Calendar Quarter or other period of time, as applicable), Gross Project Revenue minus Project Operating Expenses.

“Term” shall mean the term of this Lease as set forth in Article 2 hereof.

“Termination Notice” shall have the meaning provided in Section 2.06.

“Title Matters” shall mean those matters affecting title to the Premises which are disclosed in the public records or may be disclosed by an inspection or survey of the Premises as of the date hereof, plus additional matters affecting title to the Premises that may be imposed from time to time in accordance with the provisions of Section 27.04, but excluding any monetary liens affecting the Premises created by Landlord.

“Transfer” shall have the meaning provided in Section 10.01(a).

“Unavoidable Delays” shall mean (i) with respect to Tenant or its obligations hereunder, delays incurred by Tenant due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty, unseasonably adverse weather conditions, or other similar causes beyond the control of Tenant (but not including Tenant’s insolvency or financial condition or the availability or applicability of insurance proceeds or condemnation awards), and (ii) with respect to Landlord or its obligations hereunder, delays incurred by Landlord due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions imposed by Landlord, in its governmental or regulatory capacity), enemy action, civil commotion, fire, unavoidable casualty or other similar causes beyond the control of Landlord (but not including Landlord’s insolvency or financial condition); in each case provided (x) such party shall have notified the other party reasonably promptly after such party knows of the occurrence of same and the effects of which a prudent Person in the position of the party asserting such delay could not have reasonably prevented and (y) such party takes reasonable steps to minimize the impact of such event upon the performance in question and keeps the other party reasonably informed, upon request, of the nature of the steps so taken and of the progress of the performance which is subject to Unavoidable Delay.

ARTICLE 2

PREMISES AND TERM OF LEASE

Section 2.01. Premises. Landlord does hereby demise and lease to Tenant, and Tenant does hereby hire and take from Landlord, the Premises, as more particularly described in Exhibit A, attached hereto and made a part hereof, subject to the Title Matters, TOGETHER WITH:

(a) all of the appurtenances, rights, privileges and easements in anyway now or hereafter appertaining thereto;

(b) all right, title and interest of Landlord in and to the land lying in the streets, avenues, ways and roads in front of and adjoining said Premises;

(c) all existing Improvements (including without limitation, the storm-water sewer management system) on the Premises as of the Commencement Date, if any; and

(d) the right of surface support of all Improvements to be constructed or erected on the Premises.

Section 2.02. Legal Description of the Land. Landlord and Tenant agree that, upon execution of this Lease, Exhibit A may contain a visual depiction of the Land. Prior to Commencement of Construction under this Lease, Tenant shall conduct a survey of the Land which provides, *inter alia*, a metes and bounds description of the Land and Landlord and Tenant shall, by amendment to this Lease, replace the visual depiction contained in Exhibit A with a revised Exhibit A containing such metes and bounds description, as approved by both Landlord and Tenant.

Section 2.03. Term. The term of this Lease is seventy-five (75) years (the "Term"). Landlord and Tenant agree that the Lease shall commence on the Commencement Date and expire on the Expiration Date.

Section 2.04. Use. During the Term, Tenant agrees that the Premises shall be used solely for the development, construction, reconstruction, rehabilitation, management and operation of the Project (as more particularly described in Exhibit B, attached hereto and made a part hereof), including any Restoration thereof, and the leasing of Residential Units and uses ancillary to the operation of the Premises as a senior living facility and for no other purpose.

Section 2.05. Ownership of the Improvements. During the Term, ownership and title to all Improvements and personal property located on the Premises (other than fee title to the land) shall be vested in and held by Tenant. During the Term, Tenant is entitled to all depreciation, allowances, investment tax credits, or other such rights, tax benefits, and privileges provided by federal, state, or local law to the owners of real property. Immediately upon the expiration of the Term, all right, title, and interest in the Improvements and personal property of Tenant located on the Premises (excluding any personal property of Residential Tenants) shall vest in Landlord without further action of Landlord or Tenant being necessary or required.

Section 2.06. Landlord's Right to Terminate. Subject to the rights of a Mortgagee under Section 10.04, in the event that Final Completion has not occurred by (or, in Landlord's reasonable judgment, is not contemplated to occur by) the Final Completion Date, Landlord shall have the right to terminate this Lease by providing notice to Tenant at any time after the Final Completion Date notifying Tenant (with a copy to each Mortgagee) of Landlord's intent to terminate (a "Termination Notice") if the Final Completion of the Project does not occur by a date certain on or after the Outside Final Completion Date; provided, however, that expiration of the statutory lien period provided in Section 43-4 of the Code of Virginia shall not be an element to determine whether Final Completion has occurred prior to the Outside Completion Date (or such later date for Final Completion, as provided in the Termination Notice) if a Termination Notice is sent. Such Termination Notice must be provided not less than ninety (90) days prior to the Outside Final

Completion Date in order to allow Tenant to complete the Initial Construction Work by the Outside Final Completion Date, or in the event such Termination Notice is sent on any date thereafter (*i.e.* less than ninety (90) days prior to the Outside Final Completion Date), Tenant shall have ninety (90) days from the date of such Termination Notice to achieve Final Completion. Any further delay in Final Completion resulting from Unavoidable Delays that occur after the Termination Notice is sent will not be counted against ninety (90) days to achieve Final Completion. Upon expiration of said notice period, if Final Completion has not yet occurred, Tenant shall provide to Landlord copies of the Plans and Specifications and such other similar materials related to the Project and assign any Construction Agreements to Landlord for the Project that are requested by Landlord, and this Lease shall terminate in accordance with Article 31 of this Lease.

ARTICLE 3

RENT

Section 3.01. Base Rent. Commencing on the Commencement Date, Tenant shall pay Base Rent to Landlord with respect to each calendar year. The annual Base Rent shall be payable on May 1st of each year with respect to the preceding calendar year. The Base Rent shall be paid to Landlord, in currency which, at the time of payment, is legal tender for public and private debts in the United States of America, without notice or demand, in the manner set forth in this Section.

Section 3.02. Proration of Base Rent, Impositions and Additional Costs. Any Base Rent, Impositions or other Additional Costs that are due for any partial month, year or other applicable period in the calendar year in which the Commencement Date occurs or the Expiration Date occurs shall be appropriately prorated.

Section 3.03. Net Lease; Audit Rights.

(a) It is the purpose and intention of Landlord and Tenant, and the parties hereto agree that Base Rent shall be absolutely net to Landlord without any abatement, deduction, counterclaim, set-off or offset whatsoever. In addition to the foregoing, all Additional Costs, expenses and other charges relating to the Premises of every kind and nature shall be paid directly by Tenant, or in the event the same are paid by Landlord or a Depository in accordance with this Lease, all such Additional Costs during the term of this Lease shall be reimbursed to Landlord on demand, except as otherwise specifically provided in this Lease.

(b) Tenant shall submit to Landlord with each annual payment of Base Rent, a complete statement made and certified by a duly authorized officer of Tenant, showing accurately in reasonable detail the calculation of Tenant's Other Net Cash Flow and Sublease Net Cash Flow made by Tenant and the Tax Credit Project Owners or other sublessees under Subleases, concessionaires, licensees, if any, upon and within the Premises during the preceding calendar year and following the expiration or termination of the Term a like statement (and all such statements under this clause with respect to the Tax Credit Project Owners shall also be audited by a certified public accountant reasonably acceptable to Landlord) covering the prior calendar year or then expired portion of the calendar year or fractional part thereof if at the end of the Term, as applicable.

(c) Tenant shall keep during the Term, for a period of three (3) consecutive years following the end of each calendar year, a permanent, complete and accurate record of all Gross Project Revenue, Sublease Gross Project Revenue, Project Operating Expenses, Sublease Project Operating Expenses and all other information necessary to determine Tenant's Other Net Cash Flow derived from the Premises for such calendar year. All such books and records kept by Tenant in relation to the Project and shall be open to the inspection and audit of Landlord and its representatives or agents at all reasonable times during ordinary business hours and upon reasonable prior notice. Tenant shall also submit to Landlord on or before the ninetieth (90th) day following the end of each calendar year, a complete statement showing accurately in reasonable detail the amount of Gross Project Revenue, Sublease Gross Project Revenue, Project Operating Expenses, Sublease Project Operating Expenses and all other information necessary to determine Tenant's Other Net Cash Flow derived from the Premises, each audited by a certified public accountant reasonably acceptable to Landlord covering the Lease Year (or Lease Years) that occurred (in whole or in part) during such calendar year. Upon the failure of Tenant to promptly supply Landlord with the statements required hereunder, Landlord shall be entitled, with at least one Business Day prior notice to Tenant, to conduct an audit of Tenant's books for such period or periods during which Tenant has failed to supply Landlord with statements at the cost and expense of Tenant together with an administrative fee of \$2,000.00, which shall be considered Additional Costs hereunder. If any audit by Landlord or its agents of Tenant's records shall reveal a deficiency in any payment of Base Rent, Tenant shall forthwith pay the Landlord the amount of the deficiency together with interest at the rate of ten (10%) percent per annum from the date when such payment of Base Rent should have been made, together with the reasonable cost of such audit.

Section 3.04. Base Rent and Additional Costs. All of the amounts payable by Tenant to or for the benefit of Landlord pursuant to this Lease, including, without limitation, Base Rent and Additional Costs which are due from Tenant in any of the provisions of this Lease shall constitute rent under this Lease for the purpose of Tenant's failure to pay any amounts due under this Lease after the expiration of any applicable notice and cure periods, and Landlord, in addition to the rights and remedies in this Lease, shall have all of the rights and remedies at law or in equity in the case of non-payment of rent. All Base Rent and Additional Costs shall be payable without offset or deduction (unless otherwise expressly provided in this Lease) to Landlord at Landlord's address set forth in this Lease or as Landlord may from time to time direct.

Section 3.05. Reimbursement of Expenses. Tenant shall reimburse Landlord upon demand for all: (a) Additional Costs paid directly by Landlord in accordance with the terms of this Lease; and (b) expenses, including without limitation reasonable attorneys' fees and disbursements, paid or incurred by Landlord in connection with any Event of Default, or arising out of any indemnity or "hold harmless" agreement given or made by Tenant to Landlord in this Lease, or otherwise incurred by Landlord in connection with the successful enforcement of its rights and Tenant's obligations under this Lease. Upon Tenant's request, Landlord shall provide reasonable documentation of any Additional Costs paid by Landlord. Tenant shall have the right to contest the amount or validity, in whole or in part, of any Additional Costs by appropriate proceedings diligently conducted in good faith, in which event Article 34 shall govern.

ARTICLE 4

IMPOSITIONS

Section 4.01. Impositions. Tenant shall pay, as hereinafter provided, all of the following items (collectively, “Impositions”) imposed by any Governmental Authority that are applicable to the Premises or the operation thereof: (a) Taxes, (b) water, water meter and sewer rents, rates and charges, (c) excises, (d) levies, (e) license and permit fees; (f) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply, if any, (g) fines, penalties and other similar or like governmental charges applicable to the foregoing and any interest or costs with respect thereto, and (h) any and all other governmental levies, fees, rents, proffers, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are (1) assessed, levied, confirmed, imposed upon or would have become due and payable out of or in respect of, or would have been charged with respect to, the Premises or any document to which Tenant is a party creating or transferring an interest or estate in the Premises, or the use and occupancy thereof by Tenant and (2) encumbrances or liens on (i) the Premises, or (ii) any appurtenances of the Premises, or (iii) any personal property (except personal property which is not owned by or leased to Tenant), Fixtures or other facility used in the operation thereof, or (vi) any amounts due to Landlord under this Lease, including Base Rent and Additional Costs (or any portion of either) payable by Tenant hereunder, each such Imposition, or installment thereof, during the Term to be paid not later than the Due Date thereof. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments (subject to the limitation on Tenant’s obligations set forth in Section 4.04 below) and shall be responsible for the payment of such installments only, together with applicable interest, if any, relating to periods for which such installment is due.

Section 4.02. Receipts. Tenant, from time to time upon request of Landlord, shall promptly furnish to Landlord official receipts of the appropriate imposing authority, or other evidence reasonably satisfactory to Landlord, evidencing the payment of Impositions.

Section 4.03. Landlord’s Taxes. Nothing herein contained shall require Tenant to pay municipal, state or federal income, gross receipts, inheritance, estate, succession, profit, capital or transfer gains taxes of Landlord (if any), or any corporate franchise tax imposed upon Landlord (if any) or any transfer or gains tax imposed on Landlord (if any).

Section 4.04. Impositions Beyond Term. Any Imposition relating to a period, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Expiration Date (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) shall be apportioned between Landlord and Tenant as of the Commencement Date or the Expiration Date, as the case may be, so that Tenant shall pay the portion of such Imposition attributable to the part of such fiscal period included in the period of time after the Commencement Date or before the Expiration Date and Landlord shall pay the portion of such Imposition attributable to the part of such fiscal period not included in the period

of time after the Commencement Date or before the Expiration Date. Notwithstanding the foregoing, no such apportionment of Impositions that are held in an Impositions Account as of the Expiration Date shall be made if this Lease is terminated prior to the Fixed Expiration Date as the result of an Event of Default; provided, however, that such apportionment shall be made at such time as there are no outstanding payment defaults.

Section 4.05. Tenant's Contest. Tenant may contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently that are conducted in good faith, and payment of any Imposition being contested may be postponed if, and only as long as:

(a) neither the Premises nor any part thereof, nor any interest of Landlord therein, nor any income of Landlord therefrom (except to the extent covered by security deposited in accordance with this Section 4.05) nor any other assets of or funds appropriated to Landlord would, by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost or subject to any new lien, encumbrance or charge, and Landlord by reason thereof be subject to any civil or criminal liability;

(b) Tenant shall have deposited with Depository, cash or other security reasonably satisfactory to Landlord in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may be assessed against or become a charge on the Premises or any part thereof in such proceedings; *provided however*, if a Mortgagee requires Tenant to deposit cash or other security reasonably acceptable to a Mortgagee in connection with any such contest, then Mortgagee's requirements shall take precedent over those provided in this Section 4.05(b) and shall satisfy Tenant's obligations under this Section 4.05(b), provided further, Tenant shall send notice to Landlord of such requirement with evidence reasonably satisfactory to Landlord of Tenant's compliance with such requirement.

(c) Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such Imposition or part thereof as finally determined in the proceedings, together with any costs, fees (including attorney's fees and disbursements), interest, penalties or other liabilities in connection therewith, and upon such payment, Depository will return, with interest, if any, any amount deposited with it, *provided however*, that Depository, at Landlord's request, shall disburse said moneys on deposit with it directly to the Governmental Authority to whom such Imposition is payable and any remaining monies, with interest, if any, shall be returned promptly to Tenant. If, at any time during the continuance of any proceedings, Landlord, in its reasonable opinion, deems the amount deposited with Depository insufficient, Tenant, within fifteen (15) Business Days after Landlord's demand, shall make a deposit of additional sums or other security to Depository as Landlord requests, and if Tenant fails to make the additional deposit, Landlord may direct Depository to apply the amount already deposited with Depository to the payment, removal and discharge of any Imposition, plus interest and penalties on the Imposition and costs, fees (including attorney's fees and disbursements) or other liability accruing in any of the proceedings, and the balance of any deposit (plus interest earned thereon), if any, shall be returned to Tenant. If the amount held by Depository is insufficient to pay the Imposition in full, Tenant shall pay to Landlord (or directly to the Governmental Authority, as Landlord directs in writing) the amount of the deficiency within ten (10) Business Days after demand.

Section 4.06. Contest Not Postpone Tenant's Obligation. Tenant shall have the right to seek a reduction in the valuation of the Premises assessed for Taxes or other Impositions and to prosecute any action or proceeding in connection therewith, provided that no such action or proceeding shall postpone Tenant's obligation to pay any Imposition except in accordance with the provisions of Section 4.05 hereof.

Section 4.07. Landlord Cooperation in Proceedings. Landlord shall not be required to join in any proceedings referred to in Sections 4.05 or 4.06 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements. In the event Tenant shall institute a proceeding referred to in Sections 4.05 or 4.06 hereof and no law, rule or regulation in effect at the time requires that such proceeding be brought by or in the name of Landlord, Landlord, nevertheless, shall, at Tenant's cost and subject to the reimbursement provisions hereinabove set forth, cooperate with Tenant in such proceeding. To the extent any such proceeding results in a refund, credit, or other recompense of Taxes or other Imposition paid by Tenant, Tenant shall be entitled to the full benefit thereof and Landlord shall assign any such refund, credit, or other recompense to Tenant or as Tenant may direct, except that Landlord shall be entitled to any refund, credit, or other recompense in connection with amounts paid by Landlord for any Impositions or as reimbursement for any amounts paid by Landlord in connection with such proceedings, if any.

Section 4.08. Tax Bills. Any certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition asserting non-payment of such Imposition shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill, at the time or date stated therein.

ARTICLE 5

DEPOSITS FOR IMPOSITIONS

Section 5.01. Impositions Subject to Deposit. Landlord, by written notice, may at any time after the occurrence and during the continuance of an Event of Default hereunder:

(a) require Tenant to deposit each month into an account to be held with the Depository (the "Impositions Account") an amount sufficient to pay 1/12th of the annual Taxes and, subject to Section 5.01(b), any other Impositions required to be paid by Tenant hereunder at least thirty (30) days prior to the Due Date for such Impositions; and

(b) require that Tenant provide to Landlord evidence of payment of any Impositions that Landlord allows Tenant to pay directly during such Event of Default, that are payable on a monthly or more frequent basis within ten (10) Business Days after the Due Date for such Impositions. Landlord may, at any time after the occurrence and during the continuance of an Event of Default, require that any Impositions that Landlord has allowed Tenant to pay directly

be subject to the monthly deposit requirements of Section 5.01(a) and the other provisions of this Article 5.

Section 5.02. Deposit of Impositions. After the occurrence and during the continuance of an Event of Default, Tenant, upon the demand of Landlord at any time, shall deposit with Depository on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of the annual Impositions for Taxes and those other Impositions required to be escrowed pursuant to Section 5.01(a). Except as set forth in Section 5.05 below, Landlord agrees that the amounts so deposited with the Depository shall be used to pay the Impositions for which such amounts were deposited. The Impositions Account may be held by Depository as a single bank account.

Section 5.03. Rights of Mortgagee. Notwithstanding anything in this Article 5 to the contrary, in the event that a Mortgagee (provided such Mortgagee be an Institutional Lender) shall require Tenant to deposit funds to ensure payment of such Impositions, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit under this Article 5.

Section 5.04. Changes to Deposits to Impositions Account.

(a) If at any time the monies so deposited by Tenant shall be insufficient to pay the next installment of Impositions then due, Tenant shall, after demand therefor by Landlord, deposit the amount of the insufficiency into the Impositions Account to enable Depository to pay the next installment of Impositions at least thirty (30) days prior to the Due Date thereof.

(b) If at any time the amount of any Imposition is increased or Landlord receives information from the entity or entities imposing such Imposition that an Imposition will be increased and the monthly deposits then being made by Tenant under this Section 5.01 would be insufficient to pay such Imposition thirty (30) days prior to the Due Date thereof, then upon notice from Landlord to Tenant of such fact, the monthly deposits shall thereupon be increased and Tenant shall deposit immediately with Depository sufficient monies for the payment of the increased Imposition. Thereafter, the monthly payments shall be adjusted so that Depository shall receive from Tenant sufficient monies to pay each Imposition at least thirty (30) days prior to the Due Date of such Imposition.

(c) For the purpose of determining whether Depository has on hand sufficient monies to pay any particular Imposition at least thirty (30) days prior to the Due Date thereof, deposits for each category of Imposition shall be treated separately. Depository shall not be obligated to use monies deposited for the payment of an Imposition not yet due and payable for the payment of an Imposition that is due and payable.

Section 5.05. Landlord's Rights During an Event of Default. At Landlord's option after the occurrence and during the continuance of an Event of Default by Tenant, Landlord may withdraw any monies deposited pursuant to Articles 4 or 5 for the cure of any monetary Event of Default. Landlord and Tenant shall enter into a mutually acceptable depository agreement with the Depository with respect to the Impositions Account. Tenant agrees that any such depository agreement will provide that Landlord will have a unilateral right to withdraw money from the

Impositions Account after the occurrence and during the continuance of an Event of Default by Tenant to pay Impositions or to cure a monetary Event of Default under this Lease and Tenant shall have no consent rights over any such withdrawal. If this Lease is terminated by reason of an Event of Default or if Tenant is dispossessed of the Premises pursuant to Article 24 of the Lease, all monies deposited in the Impositions Account then held by Depository shall, at Landlord's direction, be paid and applied to Landlord in payment for such Event of Default and any and all other sums due under this Lease and Tenant shall promptly pay any resulting deficiency (if any).

Section 5.06. Interest on Impositions Account. Any interest paid on monies deposited pursuant to this Article 5 shall become a part of the Impositions Account and shall be applied pursuant to the foregoing provisions.

ARTICLE 6

LATE CHARGES

In the event that any payment of Base Rent, Additional Costs or Impositions (to the extent the amount of such Impositions is due to be paid to Landlord) shall become overdue beyond the due date thereof (or if no such date is set forth in this Lease, then such due date for purposes of this Article 6 shall be deemed to be the date upon which demand therefor is made (or if with respect to Impositions, the Due Date for such Impositions)), a late charge on the sums so overdue equal to the Involuntary Rate, for the period from the due date to the date of actual payment, shall become due and payable to Landlord as liquidated damages for the administrative costs and expenses incurred by Landlord by reason of Tenant's failure to make prompt payment. The late charges will be considered Additional Costs and shall be paid by Tenant within ten (10) Business Days after demand. No failure by Landlord to insist upon the strict performance by Tenant of its obligations to pay late charges shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace periods or notice periods provided for in Article 24, provided however, this Article 6 is subject to Tenant's right to contest certain Additional Costs or Impositions, and no such late charge will be incurred while Tenant is contesting any such matters in good faith and in accordance with the terms of this Lease.

ARTICLE 7

INSURANCE

Section 7.01. Required Insurance During the Term of the Lease. Tenant shall maintain, or cause to be maintained, at its sole cost and expense the following required insurance:

(a) At all times during the Term after Substantial Completion of any Improvements on the Premises, Tenant shall maintain or cause to be maintained insurance for the Premises, and for any and all Improvements, equipment, motors and machinery owned or leased by Tenant and located, installed in or used in connection with the Premises, including all alterations, renovations, replacements, substitutions, changes and additions thereto, such insurance shall insure against loss or damage by fire, vandalism, malicious mischief, sprinkler leakage (if sprinklered) and such other hazards, casualties, risks and contingencies now covered by or that

may hereafter be considered as included within a standard “broad form” policy and against loss or damage by other risks and hazards covered by a standard extended coverage insurance policy (including without limitation, fire, lightning, hail, hurricane, windstorm, tidal wave, explosion, acts of terrorism, riot and civil commotion, vandalism, malicious mischief, strike, water damage, sprinkler leakage, burglary, theft, mold and microbial matter (to the extent available at commercially reasonable rates) in an amount equal to the Replacement Value, subject to commercially reasonable sub-limits. Tenant shall name Landlord and any Mortgagees as additional insureds on such policy or policies.

(b) At all times during the Term, Tenant shall maintain and keep in force commercial general liability insurance in standard form, protecting Tenant, and naming Landlord and any Mortgagees as additional insureds, against personal injury, including without limitation, bodily injury, death or property damage and elevator and contractual liability on an occurrence basis if available and if not, then on a claims made basis, in either case in an amount not less than Ten Million Dollars (\$10,000,000) per occurrence, subject to adjustment every year after the end of the first Lease Year to reflect the increase, if any, in the Consumer Price Index from the end of the first Lease Year; provided however, that all such increases shall be deferred each year until the sum of the total increase in the Consumer Price Index equals at least One Million Dollars (\$1,000,000) in the aggregate, at which time Landlord shall provide written notice to Tenant setting forth such calculation and requiring that the applicable amount of commercial general liability insurance hereunder be correspondingly increased by One Million Dollars (\$1,000,000); provided further, however, this One Million Dollars (\$1,000,000) threshold will again be deferred each year until the One Million Dollars (\$1,000,000) threshold is reached again in the manner set forth hereinabove. All such policies shall cover the entire Premises.

(c) At all times during the Term, Tenant shall maintain and keep in force flood insurance in an amount at least equal to the maximum limit of coverage available with respect to the Premises and the Project under the “Flood Disaster Protection Act of 1973,” and which otherwise complies with the national flood insurance program as set forth in said Act as well as subsequent amendments or successors thereto, provided that such insurance shall be required only if and so long as the Premises are or become included in a United States Department of Housing and Urban Development (or successor agency) designated flood prone area. If Tenant is required to maintain such flood insurance policy, then Landlord and any Mortgagees shall be listed as additional insureds on such policy.

(d) At all times during the Term, at its own cost and expense, Tenant shall provide and keep in force or cause to be provided and kept in force a policy covering business automobile liability which shall have minimum limits of One Million Dollars (\$1,000,000.00) per occurrence combined single limit for bodily injury liability and property damage liability, subject to adjustment every year after the end of the first Lease Year to reflect any increases that are consistent with and customary for other comparable properties of comparable age and quality in the Northern Virginia area. This shall be an “any-auto” type of policy including owned, hired, non-owned and employee non-ownership coverage, if applicable. Landlord and Mortgagees shall be listed as additional insureds on such policy.

(e) Beginning when Tenant first commences to rent/sublease of any portion of the Premises (e.g., Residential Leases) and at all times thereafter during the Term,

Tenant shall maintain business or rental interruption insurance (including rental value) in form and substance reasonably acceptable to Landlord and any Mortgagee and in an annual aggregate amount equal to the estimated gross revenues from the Residential Leases (including, without limitation, the loss of all rental payable by all of the Residential Tenants under Residential Leases (whether or not such leases are terminable in the event of a fire or casualty)), such insurance to cover losses for a period from the time of loss until all repairs are fully completed with reasonable diligence and dispatch with an extended period of indemnity of one hundred eighty (180) days.

(f) Landlord may, on a commercially reasonable basis, from time to time by written notice to Tenant require Tenant to maintain, or cause to be maintained, at its sole cost and expense, such other insurance covering insurable hazards that are commonly insured against in the case of premises located in Fairfax County, Virginia, that are similarly situated and have similar uses to that of the Premises, provided such other insurance is available on a commercially reasonable basis, provided however, that in the event Tenant disputes the reasonableness of any new Landlord requirement hereunder, Landlord and Tenant shall resolve such dispute in accordance with Article 34 below.

Section 7.02. Required Insurance During Construction Work. In addition to the insurance required to be carried in Section 7.01 or otherwise in this Lease, during any time that Tenant is performing or is causing the performance of Construction Work on the Premises, Tenant shall maintain (or cause to be maintained) the following insurance on the Premises:

(a) a complete value “all risk” builders risk insurance on the Premises and any and all Improvements for which Construction Work is being done in an amount equal to the Replacement Value thereof. Landlord and Mortgagees shall be listed as additional insureds on such policy;

(b) worker’s compensation insurance in an amount not less than as required by the laws of the Commonwealth of Virginia and applicable federal laws;

(c) employer’s liability insurance in an amount not less than the amount maintained by prudent owners of properties in Falls Church, Virginia comparable to the Premises; and

(d) errors and omissions insurance policies for the architects, engineers and other professionals engaged by or on behalf of Tenant in connection with the Construction Work in an amount not less than Two Million Dollars (\$2,000,000) per occurrence, subject to adjustment every year after the end of the first Lease Year to reflect any increases that are consistent with and customary for other comparable properties of comparable age and quality in the Northern Virginia area.

Section 7.03. Additional Insurance Requirements.

(a) All insurance policies required by this Article 7 shall be issued by responsible companies authorized to issue insurance in the Commonwealth of Virginia, and have an AM Best rating of not less than A:VI (or other similar rating in the event an AM Best rating is no longer available).

(b) Landlord and Tenant shall cooperate in connection with the adjustment and collection of any insurance recoveries that may be due in the event of loss, and Tenant shall execute and deliver to Landlord such proofs of loss and other instruments which may reasonably be required for the purpose of obtaining the recovery of any such insurance moneys.

(c) Tenant shall not carry separate liability or property insurance concurrent in form or contributing in the event of loss with that required by this Lease to be furnished by Tenant, unless Landlord and any other parties designated by Landlord with a bona fide insurable interest are included therein as additional insureds with respect to liability and loss payees with respect to property, as their interests may appear, with loss payable as provided in this Lease. Tenant shall immediately notify Landlord of the carrying of any such separate insurance and shall cause copies of the declaration page(s) of the same to be delivered as in this Lease hereinafter required.

(d) Tenant shall provide written notice to Landlord promptly after Tenant is aware that any insurance claim or insurance proceeding has been filed against Tenant.

(e) Tenant shall procure policies for all such insurance required by any provision of this Lease for periods of not less than one (1) year (if such policy term is customary and available) and shall procure renewals or replacements thereof from time to time and deliver evidence of the same to Landlord at least thirty (30) days before the expiration thereof. If Tenant shall fail to procure any such policies or renewals thereof in accordance herewith, Landlord may procure the same, and Tenant shall be obligated to reimburse Landlord as Additional Costs hereunder for all costs incurred by Landlord in connection therewith.

Section 7.04. Deposit of Insurance Premiums. Landlord, by written notice, may at any time after the occurrence and during the continuance of an Event of Default hereunder, require Tenant to deposit on the first (1st) day of each calendar month with the Depository an amount sufficient to pay the annual premiums for insurance required to be carried by Tenant hereunder when the same shall become due and payable, *provided however*, if an Event of Default exists due to Tenant's failure to pay insurance premiums when due and as to which failure Landlord may (a) require payment to be made on demand or (b) pay the same, Landlord may at any time after such Event of Default has occurred and is continuing, pay such insurance premiums, whereupon Tenant shall be obligated to reimburse Landlord therefor as Additional Costs. Notwithstanding anything in this Article 7 to the contrary, in the event that a Mortgagee (provided such Mortgagee is an Institutional Lender) requires Tenant to deposit funds to ensure payment of insurance premiums, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit under this Section 7.04.

Section 7.05. Delivery of Certificates and Declaration Pages. Upon the execution and delivery of this Lease and thereafter not less than thirty (30) days prior to the expiration dates of the expiring policies theretofore furnished pursuant to this Article, certified copies of each of the policies required by this Article 7, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to Landlord of such payment, shall be delivered by Tenant to Landlord. Landlord shall not be deemed to have responsibility for or knowledge of the accuracy, adequateness or compliance of such policies with the requirements set forth in this Article 7. Tenant shall, upon the written request of Landlord, obtain and deliver to

Landlord, within fifteen (15) Business Days after the date of any such request, a certificate from Tenant's insurer or independent insurance agent certifying to Landlord, as certificate holder, in reasonable detail the insurance policies then being maintained by Tenant in accordance with the requirements of this Article 7, and providing for the non-cancellation of such policies except upon thirty (30) days prior written notice to Landlord (or ten (10) Business Days in the case of non-payment of premium).

Section 7.06. Landlord's Right to Procure Insurance. If Tenant fails to obtain and maintain insurance as in this Lease provided, Landlord may, but shall not be obligated to, effect and maintain any such insurance coverage and pay premiums therefor. All premiums so paid by Landlord shall constitute Additional Costs. Such Additional Costs shall be payable by Tenant within ten (10) Business Days after written notice from Landlord that Landlord has made payment of such premiums and reimbursement is being demanded therefor. The payment by Landlord of premiums for any such insurance policy shall not be, or be deemed to be, a waiver or release of the Event of Default by Tenant with respect thereto or the right of Landlord to pursue any other remedy under this Lease or by law in relation to such Event of Default.

Section 7.07. Waiver of Subrogation. Tenant hereby waives any and every claim which arises or may arise in its favor and against Landlord during the Term, for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Premises or any portion thereof or any claims for loss for which Landlord may be liable under this Lease, which loss or damage is covered by valid and collectible insurance policies, to the extent that such loss or damage is recoverable under such policies. This waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss or damage to the Premises or any of Tenant's (or its Residential Tenants, subtenants or licensees) property located within or upon, or constituting a part of, the Premises. Inasmuch as the said waiver will preclude the assignment of any claim by way of subrogation (or otherwise) to an insurance company (or any other person), Tenant agrees immediately to give each insurance company which has issued to it policies of insurance, written notice of the terms of this waiver, and to have the insurance policies properly endorsed, if necessary, to prevent the invalidation of coverage by reason of the waiver.

ARTICLE 8

USE OF INSURANCE PROCEEDS

Section 8.01. Tenant's Obligation to Restore.

(a) If all or any part of any of the Project shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord immediate notice thereof, except that no notice or related approvals from Landlord shall be required if the cost of repairs, alterations, restorations, replacements and rebuilding (collectively, "Restoration"), as reasonably estimated by Tenant, will be less than One Million Dollars (\$1,000,000) (as such amount is adjusted on the fifth (5th) anniversary of the Commencement Date and on each fifth (5th) anniversary of the Commencement Date thereafter occurring during the Term, by the percent increase, if any, in the Consumer Price Index for the

month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs). Whether or not the foregoing notice requirement applies, Tenant shall, whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose of such Restoration, with reasonable diligence (subject to Unavoidable Delays) repair, alter, restore, replace and rebuild (collectively, “Restore”) the same, at least to the extent of the value it would have had absent the casualty and as nearly as possible to the condition, quality and class of the Project existing immediately prior to such occurrence, with such changes or alterations as Tenant, with the consent of Landlord, may elect to make, provided that, after the Restoration, the Project shall be in substantial conformity with the original Plans and Specifications; with any changes as mutually agreed to by Tenant and Landlord, acting in their reasonable discretion. If Tenant shall fail or neglect to Restore with reasonable diligence (subject to Unavoidable Delays) the Project or the portion thereof so damaged or destroyed as required by this Article 8, or having so commenced such Restoration, shall fail to complete the same with reasonable diligence (subject to Unavoidable Delays) in accordance with the terms of this Lease, or if prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated for any reason, Landlord may after written notice to Tenant and expiration of the cure periods applicable to such failure, but shall not be required to, complete such Restoration at Tenant’s expense. Each such Restoration shall be done in accordance with the provisions of this Lease. In any case where this Lease shall expire or be terminated prior to the completion of Restoration, Tenant shall account to Landlord for all amounts spent in connection with any Restoration which was undertaken and shall pay over to Landlord, within ten (10) Business Days after demand, the remainder, if any, of the Restoration Funds previously received by it. Tenant’s obligations for any Restoration which commenced (or which Tenant was obligated to commence) under this Section 8.01 shall survive the expiration or termination of this Lease.

(b) Tenant will commence Restoration no later than six (6) months after the casualty and shall continue thereafter diligently and without interruption as provided herein. Tenant shall diligently prosecute such Restoration to completion, and in any event, such Restoration shall be completed, subject to Unavoidable Delays, within eighteen (18) months after the commencement of the Restoration, or such longer period as may be reasonably required as agreed to by Landlord and Tenant, in each party’s reasonable judgement. In the event Tenant does not commence Restoration within the applicable time period, or if Tenant does not thereafter diligently prosecute such Restoration to completion and complete such Restoration within the applicable time period (subject to Unavoidable Delay), then it shall be an Event of Default hereunder.

(c) In no event will Landlord be obligated to Restore the Project or any portion thereof or to pay any of the costs or expenses thereof.

Section 8.02. Restoration Approvals. Prior to commencing any Restoration, Tenant shall submit completed final drawings and plans and specifications (which may be in the form of field marked copies of the original plans and specifications) for the Restoration prepared by an Architect which comply with the all Applicable Laws and, to the extent possible given the amount of damage and destruction to the Project, materially conform to the original Plans and Specifications approved by Landlord for the Initial Construction Work or with any changes as mutually agreed to by Tenant and Landlord, acting in their reasonable discretion (the “Restoration Plans and Specifications”).

Landlord shall review the proposed Restoration Plans and Specifications to determine whether they do so materially comply. If Landlord determines that they do so comply, Landlord shall so notify Tenant in writing. If Landlord reasonably determines that the Restoration Plans and Specifications, as so revised, do not materially comply with the first sentence of this Section (and any changes agreed to by the parties), Landlord shall so notify Tenant, specifying in writing in what respects they do not so comply. In such latter event, Tenant and Landlord shall reasonably cooperate with one another in addressing the comments of Landlord. Tenant shall revise the proposed Restoration Plans and Specifications to reflect the agreed upon changes and shall then resubmit the Restoration Plans and Specifications to Landlord for review. The initial review by Landlord shall be carried out within twenty (20) Business Days of the date of submission of the Restoration Plans and Specifications; Landlord's review of revisions to the Restoration Plans and Specifications shall be carried out within twenty (20) Business Days of the date of submission of the revised Restoration Plans and Specifications. If Landlord has not notified Tenant of its determination within the applicable period, Landlord shall be deemed to have approved the Restoration Plans and Specifications and determined that they materially comply with this Section, with any changes mutually agreed to by Tenant and Landlord.

Section 8.03. Control of Proceeds. So long as a Mortgagee holds a Mortgage on the Premises, the proceeds of any fire or casualty insurance with respect thereto may be made payable to such Mortgagee or, if provided in the Mortgage, an insurance trustee, for application in accordance with the terms of the Mortgage, and such proceeds shall be held and disbursed by the Mortgagee to apply to the costs of Restoration pursuant to such provisions as the Mortgage may provide therefor. In the event that there is not a Mortgagee with respect the Premises at the time of such casualty (or any existing Mortgage is fully discharged by application of a portion of the insurance proceeds), or in the event the proceeds of fire or casualty insurance are not required to be paid to a Mortgagee or insurance trustee to Restore the Project under the terms of the applicable Mortgage but are nevertheless available to Tenant for such purposes, then the insurance proceeds (or remaining proceeds after the first use of insurance proceeds to discharge Mortgages) shall be deposited with the Depository (other than proceeds for rent insurance) and shall be subject to monthly disbursement procedures as more fully described in Section 8.04 below. If the insurance proceeds available for such purpose are not sufficient to Restore the Project to its prior condition or to a condition in compliance with this Lease, Tenant shall nonetheless, at its own cost and expense, provide the funds necessary, or obtain new financing as necessary, to Restore the Project to such condition. Provided no Event of Default has occurred and is continuing, any excess insurance proceeds remaining after the Restoration of the Project shall be paid over to Tenant or as Tenant may direct. If Depository is to disburse the insurance proceeds, the provisions of Section 8.04 shall apply.

Section 8.04. Conditions Precedent to Disbursements. The following shall be conditions precedent to each payment made to Tenant by Depository if required in Section 8.03 above:

(a) Subject to the provisions of Section 8.04, Section 8.05 and, if applicable, Section 8.06, Depository shall pay over to Tenant from time to time, upon the following terms, any monies which may be received by Depository from insurance provided by Tenant (other than rent insurance) or cash or the proceeds of any security deposited with Depository pursuant to Section 8.06 (collectively, the "Restoration Funds"); *provided however*, that Depository, before paying such monies over to Tenant, shall be entitled to reimburse itself and Landlord therefrom to

the extent, if any, of the necessary, reasonable and proper expenses (including reasonable attorneys' fees) paid or incurred by Depository and Landlord in the collection of such monies. Depository shall pay to Tenant, as hereinafter provided, the Restoration Funds, for the purpose of the Restoration.

(b) Prior to commencing any Restoration, Tenant shall furnish Landlord with an estimate of the cost of such Restoration, prepared by an Architect. Landlord, at Landlord's expense, may engage a licensed professional engineer or registered architect to prepare its own estimate of the cost of such Restoration. If there is any dispute as to the estimated cost of the Restoration, such dispute shall be resolved by dispute resolution in accordance with the provisions of Article 34, and any time required to resolve such dispute shall constitute an Unavoidable Delay in the Restoration process.

(c) Subject to the provisions of Section 8.04, Section 8.05 and, if applicable, Section 8.06, the Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, upon application to be submitted by Tenant to Depository and Landlord showing the cost of labor and materials purchased and delivered to the Premises for incorporation in the Restoration, or incorporated therein since the last previous application, and due and payable or paid by Tenant. If any vendor's, mechanic's, laborer's, or materialman's lien is filed against the Premises or any part thereof, or if any public improvement lien relating to the Restoration of the Premises is created or permitted to be created by Tenant and is filed against Landlord, or any assets of, or funds appropriated to, Landlord, Tenant shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise). Notwithstanding the foregoing, subject to the provisions of Section 8.04(d), the existence of any such lien shall not preclude Tenant from receiving any installment of Restoration Funds, provided such lien will be discharged with funds from such installment.

(d) The amount of any installment to be paid to Tenant shall be (i) the product of (x) the total Restoration Funds and (y) a fraction, the numerator of which is the cost of labor and materials theretofore incorporated (or delivered to the Premises to be incorporated) by Tenant in the Restoration and the denominator of which is the total estimated cost of the Restoration, such estimated cost determined in accordance with Section 8.04(b), less (ii) (A) all payments theretofore made to Tenant out of the Restoration Funds.

(e) Notwithstanding the foregoing, if Landlord makes the Restoration at Tenant's expense, as provided in Section 8.01(a), then Depository shall pay over the Restoration Funds to Landlord, upon request, to the extent not previously paid to Tenant pursuant to this Section 8.04, and Tenant shall pay to Landlord, within ten (10) Business Days after demand, any sums in excess of the portion of the Restoration Funds received by Landlord necessary to complete the Restoration. Upon completion of the Restoration, Landlord shall deliver to Tenant a certificate, in reasonable detail, setting forth the expenditures made by Landlord for such Restoration.

(f) There shall be submitted to Depository and Landlord the certificate of Architect in industry standard form to the effect that (i) the sum then requested to be withdrawn either has been paid by Tenant or is due and payable to contractors, subcontractors, materialmen, engineers, architects or other Persons (whose names and addresses shall be stated) who have

rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of said Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of said certificate, (ii) no part of such expenditures has been or is being made the basis, in any previous or then pending requisition, for the withdrawal of the Restoration Funds or has been made out of the Restoration Funds previously received by Tenant, (iii) the sum then requested does not exceed the value of the services and materials described in the certificate, and (iv) the balance of the Restoration Funds held by Depository will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion;

(g) There shall be furnished to Landlord an official search, or a certificate of a title insurance company reasonably satisfactory to Landlord, or other evidence reasonably satisfactory to Landlord, showing that there has not been filed any vendor's, mechanic's, laborer's or materialman's statutory or other similar lien affecting the Premises or any part thereof, or any public improvement lien with respect to the Premises or the Restoration created or permitted to be created by Tenant affecting Landlord, or the assets of, or funds appropriated to, Landlord, which had not been satisfied or discharged (by bonding or otherwise) except such as will be discharged upon payment of the requisite amount out of the sum then requested to be withdrawn; and

(h) At the time of making such payment, there is no existing and unremedied Event of Default on the part of Tenant.

Section 8.05. Major Casualty.

(a) If any loss, damage or destruction occurs, the cost of Restoration of which equals or exceeds Two Million Dollars (\$2,000,000) in the aggregate, determined as provided in Section 8.04(b) (as such amount is adjusted on the fifth (5th) anniversary of the Commencement Date and on each fifth (5th) anniversary of the Commencement Date thereafter occurring during the Term, by the percent increase, if any, in the Consumer Price Index for the month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs, in addition to the requirements set forth in this Article 8 with respect to Restoration, Tenant shall comply with the terms of Section 11.02, Section 11.04, Section 11.05, Section 11.06, Section 11.07, Section 11.08, Section 11.11, Section 11.12 and Section 11.15 with respect to such Restoration.

(b) Notwithstanding that the cost of Restoration is less than Two Million Dollars (\$2,000,000) (as such amount is increased as provided in Section 8.05(a)), such cost to be determined as provided in Section 8.04(b), to the extent that any portion of the Restoration involves, (i) a material changes to the exterior of the Project, or (ii) a change in the height, bulk or setback of the Project from the height, bulk or setback existing immediately prior to the damage or destruction, then Tenant shall furnish to Landlord at least thirty (30) days prior to commencement of the Restoration a complete set of Restoration Plans and Specifications for the Restoration, involving such work or such change, prepared by an Architect, subject to Landlord's review and approval as provided in this Article 8.

(c) In the event Tenant shall desire to modify the Restoration Plans and Specifications which Landlord theretofore has approved pursuant to Sections 8.02 or Article 11, Tenant shall submit the proposed modifications to Landlord. Landlord shall review the proposed changes to determine whether or not they (i) conform to the requirements of Section 8.01 and (ii) provide for design, equipment, engineering and materials which are comparable in quality to those provided for in the approved plans and specifications, and shall approve such proposed changes if they do so conform and so provide. If Landlord determines that the proposed changes are not satisfactory in light of the above criteria, it shall so advise Tenant, specifying in what respect the plans and specifications, as so modified, do not conform to requirements above. Tenant shall revise the plans and specifications so as to meet Landlord's objections and shall deliver same to Landlord for review. Each review by Landlord shall be carried out within twenty (20) Business Days of the date of delivery of the plans and specifications, as so revised (or one or more portions thereof), by Tenant, and if Landlord shall not have notified Tenant of its determination within such twenty (20) Business Day period, Landlord shall be deemed to have determined that the proposed changes are satisfactory.

Section 8.06. Deposit of Proceeds. If the cost of any Restoration, determined as provided in Section 8.04(b), exceeds both (i) Two Million Dollars (\$2,000,000) (as such amount shall be increased as provided in Section 8.05(a)) and (ii) the Restoration Funds, after all required payments to Mortgagees are made, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository, as security for completion of the Restoration, a bond, cash or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 8.04; *provided however*, that if Tenant has made arrangements for additional financing from a Mortgagee for portions of the cost of the Restoration then such portion of the Restoration costs expected to be advanced by the Mortgagee for such purpose need not be deposited with the Depository, and the new Mortgagee may act as the Depository with respect to disbursement of the insurance proceeds then available.

Section 8.07. No Abatement. This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of Base Rent, Additional Costs or Impositions payable hereunder, by reason of damage to or total, substantial or partial destruction of any of the Project or any part thereof or by reason of the untenability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant waives any and all rights available at law or in equity to quit or surrender the Premises or any part thereof. Tenant expressly agrees that its obligations hereunder, including, without limitation, the payment of all Base Rent, Additional Costs and Impositions required by this Lease shall continue as though the Project had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind.

Section 8.08. As-Built Plans. If for any completed Restoration the cost of which exceeds Two Million Dollars (\$2,000,000) (as such amount shall be increased as provided in Section 8.05(a)), Tenant has not theretofore delivered same to Landlord, Tenant shall deliver to Landlord, within ninety (90) days of the completion of such Restoration, a complete set of "as built" plans therefore (which may be in the form of field marked copies of the original plans and specifications) together with a statement in writing from Tenant or its Architect that such plans are complete and correct in all material respects.

Section 8.09. Casualty Where Restoration is Impossible or at End of Term. In the event of substantial damage or destruction by a casualty at any time after the seventieth (70th) anniversary of the Commencement Date, and so long as no Tenant Event of Default exists hereunder, Tenant, in lieu of Restoring the Project, subject to the rights of any Mortgagee, shall have the right to terminate this Lease upon thirty (30) days' notice to Landlord, in which event all insurance proceeds in respect of such casualty (or a sum equivalent to such amount) shall be payable as follows: first, to satisfy Tenant's obligations to any and all Mortgagees; second, to the demolition, clearing and grading work occasioned by such casualty described below; third, to pay any Base Rent, Additional Costs or other amounts owed by Tenant to Landlord under this Lease; and fourth, to be divided between Tenant and Landlord in relation to the loss sustained by each, taking into consideration the remaining Term and the discounted value of Landlord's remainder interest in the Improvements destroyed by such destruction, Tenant's interest in the remainder of the Term and the Improvements and such other matters as shall be appropriate to determining the amount of such loss after any taxes or other charges have been paid. If the parties are unable to agree on such division at the end of the immediately preceding sentence, then the division shall be made pursuant to dispute resolution in the manner provided in Article 34 hereof. Tenant, at its sole expense, shall deliver to Landlord any plans or other technical materials related to the design and construction of the Improvements and, at the request of Landlord, shall remove any damaged Improvements and restore that portion of the Premises on which the demolished Improvements were located to a cleared and safe condition and at a grade approximately level with the abutting land and otherwise in accordance with all Applicable Laws relating to the removal of Improvements on the Property. Upon the completion of any such demolition, clearing and grading work to the reasonable satisfaction of Landlord and the payment of such portion of any such insurance proceeds due to Landlord pursuant to the terms of this Section 8.09, and provided that no Tenant Event of Default exists hereunder, this Lease shall be terminated without liability or further recourse to the parties hereto, provided that any Base Rent and Additional Costs owed by Tenant to Landlord as of the date of said termination shall be paid or otherwise carried out in full.

ARTICLE 9

CONDEMNATION

Section 9.01. Taking of All or Substantially All of Premises.

(a) If the whole or substantially all of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease and the Term shall terminate and expire on the date of such taking.

(b) The term "substantially all of the Premises" shall mean such portion of the Premises as when so taken would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions, applicable zoning laws or building regulations then existing or prevailing permit the economic operations of the Project for their permitted uses hereunder.

(c) Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

Section 9.02. Date of Taking. For purposes of this Article 9, the date that the Premises will be deemed to be “taken” will be on the earlier of (i) the date on which actual possession of the whole or substantially all of the Premises, or a part thereof, as the case may be, is acquired by any lawful power or authority pursuant to the provisions of the applicable federal or Virginia law or (ii) the date in which title to the Premises or the portion thereof shall have vested in any lawful power or authority pursuant to the provisions of the applicable federal or Virginia law.

Section 9.03. Partial Taking: Tenant’s Obligation to Restore. If less than substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without abatement of Base Rent or Additional Costs or diminution of any of Tenant’s obligations hereunder. Tenant, whether or not the award or awards, if any, shall be sufficient for the purpose shall (subject to Unavoidable Delays) proceed diligently to Restore any remaining part of the Project not so taken so that the latter shall be complete, operable and in good condition and repair in conformity with the requirements of Section 8.01. In the event of a partial taking pursuant to this Section, the entire award attributable to such taking shall be deposited with the Depository for application to the cost of Restoration of the part of the Project not so taken. Subject to the provisions and limitations in this Article 9, Depository shall make available to Tenant as much of that portion of the award actually received and held by Depository, if any, less all necessary and proper expenses paid or incurred by Depository, the Mortgagee most senior in lien and Landlord in the condemnation proceedings, as may be necessary to pay the cost of Restoration of the part of the Project remaining. Such Restoration shall be done in accordance with and subject to the provisions of Article 8. Payments to Tenant shall be disbursed in the manner and subject to the conditions set forth in Article 8. Any balance of the award held by Depository and any cash and the proceeds of any security deposited remaining with Depository after completion of the Restoration and Landlord receiving its Respective Allocation pursuant to Section 9.04 below, shall be paid to Tenant or its Mortgagee, if any. Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

Section 9.04. Condemnation Award. In any condemnation proceedings, Landlord and Tenant each agree to cooperate in obtaining the highest award possible and agree to request that separate awards be made for Landlord’s and Tenant’s interests in the Premises and the Improvements. In the event that separate awards are not made for Landlord’s and Tenant’s interests in the Premises and the Improvements, any compensation which may be awarded on account of the taking of all of the Premises, and Improvements by eminent domain shall be fairly allocated between the ownership of the fee and the remainder of the leasehold estate in accordance with the loss and damage suffered by each, taking into consideration all the relevant facts and circumstances, including, but not limited to, the then present value of the Premises and all of the Improvements and the present value of Landlord’s remainder interest in such Improvements as well as the value of Landlord’s interest in the fee and Tenant’s interest in the Lease for the remainder of the Term (i.e. from the date the Premises is taken until the Fixed Expiration Date). If the parties are unable to agree on the allocation of the condemnation award between Landlord and Tenant (the “Respective Allocations”) within thirty (30) days after the condemnation proceedings have terminated, the allocation shall be determined by appraisal, using the method hereinafter set forth:

(a) If, during such negotiation period, the parties do not agree in writing, Landlord and Tenant shall each designate in writing, within five (5) Business Days after the expiration of the aforementioned thirty (30) day period, an MAI or similarly accredited appraiser (an “Appraiser”) having at least ten (10) years’ experience in the appraisal of commercial real estate in the Northern Virginia area of metropolitan Washington, DC for purposes of determining the Respective Allocations. The Appraiser may not be affiliated in any respect with either Landlord or Tenant or their respective affiliates. Within fifteen (15) Business Days after the designation of the Appraisers, the two Appraisers so designated shall designate a third Appraiser of the same qualifications. The Appraisers so designated shall, within sixty (60) days after the date of the third Appraiser is designated, determine the Respective Allocations.

(b) If the three Appraisers are unable to agree upon the Respective Allocations, then the Respective Allocations shall be the average of the two closest appraisals. Landlord and Tenant shall each cooperate with the Appraisers and provide all information reasonably requested by the Appraisers to all three (3) Appraisers at the same time. Any information provided by Landlord or Tenant to the Appraisers shall also simultaneously be delivered to the other party hereto. Each Appraisers shall give written notice to the parties stating his determination, and shall furnish to each party a copy of such determination signed by him.

(c) The determination of such Appraisers shall be final and binding upon the parties and a final judgment thereon may be entered in a court of competent jurisdiction on the petition of either party. If either party, or the two Appraisers designated by the parties, fail to timely designate an Appraiser (or a replacement Appraiser pursuant to the next sentence), then either party may apply to a court of competent jurisdiction to make such designation. In the event of the failure, refusal or inability of any Appraiser to act, a new Appraiser with the qualifications described above shall be appointed promptly in his stead. The party who designated the Appraiser so failing, refusing or unable to act shall designate the replacement Appraiser, or, if the Appraiser failing, refusing or unable to act was the Appraiser designated jointly by the parties’ Appraisers, the parties’ Appraisers shall jointly designate the replacement Appraiser.

(d) Landlord and Tenant shall each bear the cost of its Appraiser and Landlord and Tenant shall share equally the cost of the third Appraiser. If the Appraisers shall fail to make the determination herein provided, then either party shall have the right to institute such action or proceeding in such court as shall be appropriate in the circumstances and Tenant and Landlord shall share equally the cost of such action.

Section 9.05. Temporary Taking. If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay all Base Rent and Additional Costs and Impositions payable by Tenant hereunder without reduction or abatement and perform all of Tenant’s other obligations under this Lease, and Tenant shall be entitled to receive for itself any award or payments made in connection with such temporary taking, *provided however*, if the taking is for a period extending beyond the Term, such award or payment shall be apportioned between Landlord and Tenant as of the Expiration Date; and further *provided however*, that the amount of any award or payment allowed or retained for the Restoration of the

Project and not previously applied for such purpose shall remain the property of Landlord, if this Lease shall expire prior to such Restoration.

Section 9.06. Sale in Lieu of Condemnation. In the event of a negotiated sale of all or a portion of the Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation as provided in Section 9.04 above.

Section 9.07. Participation in Proceedings. Landlord, Tenant and any Mortgagee shall be entitled to file a claim and otherwise participate in any condemnation or similar proceeding and all hearings, trials and appeals in respect thereof.

Section 9.08. Claims for Personal Property. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant (and, if applicable, its Residential Tenants) shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Residential Tenants (but not including any Fixtures) and for relocation expenses of Tenant or its Residential Tenants, and all awards and damages in respect thereof shall belong to Tenant or its Residential Tenants, as applicable, and Landlord hereby waives any and all claims to any part thereof; *provided however*, that if there shall be no separate award or allocation for such trade fixtures or personal property, then such claims of Tenant and its Residential Tenants, or awards and damages, shall be addressed as provided in Section 9.04.

ARTICLE 10

ASSIGNMENT, SUBLETTING, MORTGAGES, ETC.

Section 10.01. Assignment; Subletting; Transfers.

(a) Tenant acknowledges that Landlord has examined and relied on (i) the creditworthiness and experience of Tenant, and (ii) Tenant's or its Affiliate's (if applicable) management and operation of properties such as the Project, in agreeing to lease the Premises to Tenant pursuant to the terms and conditions of this Lease. Except as otherwise specifically provided in this Section 10.01:

(i) neither this Lease nor any interest of Tenant in this Lease, shall be sold, assigned, or otherwise transferred, whether by operation of law or otherwise;

(ii) Tenant shall not sublet all or any portion of the Premises (except in connection with a Residential Lease or other subleases typically entered into in connection with ancillary or incidental uses typically found in affordable senior living facility projects, and except in accordance with Article 38 below);

(iii) nor shall any of the: (A) general or limited partnership interests of Tenant (if Tenant is a partnership), or (B) membership interests of Tenant (if Tenant is a limited liability company), or (C) issued or outstanding capital stock of Tenant (if Tenant is a corporation); be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise, nor shall any voting trust or similar agreement be entered into with respect to such

stock, nor any reclassification or modification of the terms of such stock take place, nor shall there be any merger or consolidation of such corporation into or with another corporation nor shall additional stock (or any warrants, options or debt securities convertible, directly or indirectly, into such stock) in any such corporation be issued if the issuance of such additional stock (or such other securities, when exercised or converted into stock), will result in a change of the controlling stock ownership of such corporation as held by the shareholders thereof as of the Commencement Date, *provided however*, Tenant may transfer such partnership interests, membership interests or capital stock (as applicable) in accordance with Article 38 below, so long as Control of Tenant does not change (i.e. the possession of power to direct or cause the direction of the management and policy of Tenant remains the same as prior to such transfer of interests or capital stock) and such transfer made in accordance with this proviso shall not constitute a Transfer.

Each of the foregoing transactions referenced in (i) through (iii) above are hereinafter referred to as a “Transfer”.

(b) Tenant may not make any Transfer prior to or within the first five (5) years after Final Completion. After the five (5) year anniversary of the Final Completion, Tenant may not make a Transfer, except upon the prior written approval of Landlord, which Landlord may grant or withhold in its sole and absolute discretion (subject to Section 10.01(e) below), *provided however*, that Landlord’s consent will not be unreasonably withheld, conditioned or delayed so long as (i) no Event of Default shall have occurred and then be continuing hereunder (or such Event of Default is cured simultaneously with such Transfer), and (ii) Tenant shall have otherwise complied with the provisions of this Article 10.

(c) Tenant may not make a Transfer to any Person, in which, an ownership interest, in the aggregate, of five percent (5%) or greater is then held, directly or indirectly (other than as a result of ownership of publicly traded securities), by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the Commonwealth of Virginia, the County of Fairfax, Virginia or any agency, department, political subdivision (including without limitation, the Fairfax County Redevelopment and Housing Authority), public authority or public benefit corporation of either, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the Commonwealth of Virginia, the County of Fairfax, Virginia or any agency, department, public authority or any public benefit corporation of either.

(d) In each instance wherein Tenant desires to effect a Transfer, and as a condition to the effectiveness thereof, Tenant shall, prior to the effective date of such transaction, notify Landlord of the proposed transaction and submit to Landlord the following documents and information (which documents may be unexecuted but shall, in all other respects, be in substantially final form) and such other information and documents Landlord may reasonably require:

(i) a copy of the proposed instrument(s) of assignment or sublease of the Premises or assignment of ownership interests in Tenant containing, *inter alia*, the name, address and telephone number of the assignee;

(ii) a copy of the proposed instrument(s) of assumption of Tenant's obligations under this Lease by said assignee (which need not be in a separate document from the instrument of assignment);

(iii) a certificate of the assignee or subtenant (or an authorized officer, general partner or managing member thereof), setting forth (x) in the case of a partnership or limited liability company, the names and addresses of all partners (general and limited (if applicable)) or members thereof of the assignee having a five percent (5%) or greater ownership interest in the assignee, (y) in the case of a corporation, the names and addresses of all persons having five percent (5%) or greater record ownership of stock in the assignee, and all directors and officers of the assignee; *provided however*, that in the case of an entity whose equity interests are publicly traded the names of the holders of publicly traded securities need not be disclosed; and

(iv) any such other documents and information as Landlord may reasonably request to permit Landlord to evaluate whether the proposed transferee or sublessee meets the criteria set forth in Section 10.01(e).

Landlord shall within twenty (20) Business Days after receipt of the foregoing, notify Tenant whether it grants its consent to such Transfer. In the event that Landlord denies its consent to such transaction or determines that the information provided in the applicable certificate is insufficient to determine whether or not Landlord's consent may not be unreasonably withheld, conditioned or delayed, then Landlord shall notify Tenant in writing specifying the reasons for such denial or determination. If Landlord shall not have notified Tenant of such denial or determination within such period, Landlord shall be deemed to have consented to the proposed transaction and to have determined that the documents and the information submitted establish compliance with the applicable provisions of this Section 10.01. Tenant agrees to bear and shall pay or reimburse Landlord on demand for all out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Landlord in connection with the review, approval and documentation of any Transfer under this Article 10. If Landlord has consented (or be deemed to have consented) to the proposed Transfer or has determined that the documents and information establish compliance with the applicable provisions of this Section 10.01, such consent or determination will still be conditioned upon the delivery to Landlord of the applicable executed documents of Transfer, assignment, or conveyance and receipt of payment or reimbursement by Landlord as set forth in the preceding sentence. Any attempted or purported Transfer, if made in contravention of this Article 10, shall be null and void and of no force and effect and shall constitute an immediate Event of Default under this Lease.

(e) Notwithstanding any of the foregoing in this Article 10 to the contrary, Landlord will not unreasonably withhold its consent to any proposed Transfer provided no Event of Default is then existing hereunder (or such Event of Default is cured simultaneously with such Transfer) and that the proposed transferee satisfies the following conditions:

(i) the proposed transferee shall have (or shall be Controlled by an entity that has) or shall have arranged for management services through an asset management or property management company approved by Landlord (which approval will not be unreasonably withheld, conditioned or delayed) that has at least ten (10) years of experience in operating and maintaining apartment projects similar or larger in size to the Project;

(ii) the proposed transferee shall have or shall be Controlled by an entity that has a Net Worth at least equal to the Net Worth Requirement;

(iii) the proposed transferee shall use the Premises for the uses permitted under this Lease;

(iv) the proposed transferee is not a person or entity prohibited from owning the interests of Tenant hereunder pursuant to Section 10.01(c) above; and

(v) Tenant shall pay all of Landlord's reasonable out-of-pocket costs and expenses related to its review and approval of the Transfer.

(f) Subject to compliance by a Mortgagee with the provisions of Sections 10.04 hereof, the requirements in this Section 10.01 of consent by Landlord shall not apply to the acquisition of the Premises by such Mortgagee or another purchaser of the Premises pursuant to a foreclosure of a Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, so long as such Mortgagee or purchaser, as applicable, shall, in the instrument transferring to such Mortgagee the interest of Tenant hereunder, assume and agree to perform all of the terms, covenants and conditions of this Lease thereafter to be observed or performed by Tenant. The notice and review periods set forth in this Section 10.01 shall not apply (i) in connection with a transfer by a Mortgagee to a purchaser from Mortgagee after a foreclosure or acceptance of a deed or instrument of transfer delivered in lieu of foreclosure, or (ii) to any purchaser at foreclosure; *provided however*, the criteria set forth in Section 10.01(e)(i)-(v) shall apply to any such purchaser except Mortgagee. Each reference in this Section 10.01 to "Mortgagee" shall be deemed to include a wholly owned subsidiary (direct or indirect) of such Mortgagee or its direct parent, provided such Mortgagee has delivered to Landlord a written notice advising that such a subsidiary should be so deemed and certifying (i) that such subsidiary is wholly owned (directly or indirectly) by such Mortgagee or its direct parent and (ii) that such subsidiary is authorized to act in the place and stead of such Mortgagee.

(g) Any Transfer approved by Landlord in accordance with, or otherwise allowed (with or without Landlord's approval) pursuant to the terms of this Article 10 shall be a "Permitted Transfer". Upon a Permitted Transfer, the previous "Tenant" shall be relieved from all subsequent obligations and liabilities arising under this Lease.

(h) No assignment of this Lease, subletting of the Premises as an entirety or substantially as an entirety or other Transfer shall have any validity except upon compliance with the provisions of this Article 10 or Article 38.

(i) Any assignment of this Lease will not be effective for purposes of this Lease unless and until the assignee, in the case of an assignment, executes, acknowledges and

delivers to Landlord an agreement that provides that the assignee (A) assumes the obligations and performance of this Lease and agree to be bound by all of the covenants, agreements, terms, provisions and conditions hereof on the part of Tenant to be performed or observed on and after the effective date of any such assignment, and (B) agrees that the provisions of this Article 10 will continue to be binding upon assignee in the future. Tenant covenants that, if Tenant engages in an assignment or transfer in violation of the provisions of this Lease, Tenant shall remain fully and primarily and jointly and severally liable for the payment of all Base Rent, Additional Costs and Impositions due and to become due under this Lease and for the performance and observance of all of the covenants, agreements, terms, provisions and conditions of this Lease on the part of Tenant to be performed or observed until a Permitted Transfer occurs.

(j) Notwithstanding anything to the contrary in this Section 10.01 to the contrary, Tenant may sublease any of the Residential Units to Residential Tenants (and any commercial space on the Premises, if any, to commercial tenants) in the ordinary course of Tenant's business without obtaining Landlord's prior consent; and any subleasing as provided in this subsection (j) shall not be considered a Transfer for purposes of this Article 10, and *provided further*, that any such subleasing of Residential Units is in compliance with the Exhibit F and Section 26.04 below.

(k) Notwithstanding anything to the contrary in this Section 10.01 to the contrary, *provided* Tenant (i) is not in an Event of Default, (ii) provides at least thirty (30) days prior written notice to Landlord of Tenant's intention to assign this Lease to an Affiliate of Tenant, (iii) Tenant provides Landlord with such reasonable documentation as requested by Landlord in order to verify compliance with Section 10.01(d) and Section 10.01(e) above, and (iv) Tenant pays Landlord's out-of pocket expenses in accordance with Section 10.01(e)(v) above, Tenant may assign this Lease or transfer all or any portion of the Premises to an Affiliate of Tenant without Landlord's consent or approval being required and such Transfer or assignment shall be a Permitted Transfer hereunder.

Section 10.02. Consent Limited to Transaction. Any consent by Landlord under Section 10.01 above shall apply only to the specific transaction thereby authorized and shall not relieve Tenant from any requirement hereunder of obtaining the consent of Landlord to any further Transfer of this Lease or the interests of Tenant.

Section 10.03. Landlord's Right of First Offer. Subject and subordinate to Section 10.01(k) above, in the event Tenant would like to make a Permitted Transfer with respect to all or any portion of the Premises (the "Proposed Transfer Premises") pursuant to the terms and conditions of this Article 10, Tenant shall promptly give Landlord notice of such election and shall first offer to transfer the Proposed Transfer Premises to Landlord or an Affiliate of Landlord pursuant to the terms of this Section 10.03. Such offer may be made by Tenant to Landlord prior to the time Tenant has made an offer to or received an offer from any third party.

(a) Tenant shall offer (the "Offer") to transfer to Landlord the Proposed Transfer Premises pursuant to terms determined in Tenant's sole and absolute discretion (the "Offer Terms"). The Offer shall be irrevocable for a period ending at 5:00 P.M. east coast time, on the sixtieth (60th) day (or the next Business Day if the sixtieth (60th) day is not a Business Day) following the day on which the Offer was made (the "Offer Period").

(b) In the event that the Offer is accepted by the Landlord during the Offer Period, Landlord shall close on the Proposed Transfer Premises within sixty (60) days after the Offer is accepted (or such longer time as is agreed to by the parties in writing) in accordance with the Offer Terms; *provided however*, that in the event that such closing does not occur within such period as a result of a default by Landlord after acceptance, then Tenant shall be entitled to Transfer the Proposed Transfer Premises to any third party in accordance with this Section 10.03(c). Landlord and Tenant shall execute such documents and instruments as may be necessary or appropriate to effect the transfer of the Proposed Transfer Premises pursuant to the terms of the Offer and this Section 10.03. In the event that Landlord does not elect to accept the Offer, Landlord may, at its election, make a counteroffer (“Counteroffer”) setting forth the price and other material terms on which Landlord would be willing to purchase the Proposed Transfer Premises, but Tenant has no obligation to accept or otherwise address any such Counteroffer. If Tenant elects to accept the Counteroffer, the parties shall close on the Proposed Transfer Premises in accordance with this Section 10.03(c).

(c) If the Offer is not accepted by Landlord (or a proposed Counteroffer is not accepted by Tenant) in the manner hereinabove provided, Tenant may transfer the Proposed Transfer Premises at any time within nine (9) months after the last day of the Offer Period, provided that the terms of any such Transfer of the Proposed Transfer Premises to such third party are substantially the same as the Offer Terms (which, in the case of price, means that the sale price is not less than: (i) ninety-five percent (95%) of the sale price set forth in the Offer Terms if Landlord did not make a Counteroffer, or (2) one hundred percent (100%) of the amount of the Counteroffer price if a Counteroffer was made). In the event that the Proposed Transfer Premises are not transferred to an unrelated third party within such nine (9) month period, such Transfer shall again be subject to all of the terms of this Section 10.03. If Tenant is required to re-offer the Proposed Transfer Premises to Landlord during such nine (9) month period, the procedures in subsections 10.03(a) and (b) shall apply.

(d) The Landlord’s right of first offer set out in this Section 10.03 is intended to apply only to the sale of the Proposed Transfer Premises by Tenant and is not intended to apply to a Mortgagee or another purchaser of the Premises pursuant to a foreclosure of a Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, which is not subject to this Section 10.03, *provided however*, in the event such Mortgagee or other purchaser of the Premises pursuant to a foreclosure of a Mortgage acquires this Lease and becomes a “Tenant” hereunder, this Section 10.03 shall apply to any future attempted Transfer of this Lease or Proposed Transfer Premises.

Section 10.04. Leasehold Mortgages.

(a) Tenant shall have the right to mortgage or pledge its interest in this Lease to one or more Mortgagees which at any time and from time to time during the Term, *provided however*, that (x) until Final Completion has occurred, all proceeds from any loan secured by Tenant’s interest in this Lease shall be used only in connection with the costs of pre-development, development, construction, carry, and operations of the Project and (y) no holder of any Mortgage, nor anyone claiming by, through or under any such Mortgage, shall by virtue thereof, acquire any greater rights hereunder than Tenant has, except the right to cure or remedy Tenant’s defaults or become entitled to a New Lease as more fully set forth in this Section 10.04

and Section 10.05 and such other rights as are expressly granted to Mortgagees in this Lease. No Mortgage shall be effective, unless:

(i) at the time of making such Mortgage there is no existing and unremedied Event of Default on the part of Tenant under any of the agreements, terms, covenants and conditions of this Lease on the part of Tenant to be performed; *provided however*, that if such Event of Default exists, but this Lease has not been terminated and such Event of Default will be cured simultaneously with the granting of such Mortgage or with the proceeds from such Mortgage, Tenant may nevertheless enter into such Mortgage for Tenant's interest in this Lease;

(ii) such Mortgage shall be subject to all the agreements, terms, covenants and conditions of this Lease;

(iii) such Mortgage shall contain in substance the following provisions:

“This instrument is executed upon condition that (unless this condition be released or waived by Landlord under said Lease or its successors in interest by an instrument in writing) no purchaser or transferee of said Lease at any foreclosure sale hereunder, or other transfer authorized by law by reason of a default hereunder where no foreclosure sale is required, shall, as a result of such sale or transfer, acquire any right, title or interest in or to said Lease or the leasehold estate hereby mortgaged or pledged, unless and until (i) Landlord has been given written notice of such sale or transfer of said Lease and the effective date thereof, and (ii) such purchaser or transferee has delivered to Landlord a duplicate original or certified copy of the instrument of sale or transfer to Landlord.

“The purchaser or transferee of said Lease shall, effective from and after the effective date of the foreclosure or transfer in lieu of foreclosure, assume and agree to perform all of the terms, covenants and conditions of the Lease to be observed or performed on the part of Tenant after the foreclosure or transfer and, that no further or additional mortgage or assignment of the Lease hereby mortgaged may be made except in accordance with the provisions contained in Article 10 of the Lease.

“This mortgage is not a security interest in or lien on the fee interest in the premises covered by the Lease hereby mortgaged.

“The mortgagee hereunder waives all right and option to retain and apply the proceeds of any insurance or the proceeds of any condemnation award toward the payment of the sum secured by this mortgage but only to the extent such proceeds are required for and applied to the demolition, repair or restoration of the mortgaged premises in accordance with the provisions of the Lease.

“In the event of foreclosure, the mortgagee shall not name, in such

foreclosure action or otherwise, and in any event shall not disturb the possession or right to possession (except for default) of, any subtenants of Tenant under the Lease) who are not Affiliates of Tenant.

“This mortgage and all rights of the mortgagee hereunder are, without the necessity for the execution of any further documents, subject to the terms of said Lease and the rights of the landlord thereunder, as said Lease may have been previously modified, amended or renewed with the consent of the mortgagor or its predecessors in interest, or may hereafter be modified, amended or renewed with the consent of the mortgagee. Nevertheless, the holder of this mortgage agrees from time to time upon request and without charge to execute, acknowledge and deliver any instruments reasonably requested by Landlord to evidence the foregoing.”

(b) Tenant or the Mortgagee shall give to Landlord written notice of the making of any Mortgage (which notice shall contain the name and office address of the Mortgagee) promptly after the execution and delivery of such Mortgage and a duplicate original or certified copy thereof.

(c) Landlord shall give to each Mortgagee, at the address of such Mortgagee set forth in the notice from such Mortgagee or from Tenant, and otherwise in the manner provided by Article 25, a copy of each notice given by Landlord to Tenant hereunder (including any notices of Event(s) of Default under the Lease) at the same time as and whenever any such notice shall thereafter be given by Landlord to Tenant, and no such notice by Landlord shall be deemed to have been duly given to Tenant (and no grace or cure period shall be deemed to have commenced) unless and until a copy thereof shall have been given to each such Mortgagee. Upon receipt of such notice, each Mortgagee shall have the right (but not the obligation) to remedy such Event of Default or cause the same to be remedied, within the following additional time periods (in each instance after the applicable period afforded Tenant for remedying the Event of Default or causing the same to be remedied has expired): (i) a period of ten (10) Business Days more in the case of a monetary Event of Default, and (ii) a period of fifteen (15) Business Days more in the case of a non-monetary Event of Default, or in the case of a non-monetary Event of Default which shall require more than the additional fifteen (15) Business Days to cure using due diligence, then such longer period of time as will be necessary, so long as such Mortgagee shall have commenced to cure (or caused to be commenced such cure) within such additional fifteen (15) Business Day period and continuously prosecutes or causes to be prosecuted the same to completion with reasonable diligence and continuity. Landlord shall accept performance by or on behalf of a Mortgagee of any covenant, condition or agreement on Tenant’s part to be performed hereunder with the same force and effect as though performed by Tenant, so long as such performance is made in accordance with the terms and provisions of this Lease. Landlord shall not object to any temporary entry onto the Premises by or on behalf of Mortgagee to the extent necessary to effect such Mortgagee’s cure rights, provided such entry is in compliance with all Applicable Laws. If possession of the Premises or any part thereof is required in order to cure

such Event of Default, Mortgagee shall notify Landlord within the applicable period afforded to Mortgagee hereunder.

(d) During any period in which Mortgagee, in good faith and acting with reasonable diligence and continuity, is attempting or in the process of curing (or caused to be commenced such cure) a non-monetary Event of Default within the time periods provided in Section 10.04(c), Landlord will not exercise any remedies to terminate this Lease or dispossess Tenant of possession thereof. At any time prior to the expiration of the additional cure period afforded Mortgagee under Section 10.04(c) to cure (or caused to be cured) the Event of Default, Mortgagee may send Landlord notice of its intention to institute foreclosure proceedings, and thereafter, provided Mortgagee commences such foreclosure proceedings, prosecutes such proceedings with all reasonable diligence and continuity (subject to Unavoidable Delays) and, upon obtaining such possession, commences promptly to cure the Event of Default and prosecutes the same to completion with all reasonable diligence and continuity (subject to Unavoidable Delays), Landlord will not exercise any remedies to terminate this Lease or dispossess Tenant of possession thereof; *provided however*, that: (i) Mortgagee shall have first delivered to Landlord, in writing, its agreement to cure (or caused to be cured), and (ii) during the period in which Mortgagee is curing (or causing such cure of) such Event of Default (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease are being duly performed (including, without limitation, payment of all Base Rent, Additional Costs and Impositions due hereunder (including further, without limitation, the payment of any Impositions or payments of installments for Impositions are being made to a Depository in accordance with Article 5 above)) within any applicable grace periods. However, at any time after the delivery of the aforementioned agreement, the Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, and, in such event, the Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Landlord (except for any obligations assumed by the Mortgagee and accruing prior to the date it delivers such notice), and, thereupon, Landlord shall have the unrestricted right to terminate this Lease, dispossess Tenant of the Premises and to take any other action Landlord deems appropriate by reason of any uncured Event of Default by Tenant.

(e) Notwithstanding anything in this Section 10.04 to the contrary, a Mortgagee shall not be required to cure any non-monetary Events of Default of Tenant that are not capable of being cured by such Mortgagee, and if any Mortgagee, assignee or transferee shall acquire the Premises pursuant to a foreclosure or transfer in lieu of foreclosure, then any such non-monetary Event of Default by Tenant that is not capable of being cured shall no longer be deemed an Event of Default of the acquiring Mortgagee, assignee or transferee of this Lease after such foreclosure or transfer in lieu of foreclosure (*provided however*, that Landlord may continue to pursue any and all remedies at law or in equity against the defaulting Tenant unless Tenant was released of such obligations, *provided further*, that any such remedies may not involve the disturbance of quiet possession of any Mortgagee, assignee or transferee of the Premises under this Lease or a New Lease).

(f) With respect to any non-monetary Event of Default, so long as a Mortgagee shall be diligently exercising its cure rights under this Section 10.04 with respect thereto within the applicable cure periods set forth above and so long as, if possession of the

Premises is required to cure the same, Mortgagee shall be taking the actions required by clause (d) of this Section 10.04, Landlord shall not (i) re-enter the Premises, (ii) serve a termination notice, or (iii) bring a proceeding on account of such default to (A) dispossess Tenant or other occupants of the Premises, (B) re-enter the Premises, or (C) terminate this Lease or the leasehold estate (such rights described in clauses (i), (ii) and (iii) being herein “Landlord’s Termination Rights”). In addition, with respect to any monetary Event of Default, Landlord shall not exercise any of Landlord’s Termination Rights so long as a Mortgagee shall be diligently exercising its cure rights under this Section 10.04 within the time periods set forth above. Upon any Mortgagee ceasing to diligently exercise such rights and undertaking such activities, Landlord may exercise any of Landlord’s Termination Rights hereunder. Nothing in the protections to Mortgagees provided in this Lease shall, however, be construed to either (i) extend the Term beyond the stated Fixed Expiration Date provided for in this Lease that would have applied if no Event of Default had occurred or (ii) require such Mortgagee to cure any non-monetary Event of Default by Tenant that is not capable of being cured and as a condition to preserving this Lease or, in the case of a Mortgagee only, to obtaining a New Lease as provided in Section 10.05.

(g) The exercise of any rights or remedies of a Mortgagee under a Mortgage, including the consummation of any foreclosure or transfer in lieu of foreclosure, shall not constitute an Event of Default; *provided however*, that any assignment of this Lease resulting from any such foreclosure or transfer in lieu of foreclosure to an entity other than a Mortgagee or an Affiliate of such Mortgagee shall be an Event of Default under this Lease unless such assignment meets the requirements of Section 10.03.

(h) Except as provided in clause (d) of this Section 10.04, no Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for so long as it remains, the owner of the leasehold estate created hereby and no performance by or on behalf of such Mortgagee of Tenant’s obligations hereunder shall cause such Mortgagee to be deemed to be a “mortgagee in possession” unless and until such Mortgagee shall take control or possession of the Premises.

(i) If there is more than one Mortgagee, the rights and obligations afforded by this Section 10.04 to a Mortgagee shall be exercisable only by the party whose collateral interest in the Premises is senior in lien (or which has obtained the consent of any Mortgagees that are senior to such Mortgagee).

(j) In addition to the other rights, notices and cure periods afforded to the holders of any Mortgage, Landlord further agrees that:

(i) without the prior written consent of each holder of a Mortgage, Landlord will neither agree to any modification or amendment of this Lease, nor accept a surrender or cancellation of this Lease;

(ii) Landlord shall consider in good faith any modification to the Lease requested by a Mortgagee or prospective Mortgagee (including the Mortgage language set forth in Section 10.04(a)(iii)) as a condition or term of granting financing to Tenant, provided that the same does not materially increase Landlord’s obligations or diminish Landlord’s rights and immunities hereunder;

(iii) the holder of the Mortgage most senior in lien priority on this Lease shall have the right to participate in any dispute resolution proceedings under Article 34 hereof;

(iv) the holder of the Mortgage most senior in lien priority on this Lease shall have the right to participate in the adjustments of any insurance claims of the nature set forth in Article 7 and Article 8 hereof and condemnation awards of the nature set forth in Article 9 hereof and to serve as the Depository (subject to any terms, conditions and covenants applicable to Mortgagee(s), as set forth in such Articles); and

(v) at the request of Tenant from time to time, Landlord shall execute and deliver an instrument addressed to the holder of any Mortgage confirming that such holder is a Mortgagee and entitled to the benefit of all provisions contained in the Lease which are expressly stated to be for the benefit of Mortgagees.

Section 10.05. New Lease. If Tenant has mortgaged its interest in this Lease in accordance with its terms, for so long as any such Mortgage is outstanding and of record, prior to the exercise of Landlord's Termination Rights, provided Mortgagee is continuing to exercise (and has not abandoned) its cure rights as provided in Section 10.04, Mortgagee shall have the option to obtain a new lease (a "New Lease") in accordance with the terms of this Section 10.05, which New Lease shall become effective upon the termination of this Lease.

(a) Mortgagee shall send written notice to Landlord in accordance with Article 25 of its exercise of the option to obtain a New Lease at any time during which Mortgagee is exercising its cure rights within the applicable cure periods provided in Section 10.04 above and prior to Landlord exercising Landlord's Termination Rights and Landlord shall enter into a New Lease of the Premises with the Mortgagee or any designee of the Mortgagee (such Mortgagee or such designee, the "New Tenant").

(b) The New Lease shall be effective commencing from the date of termination of this Lease and continuing for the remainder of the Term and upon all of the same agreements, terms, covenants and conditions of this Lease. Upon the execution of a New Lease, the New Tenant shall pay any and all sums which would at the time of the execution of the New Lease be due under this Lease but for its termination and New Tenant shall commence to remedy any non-monetary Events of Default from this Lease (that remains uncured in the New Lease) and that are of a nature or type that are capable of being cured by a party other than Tenant and New Tenant (or Mortgagee, on New Tenant's behalf) shall pay all costs and expenses, including, without limitation, reasonable counsel fees, court costs and disbursements incurred by Landlord in connection with the Events of Default and termination of this Lease, the recovery of possession of said Premises and the preparation, execution and delivery of such New Lease. In the event of a dispute between the parties as to the reasonability of New Tenant's diligence in remedying non-monetary Events of Default as provided in the preceding sentence, such dispute shall be determined by dispute resolution as provided in Article 34. Landlord shall have no obligation to deliver physical possession of the Premises in connection with the giving of any such New Lease to the extent that Landlord has not previously have recovered possession of same. As between Landlord and such New Tenant, any such New Lease and the leasehold estate thereby created,

subject to the same conditions contained in this Lease, shall continue to maintain the same priority as this Lease with regard to any Mortgage or any other lien, charge or encumbrance whether or not the same shall then be in existence.

(c) If there is more than one Mortgagee, Landlord shall enter into a New Lease with the Mortgagee whose Mortgage is senior in lien (or which has obtained the consent of any Mortgagees that are senior to such Mortgagee) as the Mortgagee entitled to the rights afforded by this Section 10.05.

(d) Any rejection of this Lease by any trustee of Tenant in any bankruptcy, reorganization, arrangement or similar proceeding which would otherwise cause this Lease to terminate, shall, without any action or consent by Landlord, Tenant or any Mortgagee, effect the transfer of Tenant's interest hereunder to the senior Mortgagee or its nominee or designee. Such Mortgagee may reject the transfer of this Lease upon such transfer upon giving notice thereof to Landlord no later than sixty (60) days after notice from Landlord of such transfer. Such Mortgagee shall thereupon have no further obligations hereunder. Alternatively, the senior Mortgagee may request a New Lease in accordance with the provisions of this Section 10.05.

(e) Except as expressly provided in Section 10.04(f) regarding Mortgagee not having to cure any non-monetary Event of Default by Tenant that is not capable of being cured, nothing in this Section 10.05 releases Tenant from any of its obligations under this Lease which have not been discharged or fully performed by Tenant or Mortgagee.

ARTICLE 11

INITIAL CONSTRUCTION OF THE PROJECT; RESTORATION; CAPITAL IMPROVEMENTS

Section 11.01. Initial Construction Work. Tenant shall cause the Project to be developed as described in the Plans and Specifications listed on Exhibit C. Tenant shall cause Final Completion of the Project on or before the Final Completion Date; provided, however, that an Event of Default shall not be deemed to have occurred with respect to Tenant's failure to cause Final Completion in a timely manner, until the Outside Final Completion Date has occurred. Until Final Completion of the Project, Tenant shall always prosecute construction of the Project (and, for purposes of this clause, "prosecute construction of the Project" shall include actions necessary to obtain construction financing) with reasonable diligence and continuity (subject to Unavoidable Delays) in accordance with the then applicable Project Schedule. Tenant shall provide Landlord with a copy of Tenant's Project Schedule, but Tenant is entitled to modify such Project Schedule from time to time as Tenant deems appropriate (except that Tenant may not modify the Project Schedule in a manner that would reflect Final Completion of the Project occurring after the Final Completion Date). Tenant shall promptly provide a copy of any revised Project Schedule to Landlord.

Section 11.02. Restoration – Construction Work in Excess of Ten Percent (10%) of the Replacement Value or That Would Affect the Exterior of any Building. If: (a) the estimated cost (determined as provided in Section 8.04(b) hereof) of any Restoration of the Initial Construction Work to be performed in accordance with the provisions of this Lease, other than any interior

alteration is greater than, (i) Two Million Dollars (\$2,000,000) (subject to adjustment as provided in Section 8.05(a)), or (ii) ten percent (10%) of the Replacement Value, either individually or in the aggregate with other Construction Work which is in any calendar year, or (b) the Construction Work involves work that would materially change the exterior of any Building (but not including painting of the exterior of a Building) or (c) the Construction Work would materially change the height, bulk or setback of any Building from the height, bulk or setback of the Building existing immediately before the commencement of the Construction Work; then in any such case, Tenant shall obtain the consent of Landlord for such Construction Work, which consent shall not be unreasonably withheld, which request shall be accompanied by sufficient information to permit Landlord to fairly evaluate the request. Following any request by Tenant to Landlord to approve any proposed modifications to the Construction Work as set forth herein, Landlord shall, subject to the terms set forth hereinabove in this Section, review the information submitted to Landlord and notify Tenant in writing of Landlord's approval or disapproval of such submission within twenty (20) Business Days after its receipt of the same from Tenant. If Landlord disapproves any such modifications, Landlord's notice to Tenant shall set forth in reasonable detail the reasons for such disapproval. If Landlord fails to notify Tenant in writing of either its approval or disapproval of any such submission within twenty (20) Business Days after its receipt of the same from Tenant, then such submission shall be deemed approved by Landlord (but such deemed approval shall not extend to any agency, regulator or authority of Landlord's right to review and approve any proposed modifications to the Construction Work in its governmental capacity, if applicable). Landlord shall bear the costs for the reasonable fees and expenses of any registered architect or licensed professional engineer selected by Landlord to review the information provided by Tenant to Landlord in connection with such Construction Work and to inspect the Construction Work on behalf of Landlord or may request to rely on the inspecting architects or engineers selected by the Mortgagee for such purposes.

Section 11.03. Standards of Construction and Maintenance during Lease Term. Throughout the term of this Lease, Tenant shall be obligated to construct and maintain the Project and make all appropriate capital replacement (including without limitation, all Capital Improvements) in a good and workmanlike manner that is consistent with the construction and maintenance standards for the Initial Construction Work of the Project.

Section 11.04. Modification of Approved Plans and Specifications. Prior to the Commencement Date, Tenant has submitted and Landlord has approved the Plans and Specifications for the Project. If Tenant desires to modify the Plans and Specifications after they have been approved by Landlord in any way which will materially affect any aspect of the exterior of any Building or result in a change in the height, bulk or setback of any Building, Tenant shall submit the proposed modifications to Landlord. Landlord shall review the proposed changes to determine whether they materially conform to the Plans and Specifications originally approved by Landlord. A modification will be "material" or will "materially affect" the exterior of the Building if the costs associated with such modification exceed: (a) Three Hundred Thousand Dollars (\$300,000) on an occurrence basis; or (b) Six Hundred Thousand Dollars (\$600,000) in the aggregate in any twelve (12) month period, and in such event, Landlord shall have the review and approval rights set forth herein for each modification over the Six Hundred Thousand Dollars (\$600,000) aggregate that costs more than One Hundred Thousand Dollars (\$100,000) in any instance. The initial review by Landlord shall be carried out within twenty (20) Business Days of the date of submission of the proposed modifications to the Plans and Specifications. If Landlord

determines that they do so conform, Landlord shall so notify Tenant. If Landlord reasonably determines that the Plans and Specifications, as so revised, do not materially conform to the Plans and Specifications originally approved by Landlord, Landlord shall so notify Tenant, specifying in what respects they do not so conform. Tenant shall either (i) withdraw the proposed modifications, in which case construction of the Project shall proceed on the basis of the Plans and Specifications previously approved by Landlord, or (ii) revise the proposed modifications to so conform and resubmit them to Landlord for review. Each review by Landlord after the initial review shall be carried out within ten (10) Business Days of the date of submission of the proposed modifications to the Plans and Specifications. If Landlord has not notified Tenant of its determination within the time period for Landlord's review as outlined above, Landlord shall be deemed to have determined that they materially conform to the Plans and Specifications previously approved by Landlord. Landlord and Tenant agree that the ten (10) Business Day review period outlined above shall only apply to modifications previously reviewed and commented on by Landlord. To the extent Tenant submits new or additional modifications outside the scope of Tenant's original submission to Landlord or in addition to any changes requested by Landlord as a result of its initial review, Landlord shall have twenty (20) Business Days to review and comment on such new or additional modifications thereto. It is understood and agreed that any consent or approval by Landlord to a modification under this Section 11.04 is a consent or approval by Landlord solely in its proprietary capacity and not in its governmental or regulatory capacity and no such approval hereunder shall in any manner be deemed to affect, limit or obligate the Board of Supervisors of Fairfax County in its governmental or regulatory capacity or the County of Fairfax, Virginia, or its agencies, departments or divisions (including without limitation the Department of Planning and Zoning) thereof with respect to any actions the foregoing may require or be requested to undertake that pertain in any manner to, any approval requests, inspections or other matters involving Governmental Authorities.

Section 11.05. Payment for Construction Work; Contested Matters. Tenant shall make full and timely payment or shall cause full and timely payment to be made to all contractors, subcontractors, materialmen, engineers, architects or other Persons who have rendered or furnished services or materials for any Construction Work (including the Initial Construction Work) or contest or discharge such matters in accordance with Section 15.02 below, to the extent such matters result in a lien or encumbrance against the Project.

Section 11.06. Landlord's Right to Use Field Personnel. Landlord reserves the right to maintain, at its sole cost and expense, its field personnel at the Premises to observe Tenant's construction methods and techniques and Landlord shall be entitled to have appropriate members of its field personnel or other designees attend Tenant's job and safety meetings. Such field personnel shall conduct themselves in such a manner so as not to interfere with Tenant's activities at the Premises and shall comply with any and all job site rules and regulations imposed by Tenant and its contractors on personnel on the job site. No such observation or attendance by Landlord's personnel or designees shall impose upon Landlord responsibility for any failure by Tenant to observe appropriate safety practices in connection with such construction, or constitute an acceptance of any work which does not comply in all respects with the provisions of this Lease.

Section 11.07. Commencement and Completion of all Construction Work. All Construction Work, once commenced, shall be completed within the time periods required in this Lease (subject to Unavoidable Delays), in a good and workmanlike manner and, with respect to

Construction Work for which this Lease requires Tenant to prepare plans and specifications, in substantial accordance with such plans and specifications, and all Applicable Laws.

Section 11.08. Supervision of Architect. All: (a) Initial Construction Work; and (b) Construction Work, the estimated cost of which (determined as provided in Section 8.04(b) hereof) is ten percent (10%) of the Replacement Value or more either individually or in the aggregate in any calendar year or (c) that involves work that would materially change the exterior of any Building or the height, bulk or setback of any Building shall be carried out under the supervision of an Architect if the work in question is of a type that is typically carried out under such supervision.

Section 11.09. Capital Improvements. From and after Final Completion, Tenant shall not replace or materially alter the Project, or any part thereof (except as provided to the contrary with respect to Fixtures in Article 13), or make any addition thereto, whether voluntarily or in connection with repairs required by this Lease (collectively, "Capital Improvements"), unless Tenant shall comply with the following requirements and, if applicable, with the additional requirements set forth in Section 11.10:

(a) No Capital Improvements shall be undertaken, as applicable, until Tenant shall have procured from all Governmental Authorities and paid for all permits, consents, certificates and approvals for the proposed Capital Improvements which are required to be obtained prior to the commencement of the proposed Capital Improvements (collectively, "Improvement Approvals"). Landlord shall not unreasonably refuse to join or otherwise cooperate in the application for any such Improvement Approvals, provided such application is made without cost, expense or liability (contingent or otherwise) to Landlord. True copies of all such Improvement Approvals shall be delivered by Tenant to Landlord prior to commencement of the proposed Capital Improvements.

(b) The Premises after completion of such Capital Improvements, shall have a value at least equal to the value of the Premises immediately before construction of such Capital Improvements. In addition, the Project shall at all times remain in substantial conformity with the original Plans and Specifications therefor (except to the extent specifically consented to by Landlord, in its sole but reasonable discretion).

(c) All Capital Improvements shall be made with reasonable diligence and continuity (subject to Unavoidable Delays) and in a good and workmanlike manner and in compliance with (i) all Improvement Approvals, (ii) if required pursuant to Section 11.10(a) or (b), in substantial accordance with the plans and specifications for such Capital Improvements as approved by Landlord, (iii) all Applicable Laws.

(d) No construction of any Capital Improvement shall be commenced until Tenant shall have delivered to Landlord certificate of insurance and copies of the declaration page(s) for the insurance required by Section 7.05. Such insurance policies shall comply with the terms of Section 7.03 above.

Section 11.10. Submissions to Landlord for Capital Improvements. If the estimated cost of any proposed Capital Improvements exceed Six Hundred Thousand Dollars (\$600,000) (as such

amount shall be increased as provided in Section 8.05(a)), either individually or in the aggregate with other Capital Improvements which are a related portion of a program or project of Capital Improvements constructed in any twelve (12) month period during the Term, Tenant shall comply with the following requirements:

(a) Intentionally omitted.

(b) Tenant shall furnish to Landlord at least thirty (30) days prior to commencement of the proposed Capital Improvements, complete plans and specifications for the Capital Improvements, prepared by an Architect (if the services of an Architect are necessary), for Landlord's approval, which approval shall not be unreasonably withheld provided such Capital Improvements shall be in substantial conformity with the original Plans and Specifications (except to the extent specifically consented to by Landlord in its sole, but reasonable discretion or as otherwise expressly provided in Article 8 above), and the Project shall be in substantial conformity with applicable requirements of this Lease; and

(c) If the Capital Improvements are of a type for which "as-built" plans are typically prepared, then within ninety (90) days after completion of any Capital Improvements, Tenant shall furnish to Landlord a complete set of "as-built" plans (which may be field marked copies of the construction plans) for such Capital Improvements, together with a permanent Certificate of Occupancy therefor issued by County of Fairfax, Virginia, to the extent a modification thereof was required.

The provisions of this Section 11.10 apply to Restoration or construction of additional Capital Improvements only and are not applicable for the Initial Construction Work.

Section 11.11. Completion of Construction Work. Upon Final Completion of the Project, Tenant shall furnish Landlord with (a) a certification of the Architect (certified to Landlord) that it has examined the applicable plans and specifications (that shall include the Plans and Specifications in the case of Initial Construction Work or a Restoration of the Project) and that, in its best professional judgment, after diligent inquiry, to its best knowledge and belief, the Construction Work has been completed in accordance with the plans and specifications applicable thereto and, as constructed, the Project complies with all Applicable Laws, (b) if required, a copy or copies of the temporary or permanent certificate(s) of occupancy for the Project issued by the Fairfax County Department of Planning and Development (or such other appropriate Governmental Authority), and (c) with respect to the Initial Construction Work (or a Restoration for which "as built" plans will be issued) of the Project, within ninety (90) days after Substantial Completion, a complete set of "as built" plans and a survey showing the Project. Landlord shall have an unrestricted non-exclusive license to use such "as built" plans and survey in connection with any Restoration of the Project without paying any additional cost or compensation therefor, which license shall be subject to the rights of the parties preparing such plans and survey under copyright and other applicable laws.

Section 11.12. Construction Agreements. Throughout the Term, all Construction Agreements shall include the following provisions; provided, however, that Landlord shall not unreasonably withhold its consent to any revisions to such language reasonably requested by a contractor or materialman:

(a) [“Contractor”]/[“Subcontractor”]/[“Materialman”] hereby agrees that Landlord shall not be liable in any manner for payment or otherwise to [“contractor”]/[“subcontractor”]/[“materialman”] in connection with the purchase of any building materials for the Project and Landlord shall have no obligation to pay any compensation to [“contractor”]/[“subcontractor”]/[“materialman”] by reason of such materials becoming incorporated into the Project.

(b) [“Contractor”]/[“Subcontractor”]/ [“Materialman”] hereby agrees that regardless of the fact that [“contractor”]/ [“subcontractor”]/[“materialman”] performed work at the Premises (as such term is defined in the Lease) or any part thereof; Landlord is not liable in any manner for payment or otherwise to [“contractor”]/ [“subcontractor”]/[“materialman”] in connection with the work performed at the Premises.

(c) Landlord shall be a third party beneficiary of all guarantees and warranties of [“contractor”]/[“subcontractor”]/[“materialman”] hereunder and such guarantees and warranties shall be enforceable against [“contractor”]/[“subcontractor”]/[“Materialman”] by said Landlord.

(d) Landlord is not a party to this [“agreement”] [“contract”] nor will Landlord in any way be responsible to any party for any and or all claims of any nature whatsoever arising or which may arise from such [“contract”] [“agreement”].”

Section 11.13. Demolition of the Project. Except as hereinafter provided, Tenant shall not demolish the Project during the Term. If the Project is substantially destroyed as a result of a fire or other casualty and it is necessary in connection with a Restoration to demolish the remainder of the Project, Tenant shall have the right, subject to compliance with the terms of Article 8 and Article 11, to demolish the remainder of the Project.

Section 11.14. Materials Incorporated in Project. The materials to be incorporated in the Project at any time during the Term shall, upon purchase of same and at all times thereafter during the Term, constitute the property of Tenant, and upon construction of the Project or the incorporation of such materials therein, title thereto shall vest in Tenant. Nothing in this Section shall limit the Landlord’s vesting of all right, title, and interest in such materials located on the Premises at the expiration or earlier termination of the Term.

Section 11.15. Landlord Approval of Financing of Construction Work. Prior to Commencement of Construction (or commencement of a Restoration that is subject to Section 8.05(a)), Tenant shall provide Landlord with a detailed financing plan for the Construction Work to be completed and any and all other costs and expenses which may be necessary to achieve Final Completion (the “Financing Plan”). The Financing Plan shall be subject to the prior written approval of Landlord (including, without limitation, Tenant’s proposed Mortgagee and any member or investor of Tenant providing equity funding as part of Tenant’s Financing Plan), which approval shall not be unreasonably withheld, conditioned or delayed so long as the Financing Plan is consistent with the Construction Work set forth in the Plans and Specifications (or Restoration Plans and Specifications, if applicable) approved by Landlord in accordance with the terms of this Lease. To the extent that Tenant determines that any modifications to the Financing Plan for the Project are necessary after such Financing Plan has been approved by Landlord, Tenant shall make

such modifications to such Financing Plan and submit the revised Financing Plan to Landlord for informational purposes, provided however, that if Section 11.04 allows for Landlord's right to approve changes to the Plans and Specifications thereunder, Landlord shall also have the right to approve modifications to the Financing Plan under this Section 11.15. Landlord will review and approve the Financing Plan in writing, or disapprove such Financing Plan, provided Landlord sends with any notice of disapproval sufficient details and explanation for the reason of such disapproval and any requested changes to the modifications of such Financing Plan necessary to obtain Landlord's approval, within ten (10) Business Days after receipt of the proposed Financing Plan. If Landlord fails to notify Tenant in writing of either its approval or disapproval of the proposed modifications to such Financing Plan within ten (10) Business Days after its receipt of the same from Tenant, then such proposed modifications to such Financing Plan shall be deemed approved by Landlord. As used in the preceding two sentences, "Financing Plan," means the initial Financing Plan or any modifications of the Financing Plan which require Landlord's approval hereunder.

ARTICLE 12

REPAIRS AND MAINTENANCE; CAPITAL RESERVE; PARKING

Section 12.01. Repairs. Tenant shall take good care of the Premises, including, without limitation, the Project, roofs, foundations and appurtenances thereto, water, sewer and gas connections, pipes and mains which are located on or service the Premises and all Fixtures, and shall put, keep and maintain the Project in good and safe order and condition in a manner that is consistent with the maintenance of other comparable market rate apartment projects in Fairfax County, Virginia, and make all repairs therein and thereon, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary or appropriate to keep the same in good and safe order and condition in a good and workmanlike manner that is consistent with the construction and maintenance standards for the Initial Construction Work of the Project, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, *provided however* that Tenant's obligations with respect to Restoration resulting from a casualty or condemnation shall be as provided in Article 8 and Article 9 hereof. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to the Premises or the Project. When used in this Section 12.01, the term "repairs" shall include all necessary replacements, alterations and additions. All repairs made by Tenant shall be at least equal in quality and class to the original work and shall be made in compliance with all Applicable Laws.

Section 12.02. Capital Reserve. Commencing upon Substantial Completion of the Project, Tenant shall, on the first day of each month during the Term, make monthly deposits to a capital reserve fund (the "Maintenance Capital Reserve") in an amount equal to \$250.00/Residential Unit per annum, escalating each year by the increase in the Consumer Price Index for the year in question.

(a) Tenant shall utilize the funds in the Maintenance Capital Reserve to cover the costs of repair and maintenance of the Project, including, without limitation, Capital Improvements.

(b) Depository shall hold the monies deposited into the Maintenance Capital Reserve in an interest bearing account for the purpose of paying (or reimbursing Tenant for) the maintenance and repair charges of the Project pursuant to a depository agreement reasonably satisfactory to Landlord and Tenant.

(c) Any interest paid on monies deposited with the Depository pursuant to this Section 12.02 shall be added to the Maintenance Capital Reserve.

(d) After the occurrence and during the continuance of an Event of Default and subject to any rights of a Mortgagee, Landlord, at Landlord's option, may withdraw any monies from the Maintenance Capital Reserve for the purpose of performing maintenance, repairs or capital improvements for the Project, as Landlord may reasonably determine. Notwithstanding the foregoing, this Section 12.02(d) will not apply to the extent that Landlord's rights hereunder would violate or conflict with a Mortgagee's rights to any Maintenance Capital Reserve for the Project.

(e) Landlord shall not be liable for any delay in investing or reinvesting monies deposited with the Depository pursuant to Section 12.02 or for any loss incurred by reason of any such investments, except for any willful misconduct or negligence of Landlord.

Section 12.03. Maintenance Capital Reserve in the Event of a Transfer. In the event of a sale or transfer by either party of its interest in the Premises, such party shall transfer to the person who owns or acquires such interest in the Premises or is the transferee of such party's interest under this Lease, all of such party's rights with respect to the Maintenance Capital Reserve if it is then held by the Depository, if applicable, subject to the provisions thereof. Upon such transfer, the transferor shall be deemed to be released and relieved from all liability with respect to such deposited monies and the non-transferring party shall look solely to the transferee with respect thereto, and the provisions hereof shall apply to each successive transfer of such party's rights with respect to such deposits.

Section 12.04. Mortgagee and Reserves. Notwithstanding anything in Section 12.02 and Section 12.03 to the contrary, in the event that a Mortgagee (provided such Mortgagee be an Institutional Lender) shall require Tenant to deposit funds for maintaining and replacing Capital Improvements, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit in the Maintenance Capital Reserve.

Section 12.05. Parking. Tenant hereby covenants and agrees that during the Term it shall provide parking for the Premises in accordance with all Applicable Laws.

Section 12.06. No Obligation on Landlord. Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Premises, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, Restoration or repair to, nor to demolish, any Project. Tenant assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Premises.

ARTICLE 13

FIXTURES

Section 13.01. Property of Tenant. All Fixtures shall be and shall remain the property of Tenant throughout the Term. Nothing in this Section shall limit the Landlord's vesting of all right, title, and interest in such Fixtures at the expiration or earlier termination of the Term.

Section 13.02. Maintenance, Repair and Replacement. Tenant shall keep all Fixtures in good order and shall maintain, repair and replace the same when necessary with items at least equal in utility to the Fixtures being replaced, *provided however*, that Tenant will not be required to maintain, repair and replace any Fixtures which performed a function which has become obsolete or otherwise is no longer necessary or desirable in connection with the use or operation of the Premises, unless such failure to replace would reduce the value of the Premises or would result in a reduced level of maintenance of the Premises, in which case Tenant shall be required to install such Fixtures as may be necessary to prevent such reduction in the value of the Premises or in the level of maintenance.

ARTICLE 14

REQUIREMENTS OF PUBLIC AUTHORITIES AND OF INSURANCE UNDERWRITERS AND POLICIES;

Section 14.01. Compliance with Applicable Laws. Tenant promptly shall comply with all Applicable Laws, including without limitation, requiring the removal of any encroachment, or affecting the construction, maintenance, use, operation, management or occupancy of the Premises, whether or not the same involve or require any structural changes or additions in or to the Premises, without regard to the nature or cost of the work required to be done, extraordinary, as well as ordinary, or whether or not such changes or additions are required on account of any particular use to which the Premises, or any part thereof, may be put, and without regard to the fact that Tenant is not the fee owner of the Premises. Tenant also shall comply with any and all provisions and requirements of any casualty, liability or other insurance policy required to be carried by Tenant under the provisions of this Lease.

Section 14.02. Right to Contest. Tenant, at its expense, after notice to Landlord, may contest, by appropriate proceedings prosecuted diligently and in good faith, the validity or applicability of any Applicable Laws, provided that: (a) Landlord shall not be subject to civil or criminal penalty or to prosecution for a crime, nor shall the Premises or any part thereof be subject to being condemned or vacated, by reason of non-compliance or otherwise by reason of such contest; (b) if an adverse decision in such proceeding or the failure to pay any judgment resulting from such adverse decision could result in the imposition of any lien against the Premises, then before the commencement of such contest, Tenant shall furnish to Landlord the bond of a surety company reasonably satisfactory to Landlord, or other deposit or security in each case in form, substance and amount reasonably satisfactory to Landlord, and shall indemnify Landlord against the cost of such compliance and liability resulting from or incurred in connection with such contest or non-compliance (including the costs and expenses in connection with such contest; (c) Tenant shall keep Landlord regularly advised as to the status of such proceedings; (d) such contest shall

be prosecuted with diligence and in good faith to final adjudication, settlement, compliance or other disposition of the Applicable Laws so contested; (e) such contest, and any disposition thereof (including, without limitation, the cost of complying therewith and paying all interest, penalties, fines, liabilities, fees and expenses in connection therewith), shall be at the sole cost of and shall be paid by Tenant; (1) promptly after disposition of the contest, Tenant shall comply with such Applicable Laws to the extent determined by such contest; and (f) Tenant shall comply with any Applicable Laws in accordance with the applicable provisions of this Lease if the Premises, or part thereof, shall be in danger of being forfeited or if Landlord is in danger of being subject to criminal liability or penalty, or civil liability, in connection with such contest. Landlord shall be deemed subject to prosecution for a crime if Landlord or any of its respective officers, directors, partners, shareholders, agents or employees is charged with a crime of any kind whatever unless such charge is withdrawn ten (10) Business Days before such party is required to plead or answer thereto.

Section 14.03. Environmental Requirements. Tenant shall not undertake, or, to the extent within its reasonable control, permit or suffer any Environmental Activity other than (i) in compliance with all Applicable Laws and all of the terms and conditions of all insurance policies covering, related to or applicable to the Premises, and (ii) in such a manner as shall keep the Premises free from any lien imposed in respect of or as a consequence of such Environmental Activity. Tenant shall act in a commercially reasonable manner to ensure that any Environmental Activity undertaken or permitted at the Premises by Tenant, its agents or representatives, is undertaken in a manner as to provide prudent safeguards against potential risks to human health or the environment or to the Premises. Tenant shall notify Landlord within twenty-four (24) hours (or the next Business Day if such twenty-four (24) hour period includes a day that is not a Business Day) of any known material release of Hazardous Materials from or at the Premises. Landlord shall have the right, upon reasonable advanced notice and in cooperation with the Tenant, from time to time and at Landlord's expense to conduct an environmental audit of the Premises during regular business hours, and Tenant shall reasonably cooperate in the conduct of such environmental audit. Landlord shall provide a copy of any such audit to Tenant. Landlord shall use its reasonable efforts to minimize interference with Tenant's and any subtenant's use and occupancy of the Premises in performing such environmental audit, and shall repair any damage to the Premises caused by the same, except that Landlord shall have no such repair obligation to the extent the damage was due to any Environmental Activity. If Tenant shall breach the covenants provided in this Section, then in addition to any other rights and remedies which may be available to Landlord under this Lease or otherwise at law or in equity, Landlord may require Tenant to take all actions, or to reimburse Landlord for the costs of any and all actions taken by Landlord, as are necessary or reasonably appropriate to cure such breach. Tenant shall not be responsible for and shall have no liability in connection with any Environmental Activity undertaken or permitted by Landlord, its agents, employees, representatives, licensees, or invitees. For purposes of this Section, "Environmental Activity" means any storage, installation, existence, release, threatened release, discharge, generation, abatement, removal, disposal, handling or transportation from, under, into or on the Premises of (A) any substance, product, waste or other material of any nature whatsoever that is listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, the Emergency Planning and Community Right of Know Act of 1986, 42 U.S.C. § 11001, *et seq.*, and the Virginia State Water Control Law, Va. Code Ann.

§ 62.1-44.2, *et seq.*; (B) any substance, product, waste or other material of any nature whatsoever that may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court; (C) petroleum or crude oil or products thereof, other than petroleum and petroleum products that are contained within regularly-operated motor vehicles or products used in connection with the construction, operation, and maintenance of the Project; and (D) asbestos (the materials described in clauses (A) through (D) above are collectively referred to herein as “Hazardous Materials”).

ARTICLE 15

DISCHARGE OF LIENS; BONDS

Section 15.01. Creation of Liens. Subject to the provisions of Section 15.02 hereof, except as otherwise expressly provided herein, Tenant shall not create or permit to be created any mechanic’s, laborer’s or materialman’s lien upon the Premises or any part thereof, a lien upon the income therefrom or any assets of, or funds appropriated to, Landlord, and Tenant shall not suffer any other encumbrance, matter or thing whereby the estate, right and interest of Landlord in the Premises or any part thereof might be impaired.

Section 15.02. Discharge of Liens. If any mechanic’s, laborer’s or materialman’s lien (other than a lien arising out of any work performed by Landlord) at any time shall be filed in violation of the obligations of Tenant pursuant to Section 15.01 against the Premises or any part thereof or the Project or any part thereof, or, if any public improvement lien created or permitted to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant, within forty-five (45) days after notice of the filing thereof shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged of record within the 45-day period, and if such lien continues for an additional ten (10) Business Days after notice by Landlord to Tenant, then, in addition to any other right or remedy, Landlord may, but is not obligated to, discharge the lien either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, including all reasonable costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the Involuntary Rate, from the respective dates of Landlord’s making of the payment or incurring of the costs and expenses, shall constitute Additional Costs and shall be paid by Tenant to Landlord within ten (10) Business Days after demand. Notwithstanding the foregoing provisions of this Section 15.02, Tenant shall not be required to discharge (and Landlord shall not pay or discharge) any such lien if Tenant is in good faith contesting the same and has furnished a cash deposit or a security bond or other such security reasonably satisfactory to Landlord in an amount sufficient to pay such lien with interest and penalties.

Section 15.03. No Authority to Contract in Name of Landlord. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the

performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Landlord's interest in the Premises or any part thereof, or any assets of, or funds appropriated to, Landlord. Notice is hereby given that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant or any Residential Tenant or other subtenant (or any sub-subtenants of either), for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof or any assets of, or funds appropriated to, Landlord. Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the estate or assets of, or funds appropriated to, Landlord or of any interest of Landlord in the Premises.

ARTICLE 16

DELIVERY OF POSSESSION

Landlord shall deliver possession of the Premises on the Commencement Date "AS IS, WHERE IS, WITH ALL FAULTS", subject to the Title Matters.

ARTICLE 17

REPRESENTATIONS

Section 17.01. As-Is Condition; No Representations. Tenant acknowledges that Tenant is fully familiar with the Land, the Premises, the physical condition thereof, the Title Matters and the zoning status thereof. Tenant accepts the Premises in its existing legal and physical condition and state of repair, and, except as otherwise expressly set forth in this Lease, no representations, statements, or warranties, express or implied, have been made by or on behalf of Landlord in respect of the Land, the Premises, the status of title thereof, the physical condition thereof, including, without limitation, the zoning or other laws, regulations, rules and orders applicable thereto, Taxes, or the use that may be made of the Premises, that Tenant has relied on no such representations, statements or warranties, and that Landlord shall in no event whatsoever be liable for any latent or patent defects in the Premises.

Section 17.02. Tenant's Representations. Tenant represents that:

(a) Tenant is duly organized under the laws of the Commonwealth of Virginia, and is validly existing and in good standing under the laws of the Commonwealth of Virginia;

(b) Tenant has not dealt with any broker in connection with this Lease or the transactions contemplated hereby and it agrees to indemnify and hold Landlord harmless from and against any claim for commission or other compensation in connection herewith that is asserted by any broker, finder or other agent which claims to have dealt with Tenant, together with the cost of defending any such claim; and

(c) the execution and delivery of this Lease, and all documents and instruments collateral to this Lease, by the officer(s) of Tenant executing and delivering the same, have been duly authorized by all requisite company action on the part of Tenant, and, upon such execution and delivery, this Lease and such other documents and instruments shall constitute valid and binding obligations of Tenant.

ARTICLE 18

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

Section 18.01. No Liability for Injury. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other Person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Project (including, but not limited to, any of the common areas within the Project, Fixtures, elevators, hatches, openings, installations, stairways, hallways, or other common facilities), or the streets or sidewalk area within the Premises or which may arise from any other cause whatsoever except to the extent any of the foregoing shall have resulted from the gross negligence, or intentional misconduct of Landlord, its officers, agents, employees or licensees.

Section 18.02. No Liability for Utility Failure. Landlord, in its proprietary capacity, shall not be liable to Tenant or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody, or caused by any public or quasi-public work, except to the extent any of the foregoing shall have resulted from the gross negligence or intentional misconduct of Landlord, its officers, agents, employees or licensees.

Section 18.03. No Liability for Soil Conditions. In addition to the provisions of Sections 18.01 and 18.02, Landlord shall not be liable to Tenant or to any other Person for any injury or damage to any property of Tenant or of any other Person or to the Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Premises, it being agreed that Tenant shall assume and bear all risk of loss with respect thereto, except to the extent such injury or damage results from the activities of Landlord on the Premises or an land adjacent to the Premises.

ARTICLE 19

INDEMNIFICATION OF LANDLORD AND OTHERS

Section 19.01. Indemnification. Tenant shall not do, or knowingly permit any Residential Tenants or other subtenants (or sub-subtenants of either), or any employee, agent or contractor of

Tenant to do any act or thing upon the Premises or elsewhere which may reasonably be likely to subject Landlord to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of law or any other Applicable Laws, and shall use its reasonable efforts to exercise such control over the Premises so as to fully protect Landlord against any such liability. Tenant, to the fullest extent permitted by law, shall indemnify and save Landlord and its respective agents, directors, officers and employees (collectively, the “Indemnitees”), harmless from and against any and all loss, cost, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses (including without limitation engineers’, architects’ and reasonable attorneys’ fees and charges), which may be suffered by, imposed upon or incurred by or asserted against any of the Indemnitees, by reason of any of the following occurring prior to the Expiration Date, except to the extent that the same shall have been caused in whole or in part by the gross negligence or intentional misconduct of any of the Indemnitees:

(a) construction of the Project or any other work or thing done in or on the Premises or any part thereof;

(b) any use, non-use, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises or any part thereof;

(c) any negligent or tortious act or failure to act within the Premises on the part of Tenant or any agent, contractor, servant or employee of Tenant;

(d) any accident, injury (including death at any time resulting therefrom) or damage to any Person or property occurring in or on the Premises or any part thereof;

(e) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with;

(f) any lien or claim which may have arisen out of any act of Tenant or any agent, contractor, servant or employee of Tenant against or on the Premises, or any lien or claim created or permitted to be created by Tenant in respect of the Premises against any assets of, or funds appropriated to any of the Indemnitees under the laws of the Commonwealth of Virginia or of any other Governmental Authority or any liability which may be asserted against any of the Indemnitees with respect thereto;

(g) any failure on the part of Tenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in Construction Agreements, Residential Leases or other contracts and agreements affecting the Premises, on Tenant’s part to be kept, observed or performed;

(h) any failure on the part of Tenant to comply with any and all Applicable Laws related to the Residential Units, Exhibit F and Article 26 hereof;

(i) any tax attributable to the execution, delivery or recording of this Lease other than any real property transfer gains tax or other transfer tax which may be imposed on Landlord; or

(j) any contest by Tenant permitted pursuant to the provisions of this Lease, including, without limitation, Articles 4 and 14 hereof.

Section 19.02. Not Affected by Insurance. The obligations of Tenant under this Article 19 shall not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises; *provided however*, Tenant shall be relieved of its indemnity obligation to the extent of the amount actually recovered from one or more of the insurance carriers of either Tenant or Indemnitee, and (a) paid to Indemnitee, or (b) paid for Indemnitee's benefit in reduction of any such liability, penalties, damage, expense, or charges imposed upon Indemnitee.

Section 19.03. Notice and Defense Process. If any claim, action or proceeding is made or brought against any of the Indemnitees by reason of any event for which Tenant has agreed to indemnify the Indemnitees in Section 19.01, then, upon demand by Landlord, Tenant shall resist or defend such claim, action or proceeding (in such Indemnitee's name, if necessary) by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Tenant) or (in all other instances) by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld. Additionally, except with respect to personal injury or other liability claims within the coverage limits afforded by Tenant's liability insurance and being defended by attorneys for, or approved by, Tenant's insurance carrier, Landlord may, following consultation with Tenant, if reasonable under the circumstances, engage its own attorneys to defend or to assist in its defense of such claim, action or proceeding and Tenant shall pay the reasonable fees and disbursements of such attorneys. Tenant shall control the settlement of any such claim, action, or proceeding. Landlord's consent to any such settlement shall not be required if such settlement provides solely for the payment of money and does not impose any other liability on Landlord; otherwise Landlord's consent to a proposed settlement will be required, provided such consent will not be unreasonably withheld.

Section 19.04. Survival. The provisions of this Article 19 shall survive the Expiration Date with respect to actions or the failure to take any actions or any other matter arising prior to the Expiration Date.

ARTICLE 20

LANDLORD'S RIGHT OF INSPECTION; RIGHT TO PERFORM TENANT'S COVENANTS.

Section 20.01. Landlord Right of Inspection. Tenant shall permit Landlord and its agents or representatives to enter the Premises at all reasonable times and upon reasonable notice, subject to the rights of Residential Tenants and other permitted subtenants under this Lease, if any (and except in cases of emergency) for the purpose of (a) inspecting the same, (b) determining whether or not Tenant is in compliance with its obligations hereunder, and (c) making any necessary repairs to the premises and performing any work therein that may be necessary by reason of Tenant's failure to make any such repairs or perform any such work, provided that, except in any emergency, Landlord shall have given Tenant notice specifying such repairs or work and Tenant shall have failed to make such repairs or to do such work within thirty (30) days after the giving of such notice (subject to Unavoidable Delays), or if such repairs or such work cannot reasonably be

completed during such thirty (30) day period, to have commenced and be diligently pursuing the same.

Section 20.02. Landlord Right to Cure. If Tenant at any time shall be in an Event of Default, after notice thereof and after applicable grace periods, if any, provided under this Lease for Tenant or a Mortgagee, respectively, to cure or commence to cure same, Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) perform such obligation on Tenant's behalf. If Tenant disputes a claim by Landlord that Tenant is failing to comply with the terms of this Lease regarding the maintenance and repair of the Premises the parties shall resolve such dispute resolution pursuant to Article 34 below before Tenant is obligated to perform the disputed obligations.

Section 20.03. Reimbursement of Landlord. All reasonable sums paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection with its performance of any obligation pursuant to Section 20.02, together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment or incurring of each such sum, cost, expense, charge, payment or deposit until the date of actual repayment to Landlord, shall be paid by Tenant to Landlord within ten (10) Business Days after Landlord shall have submitted to Tenant a statement, in reasonable detail, substantiating the amount demanded by Landlord. Any payment or performance by Landlord pursuant to Section 20.02 shall not be nor be deemed to be a waiver or release of breach or Event of Default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings or take such other action as may be permissible hereunder if an Event of Default by Tenant shall have occurred. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep insurance in force as required by this Lease to the amount of the insurance premium or premiums not paid, but Landlord also shall be entitled to recover, as damages for such breach, the uninsured amount of any loss and damage and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of an uninsured damage to or destruction of the Premises. If as a result of such dispute resolution it is determined that Tenant was complying with the terms of this Lease regarding the maintenance and repair of the Premises, then Landlord shall not be entitled to reimbursement for any work they may have performed.

Section 20.04. No Duty on Landlord. Nothing in this Article 20 or elsewhere in this Lease shall imply any duty upon the part of Landlord to do any work required to be performed by Tenant hereunder and performance of any such work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord, during the progress of any such work, may keep and store at the Premises all necessary materials, tools, supplies and equipment so long as such storage does not materially interfere with the operation of the Premises or the use of any Residential Units. To the extent that Landlord undertakes such work or repairs, such work or repairs shall be commenced and completed in a good and workmanlike manner, and with reasonable diligence, subject to Unavoidable Delays.

ARTICLE 21

[RESERVED]

ARTICLE 22

NO ABATEMENT OF BASE RENT OR ADDITIONAL COSTS

Except as may be otherwise expressly provided herein, there shall be no abatement, offset, diminution or reduction of Base Rent or Additional Costs payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances.

ARTICLE 23

NO UNLAWFUL OCCUPANCY

Section 23.01. No Unlawful Use. Tenant shall not use or occupy, nor, to the extent within its reasonable control, permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) or that is offensive by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the Certificate of Occupancy for the Premises or the Applicable Laws or which may make void or voidable any insurance then in force on the Premises. Tenant shall take, promptly upon the discovery of any such unpermitted, unlawful, illegal or extra hazardous use, such actions as Tenant deems necessary to address such unpermitted, unlawful, illegal or extra hazardous use. If for any reason Tenant shall fail to take such actions, and such failure shall continue for thirty (30) days after notice from Landlord to Tenant specifying such failure, Landlord is hereby irrevocably authorized to take all such actions in Tenant's name and on Tenant's behalf, Tenant hereby appointing Landlord as Tenant's attorney-in-fact coupled with an interest for all such purposes. If Tenant disputes Landlord's claim as to the existence of such unpermitted, unlawful, illegal or extra hazardous use or Tenant's actions with respect thereto, then the parties shall resolve such dispute pursuant to the provisions of Article 34 and the procedures set forth in Section 20.02, Section 20.03 and Section 20.04 following such dispute regarding Landlord's right to cure and right to reimbursement shall apply hereunder.

Section 23.02. No Adverse Possession. Tenant shall not knowingly suffer or permit the Premises or any portion thereof to be used by the public in such manner as might reasonably tend to impair title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof.

ARTICLE 24

EVENTS OF DEFAULT; CONDITIONAL LIMITATIONS, REMEDIES, ETC.

Section 24.01. Events of Default. Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to pay any item of Base Rent, Additional Costs or Impositions or any part thereof, when the same shall become due and payable and such failure shall continue for five (5) Business Days after notice from Landlord to Tenant;

(b) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Lease, and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall diligently and continuously prosecute the same to completion);

(c) if Tenant shall abandon the Premises;

(d) if Tenant is a corporation, limited partnership or limited liability company, if Tenant shall at any time fail to maintain its proper entity existence in good standing, or to pay any franchise tax when and as the same shall become due and payable and such failure shall continue for thirty (30) days after notice thereof from any governmental agency to Tenant;

(e) if this Lease or the estate of Tenant hereunder shall be assigned or subleased, transferred, mortgaged or encumbered, or there shall be a Transfer, without Landlord's approval to the extent required hereunder or without compliance with the provisions of this Lease applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from Landlord to Tenant;

(f) if a levy under execution or attachment (other than a Mortgage) shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding, insured over, or otherwise within a period of thirty (30) days; and

(g) if, after notice and opportunity to cure as provided in the Guaranty, Guarantor shall default in the performance or observance of any term of the Guaranty;

(h) if at any time it is determined that five percent (5%) or more of the Residential Leases or the Residential Tenants (or a combination thereof) fail to comply with the criteria set forth in Exhibit F for Residential Leases and Residential Tenants as a result of Tenant's actions or failure to act (but not as a result of any default, act, omission, misrepresentation, misstatement or fraud by a Residential Tenant, provided that Tenant takes such actions as provided in this Section 24.01(h) after Tenant becomes aware of such default, act, omission, misrepresentation, misstatement or fraud) (each being a "Residential Criteria Default" and collectively, "Residential Criteria Defaults"), and Tenant does not commence to cure such Residential Criteria Defaults within thirty (30) days after notice thereof by Landlord to Tenant specifying such failure or cure such Residential Criteria Defaults within thirteen (13) months after such notice (either such failure being, a "Leasing Default"); and

(i) if any of the following occur (each of the following individually and collectively referred to as a "Bankruptcy Default")

(i) if Tenant shall admit, in writing, that it is unable to pay its debts as such become due;

(ii) if Tenant shall make an assignment for the benefit of creditors;

(iii) if Tenant shall file a voluntary petition under the Bankruptcy Code or if such petition is filed against it, and an order for relief is entered, or if Tenant shall file any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant, or if Tenant shall take any corporate action in furtherance of any action described in Sections 24.01(i)(ii), (iii) or (iv) hereof;

(iv) if within ninety (90) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant or such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within thirty (30) days after the expiration of any such stay, such appointment shall not have been vacated.

Section 24.02. Expiration and Termination of Lease.

(a) If any Event of Default (other than a Bankruptcy Default or Leasing Default) shall occur, Landlord (subject to Section 24.14 below) may, at any time thereafter, at its option, give notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall not be less than fifteen (15) Business Days after the giving of such notice, and if, on the date specified in such notice, Tenant shall have failed to cure the breach which was the basis for the Event of Default, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as of the date specified in the notice and such date shall be the Expiration Date and Tenant immediately shall quit and surrender the Premises.

(b) If an Event of Default described in Sections 24.01(a) – (g) shall occur, or this Lease is terminated as provided in Section 24.02(a), Landlord, without notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor and may dispossess Tenant by summary proceedings or other lawful process.

Section 24.03. Effect of Termination. If this Lease is terminated as provided in Section 24.02(a), or Tenant is dispossessed by summary proceedings or otherwise as provided in Section 24.02(b), hereof:

(a) Tenant shall pay to Landlord all Base Rent, Additional Costs and Impositions payable by Tenant under this Lease to the Expiration Date or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord may, (i) complete all construction required to be performed by Tenant hereunder and may repair and alter the Premises in such manner as Landlord may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depository pursuant to Articles 8, 9, 11 or 12) without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, (ii) let or relet the Premises for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, or (iii) any combination of (i) and (ii), as Landlord determines; and out of any Base Rent, Additional Costs, Impositions and other sums collected or received as a result of such reletting Landlord shall: (1) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering, retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements, (2) second, pay to itself the reasonable cost and expense sustained in securing a new tenant and other occupant, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the reasonable cost and expense of operating and maintaining the Premises, and (3) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord; Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability.

Section 24.04. Survival of Obligations. No termination of this Lease pursuant to Section 24.02(a) or taking possession of the Premises pursuant to Section 24.02(b) or reletting the Premises pursuant to Section, or any part thereof, pursuant to Sections 24.03(b), shall relieve Tenant of its liabilities and obligations under this Lease to: (a) achieve Final Completion of the Initial Construction Work (or Restoration if a casualty or condemnation occurred before the Expiration Date) hereunder, and (b) otherwise pay all of its obligations under Section 24.03 which become due through the Expiration Date (but not afterwards); all of which shall survive such expiration, termination, repossession or reletting.

Section 24.05. Tenant's Waiver. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 24. Tenant shall execute, acknowledge and deliver any instruments which Landlord may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

Section 24.06. Leasing Default.

(a) If any Leasing Default shall occur, Landlord may (subject to Section 24.14 below), at its option, give notice to Tenant stating that Landlord is terminating any Management Agreement then in effect for the Project and removing the Approved Property Manager from the Premises. Thereafter, Landlord, without further notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor, and undertake any leasing and property management duties, responsibilities or obligations that Landlord deems necessary or desirable for the Project, provided such actions are commercially reasonable and consistent with the management of comparable market rate apartment projects in Fairfax County, Virginia. During any period that Landlord undertakes leasing or property management duties as the result of a Leasing Default, Landlord shall use good faith efforts to cure the Residential Criteria Defaults that resulted in the Leasing Default. Landlord shall not be liable to indictment, prosecution or damages for any actions or failure to act by Landlord in its leasing or property management capacity, except to the extent such action or failure to act was not commercially reasonable. Any sums expended by Landlord in connection with Landlord's duties set forth in this Section 24.06(a) shall be Additional Costs and shall be paid by Tenant in accordance with the terms of this Lease. Failure to pay Additional Costs in accordance with the terms hereof will (after the applicable notice and cure period) constitute an Event of Default by Tenant under Section 24.01(a) above.

(b) In addition to the remedies set forth in this Section 24.06, Landlord may avail itself to any other remedies set forth in this Article 24, except those remedies set forth in Section 24.02 and Section 24.03 above (but subject to Section 24.06(d) below) if Tenant commits an Leasing Default.

(c) Landlord may continue to operate and manage the Project for so long as any of the Residential Criteria Defaults that caused the Leasing Default that resulted in Landlord undertaking any leasing or property management responsibilities for the Project remain uncured. Once all such Residential Criteria Defaults have been cured and Tenant is no longer in a Leasing Default, Tenant shall retain all leasing and property management duties (and may retain an Approved Property Manager for such purposes) in accordance with the terms of this Lease.

(d) In the event that Tenant commits a Leasing Default within thirty-six (36) months after the date on which a prior Leasing Default was cured, in addition to Landlord's rights under this Section 24.06, Landlord may avail itself to any other remedies set forth in this Lease, including the termination of this Lease pursuant to Section 24.02 and Section 24.03 above. Any Residential Criteria Defaults that occurred during any period in which Landlord was responsible for the leasing and management of the Property shall not be considered in determining whether Tenant has committed a Leasing Default. All of Landlord's rights set forth in this Section 24.06 shall be subject to the rights of Tenant's (or its subtenants') Mortgagees and Tax Credit investors set forth in this Lease or set forth in any agreements between Tenant (or its subtenants) and those parties.

Section 24.07. Bankruptcy Defaults and Remedies.

(a) If any Bankruptcy Default shall occur, Landlord may (subject to Section 24.14 below), at its option, give notice to Tenant stating that Landlord is terminating any Management Agreement then in effect for the Project and removing the Approved Property

Manager from the Premises. Thereafter, Landlord, without further notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor, and undertake any leasing and property management duties, responsibilities or obligations that Landlord deems necessary or desirable for the Project, provided such actions are commercially reasonable and consistent with the management of comparable market rate apartment projects in Fairfax County, Virginia. Landlord shall not be liable to indictment, prosecution or damages for any actions or failure to act by Landlord in its leasing or property management capacity, except to the extent such action or failure to act was due to the gross negligence or willful misconduct of Landlord. Any sums expended by Landlord in connection with Landlord's duties set forth in this Section 24.07(a) shall be Additional Costs and shall be paid by Tenant in accordance with the terms of this Lease. Failure to pay such Additional Costs in accordance with the terms hereof will (after the applicable notice and cure period) constitute an Event of Default by Tenant under Section 24.01(a) above.

(b) If an order for relief is entered or if a stay of proceeding or other acts becomes effective in favor of Tenant or Tenant's interest in this Lease in any proceeding which is commenced by or against Tenant under the present or any future Bankruptcy Code or any other present or future applicable federal, state or other statute or law, Landlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately assure the complete and continuous future performance of all of Tenant's obligations under this Lease (including without limitation, the obligations set forth in Articles 3, 4, 7, 8, 9, 10, 11, 12, 13, 15, 19, 20, 24, 26 and 37 of this Lease).

(c) Notwithstanding anything in this Article 24 (other than Section 24.14) to the contrary, Landlord and Tenant agree that, in the event a Bankruptcy Default hereunder results in a liquidation of Tenant's assets under Chapter 7 of the Bankruptcy Code, Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on ten (10) Business Days' notice to Tenant, Tenant as debtor-in-possession or said trustee and upon the expiration of said ten (10) day period this Lease shall cease and expire and Tenant, Tenant as debtor-in-possession or trustee shall immediately quit and surrender the Premises.

(d) Nothing contained in this Article 24 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding Sections of this Article 24.

Section 24.08. No Reinstatement. No receipt of moneys by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease (unless such receipt cures the Event of Default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Base Rent, Additional Costs or Impositions payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise

expressly provided, it being agreed that after the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and operation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

Section 24.09. Waiver of Notice of Re-Entry; Waiver of Jury Trial. Except as otherwise expressly provided herein or as prohibited by applicable law, Tenant hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Landlord and Tenant waive and shall waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage. The terms "enter", "re-enter", "entry" or "re-entry", as used in this Lease are not restricted to their technical legal meaning.

Section 24.10. No Waiver by Landlord. No failure by Landlord or any prior Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial amounts due to Landlord from Tenant under this Lease during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease still continue in full force and effect with respect to any other than existing or subsequent breach thereof.

Section 24.11. Injunction. In the event of any actual or threatened Event of Default by Tenant with respect to any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease.

Section 24.12. Rights Cumulative. Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 24.13. Enforcement Costs. If Landlord is the prevailing party, Tenant shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant. If Landlord is the prevailing party, Tenant also

shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in enforcing any of the covenants and provisions of this Lease and incurred in any action brought by Landlord against Tenant on account of the provisions hereof, and all such costs, expenses, and reasonable attorneys' fees and disbursements may be included in and form a part of any judgment entered in any proceeding brought by Landlord against Tenant on or under this Lease. All of the sums paid or obligations incurred by Landlord hereunder, with interest at the Involuntary Rate, shall be paid by Tenant to Landlord within fifteen (15) Business Days after demand by Landlord.

Section 24.14. Mortgagee Protections. Landlord's rights contained in this Article 24 are subject to the rights of Mortgagee set forth in Section 10.04 and Section 10.05 and nothing contained in this Articles 24 shall be deemed to modify or limit Mortgagee's rights thereunder.

ARTICLE 25

NOTICES

Section 25.01. Notice Addresses. Whenever it is provided in this Lease that a notice, demand, request, consent, approval or other communication (each of which is herein referred to as "Notice") shall or may be given to or served upon either of the parties by the other, and whenever either of the parties desire to give or serve upon the other any Notice with respect this Lease or the Premises, each Notice shall be in writing. No Notice will be effective for any purpose unless the Notice is given or served as follows: (a) by personal delivery (with receipt acknowledged), (b) delivered by reputable, national overnight delivery service (with its confirmatory receipt therefor), next Business Day delivery specified, (c) sent by registered or certified United States mail, postage prepaid, or (d) sent by using the most current business technology at the time of giving such notice, provided that such use is a generally accepted practice at the time, with a confirmatory copy to be delivered thereafter by duplicate notice in accordance with any of clauses (a), (b) or (c) above, in each case to the parties as follows:

If to APAH, to:

APAH Oakwood LLC
c/o Arlington Partnership for Affordable Housing, Inc.
Attention: Nina Janopaul, President
4318 N. Carlin Springs Road
Arlington, Virginia 22203
e-mail: njanopaul@apah.org

With a copy to:

Gallagher Evelius & Jones LLP
Attention: Benjamin Rubin
218 N. Charles Street, Suite 400
Baltimore, Maryland 21201
e-mail: brubin@gejlaw.com

And a copy to:

[TAX CREDIT EQUITY INVESTOR]

If to FCRHA, to:

Fairfax County Redevelopment and Housing Authority
Attention: Director, HCD
3700 Pender Drive
Fairfax, Virginia 22030-6039
e-mail: Thomas.Fleetwood@fairfaxcounty.gov

-and-

Fairfax County Redevelopment and Housing Authority
Attention: Ms. Teresa Lepe
3700 Pender Drive
Fairfax, Virginia 22030-6039
e-mail: Teresa.Lepe@fairfaxcounty.gov

With a copies to:

Office of the County Attorney
Attention: County Attorney
12000 Government Center Parkway, Suite 549
Fairfax, Virginia 22035-0064
e-mail: Beth.Teare@fairfaxcounty.gov

-and-

Arent Fox LLP
Attention: Jeffrey A. Mitchell, Esq.
1717 K Street N.W.
Washington, D.C. 20006
e-mail: Jeffrey.Mitchell@arentfox.com

Either party may change the address(es) to which any such Notice is to be delivered by furnishing ten (10) Business Days written notice of such change(s) to the other party in accordance with the provisions of this Section 25.01.

Section 25.02. When Notices Deemed Given. Every Notice shall be deemed to have been given or served (a) if given by hand or overnight mail, upon delivery thereof, (b) if given by the

most current business technology at the time of giving such notice, at the time confirmation of such transmission is received by the sender provided that a confirmatory copy to be delivered thereafter by duplicate notice in accordance with any of clauses (a), (b) or (c) in Section 25.01 above, and (c) if given by certified or registered mail, on the third (3rd) business day after the posting the same, postage prepaid; in each case with failure to accept delivery to constitute delivery for such purpose.

Section 25.03. Notices to Mortgagees. If requested in writing by any Mortgagee (which request shall be made in the manner provided in Section 25.01 and shall specify an address to which Notices shall be given), any Notice of Default to a party shall also be given contemporaneously to such holder in the manner herein specified.

ARTICLE 26

OPERATION AND MANAGEMENT OF THE PROJECT; RESIDENTIAL UNITS; BOOKS AND RECORDS

Section 26.01. Property Manager. Provided that no Event of Default exists, Tenant may select and enter into an agreement for the management and operation of the Premises with any party without the consent of Landlord if such party is an Affiliate of Tenant or such parties satisfies the following requirements: (a) such proposed property manager, or the officer or manager having supervisory responsibility for the Project has at least ten (10) years' experience operating low income/affordable senior living facility projects similar in size to or larger than the Project, (b) such proposed property manager is not one against whom any action or proceeding is pending to enforce rights of the Commonwealth of Virginia or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the Commonwealth of Virginia or to any such agency, department, public authority or public benefit corporation, and (c) such proposed property manager is not one with respect to whom any notice of default which remains uncured has been given by the Commonwealth of Virginia or any agency, department, public authority or any public benefit corporation thereof arising out of a contractual obligation to the Commonwealth of Virginia or to any such agency, department, public authority or public benefit corporation. Tenant shall, prior to the effective date of any such management agreement, notify Landlord of the proposed management agreement and submit to Landlord all information and documents Landlord may reasonably require for its review with respect to the criteria set forth above. If Landlord determines that the third-party manager does not comply with the foregoing criteria, Landlord shall so advise Tenant in writing within twenty (20) Business Days, specifying in what respect the proposed third-party manager does not conform to the requirements above. In such event, Tenant shall submit a different third-party manager for Landlord's review in accordance with the terms of this Section or provide evidence reasonably satisfactory to Landlord that such third-party property manager has satisfied the criteria set forth above. Each review by Landlord shall be carried out within twenty (20) Business Days of the date of delivery of the information requested hereunder, and if Landlord does not notify Tenant of its determination within such twenty (20) Business Day period, Landlord shall be deemed to have determined that the third-party property manager is satisfactory. Each property manager that satisfies the requirements of this Section 26.01 shall be an "Approved Property Manager" and any management agreement between Tenant and an Approved Property Manager with respect to the Project shall be a "Management Agreement". Notwithstanding the foregoing, S.L. Nusbaum Realty Co., or an

Affiliate of the Tenant is an Approved Property Manager under this Lease. Tenant shall not enter into a management agreement with a new third-party property manager or consent to the assignment by an Approved Property Manager of its interest under its Management Agreement, without first complying with the notification and verification requirements set forth in this Section 26.01.

Section 26.02. Compliance with the Housing Criteria. Tenant covenant and agrees at all times to comply with Exhibit F (as now in effect or as may be amended from time to time during the Term) with respect to any and all Residential Units in the Project.

Section 26.03. Termination of Approved Property Manager. Landlord shall have the right to require the replacement of an Approved Property Manager with a Person chosen by Landlord upon the earliest to occur of any one or more of the following events: (i) the occurrence and continuance of a Leasing Default or Bankruptcy Default, (ii) thirty (30) days after notice from Landlord to Tenant that such Approved Property Manager has engaged in fraud, gross negligence, malfeasance or willful misconduct arising from or in connection with its performance at the Project, or (iii) Tenant has entered into a new management agreement, or approved the assignment of an existing Management Agreement from an Approved Property Manager without first complying with the terms of Section 26.01 above. Landlord's rights set forth in this Section 26.03 shall be subject to the rights of Mortgagees set forth in this Lease.

Section 26.04. Residential Leases.

(a) Notwithstanding anything else herein to the contrary, Tenant may, without Landlord's consent, enter into residential tenant leases which meet the lease criteria set forth on Exhibit F hereto (all residential leases meeting such criteria being herein referred to, collectively, as "Residential Leases"), provided no Event of Default shall have occurred and then be continuing hereunder, unless such Event of Default is cured simultaneously with such subletting, and Tenant shall have complied with the provisions of this Section 26.04. Residential Leases shall mean tenant leases by Tenant of residential units to certain residential tenants meeting the financial and reporting requirements set forth on Exhibit F (all residential tenants meeting such criteria being herein referred to, collectively, as "Residential Tenants").

(b) Each Residential Lease shall obligate the Residential Tenant pursuant thereto to occupy and use the premises included therein for purposes consistent with the Applicable Laws, the financial and reporting conditions set forth on Exhibit F and the provisions of this Lease. Except as otherwise provided below, with respect to each and every Residential Lease under the provisions of this Lease, it is further agreed that:

(i) no Residential Lease shall be for a term of more than one (1) year;

(ii) each Residential Lease shall specifically state that subject to the rights of any Mortgagee, if there is a termination of this Lease, or if Landlord shall exercise its rights to dispossess Tenant or to re-enter the Premises, any Residential Tenant which is not an Affiliate of Tenant will at Landlord's election, attorn to Landlord and Landlord will have all rights of a landlord under such Residential

Lease, including without limitation, the right to enforce those rights by court proceeding or otherwise;

(iii) the receipt by Landlord of any amounts from any Residential Tenant or other occupant of any part of the Premises shall not be deemed or construed as releasing Tenant from Tenant's obligations hereunder; and

(iv) the Residential Tenant will not pay rent or other sums under the Residential Lease more than one (1) month in advance (excluding security and other deposits required under such Residential Lease).

(c) Tenant shall enforce its rights as the landlord under all Residential Leases.

Section 26.05. Residential Lease Not a Transfer. Notwithstanding anything contained in this Lease to the contrary, a Residential Lease shall not require Landlord's prior consent and shall not be deemed a Transfer hereunder.

Section 26.06. Acts of Residential Tenants. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease results from or is caused by an act or omission by any Residential Tenant, or subtenant of a Residential Tenant, shall not relieve Tenant of Tenant's obligation to cure the same. Tenant shall take any and all reasonable steps necessary to prevent any such violation or breach.

Section 26.07. Collection of Rental Payments from Residential Tenants. Landlord, after an Event of Default by Tenant, may, subject to the rights of any Mortgagee under this Lease, collect rent and all other sums due under the Residential Leases, and apply the net amount collected to any amounts due to Landlord under this Lease (including without limitation, Base Rent, Additional Costs and Impositions), but no such collection shall be, or be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease or the acceptance by Landlord of any Residential Tenant as tenant hereunder, or a release of Tenant from performance by Tenant of its obligations under this Lease.

Section 26.08. Record Keeping. At all times during the Term, Tenant shall maintain at its principal place of business or such other place as agreed to by Landlord and Tenant, a complete and accurate set of files, books and records in connection with the Project and with respect to the operation and maintenance of the Project, including without limitation, compliance with any and all requirements of Exhibit F of this Lease. At all times during the Term, Landlord may, at such reasonable times during normal business hours and upon reasonable advanced notice, inspect Tenant's files, books, records and related material pertaining to compliance with requirements of Exhibit F of this Lease and pertaining to maintenance of the Project. Tenant agrees that Landlord, or any of its duly authorized representatives, shall, until the expiration of three (3) years after the expiration or earlier termination of this Lease, have access to the records related to compliance with requirements of Exhibit F of this Lease and maintenance of the Project. Tenant shall: (i) keep and maintain accurate, true, and complete books and records (A) with respect to all requirements of Exhibit F of this Lease, and (B) which shall fully reflect the physical condition and maintenance status of the Project, together with all business licenses and permits required to be kept and

maintained pursuant to the provisions of any Applicable Laws, and (ii) upon Landlord's request therefor, certify such files, books and records to Landlord as true, complete, and accurate in all material respects.

Section 26.09. Rent Roll. Upon Landlord's request (which will be limited to no more than two (2) times in any calendar year and at any time when Tenant is in an Event of Default under this Lease), Tenant will provide: (i) a copy of a rent roll for the Project showing the name of each Residential Tenant, the Residential Unit occupied, the Residential Lease expiration date, the rent payable for the current month, and the date through which rent has been paid; and (ii) a monthly property management report for the Project, showing the number of inquiries made and rental applications received from prospective Residential Tenants and deposits received from Residential Tenants, and materials relating to marketing and leasing efforts for the Project.

ARTICLE 27

SUBORDINATION; LANDLORD MORTGAGES

Section 27.01. Lease Not Subordinate. Landlord's interest in this Lease and in the Premises shall not be subject or subordinate to (a) any Mortgage now or hereafter placed upon Tenant's interest in this Lease or (b) any other liens, security interests or encumbrances now or hereafter affecting Tenant's interest in this Lease.

Section 27.02. Landlord Mortgage. Tenant's leasehold interest in the Premises shall be prior to any mortgage, lien or other encumbrance on Landlord's interest in the Premises, subject to the Title Matters. As of the date hereof, Landlord represents to Tenant that there is no mortgage encumbering Landlord's interest in the Premises.

Section 27.03. No Impairment of Title. Nothing contained in this Lease or any action or inaction by Landlord shall be deemed or construed to mean that Landlord has granted to Tenant any right, power or permission to do any act or make any agreement which may create, give rise to, or be the foundation for, any right, title, interest, lien, charge or other encumbrance other than this Lease upon the estate of Landlord in the Premises. In amplification and not in limitation of the foregoing, Tenant shall not permit any portion of the Premises to be used by any person or persons or by the public, as such, at any time or times during the term of this Lease, in such manner as might impair Landlord's title to or interest in the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse use, adverse possession, prescription, dedication, or other similar claims of, in, to or with respect to the Premises or any part thereof.

Section 27.04. Easements. Notwithstanding the provisions of Section 27.03 to the contrary, Tenant shall have the right to create customary and ordinary utility and other operationally related easements which are reasonably required in connection with any Construction Work or operation of the Premises for the Permitted Uses; provided that Tenant provides each such easement to Landlord for its prior written approval, which approval shall not be unreasonably withheld or delayed. Landlord shall review any proposed easement (or modification thereof) within fifteen (15) Business Days of its receipt of such easement from Tenant. If Landlord has not notified Tenant of its determination within the applicable period,

Landlord shall be deemed to have approved such easement. Landlord agrees that if required by the applicable utility provider or other easement grantee, Landlord shall join in the execution of such easements as approved by Landlord in accordance with the provisions of this Section 27.04.

ARTICLE 28

GUARANTY

Concurrently with the execution of this Lease, Tenant shall cause Guarantor or another creditworthy entity satisfactory to Landlord in its sole discretion to enter into the Guaranty in the form annexed hereto as Exhibit E, pursuant to which Guarantor guaranties to Landlord: (i) the complete performance of all of Tenant's obligations in this Lease necessary to achieve Final Completion; and (ii) the timely payment and performance of all of Tenant's other obligations under this Lease from the Commencement Date through Final Completion. In the event that Guarantor fails to meet the Guarantor Net Worth Requirement at any time prior to Final Completion, Tenant shall promptly replace such Guarantor with another creditworthy entity meeting the Guarantor Net Worth Requirement and cause such entity to enter into the Guaranty in the form annexed hereto as Exhibit E.

ARTICLE 29

CERTIFICATES BY LANDLORD AND TENANT

Section 29.01. Tenant Estoppels. At any time and from time to time upon not less than ten (10) Business Days' notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any other party specified by Landlord a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Base Rent and Additional Costs have been paid, stating whether or not to the knowledge of Tenant, Landlord is in default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge, and certifying as to any other matter with respect to this Lease as Landlord or such other addressee may reasonably request.

Section 29.02. Landlord Estoppels. At any time and from time to time upon not less than ten (10) Business Days' notice by Tenant, Landlord shall execute, acknowledge and deliver to Tenant or any other party specified by Tenant a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Base Rent and Additional Costs have been paid, and stating whether or not to the best knowledge of Landlord, Tenant is in an Event of Default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such Event of Default of which Landlord may have knowledge, and certifying as to any other matter with respect to this Lease as Tenant or such other addressee may reasonably request.

ARTICLE 30

CONSENTS AND APPROVALS

Section 30.01. Consent Not a Waiver. It is understood and agreed that the granting of any consent or approval by Landlord to Tenant to perform any act of Tenant requiring Landlord's consent or approval under the terms of this Lease, or the failure on the part of Landlord to object to any such action taken by Tenant without Landlord's consent or approval (except in any instance where Landlord has been deemed to have consented to or deemed to have approved something as expressly provided in this Lease), Landlord shall not be deemed to granted such consent or approval for any further similar act by Tenant for which approval or consent is required. Tenant hereby expressly covenants and warrants that as to all matters requiring Landlord's consent or approval under the terms of this Lease, Tenant shall secure such consent or approval for each and every happening of the event requiring such consent or approval, and shall not claim any waiver on the part of Landlord of the requirement to secure such consent or approval.

Section 30.02. Consent Not To Be Unreasonably Delayed. Anywhere in this Lease where Landlord has agreed not to unreasonably withhold its consent, Landlord also agrees that its consent shall not be unreasonably delayed.

Section 30.03. Landlord Not Liable for Money Damages. Whenever in this Lease Landlord's consent or approval is required and this Lease provides that Landlord's consent or approval shall not be unreasonably withheld and Landlord shall refuse such consent or approval, or in any instance in which Landlord shall delay its consent or approval, Tenant shall in no event be entitled to make, nor shall Tenant make, any claim, and Tenant hereby waives any claim, for money damages (nor shall Tenant claim any money damages by way of set-off, counterclaim or defense) based upon any claim or assertion by Tenant that Landlord unreasonably withheld or unreasonably delayed its consent or approval, unless Tenant's claim is based upon an assertion that Landlord acted in bad faith. Tenant's sole remedy shall be an action or proceeding to enforce any such provision, for specific performance, injunction or declaratory judgment or for a determination as to whether Landlord reasonably withheld its consent and the decisions shall be final and conclusive on the parties.

ARTICLE 31

SURRENDER AT END OF TERM

Section 31.01. Surrender at End of Term. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall well and truly surrender and deliver up to Landlord the Premises and the Project in good order, condition and repair, reasonable wear and tear and damage by casualty or condemnation excepted, free and clear of all lettings, occupancies, liens and encumbrances other than those, if any, existing at the date hereof, created by or consented to by Landlord, Residential Leases the term of which extends beyond the Expiration Date, or which lettings and occupancies by their express terms and conditions extend beyond the Expiration Date, and which Landlord shall have consented and agreed, in writing, may extend beyond the Expiration Date, without any

payment or allowance whatever by Landlord. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

Section 31.02. Delivery of Residential Leases and Other Agreements. On the last day of the Term or upon any earlier termination of the Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall deliver to Landlord Tenant's executed counterparts of all Residential Leases and any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises, all original licenses and permits then pertaining to the Premises, permanent or temporary Certificates of Occupancy then in effect for the Project, and all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Fixtures installed in the Project, together with a duly executed assignment thereof to Landlord and all records required by Section 26.08.

Section 31.03. Abandonment of Property. Any personal property of Tenant or of any Residential Tenant, or subtenant of a Residential Tenant which shall remain on the Premises for ten (10) Business Days after the termination of this Lease and after the removal of Tenant or such Residential Tenant, or subtenant of a Residential Tenant from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Residential Tenant, or subtenant of a Residential Tenant and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any Residential Tenant, or subtenant of a Residential Tenant.

Section 31.04. Survival. The provisions of this Article 31 shall survive any termination of this Lease.

ARTICLE 32

ENTIRE AGREEMENT

This Lease, together with the Exhibits hereto, contains all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between them other than as herein or therein set forth and other than as may be expressly contained in any written agreement between the parties executed simultaneously herewith.

ARTICLE 33

QUIET ENJOYMENT

Landlord covenants that so long as this Lease is full force and effect and Tenant is not in default beyond notice and grace hereunder, Tenant shall and may (subject, however, to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or any Person claiming through Landlord and free of any encumbrance created or suffered

by Landlord, except those encumbrances, liens or defects of title, created or suffered by Tenant and the Title Matters.

ARTICLE 34

DISPUTE RESOLUTION

Section 34.01. Mediation. If, after the Effective Date, a dispute occurs between Landlord and Tenant with respect to any matter arising under this Lease that is subject to this Article 34, the party raising a dispute or claim shall give the other written notice specifying the nature of the dispute and the monetary amount involved, if any. For a period of fifteen (15) Business Days after receipt of such notice, Landlord and Tenant shall proceed diligently and in good faith in an effort to resolve the dispute to their mutual satisfaction. If Landlord and Tenant fail to resolve the dispute prior to the expiration of the 15-day period, then mediation may be commenced by a written demand made by either party upon the other. As part of such demand, the moving party shall identify a mediator. If the non-moving party does not agree with the mediator chosen by the moving party, the non-moving party shall send written notice to the moving party of its decision and choose its own mediator within five (5) Business Days thereafter, and Landlord's and Tenant's mediators shall work together and within ten (10) Business Days thereafter, choose a mediator agreeable to both mediators from a list of approved mediators from the AAA (defined below). The mediation shall be held at a date, time and place mutually agreeable to Landlord and Tenant and shall be administered in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"). The costs of the mediation shall be borne equally by Landlord and Tenant.

Section 34.02. Intentionally Omitted.

Section 34.03. Non-Binding Presumption. The decision and award of the mediator, if any, will not be binding on Landlord or Tenant (but may be introduced into evidence in any court or proceeding between the parties) unless Landlord and Tenant enter into a written agreement memorializing the decision and award of the mediator.

Section 34.04. Judicial Proceedings. Except as otherwise specifically provided in this Lease or as otherwise mutually agreed in writing by Landlord and Tenant, any dispute between the parties arising from or in connection with this Lease shall be resolved by judicial proceedings.

ARTICLE 35

INVALIDITY OF CERTAIN PROVISIONS

If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 36

RECORDING OF MEMORANDUM

Tenant, at Tenant's sole cost and expense, may record a memorandum of (a) this Lease, or (b) any amendment or modification of this Lease. Landlord shall, upon the request of Tenant, join in the execution of a memorandum of this Lease or a memorandum of any amendment or modification of this Lease in proper form for recordation.

ARTICLE 37

MISCELLANEOUS

Section 37.01. Captions. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 37.02. Table of Contents. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

Section 37.03. Pronouns. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" or "successors or assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

Section 37.04. Depository Charges. Depository may pay to itself out of the monies held by Depository pursuant to this Lease its reasonable charges for services rendered hereunder. Tenant shall pay Depository any additional charges for such services.

Section 37.05. More than One Entity. If more than one entity is named as or becomes Tenant hereunder, Landlord may require the signatures of all such entities in connection with any notice to be given or action to be taken by Tenant hereunder except to the extent that any such entity shall designate another such entity as its attorney-in-fact to act on its behalf, which designation shall be effective until receipt by Landlord of notice of its revocation. Subject to Section 37.06, each entity named as Tenant shall be fully liable for all of Tenant's obligations hereunder. Any notice by Landlord to any entity named as Tenant shall be sufficient and shall have the same force and effect as though given to all parties named as Tenant. If all such parties designate in writing one entity to receive copies of all notices, Landlord agrees to send copies of all notices to that entity.

Section 37.06. Limitation of Liability.

(a) None of Landlord's members, directors, officers, employees, agents or servants shall have any liability (personal or otherwise) hereunder, and no property or assets of such Persons shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder.

(b) Subject to (and not in limitation of) Guarantor's obligations under the Guaranty, the liability of Tenant or of any Person who has at any time acted as Tenant hereunder for damages or otherwise shall be limited to Tenant's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, any funds held by Depository pursuant to any of the provisions of this Lease, and any other rights, privileges, licenses, franchises, claims, causes or action or other interests, sums or receivables appurtenant to the Premises. Neither Tenant nor any such Person nor any of the members, directors, officers, employees, agents or servants or either shall have any liability (personal or otherwise) hereunder beyond Tenant's interest in the Premises, and no other property or assets of Tenant or any such Person or any of the members, directors, officers, employees, agents or servants of either shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder.

Section 37.07. No Merger. Except as otherwise expressly provided in this Lease, there shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, this Lease or the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises.

Section 37.08. Refuse. Tenant shall store all refuse from the Premises off the streets in an enclosed area on the Premises in accordance with the requirements of municipal and private sanitation services serving the Premises.

Section 37.09. No Brokers. Each of the parties represents to the other that it has not dealt with any broker, finder or like entity in connection with this Lease. If any claim is made by any Person who shall claim to have acted or dealt with Landlord or Tenant in connection with this transaction, the party for whom the Person claims to represent will pay the brokerage commission, fee or other compensation to which such Person is entitled and shall reimburse the other for any costs or expenses including, without limitation, reasonable attorneys' fees and disbursements, incurred by the other party in defending itself against claims made against it for any such brokerage commission, fee or other compensation.

Section 37.10. Amendments in Writing. This Lease may not be changed, modified, or terminated orally, but only by a written instrument of change, modification or termination executed by the party against whom enforcement of any change, modification, or termination is sought.

Section 37.11. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 37.12. Successors and Assigns. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, Landlord and Tenant and their respective successors and assigns that are permitted under this Lease.

Section 37.13. Sections. All references in this Lease to "Articles" or "Sections" shall refer to the designated Article(s) or Section(s), as the case may be, of this Lease.

Section 37.14. Plans and Specifications. All of Tenant's right, title and interest in all plans and drawings required to be furnished by Tenant to Landlord under this Lease and in any and all other plans, drawings, specifications or models prepared in connection with construction of the Project, any Restoration or Capital Improvements, shall become the sole and absolute property of Landlord upon the Expiration Date or any earlier termination of this Lease. Tenant shall deliver all such documents to Landlord promptly upon the Expiration Date or any earlier termination of this Lease. Tenant's obligation under this Section 37.14 shall survive the Expiration Date. Notwithstanding the foregoing, if a New Lease is entered into, then the New Tenant shall be entitled to such documents, *provided however*, the New Tenant shall be obligated to deliver the same to Landlord at the expiration or earlier termination of the New Lease.

Section 37.15. Licensed Professionals. All references in this Lease to "licensed professional engineer," "licensed surveyor" or "registered architect" shall mean a professional engineer, surveyor or architect who is licensed or registered, as the case may be, by the Commonwealth of Virginia.

Section 37.16. Matters Effecting Title to Premises. Landlord shall not enter into or cause there to be entered into any agreements, easements, instruments, or other documents that will encumber or otherwise effect title to the Premises without obtaining the prior written consent of Tenant.

Section 37.17. No Joint Venture. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

Section 37.18. Tax Benefits. To the extent permitted by law, Tenant shall have the right to all depreciation deductions, investment tax credits and other similar tax benefits attributable to any construction, demolition and Restoration performed by Tenant or attributable to the ownership of the Project. Landlord, from time to time, shall execute and deliver such instruments as Tenant shall reasonably request in order to effect the provisions of this Section 37.18, and Tenant shall pay Landlord's reasonable costs and expenses thereof. Landlord makes no representations as to the availability of any such deductions, credits or tax benefits.

Section 37.19. [Intentionally Omitted.]

Section 37.20. Submission Not an Offer. Submission of this Lease by Landlord to Tenant does not constitute an offer by Landlord to lease the Premises upon the terms hereof, and in no event will Landlord be bound hereunder except upon the mutual execution and delivery by Landlord and Tenant of the Lease, and the approval of such execution by Landlord's Board of Directors pursuant to applicable law.

ARTICLE 38

TAX CREDIT SYNDICATION

Landlord hereby acknowledges that the right to syndicate the low-income housing tax credits ("Tax Credits") allocated to the Project is a material benefit bargained for by Tenant. Therefore, Landlord agrees that Tenant shall have the right to syndicate the Tax

Credits allocated to the Project and Landlord shall cooperate with Tenant in connection with any syndication of the Tax Credits. To effectuate any syndication, Tenant shall: (a) subject the Premises to a condominium regime (including a land condominium regime) such that one or more condominium units (the "Condominium Units") contain all of the low-income units that generate the Tax Credits, (b) enter into one or more Subleases pursuant to which Tenant subleases the Condominium Units to the Tax Credit Project Owners, (c) in furtherance of items (a) and (b), cause the Tax Credit Project Owners to operate the Project as two separate tax credit projects with two separate Subleases, with one Sublease used in connection with 4% Tax Credits and the other Sublease used in connection with 9% Tax Credits, and (d) cause the Tax Credit Project Owners to grant their interest in the Subleases as collateral to the Mortgagees or (e) use a different structure for the leasing, operation and management of the Project and to maximize the Tax Credits; so long as any such structure does not materially adversely affect the rights and obligations of Landlord or violate any of the provisions of this Lease. Furthermore, Tenant shall not be charged any fee by Landlord in connection with a syndication of the Tax Credits allocated to the Project.

The Subleases will describe the calculation of net cash flow ("Sublease Net Cash Flow"), gross project revenue ("Sublease Gross Project Revenue") and project operating expenses ("Sublease Project Operating Expenses"). The base rent due to Tenant under the Subleases ("Sublease Rent") will be based upon such calculations, and the Subleases will require that fifty percent (50%) of the Sublease Net Cash Flow will be paid to the Tenant as Sublease Rent. The Sublease to the 9% Tax Credit Project Owner will also include a one-time capitalized rent payment to the Tenant (the "Capitalized Rent Payment"), and Tenant intends to use the proceeds of such capitalized rent payment to make a loan to the 4% Tax Credit Project Owner. Landlord and Tenant agree that the Capitalized Rent Payment will be treated separately from Sublease Net Cash Flow and Sublease Rent and not a part of their calculations. Further, the Capitalized Rent Payment will not be a part of the calculations of Tenant's Other Net Cash Flow. Landlord shall have the right to review and approve the provisions of any Sublease, which approval shall not be unreasonably withheld; provided however, that any provisions related to the calculation of Sublease Rent under any Sublease, including without limitation, definitions and calculations of Sublease Net Cash Flow, Sublease Gross Project Revenue and Sublease Project Operating Expenses shall be subject to Landlord's approval, which Landlord may grant or withhold in its sole and absolute discretion. Tenant shall not amend any provisions of the Subleases that affect Landlord's rights, including any provisions affecting the calculation of Sublease Rent (and the other definitions set forth in this paragraph), without Landlord's approval, which Landlord may grant or withhold in its sole and absolute discretion.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

[SIGNATURE BLOCKS TO BE INSERTED PRIOR TO CLOSING]

Exhibit A

[Legal Description of Land]

[Attached]

All those lots or parcels of land, together with the improvements thereon and the appurtenances thereunto belonging, situate, lying and being in the County of Fairfax, Virginia and more particularly described as follows:

Parcel 1:

Beginning at an iron pipe found on the easterly variable width right of way line of South Van Dorn Street, Route 613, and said point marking a corner to the administrator of Ronald L. Collins.

Thence, departing said variable width right of way of South Van Dorn Street, Route 613 and running with said the administrator of Ronald L. Collins N 78° 41' 20" E, 383.95 feet to an iron pipe found and said point marking a corner of Brookland Estates First Addition.

Thence, departing said the administrator of Ronald L. Collins and running with said Brookland Estates First Addition and N/F Barlow S 04° 24' 20" E, 183.65 feet to an iron pipe set.

Thence, continuing with said N/F Barlow N 78° 38' 40" E, 75.54 feet to an iron pipe found and said point being a corner of Brookland Estates First Addition.

Thence, departing said N/F Barlow and running with said Brookland Estates First Addition S 06° 51' 57" E, 407.70 to an iron pipe found.

Thence continuing with said Brookland Estates First Addition S 62° 45' 10" W, 93.86 feet to an iron pipe set and said point marking a corner of N/F Barden.

Thence, departing said Brookland Estates First Addition and running with said N/F Barden S 89° 34' 37" N, 398.07 feet to an iron pipe found on the easterly side of the variable width right of way of South Van Dorn Street, Route 613.

Thence, departing said N/F Barden and running with said easterly side of the variable width right of way of South Van Darn Street, Route 613 N 03° 21' 27" W, 544.55 feet to the point of beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded in Deed Book 9836 at page 1996, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-2-01-0017C

Parcel 2:

Beginning at an iron pipe found on the easterly right-of-way line of South Van Dorn Street, said pipe marking a corner to Lynch Limited Partnership. Thence, with said Partnership, N 89° 34' 37" E, 398.07 feet to a point a corner to Lot 7, Brookland Estates. Thence, with Lot 7, the same course continued with Lot 6, S 03° 24' 19" E, 103.89 feet to a point a corner to Orange. Thence, with said Orange, S 89° 34' 10" W, 398.26 feet to a point on the aforementioned right-of-way line of South Van Dorn Street. Thence, with said Street, N 03° 21' 27" W, 103.93 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded

in Deed Book 9837 at page 39, among the land records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0032

Parcel 3:

Beginning at a point on the easterly right-of-way line of South Van Dorn Street, said point marking a corner to Barden. Thence, with said Barden, N 89° 34' 10" E, 398.26 feet to a point in the line of Lot 6, Brookland Estates. Thence, with said Lot 6, the same course continued with Lot 5, S 03° 24' 19" E, 103.86 feet a corner to Lytle. Thence, with said Lytle, S 89° 34' 10" W, 398.35 feet to a point on the aforementioned right-of-way line of South Van Dorn Street. Thence, with said right-of-way line, N 03° 21' 27" W, 103.86 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded in Deed Book 9837 at page 51, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0033

Parcel 4:

Beginning at an iron pipe found on the easterly right-of-way line of South Van Dorn Street, said pipe marking a corner to Orange. Thence, with said Orange, N 89° 34' 10" E, 398.35 feet to a point in the line of Brookland Estates. Thence, with Brookland Estates S 03° 24' 19" E, 103.89 feet to a point a corner to Willow Creek. Thence, with said Willow Creek, S 89° 19' 02" W, 398.24 feet to a point on the aforementioned right of way line of South Van Dorn Street. Thence, with said right of way line, N 03° 21' 27" W, 105.65 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance recorded in Deed Book 9837 at page 63, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0034

Parcels 1 through 4, inclusive LESS AND EXCEPT the land conveyed by Deed dated April 27, 1966 and recorded July 21, 1966 in Deed Book 2795 at page 292; by Deed dated April 27, 1966 and recorded August 4, 1966 in Deed Book 2801 at page 745; by Deed dated February 4, 1966 and recorded September 12, 1966 in Deed Book 2818 at page 142; and by Deed dated April 28, 1966 and recorded March 17, 1967 in Deed Book 2873 at page 328.

(End of Exhibit "A")

Exhibit B

Project Description

The Oakwood Senior Housing development is the creation of 150 units of new independent senior affordable homes in the Lee District. This project leverages an approximately 6.21 acre site area and current storm water retention pond at the intersection of Oakwood Road and S. Van Dorn Street on or about 5815 South Van Dorn Street.

This affordable housing development is 100% committed affordable, senior housing with a mix of one- and two-bedroom apartments designed to meet the needs of the target senior population.

This development will feature ample community amenities, such as landscaped areas, resident services offices and meeting space, in addition to services and programs that support the whole resident.

APAH has included communal multipurpose spaces in the design to allow for computer/library and meeting areas, wellness programs and activities for the senior residents. APAH will also be exploring indoor/outdoor greenhouse programming and free wi-fi access in community spaces.

In addition to the rental homes and community amenities, the new development will provide improved storm water protection with a comprehensive set of new measures that meet modern requirements for on-site quantity and quality controls. This allows APAH to add housing and maintain the current storm water drainage.

Exhibit C

[List of Plans and Specifications]

**[EXHIBIT C WILL BE AGREED UPON BY LANDLORD AND TENANT AND ADDED
HERETO PRIOR TO EXECUTION OF THE GROUND LEASE]**

Exhibit D

[Project Schedule]

**[EXHIBIT D WILL BE AGREED UPON BY LANDLORD AND TENANT AND ADDED
HERETO PRIOR TO EXECUTION OF THE GROUND LEASE]**

Exhibit E

Form of

GUARANTY OF COMPLETION

THIS GUARANTY OF COMPLETION (this “Guaranty”) is made this ___ day of _____, 2021, by _____, a _____ (the “Guarantor”) in favor of FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY, a political subdivision of the Commonwealth of Virginia, its successors and assigns (“FCRHA”).

RECITALS

WHEREAS, APAH OAKWOOD LLC, a Virginia limited liability company (“Tenant”), and FCRHA, as landlord, have entered into the Deed of Lease, dated _____, 20__ by and between FCRHA and Tenant (the “Lease”), covering real property located in the county of Fairfax, Virginia, as more particularly described in Exhibit A attached hereto and made a part thereof (the “Premises”);

WHEREAS, Tenant is obligated to deliver a payment and performance guaranty for the Final Completion (as defined in the Lease) of the Project (as defined in the Lease), and Tenant has caused the delivery of this Guaranty by Guarantor, to satisfy Tenant’s obligations with respect to the delivery of such guaranty; and

WHEREAS, the Guarantor will receive material benefit from the execution of this Guaranty and the execution of the Lease by Tenant;

NOW, THEREFORE, IN CONSIDERATION of the agreement by FCRHA to enter into the Lease with Tenant and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees with FCRHA as follows:

1. The Recitals set forth above are hereby incorporated in this Guaranty by this reference. Capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings as are set forth in the Lease.

2. If Tenant shall (a) fail to achieve Final Completion, within the period or periods required by the Lease, and in accordance with all laws, rules, regulations and requirements of all governmental authorities having jurisdiction, or (b) fail to keep the Premises free from all liens and claims which may be filed or made for performing work and labor thereon or furnishing materials therefor in connection with the construction of the Initial Construction Work; then Guarantor hereby guarantees to FCRHA that it shall:

(i) cause the Final Completion to occur, in the manner and within the period of time required by the Lease and in accordance with the Plans and Specifications, amended only as approved in writing by FCRHA, and in accordance

with all laws, rules, regulations and requirements of all governmental authorities having jurisdiction;

(ii) cause any such mechanics' or materialmen's liens and claims related to the Initial Construction Work to be removed or bonded and thereafter keep the Premises thereon free from all such liens and claims;

(iii) make payment in full to any contractor(s) to which Tenant is obligated in accordance with the Lease for any and all contracts related to the Initial Construction Work; and

(iv) pay all costs and expenses incurred in doing (i), (ii) and (iii) of this Section; provided however, that if Guarantor fails to timely take the actions described in (i), (ii) and (iii) of this Section and pay the costs and expenses incurred in connection therewith, then FCRHA may take the actions described in (i), (ii) and (iii) of this Section and Guarantor shall pay to or reimburse FCRHA for all such costs and expenses incurred by FCRHA in connection therewith.

Guarantor further agrees to indemnify and hold harmless FCRHA from any loss (including reasonable attorney's fees) resulting from any default by Guarantor under the terms of this Guaranty

3. Guarantor hereby waives (to the extent permitted by applicable laws) notice of acceptance of this Guaranty by FCRHA and any and all notices and demands of every kind and description which may be required to be given by any statute or rule or law (other than notices required by the terms of the Lease), and agrees that the liability of Guarantor hereunder shall in no way be affected, diminished or released (a) by any forbearance which may be granted to Tenant (or to any successor to it or to any person or entity which shall have assumed the obligations of Tenant under the Lease), (b) by any waiver by FCRHA of any term, covenant or condition in any of the Lease, (c) by reason of any change or modification in any construction contract with any contractor or any of the construction contracts, or (d) by the acceptance of additional security for the obligations under the Lease or the release by FCRHA of any security or of any party primarily or secondarily liable under the Lease, including one or more of the undersigned (if applicable).

4. Guarantor hereby agrees that the Plans and Specifications, and any other terms, covenants and conditions contained in the Lease or any construction contract with any contractor may be altered, extended, changed, modified or released by Tenant, with the approval of FCRHA (when required under the Lease), and without notice to or the consent of Guarantor, without in any manner affecting the obligations of Guarantor under this Guaranty or releasing Guarantor therefrom. Guarantor specifically acknowledges and agrees that change orders approved by Tenant shall in no manner release Guarantor from the obligations evidenced by this Guaranty.

5. Guarantor agrees that this Guaranty may be enforced by FCRHA without the necessity at any time of resorting to or exhausting any other remedies under the Lease and without the necessity at any time of having recourse under the Lease. Guarantor further agrees that nothing herein contained shall prevent FCRHA from suing under the Lease or terminating the Lease or from exercising any other right available to it under the Lease, and the exercise of any of the

aforementioned rights shall not constitute a legal or equitable discharge of Guarantor, it being the purpose and intent of Guarantor that its obligations under this Guaranty be released therefrom upon payment of all sums due hereunder and achievement of Final Completion in accordance with the terms and conditions of the Lease and this Guaranty. Notwithstanding anything to the contrary herein, this Guaranty shall terminate and be of no further force or effect and Guarantor shall be released of all obligations hereunder upon the achievement of Final Completion, as set forth in the Lease.

6. Nothing contained in this Guaranty shall operate as a release or discharge in whole or in part, of any claim of Guarantor against Tenant by subrogation or otherwise, by reason of any act done or any payment made by Guarantor pursuant to the provisions of this Guaranty; provided, however, all such claims shall be subordinate to the claims of FCRHA and Guarantor assigns all of its right, title and interest in all claims of Guarantor as security for the fulfillment of all of Guarantor's obligations under this Guaranty.

7. Guarantor acknowledges, consents and agrees (a) that the provisions of this Guaranty and the rights of all parties to this Guaranty are governed by the laws of the Commonwealth of Virginia and interpreted and construed in accordance with such laws and (b) that the United States District Court for the Eastern District of Virginia or any court of competent jurisdiction of the Commonwealth of Virginia will have jurisdiction in any proceeding instituted to enforce this Guaranty and any objections to venue are waived by Guarantor.

8. GUARANTOR AND FCHRA HEREBY, JOINTLY AND SEVERALLY, WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH GUARANTOR AND FCHRA MAY BE PARTIES, ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS GUARANTY OR THE LEASE. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS GUARANTY. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY GUARANTOR, AND GUARANTOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. GUARANTOR FURTHER REPRESENTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS GUARANTY AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

9. The rights, powers, privileges and discretions (the "Rights") to which FCRHA may be entitled hereunder shall inure to the benefit of its successors and assigns. All the Rights of FCRHA are cumulative and not alternative and may be enforced successively or concurrently. Failure of FCRHA to exercise any of its Rights shall not be deemed a waiver thereof and no waiver of any of its Rights shall be effective unless in writing and signed by FCRHA. The terms, covenants and conditions of or imposed upon Guarantor herein shall be binding upon his respective heirs, personal representatives, successors and assigns.

10. Guarantor represents and warrants that it has examined or has had an opportunity to examine the Lease, and that it has full power, authority and legal right to execute and deliver this Guaranty, and that this Guaranty is a binding legal obligation of Guarantor.

11. In case any provision contained in this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty but this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

WITNESS the signature and seal of Guarantor as of the day and year first above written.

GUARANTOR:

_____,
a _____

By: _____ [SEAL]

Name:

Title:

EXHIBIT A

Description of the Premises

All those lots or parcels of land, together with the improvements thereon and the appurtenances thereunto belonging, situate, lying and being in the County of Fairfax, Virginia and more particularly described as follows:

Parcel 1:

Beginning at an iron pipe found on the easterly variable width right of way line of South Van Dorn Street, Route 613, and said point marking a corner to the administrator of Ronald L. Collins.

Thence, departing said variable width right of way of South Van Dorn Street, Route 613 and running with said the administrator of Ronald L. Collins N 78° 41' 20" E, 383.95 feet to an iron pipe found and said point marking a corner of Brookland Estates First Addition.

Thence, departing said the administrator of Ronald L. Collins and running with said Brookland Estates First Addition and N/F Barlow S 04° 24' 20" E, 183.65 feet to an iron pipe set.

Thence, continuing with said N/F Barlow N 78° 38' 40" E, 75.54 feet to an iron pipe found and said point being a corner of Brookland Estates First Addition.

Thence, departing said N/F Barlow and running with said Brookland Estates First Addition S 06° 51' 57" E, 407.70 to an iron pipe found.

Thence continuing with said Brookland Estates First Addition S 62° 45' 10" W, 93.86 feet to an iron pipe set and said point marking a corner of N/F Barden.

Thence, departing said Brookland Estates First Addition and running with said N/F Barden S 89° 34' 37" N, 398.07 feet to an iron pipe found on the easterly side of the variable width right of way of South Van Dorn Street, Route 613.

Thence, departing said N/F Barden and running with said easterly side of the variable width right of way of South Van Darn Street, Route 613 N 03° 21' 27" W, 544.55 feet to the point of beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded in Deed Book 9836 at page 1996, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-2-01-0017C

Parcel 2:

Beginning at an iron pipe found on the easterly right-of-way line of South Van Dorn Street, said pipe marking a corner to Lynch Limited Partnership. Thence, with said Partnership, N 89° 34' 37" E, 398.07 feet to a point a corner to Lot 7, Brookland Estates. Thence, with Lot 7, the same course continued with Lot 6, S 03° 24' 19" E, 103.89 feet to a point a corner to Orange. Thence, with said Orange, S 89° 34' 10" W, 398.26 feet to a point on the aforementioned right-of-way line of South Van Dorn Street. Thence, with said Street, N 03° 21' 27" W, 103.93 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded

in Deed Book 9837 at page 39, among the land records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0032

Parcel 3:

Beginning at a point on the easterly right-of-way line of South Van Dorn Street, said point marking a corner to Barden. Thence, with said Barden, N 89° 34' 10" E, 398.26 feet to a point in the line of Lot 6, Brookland Estates. Thence, with said Lot 6, the same course continued with Lot 5, S 03° 24' 19" E, 103.86 feet a corner to Lytle. Thence, with said Lytle, S 89° 34' 10" W, 398.35 feet to a point on the aforementioned right-of-way line of South Van Dorn Street. Thence, with said right-of-way line, N 03° 21' 27" W, 103.86 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance (A) recorded in Deed Book 9837 at page 51, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0033

Parcel 4:

Beginning at an iron pipe found on the easterly right-of-way line of South Van Dorn Street, said pipe marking a corner to Orange. Thence, with said Orange, N 89° 34' 10" E, 398.35 feet to a point in the line of Brookland Estates. Thence, with Brookland Estates S 03° 24' 19" E, 103.89 feet to a point a corner to Willow Creek. Thence, with said Willow Creek, S 89° 19' 02" W, 398.24 feet to a point on the aforementioned right of way line of South Van Dorn Street. Thence, with said right of way line, N 03° 21' 27" W, 105.65 feet to the beginning.

LESS AND EXCEPT the land conveyed by the Deed of Dedication and Conveyance recorded in Deed Book 9837 at page 63, among the Land Records of Fairfax County, Virginia.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Tax Map No. 081-4-01-0034

Parcels 1 through 4, inclusive LESS AND EXCEPT the land conveyed by Deed dated April 27, 1966 and recorded July 21, 1966 in Deed Book 2795 at page 292; by Deed dated April 27, 1966 and recorded August 4, 1966 in Deed Book 2801 at page 745; by Deed dated February 4, 1966 and recorded September 12, 1966 in Deed Book 2818 at page 142; and by Deed dated April 28, 1966 and recorded March 17, 1967 in Deed Book 2873 at page 328.

(End of Exhibit "A")

Exhibit F

Exhibit F 9%/4% Project

Criteria for Affordable Housing Units, Tenants, Rents and Eligible Household Income

The Premises shall be used as a residential rental development having one hundred percent (100%) of its 150 dwelling units operated as affordable housing (such dwelling units may be referred to as “**Affordable Housing Units**” or as “**AHUs**”). At all times during the term of the Lease Tenant shall maintain, as applicable, all AHUs in compliance with (a) as and when applicable, the laws, rules, and regulations of the federal Low-Income Housing Tax Credit Program administered under Section 42 of the Internal Revenue Code of 1986, as amended, (“**LIHTC Program**”) and/or the applicable requirements of the Virginia Housing Development Authority, and (b) with the terms and conditions of the Lease and this Exhibit F thereto. Notwithstanding anything herein to the contrary, so long as an AHU Unit is subject to the regulatory restrictions of the LIHTC Program, then Tenant shall comply with the requirements of (a) and (b) above with respect to such AHU Unit. At such time as an ASH Unit is not a subject to the regulatory restrictions of the LIHTC Program (i.e., after the expiration of the extended use restriction period), then Tenant need only comply with requirements of (b) with respect to such AHU Unit.

1. Designation on Approved Plans

Approved site plans and building plans shall include a table setting forth the number of units in each of the bedroom count categories and shall demonstrate that such units meet the minimum floor area limitations. The AHUs accepted as part of proffered conditions associated with a rezoning application for the Premises and included on approved site plans shall be deemed features shown for purposes of Va. Code Ann. §15.2-2232 and, as such, shall not require further approvals pursuant thereto in the event the Board of Supervisors shall acquire or lease such units.

2. Administration of Affordable Housing Units

A. All AHUs are to be initially leased for a minimum six (6) -month term with a maximum term of one (1) year and maximum renewal term(s) of one (1) year to tenants who meet the eligibility criteria established in accordance with the Lease, including, but not limited to, the terms of this Exhibit F and/or all applicable LIHTC Program requirements. Such leases are referred to as “**Affordable Housing Leases**” and qualified tenant occupants of such AHUs are referred to herein as “**Affordable Housing Tenants.**” The Affordable Housing Leases for AHUs shall include conditions that require the Affordable Housing Tenant to occupy the AHU as his or her domicile, that prohibit the subleasing of the unit, that require continued compliance with the applicable eligibility criteria, and that require the Affordable Housing Tenant to

annually verify under oath, on a form approved by the Fairfax County Department of Housing and Community Development (“**DHCD**”), the total household annual income and such other facts that the Tenant may require in order to ensure that the Affordable Housing Tenant household continues to meet the applicable eligibility criteria. The fact that an Affordable Housing Tenant applicant does not possess a housing choice (a/k/a “Section 8”) voucher or other subsidy shall not be a permissible reason for Tenant to reject or discriminate against such applicant. provided, however, that the Tenant shall be allowed to apply reasonable credit, background and other admissions criteria to all applicants.

B.

- (1) As used in this Exhibit, area median income (“**AMI**”), or any specified percentage of AMI, means the annual estimate of area median income, or percentage thereof, for the Washington Metropolitan Statistical Area (“**WMSA**”) published by the United States Department of Housing and Urban Development (“**HUD**”), as adjusted for household size.
- (2) Affordable Housing Tenant households must continue to meet the eligibility and income criteria set forth in this Exhibit F in order to continue occupancy of the AHU, provided that (a) during any period in which a unit is subject to LIHTC Program restrictions, an Affordable Housing Tenant household will continue to be eligible so long as it complies with LIHTC Program requirements, and (b) during any period in which a unit is not subject to LIHTC Program restrictions, an Affordable Housing Tenant household will continue to be eligible so long as its income does not exceed 80%¹ of AMI. However, an Affordable Housing Tenant household that no longer meets such criteria may continue to occupy an AHU until the end of the applicable lease term.
- (3) AHUs may not be subleased.

C. Within fifteen (15) days of the end of each quarter, the Tenant shall provide the DHCD with a certified statement from the property manager as of the first of such quarter providing for:

- (1) The address and name of the Premises and the name of the Tenant.
- (2) The number of AHUs by bedroom count and floor area, which are vacant.
- (3) The number of AHUs by bedroom count and floor area that are leased. For each such unit, the statement shall contain the following information:
 - (i) The unit number, address, bedroom count and floor area.
 - (ii) The Affordable Housing Tenant's name and household size.
 - (iii) The effective date of the Affordable Housing Lease.

(iv) The Affordable Housing Tenant's household income as of the date of the lease as certified by such Affordable Housing Tenant and confirmed by acceptable third party verification (e.g. IRS W-2 Form) at such Affordable Housing Tenant's most recent (re)certification.

(v) The current monthly rent.

(vi) The Area Median Income ("AMI") level.

(4) That to the best of the Tenant's information and belief, the tenant households who lease AHUs meet the eligibility criteria established in accordance with the Lease, including, but not limited to, the terms of this Exhibit F and, to the extent applicable, the LIHTC Program requirements.

(5) At the request of DHCD, the Tenant will provide the DHCD with a copy of each new or revised annual tenant verification obtained from the renters of AHUs pursuant to Paragraph B above.

D. Distribution of Affordable Housing Units by AMI Level and Unit Type. The table below sets forth the number of AHUs that shall be occupied by households having incomes at or below thirty percent (30%), fifty percent (50%) and sixty percent (60%) of AMI, as applicable:

As units become vacant, Tenant shall lease such units with households whose incomes fall into a category that is under-represented based on the table below.

| Number of Units | Area Median Income (AMI) |
|------------------------|---------------------------------|
| 15 | 30% |
| 60 | 50% |
| 75 | 60% |

In the event of federal cuts to the Housing Choice Voucher (a/k/a Section 8) program, the FCRHA will prioritize the funding of any Project-Based Vouchers awarded to the Project in accordance with and subject to Section 8 laws, rules, and regulations.

E. Affordable Housing Unit Rental Pricing. The maximum rent charged to the Affordable Housing Tenant for each AHU at each AMI tier shall be calculated and reset each year throughout the term of the Lease pursuant to the formula established under the federal LIHTC Program and administered by the Virginia Development Housing Authority under Section 42 of the Internal Revenue Code of 1986, as amended from time to time, provided however, that in the event such LIHTC Program should be terminated or discontinued at any time during the term of the Lease, all units shall be deemed to be affordable to a tenant household if the monthly rent charged to the Affordable Housing Tenant for that unit, together with reasonable utility costs, does not exceed thirty percent (30%) of the monthly gross income of households whose incomes do not exceed, as applicable, thirty percent (30%), fifty percent (50%), and sixty percent (60%) of the annual AMI as established above. For purposes of establishing the maximum affordable

rent, (a) the imputed household size for determining the applicable income limit is assumed to be one person for a unit that does not have a separate bedroom, and 1.5 persons per separate bedroom for a unit with one or more separate bedrooms and (b) the AMI level for each AHU shall be as set forth in Section 3.D above. This method of establishing annual rent charged to the Affordable Housing Tenant will continue to apply to all AHUs both during and after the period of time that the LIHTC Program is in effect for any of the AHUs and shall continue through the end of the lease term. Notwithstanding anything to the contrary contained herein, if rental subsidy payments are made to or on behalf of a tenant household under the Section 8 Housing Choice Voucher Program (either tenant- or project-based) or any other rental subsidy program, then (x) the unit shall be deemed affordable if the tenant's share of rent and utilities does not exceed the maximum amount described above, and (y) such tenant may occupy any AHU as long as the tenant's share of the rent and utilities does not exceed the maximum amount described above and the tenant's household income is at or below the designated AMI applicable to the unit.

F. Intentionally omitted.

G. Eligible Affordable Housing Tenant Household Incomes. The maximum eligible household gross income for Affordable Housing Tenant households for each AHU at each AMI level shall be calculated and reset each year using HUD's annual estimate of AMI for the WMSA as referenced above, adjusted for household size, and, if applicable, applied in accordance with LIHTC Program.

H. Household Size. The minimum household size for any unit shall be one person per bedroom. The maximum household size for any unit shall not exceed the applicable limits of state and local laws and regulations and any limits of federal programs applicable to the Project.

3. Occupancy of Affordable Housing Units

A. Before a prospective Affordable Housing Tenant may rent an AHU, he or she must meet the eligibility criteria established in the Lease and this Exhibit F, including, but not limited to the household income limitations for eligible households. The Tenant is responsible for determining that the proposed Affordable Housing Tenant household meets the eligibility criteria applicable to an Affordable Housing Tenant household for the applicable AHU at a particular AMI level.

B. Affordable Housing Tenants must occupy the AHUs as their domicile and shall provide an executed affidavit on an annual basis certifying their continuing occupancy of the units. Affordable Housing Tenants shall provide such affidavit to the Tenant by the date that may be specified in their Affordable Housing Lease or that may otherwise be specified by the Tenant.

C. The Affordable Housing Lease shall provide that in the event an Affordable Housing Tenant fails to provide Tenant with an executed affidavit as provided for in the preceding paragraph within thirty (30) days after a written request for such affidavit, then the Affordable Housing Tenant shall be in default with respect to the Affordable Housing Lease. Tenant shall take appropriate enforcement action when necessary with respect to such default (including providing notice and cure periods in compliance with applicable residential landlord-tenant laws

(including, without limitation, state and Fairfax County fair housing laws) and commencement of eviction proceedings for failure to comply). Provided Tenant has acted in accordance with the foregoing, a failure by an Affordable Housing Tenant to vacate a unit if evicted as a result of such default will not be considered an Affordable Housing Criteria Default under the terms of the Lease.

D. The Affordable Housing Lease shall provide that in the event an Affordable Housing Tenant fails to occupy the applicable AHU for a period in excess of sixty (60) days, a default under the applicable Affordable Housing Lease shall occur. Tenant shall take appropriate enforcement action when necessary with respect to such default. Provided Tenant has acted in accordance with the foregoing, a failure by an Affordable Housing Tenant to vacate a unit if evicted as a result of such default will not be considered an Affordable Housing Criteria Default under the terms of the Lease.

E. The Affordable Housing Lease shall provide that in the event an Affordable Housing Tenant fails to occupy the applicable AHU for a period in excess of sixty (60) days, a default under the applicable Affordable Housing Lease shall occur. The Affordable Housing Lease shall automatically terminate, become null and void and Tenant shall require occupants to vacate the AHU within thirty (30) days of written notice from the Tenant and Tenant shall take appropriate enforcement action when necessary if such Affordable Housing Tenant fails to vacate the applicable unit (including providing notice and cure periods in compliance with applicable residential landlord-tenant laws (including, without limitation, state and Fairfax County fair housing laws) and commencement of eviction proceedings for failure to comply). Provided Tenant has acted in accordance with the foregoing, a failure by an Affordable Housing Tenant to vacate a unit will not be considered an Affordable Housing Criteria Default under the terms of the Lease.

4. Additional Criteria

A. Utility Charges. The rental charges actually collected by Tenant from Affordable Housing Tenants may include or exclude utility charges, at the option of Tenant, and such utility charges may be billed directly from the provider of such utility to the individual Affordable Housing Tenants and/or billed separately by Tenant to the individual Affordable Housing Tenants.

B. Certification of Income. Tenant shall obtain from each prospective Affordable Housing Tenant of an AHU a certification of income in using a form to be reasonably acceptable to both parties. Annually thereafter, Tenant shall make a determination on the basis of current income of whether the income of any Affordable Housing Tenant exceeds the applicable income limit and shall obtain a recertification of income from all tenants of AHUs on forms approved by Landlord. Upon request of Landlord, copies of all certifications and recertifications shall be furnished to Landlord. Tenant shall maintain in its records the certifications and recertifications for five (5) years or for such longer periods as may be required by the LIHTC Program.

C. Evidence of Income. In a manner and form agreed to by Landlord and Tenant, Tenant shall obtain written evidence substantiating the information given on the Affordable Housing Tenants' certifications and recertifications of income and shall retain the evidence in its files for

a time supportive of the certification requirements of the immediately preceding clause. HUD Handbook 4350.3 REV-1 sets forth instructions for verifying and calculating incomes.

D. No Restrictions Against Families with Children. Tenant shall not restrict occupancy of AHUs which can be occupied by more than one person by reason of the fact that there are children in a family; provided however, that all of the AHUs are senior living facilities only.

E. Number of Affordable Housing Units Rented. Tenant shall not permit an Affordable Housing Tenant to rent more than one AHU at any given time.

F. Reports. Tenant shall prepare, or shall cause the managing agent of the Premises to prepare, such reports as may be required by Section 26.09 of the Lease and this Exhibit F.

G. Components of Development.

(i) all of the AHUs shall be rented or available on a non-transient basis; and

(ii) none of the AHUs shall be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanatorium or rest home.

H. Continuance of Rental Restriction. Subject to maintenance and repair of AHUs in the ordinary course of business, and subject to the casualty and condemnation provisions of the Lease, Tenant shall maintain all of the AHUs rented or available for rental on a continuous basis.

I. [Intentionally Deleted]

J. Furnishing Tenant Information. Tenant agrees to furnish to Landlord, on an annual basis a Certification of Continuing Program Compliance, in a form to be reasonably acceptable to both parties, and maintain on file Tenant Income Certifications, in a form to be reasonably acceptable to both parties, in order to permit verification that the covenants set forth in this Lease and this Exhibit F are being satisfied by Tenant. The Affordable Housing Leases shall contain clauses wherein each Affordable Housing Tenant certifies as to the accuracy of statements made in the Tenant Income Certification and agrees that family income and other eligibility requirements shall be deemed substantial and material obligations of such Affordable Housing Tenant's tenancy, that Affordable Housing Tenant shall comply with all requests for information with respect thereto from Tenant and that failure to provide accurate information on the Tenant Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation by such Affordable Housing Tenant of a substantial obligation.

K. Covenant to Notify. Tenant will notify Landlord of the occurrence of any event of which Tenant has notice and which event, to the knowledge of Tenant, would constitute a default in Tenant's obligations under this Exhibit F.

L. Acts Requiring Landlord Approval. Tenant shall not without the prior written approval of Landlord, such approval not to be unreasonably withheld or delayed:

(i) require, as a condition of the occupancy or leasing of any AHU, any consideration or deposit except for an application fee, the prepayment of the first month's rent plus a security deposit in an amount not in excess of two (2) month's gross rent, pet deposits, and, to the extent applicable, such other amounts addressed in paragraph P below. Any funds collected as security deposits shall be kept separate and apart from all other funds of the Premises. If interest is earned on such trust account, it shall accrue to the benefit of the Affordable Housing Tenant, unless otherwise required by law or federal or state regulation; or

(ii) permit the use of the AHUs for any purpose except the use which was originally intended, or permit commercial use greater than that approved by Landlord.

M. Non-Discrimination in Housing. Tenant shall comply with all federal, state, and Fairfax County fair housing laws and equal employment laws and all rules and regulations promulgated in connection therewith.

N. Other Income – Tenant shall have the right to charge for the following in addition to the rent:

(i) Parking – (1) one parking space per unit.

(ii) Laundry - Either an in-unit washer and dryer or in building coin operated machines will be provided;

(iii) Other Fees – Other fees including, but not limited to, pet premiums, late charges, administration fees associated with managing and invoice for utilities, NSF Fee, processing fees, early lease termination fees, charges for use of the community laundry facilities, etc.;

(iv) Bulk Cable Charge – If Tenant installs or causes to be installed the equipment necessary to provide cable, FIOS, telephone, internet, or other related services, then Tenant shall be entitled to charge a fee to Affordable Housing Tenants that elect to use such equipment and additional fees for the related services that such Affordable Housing Tenants elect to use; and

(v) Storage – A monthly charge to those Affordable Housing Tenants that lease a storage unit provided by Tenant at the Premises.

5. LIHTC Program

To the extent any provision of this Exhibit F or the Deed of Ground Lease conflicts with the LIHTC Program laws, regulations, rules and guidance, then the LIHTC Program requirements shall control. This includes without limitation the requirements of Internal Revenue Code Section 42(h)(6)(E)(ii) prohibiting the eviction or termination of tenancy other than for good cause.

EXHIBIT B

Intentionally Omitted.

EXHIBIT C

DESCRIPTION OF DEVELOPMENT

(Attached)

Project Description

The Oakwood Senior Housing development is the creation of 150 units of new independent senior affordable homes in the Lee District. This project leverages an approximately 6.21 acre site area and current storm water retention pond at the intersection of Oakwood Road and S. Van Dorn Street on or about 5815 South Van Dorn Street.

This affordable housing development is 100% committed affordable, senior housing with a mix of one- and two-bedroom apartments designed to meet the needs of the target senior population.

This development will feature ample community amenities, such as landscaped areas, resident services offices and meeting space, in addition to services and programs that support the whole resident.

APAH has included communal multipurpose spaces in the design to allow for computer/library and meeting areas, wellness programs and activities for the senior residents. APAH will also be exploring indoor/outdoor greenhouse programming and free wi-fi access in community spaces.

In addition to the rental homes and community amenities, the new development will provide improved storm water protection with a comprehensive set of new measures that meet modern requirements for on-site quantity and quality controls. This allows APAH to add housing and maintain the current storm water drainage.

**AGREEMENT TO GROUND LEASE
(Oakwood South)**

THIS AGREEMENT TO GROUND LEASE (this "Agreement") is made as of March 10, 2020 (the "Effective Date") by and between **APAH OAKWOOD LLC**, a Virginia limited liability company ("Landlord"), and **OAKWOOD SOUTH NINE LIMITED PARTNERSHIP**, a Virginia limited partnership ("Tenant").

WHEREAS, Landlord will acquire a leasehold interest in certain land identified on Exhibit A attached hereto and located in Fairfax County, Virginia (the "Master Leased Land") from the Fairfax County Redevelopment and Housing Authority (the "FCRHA"), pursuant to a Deed of Lease between Landlord and FCRHA, which Deed of Lease will be entered into pursuant to that certain Contract to Ground Lease between Landlord and FCRHA, and which Contract to Ground Lease will be entered into pursuant to that certain Comprehensive Agreement between Landlord and FCRHA.

WHEREAS, upon acquiring a leasehold interest in the Master Leased Land, Landlord will subject the Master Leased Land to a land condominium regime (the "Condominium"), which shall consist of two land condominium units, which land units are described on Exhibit B attached hereto.

WHEREAS, the land comprising the South Unit is referred to herein as the "Parcel"; and

WHEREAS, Tenant intends to develop and construct upon the Parcel a 71-unit affordable residential rental community.

WHEREAS, Landlord desires to ground lease to Tenant, and Tenant desires to ground lease from Landlord, the Parcel on the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Description of the Property. The property that is the subject of this Agreement is as follows:

- (a) The Parcel;
- (b) All rights, privileges, and easements appurtenant to the Parcel, including without limitation, all water rights, rights of way, roadways, utility facilities and other appurtenances used or to be used in connection with the beneficial use of the Parcel;
- (c) All improvements, if any, located on the Parcel; and
- (d) All of Landlord's rights in and to the Condominium's common elements attributable to Landlord's leasehold ownership of the South Unit.

All of the property described in (a), (b), (c), and (d) above is hereinafter collectively referred to as the "Property".

2. Agreement to Ground Lease. Landlord agrees to lease to Tenant and Tenant agrees to Lease from Landlord the Property via a ground lease (the "Ground Lease") on the terms and conditions herein provided.

3. Assignment. Upon the execution of the Ground Lease, Landlord shall assign to Tenant, all of Landlord's rights in any studies, surveys, reports, government approvals, permits, licenses, engineering plans, site plans, architectural plans, environmental studies, soils reports, books and records, and similar approvals, plans and reports relating to the Property, to the extent assignable by Landlord.

4. Rent. The rent under the Ground Lease shall be fair market rent as mutually agreed upon by Landlord and Tenant, payable from a capitalized payment on the Closing Date of Two Million Seven Hundred Thirty Five Thousand Dollars (\$2,735,000) and the remainder from fifty percent (50%) of Tenant's available cash flow, and bearing interest at the long-term applicable federal rate as of the date of the Ground Lease.

5. Term. The term of the Ground Lease shall be seventy-five (75) years.

6. Costs and Expenses. The Ground Lease shall stipulate that Tenant is responsible for all costs and expenses relating to the ownership and operation of the Property, including without limitation, all property taxes, all maintenance costs, and all costs of operating the residential rental facility to be constructed upon the Parcel.

7. Form of Ground Lease. In addition to the provisions described herein, the Ground Lease shall contain addition provisions mutually agreed upon by Landlord and Tenant, which are customary for ground leases made in connection with the construction of affordable housing projects, and including provisions required by Tenant's investors and lenders.

8. Title to the Property; Environmental Assessment.

(a) At the closing of the transaction contemplated hereunder (the "Closing," and the date of such Closing, the "Closing Date"), Landlord shall convey good and marketable leasehold interest to the Property, insurable as such in an amount equal to the value of the Parcel by such title company as Tenant may choose, at regular rates, on a form of owner's policy satisfactory to Tenant, free and clear of any and all liens, special assessments and taxes related to the Property (except for such special assessments and taxes contemplated hereunder), encumbrances, leases, subleases, rights of possession, occupancies, easements, rights of way, covenants, conditions, limitations, restrictions or other matters whatsoever, whether recorded or unrecorded, except for (i) any lien of real estate taxes not yet due and payable, and (ii) special exceptions (other than liens securing the payment of money) set forth in Tenant's title insurance commitment for the Property as to which Tenant has not made any objection as provided hereinafter. The matters described in clauses (i) and (ii) above are hereinafter referred to as "Permitted Encumbrances."

(b) Landlord shall not cause or permit the status of title to, or the environmental condition of, the Property to be modified in any way subsequent to the Effective Date of this Agreement without the prior written consent of Tenant.

9. Closing. Landlord and Tenant shall enter into the Ground Lease on a date chosen by the Tenant that is no earlier than the date the Condominium is formed and no later than September 1, 2023.

10. Conveyance; Adjustments.

(a) The following documents shall be executed and/or delivered by Landlord to Tenant simultaneously with the execution of the Ground Lease:

(i) All plans and specifications, architectural drawings and renderings, site plans, record plats, subdivision plats, test borings, engineering studies, surveys, permits, approvals and other information within Landlord's possession or control concerning the Property;

(ii) An assignment of all of Landlord's contract rights associated with the Property;

(iii) A certification dated as of the Closing Date providing that all of Landlord's representations and warranties set forth herein are true and correct in all material respects;

(iv) Such other certificates, agreements and other documents as may be reasonably requested by the title company insuring leasehold title to the Property, in order to permit it to issue a title policy reflecting that Tenant holds good and marketable leasehold title to the Property, subject only to the Permitted Encumbrances; and

(v) All other documents reasonably necessary or appropriate to effectuate the purposes of this Agreement.

(b) Tenant shall bear the cost of all title insurance premiums, title examination and other title company charges. Tenant shall pay the costs of recording any mortgages or deeds of trust on the Property. Tenant shall pay all recordation taxes and expenses.

(c) Pro rata adjustments on a per diem basis shall be made between Landlord and Tenant as of Closing Date with respect to the following items:

(i) Real estate taxes, ad valorem taxes, escrows, front foot benefit and any similar charges by governmental authorities or special taxing districts; and

(ii) All other charges typically prorated between buyers and sellers of commercial real estate in the jurisdiction where the Property is located.

(d) The risk of loss or damage to the Property by fire or other casualty shall remain on Landlord until the Ground Lease is executed at Closing. Landlord agrees to keep in place adequate public liability insurance until Closing. In the event any portion of the Property is condemned by any governmental authority under its power of eminent domain, or is the subject of any notice of condemnation (a "Condemnation Proceeding"), then, notwithstanding anything to the contrary contained herein, Tenant may elect to terminate this Agreement, in which event the parties shall have no further liability to each other hereunder. In the event that a Condemnation Proceeding is filed and/or is pending against a portion of, but less than the entire Property (a "Partial Taking"), and such Partial Taking does not, in the reasonable opinion of Tenant, materially negatively impact Tenant's ability to develop the Project, Tenant may elect (but is not obligated) to proceed to Closing. In such event, the Landlord and Tenant shall negotiate the allocation of the condemnation proceeds and an adjustment to the rent under the Ground Lease.

11. Default. Upon a default hereunder, Landlord and Tenant shall have all remedies available to them at law or equity.

12. Tenant's Conditions Precedent to Closing.

(a) The following conditions shall exist at the time of Closing hereunder, and the obligation of Tenant to enter into the Ground Lease pursuant to the terms of this Agreement shall be conditioned upon and subject to the satisfaction (or waiver in writing by Tenant) of each such condition:

(i) The status of title to the Property shall be as required by this Agreement.

(ii) No part of the Property shall have been acquired, or shall be about to be acquired, by authority of any governmental agency in the exercise of its power of eminent domain or by private purchase in lieu thereof, no portion of the Property shall have been damaged, and no zoning or similar land use proceeding shall have been instituted, where such acquisition, damage or proceeding would have a material adverse effect on Tenant's intended development and construction of the Project.

(iii) Landlord shall not be in material breach of its representations and warranties as set forth herein and Landlord shall have performed and complied in all material respects with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(iv) Landlord shall deliver possession of the Property to Tenant at Closing, free of all leases, tenancies and occupants.

(v) All written notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any court against or affecting the Property, shall have been complied with by Landlord, and the Property shall be free and clear thereof.

(vi) The Property abuts and has an unrestricted right of access to a public road, and storm sewer, sanitary sewer, water, gas, electric, telephone and cable television shall be available to the boundaries of the Property in sufficient quantities to serve Tenant's intended development of the Property and at a cost reasonably acceptable to Tenant.

(b) If any of the foregoing conditions are not fully satisfied as of the Closing Date, Tenant shall have the option: (i) to waive such condition precedent and proceed to Closing, or (ii) to terminate this Agreement, and the parties shall be relieved of all further obligation and/or liability hereunder. In the event the failure to fully satisfy any of the foregoing conditions also constitutes a Landlord default, then Tenant shall also have all rights triggered by a Landlord default as described herein.

13. Landlord's Conditions Precedent to Closing.

(a) The following conditions shall exist at the time of Closing hereunder, and the obligation of Landlord to enter into the Ground Lease pursuant to the terms of this Agreement shall be conditioned upon and subject to the satisfaction (or waiver in writing by Landlord) of each such condition: Tenant shall not be in material breach of its representations and warranties as set forth herein and Tenant shall have performed and complied in all material respects with all of the covenants and conditions required by this Agreement to be performed or complied with at or prior to Closing.

(b) If any of the foregoing conditions are not fully satisfied as of the Closing Date, Landlord shall have the option: (i) to waive such condition precedent and proceed to Closing, or (ii) to terminate this Agreement, and the parties shall be relieved of all further obligation and/or liability hereunder. In the event the failure to fully satisfy any of the foregoing conditions also constitutes a Tenant default, then Landlord shall also have all rights triggered by a Tenant default as described herein.

14. Representations; Warranties; Covenants.

(a) Landlord hereby warrants, represents and/or covenants, as applicable, to Tenant as of the date hereof and as of the Closing Date:

(i) Landlord at Closing will hold good, marketable indefeasible leasehold title to the Property, subject only to the Permitted Encumbrances.

(ii) Landlord is a limited liability company, validly existing in good standing under the laws of the Commonwealth of Virginia, and Landlord has the right, power and authority to enter into this Agreement and to lease the Property in accordance with the terms and conditions of this Agreement; at Closing, no other party will have any ownership or other interest in the Property or rights to consent to the terms of this Agreement.

(iii) Neither Landlord nor any related entity has, nor will while this Agreement is in effect, (A) enter into any other option or contract of sale or execute any deeds, leases, declarations, preferences, conditions, restrictions, zoning proffers, covenants, easements, or

rights-of-way materially adversely affecting the Property or (B) otherwise convey or encumber, or permit any lien or encumbrance upon (other than the Permitted Encumbrances) the Property or any interest therein without the prior written consent of Tenant.

(iv) There is no litigation or proceeding of any type pending, or to the knowledge of Landlord, threatened against or relating to the Property or to Landlord's ability to sell the Property at law or in equity before any federal, state, municipal or local government authority, department, commission, board, bureau, agency, or instrumentality thereof. To Landlord's knowledge, Landlord has complied with all laws, ordinances, regulations and orders applicable to the Property. Landlord has not received any notice that Landlord is in violation of any building, zoning, health or other ordinances, resolutions, statutes or regulations of any government, government agencies, or insurance underwriter, with respect to the use, occupation, maintenance, condition or operation of the Property which has not been cured.

(v) At Closing, all notices of violations of governmental orders or requirements noted or issued by any public authority having jurisdiction, and any action in any court against or affecting the Property, shall have been complied with by Landlord and the Property shall be free and clear thereof.

(vi) No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Landlord, or is contemplated by Landlord.

(vii) Landlord has no knowledge of any actual, pending, or threatened designation of any portion of the Property as a historic landmark or archeological district, site or structure; Landlord has no knowledge of any graveyard lying within the Property.

(viii) This Agreement has been duly authorized, executed and delivered by Landlord, and constitutes the legal, valid and binding obligations of Landlord, and all other documents executed by Landlord which are to be delivered to Tenant at Closing are, or at the time of Closing, will be duly authorized, executed, and delivered by Landlord, and constitute the legal, valid, and binding obligations of Landlord.

(ix) The execution and performance of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which either the Property or Landlord is a party or is bound.

(x) No assessments by any governmental agency or authority are pending, noted or levied against all or any portion of the Property that remain unpaid, except for real property taxes not yet due and payable.

(xi) All bills for mechanics' liens, tax liens, chattel liens or for services performed or materials or labor provided in connection with work or improvements affecting the Property have been or will be paid in the ordinary course of business, and in all events prior to Closing. Landlord shall certify the same to the title insurance company insuring Tenant's title to the Property, if required. In the event any claim is made by any party for payment of sums

due for the furnishing of labor and/or materials for the Property for the benefit of Landlord prior to or subsequent to the Effective Date of this Agreement, but prior to Closing, such sums shall be paid by Landlord on or before the Closing Date. In the event any lien is filed against the Property subsequent to the Closing Date as a result of the furnishing of such labor and/or materials for the benefit of Landlord, Landlord shall expeditiously pay said claim or discharge said lien or obtain a full and complete release thereof, or provide a sufficient surety bond or other security to protect Tenant while any such claim is being defended or challenged by Landlord.

(xii) The Property is vacant and there are no leases, tenancies or occupancy agreements affecting all or any portion of the Property, and no party other than Landlord has any right or claim to possession of all or any portion of the Property.

(xiii) At Closing, there will be no management, service, maintenance, employment or other contracts binding on or affecting the Property.

(xiv) All portions of the Property are contiguous (without any strips, gaps or gores or any other parcels of land intervening).

(xv) Landlord is not in default under any mortgage or deed of trust encumbering the Property.

No representation, warranty or covenant by Landlord in this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements therein not misleading. The representations and warranties made herein shall be true and correct at the time of Closing, and all exhibits attached hereto are fully accurate, true and complete to the best of Landlord's knowledge and belief. If Landlord obtains knowledge that any of its representations and warranties set forth in this Section are untrue or become untrue or incorrect in any respect, Landlord shall promptly notify Tenant in writing of the same and Landlord shall take all actions required to cure the same.

(b) Tenant hereby warrants and represents to Landlord as follows:

(i) Tenant is a limited partnership duly organized and validly existing in good standing under the laws of the Commonwealth of Virginia and has the right, power and authority to enter into this Agreement and to lease the Property in accordance with the terms and conditions hereof; no other party has rights to consent to the terms of this Agreement.

(ii) This Agreement has been duly authorized, executed and delivered by Tenant, and constitutes the legal, valid and binding obligations of Tenant, and all other documents executed by Tenant which are to be delivered to Landlord at Closing are, or at the time of Closing, will be duly authorized, executed, and delivered by Tenant, and constitute the legal, valid, and binding obligations of Tenant.

(iii) There is no litigation or proceeding of any type pending, or to the knowledge of Tenant, threatened against or relating to the Property or to Tenant's ability to lease the Property.

(iv) No petition in bankruptcy (voluntary or involuntary) or for the appointment of a receiver or trustee has been filed by or against Tenant, or is contemplated by Tenant.

(v) The execution and performance of this Agreement will not violate any law, rule, regulation, court order, contract, agreement, commitment or obligation by which Tenant is bound.

15. Government Applications. Tenant shall have the right to make application to, and make such agreements with, federal, state, local and private agencies as are necessary to obtain such approvals, permits, financing, subdivisions, zoning changes, and other assistance as may be necessary to develop, own and operate the Property. Landlord shall cooperate with Tenant in Tenant's efforts to obtain all governmental approvals for Tenant's development of the Property, including, without limitation, zoning approvals and debt and equity financing commitments, and, in that regard, Landlord shall execute, from time to time, in each case within seven (7) business days after receipt from Tenant, all applications, plats, filings and other documents related to the project approvals for which Landlord's signature is required, at no cost or expense to Landlord, except for any attorneys' fees which Landlord may incur for Landlord's counsel's review of such documents.

16. Brokerage. Landlord and Tenant each represent and warrant to the other that no agent, broker or finder has acted for it in connection with this Agreement and the leasing of the Property. Each party (a "Brokerage Indemnitor") agrees to defend, protect, hold harmless and indemnify the other party (a "Brokerage Indemnitee") from and against any and all claims, liabilities, demands, suits, damages, causes of action, judgments, verdicts, liens, costs and expenses (including reasonable attorneys' fees) and all other losses arising from any claim against a Brokerage Indemnitee by any broker, agent, salesperson or other representative for any fees or commissions arising by reason of any action on the part of a Brokerage Indemnitor.

17. Notice and Cure. In the event either party fails to perform any of its obligations under this Agreement, the non-defaulting party shall give the defaulting party written notice of such default. The defaulting party shall have five (5) business days after receipt of such notice to cure such default if the default involves the payment of money, and twenty (20) business days to cure any other default before the non-defaulting party may enforce any of its rights hereunder. If the cure for a non-monetary default reasonably takes more than twenty (20) days, and good faith efforts are being applied by the defaulting party to cure the default, the time to cure such default shall be extended to reasonably allow the defaulting party to cure the default, limited to a maximum of sixty (60) days.

18. Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning of interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

exactly what is going to be stated and when, or unless otherwise required to be disclosed by law or regulation. The provisions of this Section shall survive the termination of the Agreement.

23. Miscellaneous Provisions.

(a) This Agreement contains the entire agreement between the parties hereto and is intended to be an integration of all prior or contemporaneous agreements, conditions or undertakings between the parties hereto; there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between and among the parties hereto other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by Landlord and Tenant.

(b) Wherever herein reference is made to “days”, the same shall mean “calendar days”. Wherever in this Agreement a time period shall end on a day, which is a Saturday, Sunday, or legal holiday, said time period shall automatically extend to the next date which is not a Saturday, Sunday, or legal holiday.

(c) No purported or alleged waiver of any of the provisions of this Agreement shall be valid or effective unless in writing signed by the party against whom it is sought to be enforced.

(d) This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective estates, legal representatives, successors and assigns.

(e) This Agreement shall not be recorded in any manner or form by Landlord or Tenant.

(f) This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Virginia (without regard to principles of conflicts of law).

(g) This Agreement and any amendments thereto may be signed in various counterparts, which together shall constitute one and the same instrument. To facilitate execution of this Agreement and any amendments thereto, the parties may execute and exchange by electronic transmissions copies of this Agreement and any amendments thereto, and all such copies shall be deemed to be originals.

Signature Page Follows

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned parties have duly executed this Agreement to Ground Lease as of the date written above.

LANDLORD:

APAH OAKWOOD LLC,
a Virginia limited liability company

By: Arlington Partnership for Affordable Housing, Inc.,
its sole member

By: Kelly Eichhorn
Kelly Eichhorn
Assistant Treasurer

TENANT:

OAKWOOD SOUTH NINE LIMITED
PARTNERSHIP, a Virginia limited partnership

By: Oakwood South Nine Development LLC,
its general partner

By: Kelly Eichhorn
Kelly Eichhorn
Assistant Treasurer

EXHIBIT A
DESCRIPTION OF PROPERTY MASTER LEASED FROM FCRHA

Beginning at a point on the southeasterly right-of-way line of Oakwood Road, a variable width right-of-way, said point being the southwesterly corner of the land of Anthony D. and Leah S. McIvor;

Thence, departing the southeasterly right-of-way line of Oakwood Road and with the southerly line of the land of Anthony D. and Leah S. McIvor N 77°40'44" E a distance of 75.54 feet to a point, said point being the northwesterly corner of Lot 10, Brookland Estates and being a point in common with Lot 11, Brookland Estates;

Thence, with the westerly line of Lot 10, Brookland Estates and continuing with Lots 9, 9A, 8A, and 8, Brookland Estates S 07°49'52" E a distance of 407.70 feet to a point, said point being the northernmost corner of Lot 7, Brookland Estates;

Thence, with the northwesterly and westerly lines of Lot 7, Brookland Estates and continuing with the westerly line of Lots 6, 5 and 4 Brookland Estates the following two (2) courses and distances:

1. S 61°47'11" W a distance of 93.83 feet to a point;
2. S 04°22'16" E a distance of 311.66 feet to a point, said point being a northerly corner of Parcel C, Willow Creek;

Thence, with the northerly line of Parcel C, Willow Creek and continuing with Outlot D, Willow Creek (Bent Willow Drive, private street) and Parcel B, Willow Creek S 88°21'05" W a distance of 378.28 feet to the easterly right-of-way line of South Van Dorn Street, a variable width right-of-way;

Thence, with the easterly right of way line of South Van Dorn Street the following three (3) courses and distances:

1. N 04°16'01" W a distance of 161.46 feet to a point;
2. N 06°28'57" W a distance of 180.06 feet to a point;
3. N 04°18'08" W a distance of 165.31 feet to a point on the southeasterly right-of-way line of the aforementioned Oakwood Road;

Thence, departing the easterly right-of-way line of South Van Dorn Street and with the southeasterly right-of-way line of Oakwood Road the following three (3) courses and distances:

1. N 38°38'51" E a distance of 61.09 feet to a point;
2. with a curve turning to the left having a radius of 351.56 feet, an arc length of 335.84 feet, a central angle of 54°43'59", a chord bearing of N 54°02'06" E and a chord length of 323.21 feet to a point;
3. N 77°43'23" E a distance of 53.92 feet to the point of beginning.

Containing an area of 270,302 square feet or 6.20528 acres, more or less.

EXHIBIT B
LAND UNITS IN THE CONDOMINIUM
(See Attached)

| | |
|------------|---------------------|
| North Unit | 10,195 square feet |
| South Unit | 206,698 square feet |

RESOLUTION NUMBER 10-20

Authorization to Execute the Proposed Comprehensive Agreement with APAH Oakwood, LLC for the Development of the Oakwood Senior Affordable Housing Property (Lee District)

BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the execution of the proposed Comprehensive Agreement between the FCRHA and APAH Oakwood, LLC to effectuate the Development of the Oakwood Senior Affordable Housing Property in the Lee District under the provisions of the Public-Private Education Facilities and Infrastructure Act of 2002, as outlined in the Action Item presented to the FCRHA at its meeting on March 5, 2020; and

BE IT FURTHER RESOLVED THAT the FCRHA authorizes any Assistant Secretary, on behalf of the Authority, to take any other action as may be necessary or appropriate to comply therewith or in furtherance of the purposes thereof.

ACTION – 1

RESOLUTION NUMBER 10-20: Authorization to Execute the Proposed Comprehensive Agreement with APAH Oakwood, LLC for the Development of the Oakwood Senior Affordable Housing Property (Lee District)

ISSUE:

Fairfax County Redevelopment and Housing Authority (FCRHA) authorization is requested to execute the proposed Comprehensive Agreement with APAH Oakwood, LLC to develop the FCRHA-owned Oakwood property under the provisions of the Public-Private Education Facilities and Infrastructure Act of 2002, as amended (PPEA).

RECOMMENDATION:

The Chair of the Planning and Development Committee approved placing this Item on the March 5, 2020 FCRHA meeting agenda.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

This project supports the FCRHA mission to preserve, expand and facilitate affordable housing opportunities in Fairfax County.

BACKGROUND:

In February 2018, the County received an unsolicited proposal from Arlington Partnership for Affordable Housing (APAH) to construct 150 units of senior affordable housing on the Oakwood property in the Lee District. The unsolicited proposal was reviewed and accepted by the County for further evaluation and was posted on Fairfax County's website for public review. In accordance with the PPEA guidelines, the Department of Housing and Community Development (HCD) issued a Request for Competing Proposals (RCP) in May 2018. The RCP included the following evaluation criteria: affordability, financial viability, development team experience, project design, and community outreach. Two competing proposals were received. An evaluation team, including staff from HCD and the County Attorney's office, was formed to evaluate the three proposals. As part of the evaluation process, the team prepared one round of written clarification questions and conducted oral interviews. Upon completion of the evaluation process, the team selected APAH as the top-ranked applicant.

On November 20, 2018, the Board of Supervisors authorized the transfer of the Oakwood property ownership to the FCRHA. The Oakwood property is located at the

intersection of South Van Dorn Street and Oakwood Road. The property is identified by Tax Map No. 081-2 ((1)) Parcel 0017C and Tax Map Nos. 081-4 ((1)) Parcels 0032, 0033 and 0034. The transfer was conditional on developing the property to create senior affordable housing.

Interim Agreement: The Interim Agreement executed by the FCRHA on March 15, 2019, granted a limited revocable agency to APAH Oakwood, LLC to submit, as agent for the FCRHA, applications for land use approvals. If the Comprehensive Agreement is approved it will replace the Interim Agreement whose outside expiration date is July 31, 2022.

Comprehensive Agreement: The proposed Comprehensive Agreement contains the form of the Deed of Lease (Ground Lease) and the form of the Contract to Ground Lease for the senior affordable housing development on the Oakwood property. FCRHA approval of the Comprehensive Agreement will allow the immediate execution of the Contract to Ground Lease for the senior affordable housing development. As mentioned above, the Comprehensive Agreement, if approved, will replace the Interim Agreement whose outside expiration date is July 31, 2022.

Selected Developer: APAH is a non-profit developer that was founded in 1989. APAH owns 1,592 rental units at 16 residential properties in Northern Virginia.

Summary of Development Proposal: The proposed development includes 150 affordable senior units in one building with two, three, and four stories, with surface parking. The final plans and specifications of the buildings and the units are not yet completed, but the FCRHA has final approval rights of the plans and specifications under the Comprehensive Agreement. APAH is to have a 75-year ground lease. Financing includes Virginia Housing Development Authority (VHDA) Low-Income Housing Tax Credits (LIHTC). APAH is solely responsible for the costs and associated risks related to development, construction, and operation of the project. The FCRHA has no financial obligations for the project, although APAH has applied for a Housing Blueprint Loan as part of the negotiations provided for under the PPEA process. The primary conditions to closing and executing the Ground Lease are receipt of the LIHTC and closing on all necessary financing for the project. The FCRHA will collect rent under the ground lease as a portion of net cash flow. While rents will offer a range of affordability, maximum rents will be affordable to households earning up to 60 percent of the Area Median Income (AMI) as published annually by the U.S. Department of Housing and Urban Development (HUD). The selected proposed development can be viewed at the County website: <https://www.fairfaxcounty.gov/procurement/ppea>.

Land Use Approvals and Timing: The Planning Commission and the Board of Supervisors approved the Comprehensive Plan Amendments on September 11, 2019 and September 24, 2019 respectively. The Proffered Condition Amendment and Special Exception were also approved by the Planning Commission on January 15, 2020, and the Board of Supervisors on January 28, 2020. The LIHTC application filing

deadline is March 14, 2020. Therefore, it is necessary to execute the Comprehensive Agreement and allow APAH to submit the LIHTC application on March 14, 2020.

Community Outreach: APAH has briefed the district Supervisor on the proposed project, and he is supportive of the development of affordable senior housing on the site. The first community meeting was held on October 1, 2018. Several meetings were held by the project Task Force, formed by the district Supervisor, to solicit public input.

PPEA Timing: The FCRHA approved the advertisement and scheduling of the public hearing on December 4, 2019. The public hearing was held on January 30, 2020. The FCRHA may now authorize the execution of the Comprehensive Agreement at its regularly scheduled meeting on March 5, 2020.

STAFF IMPACT:

Leading up to the approval of the Comprehensive Agreement, staff has spent considerable time working with APAH and legal counsel on an agreed-upon Comprehensive Agreement.

FISCAL IMPACT:

Apart from the cost of staff time, there is no fiscal impact to execute the Comprehensive Agreement with APAH Oakwood, LLC for the development of the Oakwood Senior Affordable Housing property.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Number 10-20
Attachment 2: Comprehensive Agreement

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Teresa Lepe, Deputy Director, Real Estate, Finance, and Development, HCD

Amy Ginger, Deputy Director, Operations, HCD

Ahmed Rayyan, Director, Design, Development and Construction, HCD

Tony Esse, Associate Director, Design, Development, and Construction, HCD

Mohamed Ghiwane, Project Manager, Design, Development, and Construction, HCD

MAP #: 0812 01 0017C
 FAIRFAX COUNTY REDEVELOPMENT
 AUTHORITY

5815 VAN DORN ST S

Values

| | |
|------------------------|-------------|
| Tax Year | 2020 |
| Current Land | \$1,598,000 |
| Current Building | \$0 |
| Current Assessed Total | \$1,598,000 |
| Tax Exempt | YES |
| Note | |

Values History

| Tax Year | Land | Building | Assessed Total | Tax Exempt |
|----------|-------------|----------|----------------|------------|
| 2019 | \$1,551,000 | \$0 | \$1,551,000 | YES |
| 2018 | \$1,521,000 | \$0 | \$1,521,000 | YES |
| 2017 | \$1,521,000 | \$0 | \$1,521,000 | YES |
| 2016 | \$1,521,000 | \$0 | \$1,521,000 | YES |
| 2015 | \$1,491,000 | \$0 | \$1,491,000 | YES |
| 2014 | \$1,448,000 | \$0 | \$1,448,000 | YES |
| 2013 | \$1,406,000 | \$0 | \$1,406,000 | YES |
| 2012 | \$1,365,000 | \$0 | \$1,365,000 | YES |
| 2011 | \$1,351,000 | \$0 | \$1,351,000 | YES |
| 2010 | \$1,958,000 | \$0 | \$1,958,000 | YES |
| 2009 | \$2,176,000 | \$0 | \$2,176,000 | YES |
| 2008 | \$2,176,000 | \$0 | \$2,176,000 | YES |
| 2007 | \$1,813,000 | \$0 | \$1,813,000 | YES |
| 2006 | \$1,727,000 | \$0 | \$1,727,000 | YES |
| 2005 | \$1,279,000 | \$0 | \$1,279,000 | YES |
| 2004 | \$1,279,000 | \$0 | \$1,279,000 | YES |
| 2003 | \$1,112,000 | \$0 | \$1,112,000 | YES |
| 2002 | \$767,140 | \$0 | \$767,140 | YES |
| 2001 | \$697,400 | \$0 | \$697,400 | YES |
| 2000 | \$697,400 | \$0 | \$697,400 | YES |

Source: Fairfax County Department
 of Tax Administration, Real Estate Division.

MAP #: 0814 01 0032
 FAIRFAX COUNTY REDEVELOPMENT
 AUTHORITY

5839 VAN DORN ST S

Values

| | |
|------------------------|-----------|
| Tax Year | 2020 |
| Current Land | \$459,000 |
| Current Building | \$0 |
| Current Assessed Total | \$459,000 |
| Tax Exempt | YES |
| Note | |

Values History

| Tax Year | Land | Building | Assessed Total | Tax Exempt |
|----------|-----------|----------|----------------|------------|
| 2019 | \$446,000 | \$0 | \$446,000 | YES |
| 2018 | \$437,000 | \$0 | \$437,000 | YES |
| 2017 | \$437,000 | \$0 | \$437,000 | YES |
| 2016 | \$437,000 | \$0 | \$437,000 | YES |
| 2015 | \$428,000 | \$0 | \$428,000 | YES |
| 2014 | \$416,000 | \$0 | \$416,000 | YES |
| 2013 | \$404,000 | \$0 | \$404,000 | YES |
| 2012 | \$392,000 | \$0 | \$392,000 | YES |
| 2011 | \$388,000 | \$0 | \$388,000 | YES |
| 2010 | \$562,000 | \$0 | \$562,000 | YES |
| 2009 | \$624,000 | \$0 | \$624,000 | YES |
| 2008 | \$624,000 | \$0 | \$624,000 | YES |
| 2007 | \$520,000 | \$0 | \$520,000 | YES |
| 2006 | \$495,000 | \$0 | \$495,000 | YES |
| 2005 | \$367,000 | \$0 | \$367,000 | YES |
| 2004 | \$367,000 | \$0 | \$367,000 | YES |
| 2003 | \$319,000 | \$0 | \$319,000 | YES |
| 2002 | \$220,000 | \$0 | \$220,000 | YES |
| 2001 | \$200,000 | \$0 | \$200,000 | YES |
| 2000 | \$200,000 | \$0 | \$200,000 | YES |

Source: Fairfax County Department
 of Tax Administration, Real Estate Division.

MAP #: 0814 01 0033
 FAIRFAX COUNTY REDEVELOPMENT
 AUTHORITY

5901 VAN DORN ST S

Values

| | |
|------------------------|-----------|
| Tax Year | 2020 |
| Current Land | \$459,000 |
| Current Building | \$0 |
| Current Assessed Total | \$459,000 |
| Tax Exempt | YES |
| Note | |

Values History

| Tax Year | Land | Building | Assessed Total | Tax Exempt |
|----------|-----------|----------|----------------|------------|
| 2019 | \$446,000 | \$0 | \$446,000 | YES |
| 2018 | \$437,000 | \$0 | \$437,000 | YES |
| 2017 | \$437,000 | \$0 | \$437,000 | YES |
| 2016 | \$437,000 | \$0 | \$437,000 | YES |
| 2015 | \$428,000 | \$0 | \$428,000 | YES |
| 2014 | \$416,000 | \$0 | \$416,000 | YES |
| 2013 | \$404,000 | \$0 | \$404,000 | YES |
| 2012 | \$392,000 | \$0 | \$392,000 | YES |
| 2011 | \$388,000 | \$0 | \$388,000 | YES |
| 2010 | \$562,000 | \$0 | \$562,000 | YES |
| 2009 | \$624,000 | \$0 | \$624,000 | YES |
| 2008 | \$624,000 | \$0 | \$624,000 | YES |
| 2007 | \$520,000 | \$0 | \$520,000 | YES |
| 2006 | \$495,000 | \$0 | \$495,000 | YES |
| 2005 | \$367,000 | \$0 | \$367,000 | YES |
| 2004 | \$367,000 | \$0 | \$367,000 | YES |
| 2003 | \$319,000 | \$0 | \$319,000 | YES |
| 2002 | \$220,000 | \$0 | \$220,000 | YES |
| 2001 | \$200,000 | \$0 | \$200,000 | YES |
| 2000 | \$200,000 | \$0 | \$200,000 | YES |

Source: Fairfax County Department
 of Tax Administration, Real Estate Division.

MAP #: 0814 01 0034
 FAIRFAX COUNTY REDEVELOPMENT
 AUTHORITY

5907 VAN DORN ST S

Values

| | |
|------------------------|-----------|
| Tax Year | 2020 |
| Current Land | \$459,000 |
| Current Building | \$0 |
| Current Assessed Total | \$459,000 |
| Tax Exempt | YES |
| Note | |

Values History

| Tax Year | Land | Building | Assessed Total | Tax Exempt |
|----------|-----------|----------|----------------|------------|
| 2019 | \$446,000 | \$0 | \$446,000 | YES |
| 2018 | \$437,000 | \$0 | \$437,000 | YES |
| 2017 | \$437,000 | \$0 | \$437,000 | YES |
| 2016 | \$437,000 | \$0 | \$437,000 | YES |
| 2015 | \$428,000 | \$0 | \$428,000 | YES |
| 2014 | \$416,000 | \$0 | \$416,000 | YES |
| 2013 | \$404,000 | \$0 | \$404,000 | YES |
| 2012 | \$392,000 | \$0 | \$392,000 | YES |
| 2011 | \$388,000 | \$0 | \$388,000 | YES |
| 2010 | \$562,000 | \$0 | \$562,000 | YES |
| 2009 | \$624,000 | \$0 | \$624,000 | YES |
| 2008 | \$624,000 | \$0 | \$624,000 | YES |
| 2007 | \$520,000 | \$0 | \$520,000 | YES |
| 2006 | \$495,000 | \$0 | \$495,000 | YES |
| 2005 | \$367,000 | \$0 | \$367,000 | YES |
| 2004 | \$367,000 | \$0 | \$367,000 | YES |
| 2003 | \$319,000 | \$0 | \$319,000 | YES |
| 2002 | \$220,000 | \$0 | \$220,000 | YES |
| 2001 | \$200,000 | \$0 | \$200,000 | YES |
| 2000 | \$200,000 | \$0 | \$200,000 | YES |

Source: Fairfax County Department
 of Tax Administration, Real Estate Division.

F

Third-Party RESNET
Rater Certification
(MANDATORY)



Appendix F
RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition provide HERS rating documentation as specified in the manual

New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

Earthcraft Certification - The development's design meets the criteria to obtain Viridiant's EarthCraft Multifamily program Gold certification or higher

LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

Enterprise Green Communities - The development's design meets the criteria for meeting the requirements as stated in the Enterprise Green Communities Criteria for this development's construction type to obtain certification.

*****Please Note Raters must have completed 500+ ratings in order to certify this form**

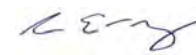
Signed: 

Date: 2/25/20

Printed Name: Matt Waring

RESNET Rater

Resnet Provider Agency
Viridiant

Signature 

Provider Contact and Phone/Email

Sean Evensen-Shanley, (804) 225-9843, sean.evensen-shanley@viridiant.org

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: Zdm0WKgL

HERS® Index Score:

74

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$431

*Relative to an average U.S. home

Home:
5815 S. Van Dorn Street
Fairfax County, VA 22310

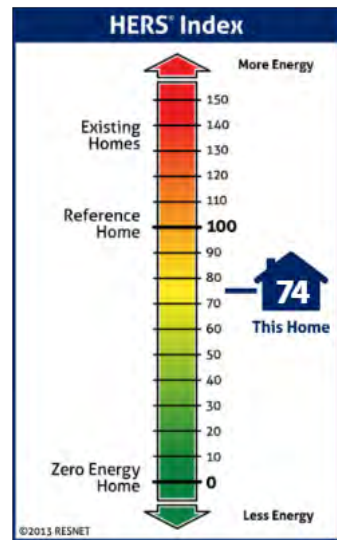
Builder:

Your Home's Estimated Energy Use:

| | Use [MBtu] | Annual Cost |
|-------------------------|-------------|--------------|
| Heating | 4.1 | \$137 |
| Cooling | 0.6 | \$21 |
| Hot Water | 5.3 | \$178 |
| Lights/Appliances | 13.3 | \$446 |
| Service Charges | | \$79 |
| Generation (e.g. Solar) | 0.0 | \$0 |
| Total: | 23.4 | \$860 |

This home meets or exceeds the criteria of the following:

ENERGY STAR v3



Home Feature Summary:

| | |
|--------------------------|--|
| Home Type: | Apartment, inside unit |
| Model: | N/A |
| Community: | N/A |
| Conditioned Floor Area: | 676 ft ² |
| Number of Bedrooms: | 1 |
| Primary Heating System: | Air Source Heat Pump • Electric • 8.5 HSPF |
| Primary Cooling System: | Air Source Heat Pump • Electric • 14.5 SEER |
| Primary Water Heating: | Water Heater • Electric • 0.93 Energy Factor |
| House Tightness: | 5 ACH50 |
| Ventilation: | 57 CFM • 248 Watts |
| Duct Leakage to Outside: | 46.7 CFM @ 25Pa (5 / 100 s.f.) |
| Above Grade Walls: | R-19 |
| Ceiling: | Adiabatic, R-19 |
| Window Type: | U-Value: 0.32, SHGC: 0.27 |
| Foundation Walls: | N/A |

Rating Completed by:

Energy Rater: Matt Waring
RESNET ID: 6729287

Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Matt Waring

Matt Waring, Certified Energy Rater
Digitally signed: 3/10/20 at 4:11 PM

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: 6LAMX9VL

HERS® Index Score:

77

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$605

*Relative to an average U.S. home

Home:
5815 S. Van Dorn Street
Fairfax County, VA 22310

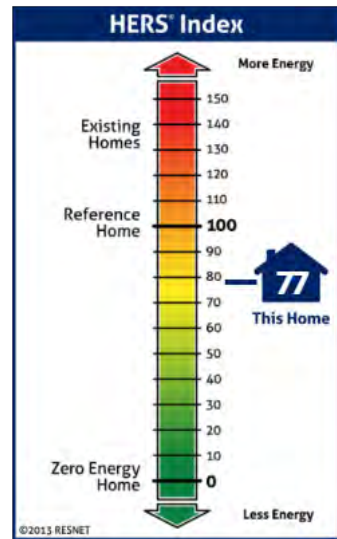
Builder:

Your Home's Estimated Energy Use:

| | Use [MBtu] | Annual Cost |
|-------------------------|-------------|----------------|
| Heating | 8.2 | \$267 |
| Cooling | 0.0 | \$0 |
| Hot Water | 7.4 | \$244 |
| Lights/Appliances | 15.3 | \$506 |
| Service Charges | | \$79 |
| Generation (e.g. Solar) | 0.0 | \$0 |
| Total: | 31.0 | \$1,096 |

This home meets or exceeds the criteria of the following:

ENERGY STAR v3



Home Feature Summary:

| | |
|--------------------------|--|
| Home Type: | Apartment, end unit |
| Model: | N/A |
| Community: | N/A |
| Conditioned Floor Area: | 934 ft ² |
| Number of Bedrooms: | 2 |
| Primary Heating System: | Air Source Heat Pump • Electric • 8.2 HSPF |
| Primary Cooling System: | N_A |
| Primary Water Heating: | Water Heater • Electric • 0.93 Energy Factor |
| House Tightness: | 5 ACH50 |
| Ventilation: | 68 CFM • 248 Watts |
| Duct Leakage to Outside: | 46.7 CFM @ 25Pa (5 / 100 s.f.) |
| Above Grade Walls: | R-19 |
| Ceiling: | Adiabatic, R-38 |
| Window Type: | U-Value: 0.35, SHGC: 0.3 |
| Foundation Walls: | N/A |

Rating Completed by:

Energy Rater: Matt Waring
RESNET ID: 6729287

Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Matt Waring

Matt Waring, Certified Energy Rater
Digitally signed: 3/10/20 at 4:22 PM

G

Zoning Certification Letter
(MANDATORY)



Zoning Certification

NOTE TO DEVELOPER: You are strongly encouraged to submit this certification to the appropriate local official **at least three weeks in advance of the application deadline** to ensure adequate time for review and approval.

General Instructions:

1. The Zoning Certification **must** be submitted on locality's letterhead or professional civil engineer's letterhead.
2. The Local Certification section **must** be completed by the appropriate local official or Civil Engineer.
3. The Engineer **must** be registered in the Commonwealth of Virginia.
4. 'Development Description' should be provided by the Owner.
5. 'Development Address' should correspond to I.A.2 on page 1 of the application.
6. 'Legal Description' should correspond to the site control document in the application.
7. 'Proposed Improvements' should correspond with I.B & D and III.A of the application.
8. 'Other Descriptive Information' should correspond with information in the application.
9. Any change in this Certification may result in disqualification of the application.

If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



DATE:

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Attention: JD Bondurant

RE: ZONING CERTIFICATION

| | |
|-------------------------------|---|
| Name of Development: | <u>Oakwood South Nine</u> |
| Name of Owner/Applicant: | <u>Oakwood South Nine Limited Partnership</u> |
| Name of Seller/Current Owner: | <u>Fairfax County Redevelopment and Housing Authority</u> |

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

DEVELOPMENT DESCRIPTION:

Development Address:
5815 S Van Dorn Street, Alexandria, VA 22310

Legal Description:
See legal description attached as "Description of Lands"

Proposed Improvements:

| | | | |
|---|-----------------------|---------------------------|---|
| <input checked="" type="checkbox"/> New Construction: | <u>71</u> # Units | <u>1</u> # Buildings | <u>80,829.16</u> Approx. Total Floor Area Sq. Ft. |
| <input type="checkbox"/> Adaptive Reuse: | <u> </u> # Units | <u> </u> # Buildings | <u> </u> Approx. Total Floor Area Sq. Ft. |
| <input type="checkbox"/> Rehabilitation: | <u> </u> # Units | <u> </u> # Buildings | <u> </u> Approx. Total Floor Area Sq. Ft. |

Zoning Certification, cont'd

Current Zoning: R-8 allowing a density of 38.3* units per acre, and the following other applicable conditions: At its meeting on January 28,

2020, the Fairfax Board of Supervisors approved a Proffered Condition Amendment and a Special Amendment Application to the Zoning Ordinance to allow for an affordable, 4-story independent senior housing development with 150 units.

Other Descriptive Information:

The development will redevelop an existing stormwater pond and replace it with a new multifamily affordable housing building that will include community facilities (on-site leasing/property management/resident services offices, community rooms, laundry) and surface parking. There will be a mix of one- and two-bedroom units, all of which will be affordable.

*Allows a maximum of 238 units based on the site acreage of 6.21 acres.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.



Greg Drew
 Signature

Greg Drew
 Printed Name

Group Leader / Associate
 Title of Local Official or Civil Engineer

(703) 334-5654
 Phone:

3/6/2020
 Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



Description of the Lands of
Fairfax County Redevelopment and Housing Authority
(Deed Book 25638 Page 561)
Lee Magisterial District
Fairfax County, Virginia
February 22, 2019

Beginning at a point on the southeasterly right-of-way line of Oakwood Road, a variable width right-of-way, said point being the southwesterly corner of the land of Anthony D. and Leah S. McIvor;

Thence, departing the southeasterly right-of-way line of Oakwood Road and with the southerly line of the land of Anthony D. and Leah S. McIvor N 77°40'44" E a distance of 75.54 feet to a point, said point being the northwesterly corner of Lot 10, Brookland Estates and being a point in common with Lot 11, Brookland Estates;

Thence, with the westerly line of Lot 10, Brookland Estates and continuing with Lots 9, 9A, 8A, and 8, Brookland Estates S 07°49'52" E a distance of 407.70 feet to a point, said point being the northernmost corner of Lot 7, Brookland Estates;

Thence, with the northwesterly and westerly lines of Lot 7, Brookland Estates and continuing with the westerly line of Lots 6, 5 and 4 Brookland Estates the following two (2) courses and distances:

1. S 61°47'11" W a distance of 93.83 feet to a point;
2. S 04°22'16" E a distance of 311.66 feet to a point, said point being a northerly corner of Parcel C, Willow Creek;

Thence, with the northerly line of Parcel C, Willow Creek and continuing with Outlot D, Willow Creek (Bent Willow Drive, private street) and Parcel B, Willow Creek S 88°21'05" W a distance of 378.28 feet to the easterly right-of-way line of South Van Dorn Street, a variable width right-of-way;

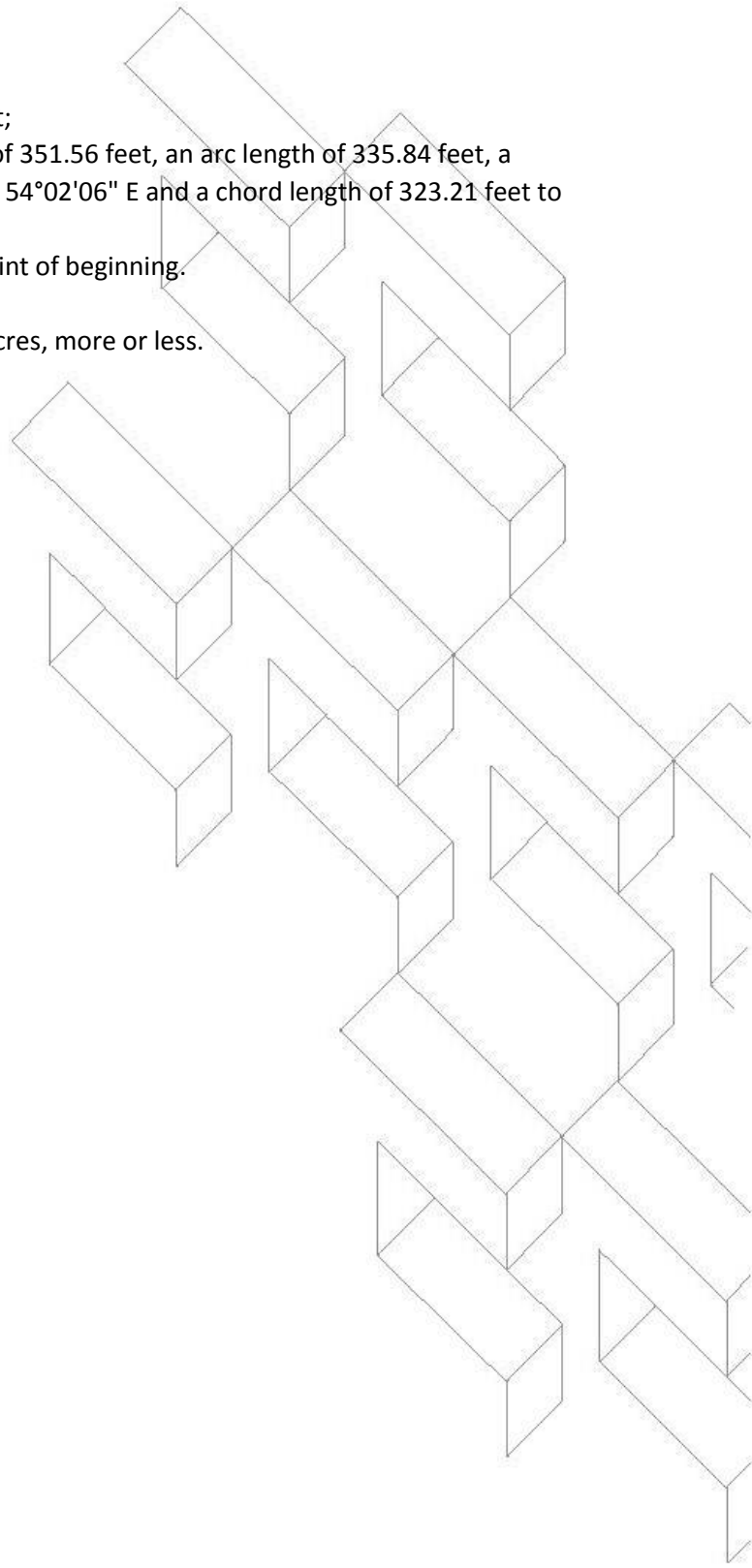
Thence, with the easterly right of way line of South Van Dorn Street the following three (3) courses and distances:

1. N 04°16'01" W a distance of 161.46 feet to a point;
2. N 06°28'57" W a distance of 180.06 feet to a point;
3. N 04°18'08" W a distance of 165.31 feet to a point on the southeasterly right-of-way line of the aforementioned Oakwood Road;

Thence, departing the easterly right-of-way line of South Van Dorn Street and with the southeasterly right-of-way line of Oakwood Road the following three (3) courses and distances:

1. N 38°38'51" E a distance of 61.09 feet to a point;
2. with a curve turning to the left having a radius of 351.56 feet, an arc length of 335.84 feet, a central angle of 54°43'59", a chord bearing of N 54°02'06" E and a chord length of 323.21 feet to a point;
3. N 77°43'23" E a distance of 53.92 feet to the point of beginning.

Containing an area of 270,302 square feet or 6.20528 acres, more or less.





County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

January 29, 2020

Mark M. Viani
Bean, Kinney & Korman, PC
2311 Wilson Blvd., Suite 500
Arlington, Virginia 22201

**RE: Proffered Condition Amendment and Special Exception Amendment Applications
PCA 85-L-006 and SE 2019-LE-013 - APAH Oakwood, LLC
Lee District**

Dear Mr. Viani:

Enclosed you will find a copy of an Ordinance adopted by the Board of Supervisors at a regular meeting held on January 28, 2020. The Board approved Proffered Condition Amendment PCA 85-L-006, subject to the executed Proffers dated January 23, 2020.

The Board also approved Special Exception Amendment Application SE 2019-LE-013, subject to the following Development Conditions dated December 31, 2019:

1. This Special Exception is granted for and runs with the land indicated in this application and is not transferable to other land.
2. This Special Exception is granted only for the purposes, structures and/or uses indicated on the Generalized Development Plan/Special Exception Plat entitled "Oakwood Senior Housing Development" dated March 12, 2019 as revised through December 18, 2019 (the "SE Plat") approved with the application, as qualified by these development conditions.
3. This Special Exception is subject to the provisions of Article 17, Site Plans, as may be determined by the Director, Land Development Services (LDS). Any plan submitted pursuant to this special exception will be in substantial conformance with the SE Plat. Minor modifications of the special exception may be permitted pursuant to Par. 4 of Sect. 9-004 of the Zoning Ordinance.
4. The ILF must be operated in compliance with these conditions and all applicable federal, state, and local laws, including 42 U.S.C. § 3601 *et seq.* as amended, including the Fair Housing Amendments Act of 1988 (FHAA) and the Federal Housing for Older Persons Act of 1995 (HOPA), and as implemented by HUD regulations at 24 C.F.R. part 100.300 (collectively, the FHA), the Fairfax County Zoning Ordinance, and the Code of the County of Fairfax, Virginia.

Department of Clerk Services
Clerk for the Board of Supervisors
12000 Government Center Parkway, Suite 552
Fairfax, Virginia 22035
Phone: 703-324-3151 ♦ Fax: 703-324-3926 ♦ TTY: 711
Email: clerktothebos@fairfaxcounty.gov
<http://www.fairfaxcounty.gov/bosclerk>

This approval, contingent on the above noted conditions, shall not relieve the applicant from compliance with the provisions of any applicable ordinances, regulations, or adopted standards. The applicant shall be himself responsible for obtaining the required Non-Residential Use Permit through established procedures, and this Special Exception shall not be valid until this has been accomplished.

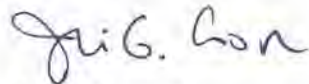
Pursuant to Section 9-015 of the Zoning Ordinance, this special exception shall automatically expire, without notice, thirty (30) months after the date of approval unless, at a minimum, the use has been established or construction has commenced and been diligently prosecuted. The Board of Supervisors may grant additional time to establish the use or to commence construction if a written request for additional time is filed with the Zoning Administrator prior to the date of expiration of the special exception. The request must specify the amount of additional time requested, the basis for the amount of time requested and an explanation of why additional time is required.

The Board also:

- Modified Par. 11 of Sect. 9-306 of the Zoning Ordinance to the minimum required building setback from the eastern property line from 50 feet to 39 feet

For additional information, please go to <http://ldsnet.fairfaxcounty.gov/ldsnet> or contact the Zoning Evaluation Division at (703) 324-1290.

Sincerely,



Jill G. Cooper
Clerk for the Board of Supervisors

Cc: Rodney L. Lusk, Lee District
Thomas Reed, Director, Real Estate Division, Dept. of Tax Administration
Tracy D. Strunk, Director, Zoning Evaluation Division, Dept. of Planning and Development
Deputy Zoning Administrator, Dept. of Planning and Development
Michael Liddle, Director, GIS Services, Department of Information Technology
Jeff Hermann, Section Chief, Transportation Planning Division
Andrea Dorlester, Park Planning Branch Manager, FCPA
Abdi Hamud, Program Administrator, DHCD/Design Development Division
Jessica Gillis, Coordinator, Facilities Planning, Fairfax County Public Schools
Michael Guarino, Chief Capital Projects Sections, Dept. of Transportation

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Government Center at Fairfax, Virginia, on January 28, 2020, the following ordinance was adopted:

**AN ORDINANCE AMENDING THE ZONING ORDINANCE
PROFFERED CONDITION AMENDMENT PCA 85-L-006
(concurrent with Special Exception Application SE 2019-LE-013)**

WHEREAS, APAH Oakwood, LLC filed in the proper form an application requesting amendment to the plan of a certain parcel of land, hereinafter described, by amending conditions proffered and accepted pursuant to Virginia Code Ann., §15.2-2303(a), and

WHEREAS, at a duly called public hearing the Planning Commission considered the application and the propriety of amending the Zoning Ordinance in accordance therewith, and thereafter did submit to this Board its recommendation, and

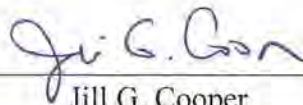
WHEREAS, this Board has today held a duly called public hearing and after due consideration of the reports, recommendation, testimony and facts pertinent to the proposed amendment, the Board is of the opinion that the Ordinance should be amended,

NOW, THEREFORE, BE IT ORDAINED, that that certain parcel of land situated in the Lee District, and more particularly described as follows (see attached legal description):

Be and hereby is further restricted by the amended conditions proffered and accepted pursuant to Virginia Code Ann., §15.2-2303(a), which conditions are incorporated into the Zoning Ordinance as it affects said parcel, and

BE IT FURTHER ENACTED, that the boundaries of the Zoning Map heretofore adopted as a part of the Zoning Ordinance be, and they hereby are, amended in accordance with this enactment, and that said zoning map shall annotate and incorporate by reference the additional conditions governing said parcels.

GIVEN under my hand this 28th day of January 2020.



Jill G. Cooper

Clerk for the Board of Supervisors



COUNTY OF FAIRFAX
 Department of Planning and Zoning
 Zoning Evaluation Division
 12055 Government Center Parkway, Suite 801
 Fairfax, VA 22035 (703) 324-1290, TTY 711
www.fairfaxcounty.gov/dpz/zoning/applications


APPLICATION No: SE 2019-LE-013

Concurrent with PCA 85-L-006

(Staff will assign)
 RECEIVED
 Department of Planning & Zoning

MAR 15 2019

APPLICATION FOR A SPECIAL EXCEPTION Zoning Evaluation Division
 (PLEASE TYPE or PRINT IN BLACK INK)

| | |
|--|---|
| APPLICANT | NAME APAH Oakwood, LLC |
| | MAILING ADDRESS 4318 N. Carlin Springs Road, Arlington, VA 22203 |
| | PHONE HOME () WORK (571) 733-9621 |
| | PHONE MOBILE () |
| PROPERTY INFORMATION | PROPERTY ADDRESS 5815, 5839, 5901 and 5907 S. Van Dorn Street, Alexandria, Virginia 22310 |
| | TAX MAP NO. 0812-01-0017C, 0814-01-0032, 0033 & 0034 SIZE (ACRES/SQ FT) 6.21 acres |
| | ZONING DISTRICT R-8 MAGISTERIAL DISTRICT Lee |
| | PROPOSED ZONING IF CONCURRENT WITH REZONING APPLICATION: No rezoning request - PCA ONLY filed concurrently |
| SPECIAL EXCEPTION REQUEST INFORMATION | ZONING ORDINANCE SECTION 9-006, 9-304 and 9-306 |
| | PROPOSED USE Affordable Independent Living Facility |
| AGENT/CONTACT INFORMATION | NAME Mark M. Viani |
| | MAILING ADDRESS Bean, Kinney & Korman, PC, 2311 Wilson Blvd., Suite 500, Arlington, Virginia 22201 |
| | PHONE HOME () WORK (703) 525-4000 |
| | PHONE MOBILE (703) 474-6791 |
| MAILING | Send all correspondence to (check one): <input type="checkbox"/> Applicant -or- <input checked="" type="checkbox"/> Agent/Contact |
| <p>The name(s) and addresses of owner(s) of record shall be provided on the affidavit form attached and made part of this application. The undersigned has the power to authorize and does hereby authorize Fairfax County staff representatives on official business to enter the subject property as necessary to process the application.</p> <p>Mark M. Viani</p> <p style="text-align: right;"></p> | |
| TYPE/PRINT NAME OF APPLICANT/AGENT | SIGNATURE OF APPLICANT/AGENT |

DO NOT WRITE IN THIS SPACE

Date Application accepted: April 4, 2019

Application Fee Paid: \$ Waived

SE 2019-0090

MPC 4/4/19



COUNTY OF FAIRFAX
 Department of Planning and Zoning
 Zoning Evaluation Division
 12055 Government Center Parkway, Suite 801
 Fairfax, VA 22035 (703) 324-1290 TTY 711
<https://www.fairfaxcounty.gov/planning-zoning/zoning/application-packages>

APPLICATION #: PCA 85-L-006

concurrent with

(Staff will assign)

SE 2019-LE-013

Print

ZONING APPLICATION

RECEIVED
 Department of Planning & Zoning

MAR 15 2019

APPLICATION TYPE(S): RZ PCA FDP CDPA FDPA DPA CP
 CPA PRC PRCA CSP CSPA AA AF AR

TO: THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA

(We), APAH Oakwood, LLC the applicant(s) petition you to adopt an ordinance amending the Zoning Map of Fairfax County, Virginia, by reclassifying the below noted property from the R-8 District to the R-8 District.

(PCA) This application proposes to amend the proffers approved pursuant to RZ 85-L-006 (case) in order to permit 150-unit affordable Independent Living Facility for seniors

Is this a partial PCA? Y (Y/N) If Yes, please identify affected acreage: 6.21 acres

TAX MAP PARCEL(S):

0812-01-0017C, 0814-01-0032, 0033, 0034

TOTAL ACREAGE: 6.21 CURRENT ZONING DISTRICT: R-8

LEGAL DESCRIPTION: Deed Book: See Enclosed Legal Page No.: _____

POSTAL ADDRESS OF PROPERTY (INCLUDING ZIP CODE):

5815, 5839, 5901 and 5907 S. Van Dorn Street, Alexandria, Virginia 22310

ADVERTISING DESCRIPTION: (Ex. North side of Lee Highway approx. 1000 feet west of its intersection with Newgate Blvd.)

Southwest corner of the intersection of Oakwood Road and S. Van Dorn Street in the Lee District

| | | | |
|-----------------------|--------------------|----------------------|------------------------------------|
| EXISTING USE: | <u>Vacant Land</u> | PROPOSED USE: | <u>Independent Living Facility</u> |
| MAGISTERIAL DISTRICT: | <u>Lee</u> | OVERLAY DISTRICT(S): | <u>None</u> |

Waiver/Modification of Submission Requirements Requested:

The name(s) and address(es) of owner(s) of record shall be provided on the affidavit form attached and made part of this application. The undersigned has the power to authorize and does hereby authorize Fairfax County staff representative on official business to enter on the subject property as necessary to process the application.

| | | | | | |
|--|------------------|-------------------|--|------------------|-------------------|
| Applicant Contact Name: | | | Agent Name: | | |
| <u>APAH Oakwood, LLC</u> | | | <u>Mark M. Viani</u> | | |
| Address: <u>APAH</u> | | | Address: <u>Bean, Kinney & Korman PC</u> | | |
| Street: <u>4318 N. Carlin Springs Road</u> | | | Street: <u>2311 Wilson Blvd., Suite 500</u> | | |
| City: <u>Arlington</u> | State: <u>VA</u> | Zip: <u>22203</u> | City: <u>Arlington</u> | State: <u>VA</u> | Zip: <u>22201</u> |
| Phone Number: | | | Phone Number: | | |
| (W): <u>571-733-9621</u> | (C): | | (W): <u>703-525-4000</u> | (C): | |
| E-mail: | | | E-mail: | | |
| | | | <u>MViani@beankinney.com</u> | | |

Signature:

Date: 3/14/19

DO NOT WRITE IN THIS SPACE

Date Application Accepted: April 4, 2019

Application Fee Paid: \$ waived

APC
PCA 2019-0089

4/4/19



Description of the Lands of
Fairfax County Redevelopment and Housing Authority
(Deed Book 25638 Page 561)
Lee Magisterial District
Fairfax County, Virginia
February 22, 2019

Beginning at a point on the southeasterly right-of-way line of Oakwood Road, a variable width right-of-way, said point being the southwesterly corner of the land of Anthony D. and Leah S. McIvor;

Thence, departing the southeasterly right-of-way line of Oakwood Road and with the southerly line of the land of Anthony D. and Leah S. McIvor N 77°40'44" E a distance of 75.54 feet to a point, said point being the northwesterly corner of Lot 10, Brookland Estates and being a point in common with Lot 11, Brookland Estates;

Thence, with the westerly line of Lot 10, Brookland Estates and continuing with Lots 9, 9A, 8A, and 8, Brookland Estates S 07°49'52" E a distance of 407.70 feet to a point, said point being the northernmost corner of Lot 7, Brookland Estates;

Thence, with the northwesterly and westerly lines of Lot 7, Brookland Estates and continuing with the westerly line of Lots 6, 5 and 4 Brookland Estates the following two (2) courses and distances:

1. S 61°47'11" W a distance of 93.83 feet to a point;
2. S 04°22'16" E a distance of 311.66 feet to a point, said point being a northerly corner of Parcel C, Willow Creek;

Thence, with the northerly line of Parcel C, Willow Creek and continuing with Outlot D, Willow Creek (Bent Willow Drive, private street) and Parcel B, Willow Creek S 88°21'05" W a distance of 378.28 feet to the easterly right-of-way line of South Van Dorn Street, a variable width right-of-way;

Thence, with the easterly right of way line of South Van Dorn Street the following three (3) courses and distances:

1. N 04°16'01" W a distance of 161.46 feet to a point;
2. N 06°28'57" W a distance of 180.06 feet to a point;
3. N 04°18'08" W a distance of 165.31 feet to a point on the southeasterly right-of-way line of the aforementioned Oakwood Road;

Thence, departing the easterly right-of-way line of South Van Dorn Street and with the southeasterly right-of-way line of Oakwood Road the following three (3) courses and distances:



Description of the Lands of
Fairfax County Redevelopment and Housing Authority
(Deed Book 25638 Page 561)
Lee Magisterial District
Fairfax County, Virginia
February 22, 2019

Beginning at a point on the southeasterly right-of-way line of Oakwood Road, a variable width right-of-way, said point being the southwesterly corner of the land of Anthony D. and Leah S. McIvor;

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Thence, with the northerly line of Parcel C, Willow Creek and continuing with Outlot D, Willow Creek (Bent Willow Drive, private street) and Parcel B, Willow Creek S 88°21'05" W a distance of 378.28 feet to the easterly right-of-way line of South Van Dorn Street, a variable width right-of-way;

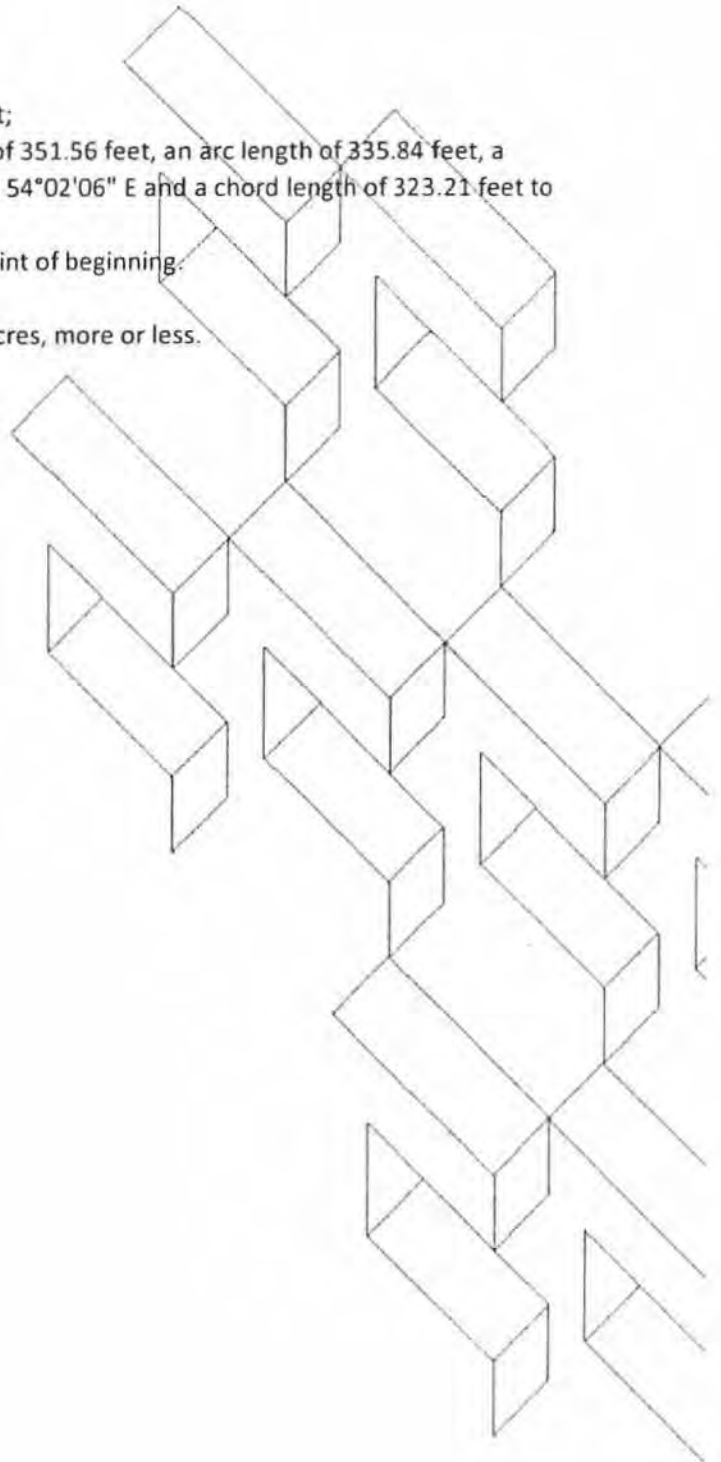
Thence, with the easterly right of way line of South Van Dorn Street the following three (3) courses and distances:

1. N 04°16'01" W a distance of 161.46 feet to a point;
2. N 06°28'57" W a distance of 180.06 feet to a point;
3. N 04°18'08" W a distance of 165.31 feet to a point on the southeasterly right-of-way line of the aforementioned Oakwood Road;

Thence, departing the easterly right-of-way line of South Van Dorn Street and with the southeasterly right-of-way line of Oakwood Road the following three (3) courses and distances:

1. N 38°38'51" E a distance of 61.09 feet to a point;
2. with a curve turning to the left having a radius of 351.56 feet, an arc length of 335.84 feet, a central angle of 54°43'59", a chord bearing of N 54°02'06" E and a chord length of 323.21 feet to a point;
3. N 77°43'23" E a distance of 53.92 feet to the point of beginning.

Containing an area of 270,302 square feet or 6.20528 acres, more or less.



DRAFT PROFFER STATEMENT

PCA 85-L-006

January 23, 2020

Pursuant to Section 15.2-2303(A) of the Code of Virginia, 1950, as amended, and Section 18-204 of the Zoning Ordinance of Fairfax County 1978, as amended (hereinafter referred to as the "Zoning Ordinance"), APAH Oakwood, LLC for itself and its respective successors and/or assigns (hereinafter referred to collectively as the "Applicant") and the Fairfax County Redevelopment and Housing Authority, the owner of the Property, defined below, hereby proffers that the development of the parcels under consideration and shown on the Fairfax County Tax Maps as Tax Map Nos. 0812-01-0017C, 0814-01-0032, 0033 & 0034 (collectively, the "Property") must be in accordance with the following conditions if, and only if, the Fairfax County Board of Supervisors approves application PCA 85-L-006 (this "PCA"). Upon approval of the PCA, these proffers will replace and supersede all previous proffers approved on the Property. In the event this PCA is denied by the Board, these proffers and conditions will immediately be null and void.

1. Development of the Property will be in substantial conformance with the General Development Plan/Special Exception Plat/Proffer Condition Amendment (the "GDP/SE/PCA") which consists of 19 pages, prepared by Christopher Consultants, dated March 15, 2019, revised through December 18, 2019.

2. Proposed Development: Development of the Application Property will be limited to a maximum of 150 residential independent living units, located within one (1) multifamily building, with 121 surface parking spaces (subject to the provisions of Proffer 14D) as shown in the GDP/SE/PCA. Accessory uses, for the use and benefit of the residents, such as business centers, leasing offices and recreational facilities, will be permitted within the multifamily building.

A. Affordability: This Project will be 100% affordable at 60% AMI or lower, subject to tax credit program requirements.

3. Minor Modifications. Pursuant to Section 16-402 of the Zoning Ordinance, minor modifications of the GDP/SE/PCA may be permitted as determined by the Zoning Administrator.

4. Architectural Design and Layout: The architectural design of the independent building will be in substantial conformance with the bulk, mass, color palette, and type and quality of materials shown on elevations on sheet 10 of the GDP.

5. Noise Attenuation:

Prior to site plan review, the Applicant will submit a refined acoustical analysis (noise study), conducted when Fairfax County Public Schools are in session, to the Environment and

Development Review Branch (EDRB) of DPD for review and approval and to LDS for information purposes only to ensure that no new residential units are exposed to transportation generated noise levels in excess of 45 dBA and no outdoor recreation areas are exposed to noise levels above 65 dBA.

If the refined analysis determines that new residential units or outdoor recreation areas are impacted by noise levels that require mitigation, then appropriate mitigation measures will be provided based on the findings of the analysis to reduce interior noise levels to no more than 45 dBA and outdoor recreation areas to no more than 65 dBA. If mitigation is required, the Applicant will include applicable noise contours on the site plan.

6. On-Site Recreational Facilities: The Applicant will provide on-site recreational facilities to serve the residents of the Application Property, as generally shown on the GDP/SE/PCA, of up to approx. 1,350 SF.

7. Lighting:

A. Compliance With Zoning Ordinance. All outdoor and building-mounted lighting provided on the Application Property by the Applicant will comply with the Outdoor Lighting Standards of Section 14-900 of the Zoning Ordinance.

B. Parking Lot and Building Mounted Lighting. Light poles in surface parking lots and building-mounted lighting installed on the multifamily buildings will utilize shielded cut-off fixtures and be directed inward and downward such that the lamp surface is not directly visible to adjacent properties.

8. Stormwater Management.

A. Subject to the approval of LDS, the Applicant will implement a Stormwater Management (SWM) and Best Management Practices (BMP) plan to control the quantity and quality of stormwater runoff from the Application Property. The Applicant will provide stormwater management facilities as shown on the GDP/SE/PCA. The Applicant will meet or exceed the minimum state and Fairfax County requirements for stormwater quantity and quality, unless otherwise waived or modified.

B. If feasible based on appropriate testing, in consultation with Stormwater Planning, the Applicant will utilize infiltration practices on-site to eliminate or reduce the BMP off-site nutrient credit required to meet Water Quality treatment requirements.

C. The Applicant reserves the right to pursue additional stormwater management measures provided the same are in substantial conformance with the GDP/SE/PCA.

D. Should new stormwater management regulations be issued affecting the Application Property, the Applicant will have the right to accommodate necessary changes to its stormwater/BMP facility designs without the requirement of any amendment to the GDP/SE/PCA, or gain approval of any administrative modifications to the GDP/SE/PCA or

proffers, provided the facility designs substantially conform with the GDP/SE/PCA.

E. If soils are found to be inadequate for infiltration to completely satisfy the State and Fairfax County BMP requirements for the site, the Applicant will evaluate and utilize additional measures to meet the State and Fairfax County BMP requirements, provided: a) the costs of such additional measures does not exceed \$20,000 (which amount is exclusive of the Applicant's substantial additional costs associated with the infiltration testing and the testing and evaluation of the additional measures); and b) does not result in the loss of any tree save area or vegetated buffer. If the Applicant determines that the additional measures cannot meet these limitations, it may purchase offsite nutrient credits to satisfy the remaining State and Fairfax County BMP requirements.

9. Signs: Signs on the application property will be permitted in accordance with Article 12 of the Zoning Ordinance.

10. UFMD:

A. Tree Inventory and Condition Analysis: The Application will submit a Tree Inventory and Condition Analysis as part of the first and all subsequent plan submissions. The Tree Inventory and Condition Analysis will be prepared by a Certified Arborist or Registered Consulting Arborist, and will include elements of PFM 12-1307 deemed appropriate to the project site as determined by UFMD.

B. Tree Preservation Plan: The Applicant will submit a Tree Preservation Plan and Narrative as part of the first and all subsequent plan submissions. The Tree Preservation Plan and Narrative will be prepared by a Certified Arborist or Registered Consulting Arborist, and will include elements of PFM 12-0309 deemed appropriate to the project site as determined by UFMD.

C. Project Arborist/Pre-construction Meeting: Prior to the pre-construction meeting, the Applicant will have the approved limits of clearing and grading flagged with a continuous line of flagging. The Applicant will retain the services of a Certified Arborist or Registered Consulting Arborist (Project Arborist) to attend the pre-construction meeting to review the limits of clearing and grading with an UFMD representative to determine where adjustments to the clearing limits can be made to increase the area of the tree preservation and/or to increase the survivability of trees at the limits of clearing and grading. Such adjustments will be recorded by the Project Arborist and tree protection fencing will be implemented under the Project Arborist's supervision based on these adjustments.

D. Tree Protection Fencing: The Applicant will provide appropriate tree protection devices, based on site conditions and proposed construction activities as reviewed and approved by UFMD. Tree protection fencing will consist of four-foot high welded wire attached to six-foot steel posts driven 18 inches into the ground and spaced no further than 10- feet apart; or super silt fence.

E. Tree Preservation Measures: Tree preservation measures will be clearly identified, labeled, and detailed on the Erosion and Sediment Control Plan sheets and Tree Preservation Plan.

Tree preservation measures may include, but are not limited to the following: root pruning, crown pruning, mulching, watering, etc. Specifications will be provided on the plan detailing how preservation measures will be implemented. Tree preservation activities will be completed during implementation of Phase I of the Erosion and Sediment Control Plan.

F. Site Monitoring: The Applicant's Project Arborist will be present on site during implementation of the Phase I Erosion and Sediment Control Plan and monitor any construction activities conducted within or adjacent to areas of trees to be preserved. Construction activities include, but may not be limited to clearing, root pruning, tree protection fence installation, vegetation/tree removal, and demolition activities. During implementation of Phase 2 Erosion and Sediment Control Plan, the Project Arborist will visit the site on a regular basis to continue monitoring tree preservation measures and ensure that all activities are conducted as identified in the Tree Preservation Plan and approved by UFMD. Written reports will be submitted to UFMD and SDID site inspector detailing site visits. A monitoring schedule and Project Arborist reports will be described and detailed in the Tree Preservation Plan.

G. Invasive Plant Species Management: Forested areas containing plant species that are known to be invasive in quantities that threaten the long term health and survival of the existing vegetation present will be the subject of an invasive plant species management plan in order for the area to be awarded full 10-year canopy credit. At the time of site plan submission, the Applicant will provide a management plan for review and approval by UFMD specifying the common and scientific name of invasive species proposed for management, the target area for management efforts, methods of control and disposal of invasive plants, timing of treatments and monitoring, duration of the management program, and potential reforestation as needed.

H. Landscape Planting Pre-Installation Meeting: Prior to installation of any plants to meet the requirements of the approved landscape planting plan, the contractor/developer will coordinate a pre-installation meeting on the site with the landscape contractor, UFMD staff, and any additional appropriate parties. Any proposed changes to planting locations, tree/shrub planting sizes, and species substitutions shown on the approved plan will be reviewed and must be approved by UFMD staff prior to planting. The installation of plants not approved by UFMD may require the submission of a revision to the landscape plan or removal and replacement with approved trees/shrubs prior to bond release.

I. The Applicant will submit a landscape plan that shows, at a minimum, landscaping as depicted on the development plan (GDP/SE/PCA), concurrently with the first submission, and all subsequent submissions, of the site plan for review and approval by the Urban Forest Management Division (UFMD), DPWES. All landscaping will be installed prior to the issuance of the first RUP/Non-RUP on the property, or as determined by UFMD for a particular project, but no later than bond release.

J. The existing conservation easement located on that portion of the Property known as Tax Map 0814-01-0034 (and recorded at DB13142, PG 908) will be vacated and replaced with a new conservation easement of equal or greater size on the Property as determined by the Applicant with DPD staff.

11. Shuttle Bus Service: The Applicant will provide shuttle service for residents from the Property to local destinations, such as the Van Dorn Metro station, local retail and entertainment venues, and other sites as determined by resident demand and programming. This service will be available to the residents at no charge on an as-needed basis, commencing upon the issuance of the first RUP. Residents will be advised of this service at the time they enter the lease. If it is determined by the Applicant, its successors or assigns, as demonstrated to FCDOT, that there service is not utilized by residents after (3) years of operation following the issuance of the first RUP, the service may be terminated. In the event the service is terminated in accordance with this proffer, the Applicant, or its successor or assigns, may, but is not required to, reinstate the service in the future without the need for a PCA, CDPA, or FPDA.

12. Earthcraft Certification: The Applicant will achieve certification in accordance with the EarthCraft House Program, targeting Gold Certification, as demonstrated through documentation provided to the Department of Planning and Development (DPD), prior to bond release.

13. Fire and Rescue

A. Traffic Signal Preemption Devices. Prior to site plan approval, the Applicant must contribute \$10,000 to the Capital Project titled Traffic Light Signals – FRD Proffers in Fund 300-C30070, Public Safety Construction for use in the installation of emergency vehicle preemption equipment on traffic signals within the Lee District as determined by the Fire and Rescue Department. The Applicant will have no responsibility for installation or maintenance of the preemptive signal devices.

14. Parking

A. Parking Reduction. Nothing herein will preclude the Applicant or the owner from requesting a parking reduction in the future if determined by the Applicant or the owner, respectively, that the parking represented on the GDP is not required. Said reduction will be processed through the submission of a parking demand analysis to be reviewed and approved by LDS and will not necessitate the approval of a PCA, CDPA or FDPA.

B. Shuttle Space. With the site plan submitted, the Applicant will identify parking spaces to be reserved for private shuttle parking.

C. Electric Vehicle Charging. The Applicant will install an underground conduit and will size the supporting electrical panel source so as to provide for the installation by others of one electric vehicle charging station, in one parking space of the Applicant's choosing, when it constructs the parking lot.

D. Future Parking Spaces. The Applicant has reserved a portion of the site for up to nine (9) potential future parking spaces, as show on GDP/SE/PCA Sheet #4, if it reasonably determines, after three (3) years from the date of issuance of the RUP, that such spaces are necessary for the operation of the site. The Applicant's determination that such additional spaces are necessary must be supported by documented tenant or community complaints or other

evidence. The Applicant may seek administrative approval of these spaces through a minor site plan modification.

15. Trails

Internal Pedestrian Circulation. Internal pedestrian circulation will be provided in the form of private trails and walkways throughout the Application Property as identified on the GDP/PCA/SE. Except as otherwise indicated on the GDP/PCA/SE, all permanent trails and walkways throughout the Application Property as identified on the GDP/PCA/SE will meet accessibility standards as required by the Americans with Disabilities Act. The Applicant reserves the right to modify the layout and alignment of the internal trails and walkways based on final design, provided that pedestrian connectivity is maintained throughout the Application Property and the limits of clearing and grading are not increased. Installation of the internal private trails and walkways will be completed prior to the issuance of the first RUP.

16. Transportation

A. VDOT Acceptance. Fairfax County is responsible for VDOT acceptance of existing Oakwood Road. The GDP/SE/PCA and final site plan approvals will not be contingent upon said street acceptance.

B. Applicant will coordinate with FCDOT regarding the installation of a Bus Shelter/pad, to be installed within 120 days after the completion of the S. Van Dorn Street roadway widening project.

C. Applicant will coordinate with VDOT and FCDOT to provide the following pedestrian crossing improvements, if necessary, on S. Van Dorn Street at the signal intersection of S. Van Dorn Street and Oakwood Road: pedestrian crossing striping, delayed timing of the crosswalk signal, and a pedestrian refuge within the existing pedestrian island.

D. Right-of-Way Dedication along S. Van Dorn Street: Prior to site plan approval, or upon demand by the Virginia Department of Transportation (VDOT) or Fairfax County, whichever occurs first, Fairfax County Redevelopment and Housing Authority, the title owner of the Property, must dedicate, at no cost to Fairfax County and in fee simple, without encumbrances, to the Board, the right-of-way along the site frontage of S. Van Dorn Street.

17. Miscellaneous:

A. Timing of Completion. Upon demonstration by the Applicant that, despite diligent efforts or due to factors beyond the Applicant's control, construction of any of the required improvements described herein, including transportation improvements, has been delayed beyond the timeframes specified, the Zoning Administrator and FCDOT may agree to a later date for completion of such improvement without the necessity of any amendment to the GDP/SE/PCA.

B. Successors and Assigns. These proffers will bind and inure to the benefit of the

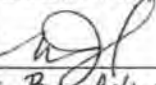
Fairfax County Redevelopment and Housing Authority, the owner of the Property, and Applicant and their successors and assigns. Each reference to "Applicant" in this proffer statement will include within its meaning and will be binding upon the Applicant's successor(s) in interest and/or the owners from time to time of any portion of the Application Property during the period of their ownership. Once portions of the Application Property are sold or otherwise transferred, the associated proffers become the obligation of the purchaser or other transferee and will no longer be binding on the seller or other transferor.

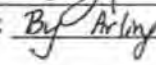
C. Counterparts. These Proffers may be executed in one or more counterparts, each of which when so executed and delivered will be deemed an original, and all of which taken together will constitute but one and the same instrument.

D. Escalation. All monetary contributions required by these proffers as well as the \$20,000 cost limitation referenced in Proffer 8E will escalate on a yearly basis from the base year of 2020, and change effective each January 1 thereafter based on the Consumer Price Index as published by the Bureau of Labor Statistics, the U.S. Department of Labor for the Washington-Baltimore Consolidated Metropolitan Statistical Area, as permitted by Virginia State Code 15.2-2303.3.3.

APPLICANT/OPERATOR:

APAH Oakwood, LLC

By:  Nina Janopaul, President

ITS:  Arlington Partnership for Affordable Housing, sole member

[SIGNATURES CONTINUE ON NEXT PAGE]

TITLE OWNER OF PROPERTY:

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

By: _____

ITS: _____

Thomas Fleetwood
Assistant Secretary

[SIGNATURES END]

H

Attorney's Opinion
(MANDATORY)

March 11, 2020

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220-6500

RE: 2020 Tax Credit Reservation Request

Name of Development: Oakwood South Nine
Name of Owner: Oakwood South Nine Limited Partnership

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated March 11, 2020 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Hard Costs and Owners Costs section of the Application form, complies with all applicable requirements of the Code and Regulations.

2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development and (b) of the Estimated Qualified Basis of each building in the Development comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.

3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section of the Application form.

4. The information set forth in the Unit Details section of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.

5. The site of the captioned Development is controlled by the Owner, as identified in the Site Control section of the Application, for a period of not less than four (4) months beyond the application deadline.

696434
013119-0025

Virginia Housing Development Authority
March 11, 2020
Page 2

6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.

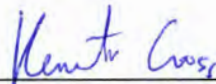
7. The nonprofit organization's ownership interest in the development is as described in the Nonprofit Involvement section of the Application form.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

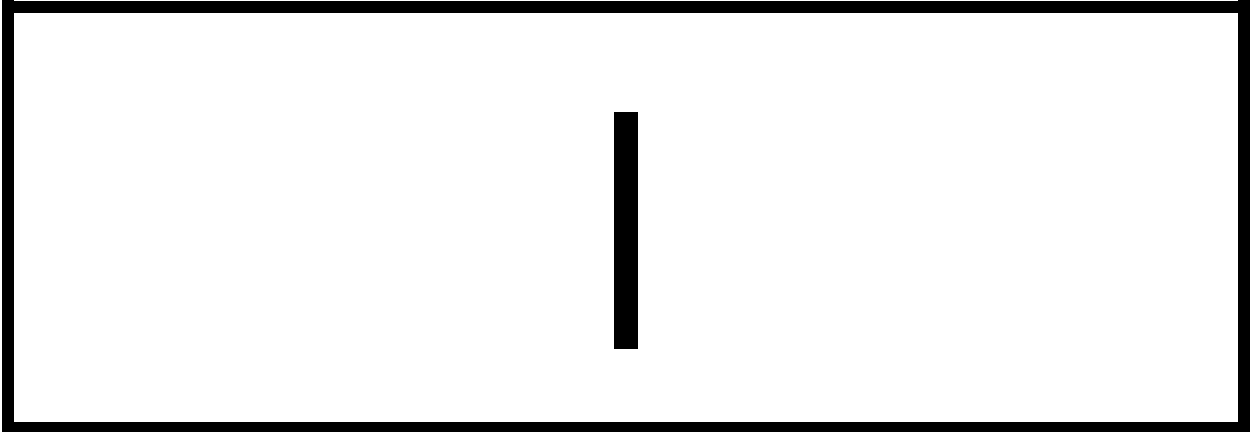
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

GALLAGHER EVELIUS & JONES LLP



By: Kenneth Gross, Esquire
Its: Partner



Nonprofit Questionnaire

(MANDATORY for points or pool)



Non-profit Questionnaire

Part II, 13VAC10-180-60, of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority") for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended (the "Code") establishes certain requirements for receiving credits from the non-profit pool established under the Plan and assigning points for participation of a non-profit organization in the development of qualified low-income housing.

Answers to the following questions will be used by the Authority in its evaluation of whether or not an applicant meets such requirements. [Attach additional sheets as necessary to complete each question.](#)

1. General Information

- a. Name of development: _____
- b. Name of owner/applicant: _____
- c. Name of non-profit entity: _____
- d. Address of principal place of business of non-profit entity:

Indicate funding sources and amount used to pay for office space:

- e. Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
- f. Date of legal formation of non-profit (must be prior to application deadline); _____
evidenced by the following documentation:

- g. Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):

- h. Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):

- i. Expected life (in years) of non-profit:

Non-profit Questionnaire, cont'd

- j. Explain the anticipated future activities of the non-profit over the next five years:
-
-
-
- k. How many full time, paid staff members does the non-profit and, if applicable, any other non-profit organization(s) ("related non-profit(s)") of which the non-profit is a subsidiary or to which the non-profit is otherwise related have (i.e. by shared directors, staff, etc.)?
_____ How many part time, paid staff members? _____
- Describe the duties of all staff members:
-
-
-
-
- l. Does the non-profit share staff with any other entity besides a related non-profit described above?
- Yes No If yes, explain in detail: _____
-
-
- m. How many volunteers does the non-profit and, if applicable, any related non-profit have?
-
-
- n. What are the sources and manner of funding of the non-profit? (You must disclose all financial and/ or the arrangements with any individual(s) or for profit entity, including anyone or any entity related, directly, indirectly, to the Owner of the Development
-
-
-
- o. List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:
-
-
-

2. Non-profit Formation

- a. Explain in detail the genesis of the formation of the non-profit:
-
-
-

Non-profit Questionnaire, cont'd

- b. Is the non-profit, or has it ever been, affiliated with or controlled by a for-profit entity or local housing authority?

Yes No If yes, explain in detail:

- c. Has any for profit organization or local housing authority (including the Owner of the Development, joint venture partner, or any individual or entity directly or indirectly related to such Owner) appointed any directors to the governing board of the non-profit?

Yes No If yes, explain:

- d. Does any for-profit organization or local housing authority have the right to make such appointments?

Yes No If yes, explain:

- e. Does any for profit organization or local housing authority have any other affiliation with the non-profit or have any other relationship with the non-profit in which it exercises or has the right to exercise any other type of control?

Yes No, If yes, explain:

- f. Was the non-profit formed by any individual(s) or for profit entity for the principal purpose of being included in the non-profit Pool or receiving points for non-profit participation under the Plan?

Yes No

- g. Explain in detail the past experience of the non-profit including, if applicable, the past experience of any other related non-profit of which the non-profit is a subsidiary or to which the non-profit is otherwise related (by shared directors, staff, etc.):

- h. If you included in your answer to the previous question information concerning any related non-profit, describe the date of legal formation thereof, the date of IRS 501 (c)(3) or 501 (c)(4) status, its expected life, its charitable purposes and its relationship to the non-profit.

3. Non-profit Involvement

Non-profit Questionnaire, cont'd

- a. Is the non-profit assured of owning an interest in the Development (either directly or through a wholly owned subsidiary) throughout the Compliance Period (as defined in §42(i)(1) of the Code)?

Yes No

- (i) Will the non-profit own at least 10% of the general partnership/owning entity?

Yes No

- (ii) Will the non-profit own 100% of the general partnership interest/owning entity?

Yes No

If no to either 3a.i or 3a.ii above, specifically describe the non-profit's ownership interest:

- b. (i) Will the non-profit be the managing member or managing general partner?
 Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

- (ii) Will the non-profit be the managing member or own more than 50% of the general partnership interest? Yes No

- c. Will the non-profit have the option or right of first refusal to purchase the proposed development at the end of the compliance period for a price not to exceed the outstanding debt and exit taxes of the for-profit entity?

Yes No If yes, where in the partnership/operating agreement is this provision specifically referenced?

Recordable agreement attached to the Tax Credit Application as TAB V

If no at the end of the compliance period explain how the disposition of the assets will be structured:

- d. Is the non-profit materially participating (regular, continuous, and substantial participation) in the construction or rehabilitation and operation or management of the proposed Development?

Yes No If yes,

- (i) Describe the nature and extent of the non-profit's proposed involvement in the construction or rehabilitation of the Development:

- (ii) Describe the nature and extent of the non-profit's involvement in the operation or

Non-profit Questionnaire, cont'd

management of the Development throughout the Extended Use Period (the entire time period of occupancy restrictions of the low-income units in the Development):

(iii) Will the non-profit invest in its overall interaction with the development more than 500 hours annually to this venture? Yes No If yes, subdivide the annual hours by activity and staff responsible and explain in detail:

e. Explain how the idea for the proposed development was conceived. For example, was it in response to a need identified by a local neighborhood group? Local government? Board member? Housing needs study? Third party consultant? Other?

f. List all general partners/managing members of the Owner of the Development (one must be the non-profit) and the relative percentages of their interests:

g. If this is a joint venture, (i.e. the non-profit is not the sole general partner/managing member), explain the nature and extent of the joint venture partner's involvement in the construction or rehabilitation and operation or management of the proposed development.

h. Is a for profit entity providing development services (excluding architectural, engineering, legal, and accounting services) to the proposed development? Yes No If yes, (i) explain the nature and extent of the consultant's involvement in the construction or rehabilitation and operation or management of the proposed development.

(ii) Explain how this relationship was established. For example, did the non-profit solicit proposals from several for-profits? Did the for-profit contact the non-profit and offer the services?

i. Will the non-profit or the Owner (as identified in the application) pay a joint venture partner

Non-profit Questionnaire, cont'd

or consultant fee for providing development services? Yes No If yes, explain the amount and source of the funds for such payments.

- j. Will any portion of the developer's fee which the non-profit expects to collect from its participation in the development be used to pay any consultant fee or any other fee to a third party entity or joint venture partner? Yes No If yes, explain in detail the amount and timing of such payments.

- k. Will the joint venture partner or for-profit consultant be compensated (receive income) in any other manner, such as builder's profit, architectural and engineering fees, or cash flow? Yes No If yes, explain:

- l. Will any member of the board of directors, officer, or staff member of the non-profit participate in the development and/or operation of the proposed development in any for-profit capacity? Yes No If yes, explain:

- m. Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the non-profit have, either directly or indirectly, with any persons or entities involved or to be involved in the Development on a for-profit basis including, but not limited to the Owner of the Development, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such Owner:

- n. Is the non-profit involving any local, community based non-profit organizations in the development, role and operation, or provision of services for the development? Yes No If yes, explain in detail, including the compensation for the other non-profits:

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

a. Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No

b. Define the non-profit's geographic target area or population to be served:

c. Does the non-profit or, if applicable, related non-profit have experience serving the community where the proposed development is located (including advocacy, organizing, development, management, or facilitation, but not limited to housing initiatives)? Yes No If yes, or no, explain nature, extent and duration of any service:

d. Does the non-profit's by laws or board resolutions provide a formal process for low income, program beneficiaries to advise the non-profit on design, location of sites, development and management of affordable housing? Yes No If yes, explain:

e. Has the Virginia Department of Agriculture and Consumer Services (Division of Consumer Affairs) authorized the non-profit to solicit contributions/donations in the target community?

Yes No

f. Does the non-profit have demonstrated support (preferably financial) from established organizations, institutions, businesses and individuals in the target community?

Yes No If yes, explain:

g. Has the non-profit conducted any meetings with neighborhood, civic, or community groups and/or tenant associations to discuss the proposed development and solicit input? Yes No If yes, describe the meeting dates, meeting locations, number of attendees and general discussion points:

h. Are at least 33% of the members of the board of directors representatives of the community being served? Yes No If yes,

(i) low-income residents of the community? Yes No

Non-profit Questionnaire, cont'd

- (ii) elected representatives of low-income neighborhood organizations? Yes No
- i. Are no more than 33% of the members of the board of directors representatives of the public sector (i.e. public officials or employees or those appointed to the board by public officials)? Yes No
- j. Does the board of directors hold regular meetings which are well attended and accessible to the target community? Yes No If yes, explain the meeting schedule:

- k. Has the non-profit received a Community Housing Development Organization (CHDO) designation, as defined by the U. S. Department of Housing and Urban Development's HOME regulations, from the state or a local participating jurisdiction? Yes No
- l. Has the non-profit been awarded state or local funds for the purpose of supporting overhead and operating expenses? Yes No If yes, explain in detail:

- m. Has the non-profit been formally designated by the local government as the principal community-based non-profit housing development organization for the selected target area? Yes No If yes, explain:

- n. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as a joint venture partner with a for-profit entity? Yes No If yes, note each such application including: the development name and location, the date of application, the non-profit's role and ownership status in the development, the name and principals of the joint venture partners, the name and principals of the general contractor, the name and principals of the management entity, the result of the application, and the current status of the development(s).

- o. Has the non-profit ever applied for Low Income Housing Tax Credits for a development in which it acted as the sole general partner/managing member? Yes No If yes, note each such development including the name and location, the date of the application, the result of the application, and the current status of the development(s).

- p. To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No If yes, explain:

Non-profit Questionnaire, cont'd

q. Has the non-profit been an owner or applicant for a development that has received a reservation in a previous application round from the Virginia Housing Partnership or the VHDA Housing Funds? Yes No If yes, explain:

See List of LIHTC Developments (Schedule A) in Tab D.

r. Has the non-profit completed a community needs assessment that is no more than three years old and that, at a minimum identifies all of the defined target area's housing needs and resources? Yes No If yes, explain the need identified:

Fairfax County adopted the "Communitywide Housing Strategic Plan" in 2018. This assessment analyzed the County's housing market conditions and identified 25 strategies that represent near-term, measurable action items that will have a significant impact on the County's housing needs. In particular, the Plan identified the critical need for more housing for vulnerable households, including seniors. In addition, this particular project was identified in Fairfax County's annual Housing Blueprint.

s. Has the non-profit completed a community plan that (1) outlines a comprehensive strategy for addressing identified community housing needs, (2) offers a detailed work plan and timeline for implementing the strategy, and (3) documents that the needs assessment and comprehensive strategy were developed with the maximum possible input from the target community? Yes No If yes, explain the plan:

See Paragraph (r) above.

5. Attachments

Documentation of any of the above need not be submitted unless requested by VHDA

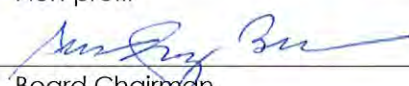
The undersigned Owner and non-profit hereby each certify that, to the best of its knowledge, all of the foregoing information is complete and accurate. Furthermore, each certifies that no attempt has been or will be made to circumvent the requirements for non-profit participation contained in the Plan or Section 42 of the Internal Revenue Code.

3/2/20
Date

Oakwood South Nine Limited Partnership
By: Oakwood South Nine Development LLC
its General Partner

Owner/Applicant
By: 
Its: President
Title

2/27/2020
Date

Arlington Partnership for Affordable Housing, Inc.
Non-profit
By: 
Board Chairman

Non-profit Questionnaire, cont'd

By:  _____
Executive Director

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

September 25, 1989

The State Corporation Commission has found the accompanying articles submitted on behalf of

ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC.,

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

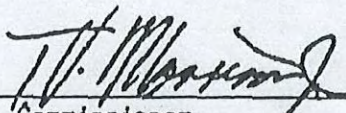
CERTIFICATE OF INCORPORATION

be issued and admitted to record with the articles of incorporation in the Office of the Clerk of the Commission, effective September 25, 1989.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By


Commissioner

CORPACPT
CIS20436
89-09-19-0104

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Arlington Partnership for
Affordable Housing, Inc.
1802 N. Wakefield Street
Arlington, VA 22207

Person to Contact: Jim Joseph

Telephone Number: (202) 566-3893

Refer Reply to: E:EO:R:1-1

Date:

DEC 18 1990

Employer Identification Number: 54-1515133
Key District: Baltimore
Accounting Period Ending: December 31
Foundation Status Classification: 509(a)(2)
Advance Ruling Period Begins: September 25, 1989
Advance Ruling Period Ends: December 31, 1993
Form 990 Required: Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in the section(s) shown above.

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must submit to your key District Director information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Arlington Partnership for Affordable Housing, Inc.

benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, Deductibility of Payments Made to Organizations Conducting Fund-Raising Events. You may obtain copies of Publication 1391 from your key district office.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If your gross receipts each year are not normally more than \$25,000, we ask that you establish that you are not required to file Form 990 by completing Part I of that Form for your first year. Thereafter, you will not be required to file a return until your gross receipts exceed the \$25,000 minimum. For guidance in determining if your gross receipts are "normally" not more than the \$25,000 limit, see the instructions for the Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. The maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, and supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated

Form **872-C**

(Rev. March 1986)

Department of the Treasury—Internal Revenue Service

Consent Fixing Period of Limitation Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

(See Form 1023 instructions for Part IV, line 3.)

OMB No. 1545-0056
Expires 3-31-89

To be used with Form 1023. Submit in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period.

Arlington Partnership For Affordable Housing, Inc.

(Exact legal name of organization)

1802 N. Wakefield St., Arlington, Virginia 2220 } and the

(Number, street, city or town, state, and ZIP code)

District Director
of Internal Revenue
Baltimore, MD

Consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, then the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year December 31, 1989

| | |
|--|------------------|
| Name of organization | Date |
| Arlington Partnership For Affordable Housing, Inc. | November 6, 1989 |

| | |
|---|-----------------------------|
| Officer or trustee having authority to sign | |
| Signature ▶ <i>Thomas P. Leckey</i> | Thomas P. Leckey, President |

| | |
|---------------------|---------|
| District Director | Date |
| <i>Phil D'Amico</i> | 1-24-90 |

By ▶ *B. Jefferson-White - Group Manager*

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Date: **MAY 17 1994**

ARLINGTON PARTNERSHIP FOR
AFFORDABLE HOUSING INC
1802 N WAKEFIELD ST
ARLINGTON, VA 22207

Employer Identification Number:
54-1515133
Case Number:
524126086
Contact Person:
MRS. M. SMITH
Contact Telephone Number:
(410) 962-7963
Our Letter Dated:
December 1990
Addendum Applies:
Yes

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,


District Director

Enclosure:
Addendum

ARLINGTON PARTNERSHIP FOR

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make available for public inspection a copy of your exemption application, and supporting documents, and this exemption letter. If you are required to file an annual information return, you are also required to make a copy of the return available for public inspection for three years after the return is due. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

APAH Board of Directors

2020

Susan Ingraham Bell, Chair

Independent Planning Consultant; Former Director of Community Planning, Housing and Development, Arlington County Government

John Milliken, Vice Chair

Senior Fellow in Residence, GMU

Matthew Birenbaum, Treasurer

CIO, AvalonBay Communities, Inc.

Kevin Yam, Secretary

Managing Director, Iron Point Partners

Nina Janopaul, President

President/CEO, APAH

Rich Jordan, At Large

Managing Director, Potomac Investment Properties

Nancy Rase, At Large

Co-founder, Homes for America

Randy Anderson

President/CEO, The National Capital Bank of Washington

Tina Asinugo, Community Member

Administrative Assistant, Arlington County Government

Rita Bamberger

Senior Vice President, The Holladay Corporation

Jeanne Booth

Assistant Professor, Social Work, George Mason University

Cecilia Cassidy

Executive Director (retired), Columbia Pike Revitalization Organization (CPRO)

Julie Gould

President (retired), Mercy Loan Fund

Jay Harris

Principal, Fair Collections & Outsourcing

Ted Hicks, Community Member

Property Manager (retired); Personal Injury Investigator (retired)

Paul Holland

Environmental Consultant

Erica Khatchadourian

CFO, AFL-CIO Housing Investment Trust

Rev. Andrew Merrow

Rector, St. Mary's Episcopal Church

Kathie Panfil

Ind. Education Management Professional; Former Arlington Public Schools Principal

Buzz Roberts

President/CEO, National Association of Affordable Housing Lenders

Bobby Rozen

Washington Council (retired), Ernst & Young

Michael Spotts

President, Neighborhood Fundamentals, LLC

Andy VanHorn

Executive Vice President, JBG Smith

John Ziegenhein

COO, McCaffrey Interests, Inc.



Arlington Partnership
For Affordable Housing

J

Relocation Plan

(MANDATORY, if tenants are displaced)

Must include a unit delivery schedule

This deal does not require
information behind this tab.

K

Documentation of
Development Location:

K.1

Revitalization Area
Certification

**RESOLUTION OF BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA
DESIGNATING THE OAKWOOD SENIOR HOUSING PROPERTY
REVITALIZATION AREA PURSUANT TO VIRGINIA CODE § 36-55.30:2**

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center in Fairfax, Virginia, on Tuesday, November 19, 2019, at which a quorum was present and voting, the following resolution was adopted:

WHEREAS, pursuant to the provisions of the Public-Private Education Facilities and Infrastructure Act of 2002, as amended, Arlington Partnership for Affordable Housing, LLC (the "Developer") has proposed to develop an approximately 150-unit affordable senior housing project (the "Development") on a site in the Lee District as described on the attached Exhibit A (the "Development Site").

WHEREAS, the Developer's financing plan for the Development includes, among other things, an application to the Virginia Housing and Development Authority ("VHDA") for competitive nine percent tax credits pertaining to a portion of the 150-unit proposed Development.

WHEREAS, the VHDA tax credit evaluation process provides that 15 additional points may be awarded to projects that meet the definition of a revitalization area pursuant to Virginia Code § 36-55.30:2 ("Revitalization Area") and have been so designated by resolution of the governing body in which the Revitalization Area is located.

WHEREAS, the definition of a Revitalization Area used in Virginia Code § 36-55.30:2 is separate and distinct from terms "Revitalization Area" and "Revitalization District" as used in the various comprehensive plans for Fairfax County, Virginia. Any designation of the Development Site as a Revitalization Area does not in any manner affect any areas of the County that have been, or in the future may be, determined by the Board to be Revitalization Areas or Revitalization Districts.

WHEREAS, the Development Site meets the standards for a Revitalization Area as described in Virginia Code § 36-55.30:2, namely that (i) the development of the Development Site will benefit Fairfax County, but that such area lacks the housing needed to induce, among other things, the commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings, to locate or remain in such area, and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

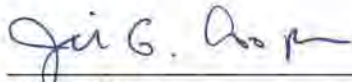
NOW, THEREFORE, THE BOARD HEREBY DETERMINES as follows:

The above-referenced proposed Development is located in an area that is hereby designated a Revitalization Area in Fairfax County, Virginia in accordance with Virginia Code § 36-55.30:2.

The Board has determined that (i) the commercial or other economic development of the Revitalization Area will benefit Fairfax County, but that this area lacks the housing needed to induce, among other things, the commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings, to locate or remain in this area, and (ii) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in this area and will induce other persons and families to live within this area and thereby create a desirable economic mix of residents in such area.

ADOPTED this 19th day of November 2019.

A Copy – Teste:



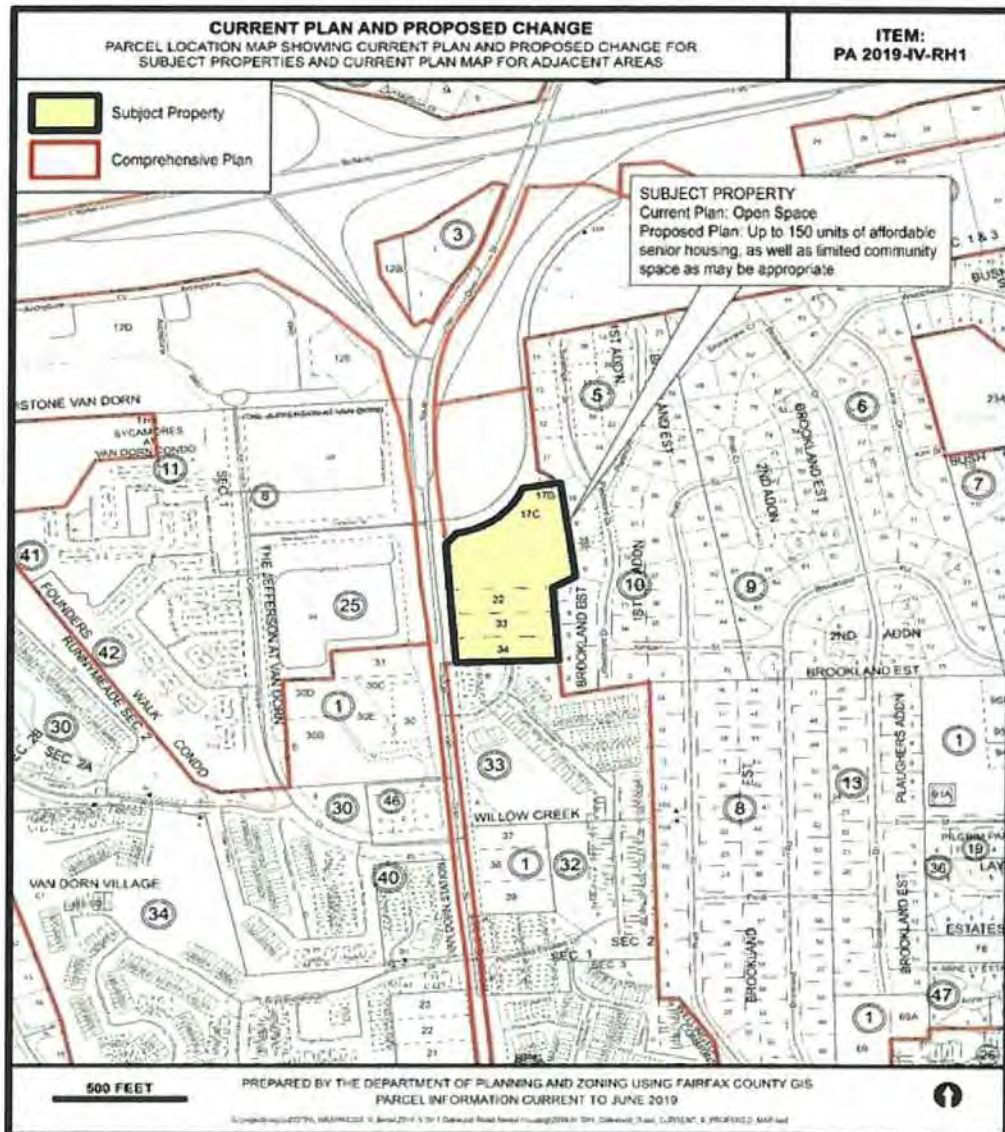
Jill G. Cooper

Clerk for the Board of Supervisors

Exhibit A

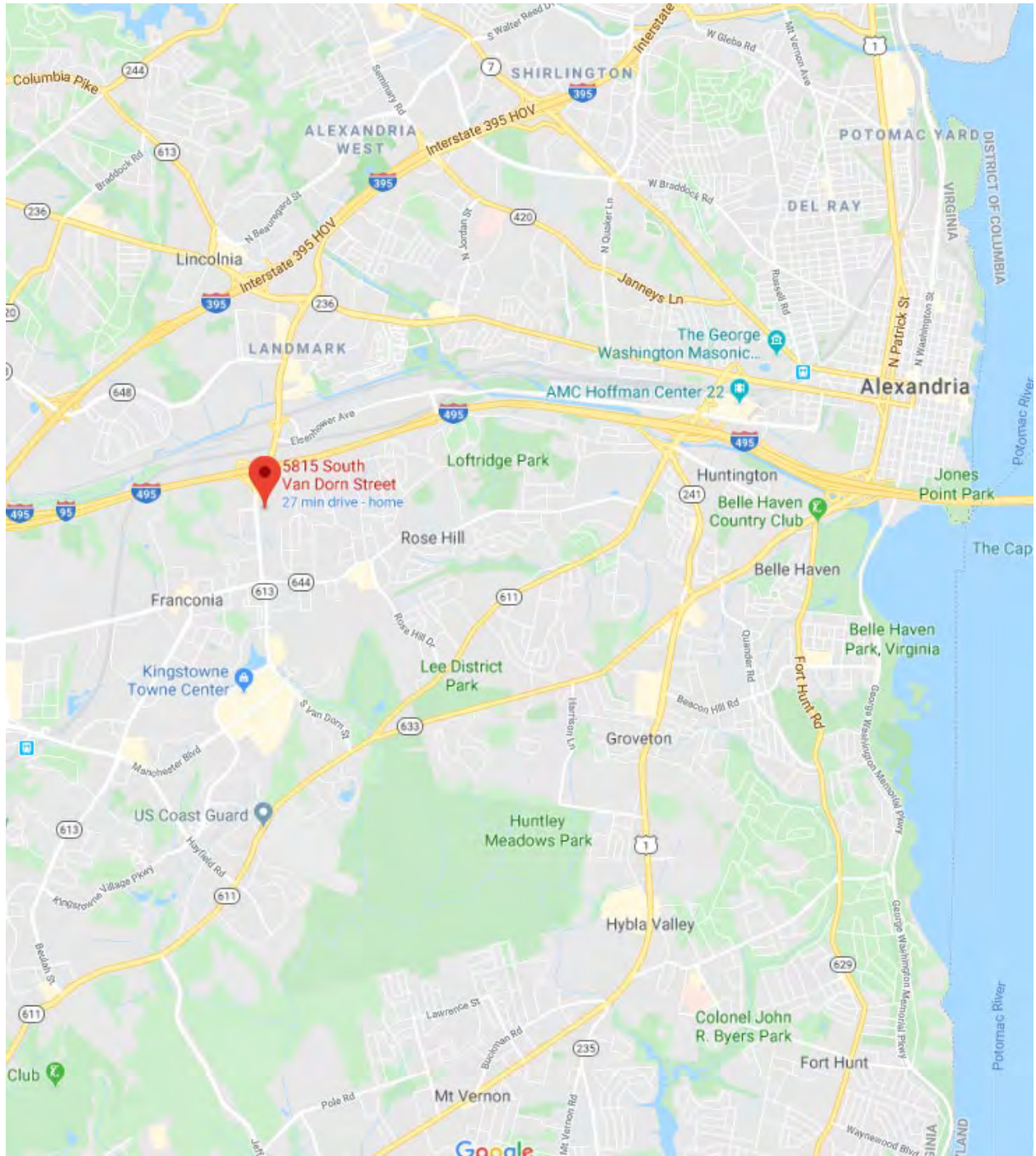
Development Site

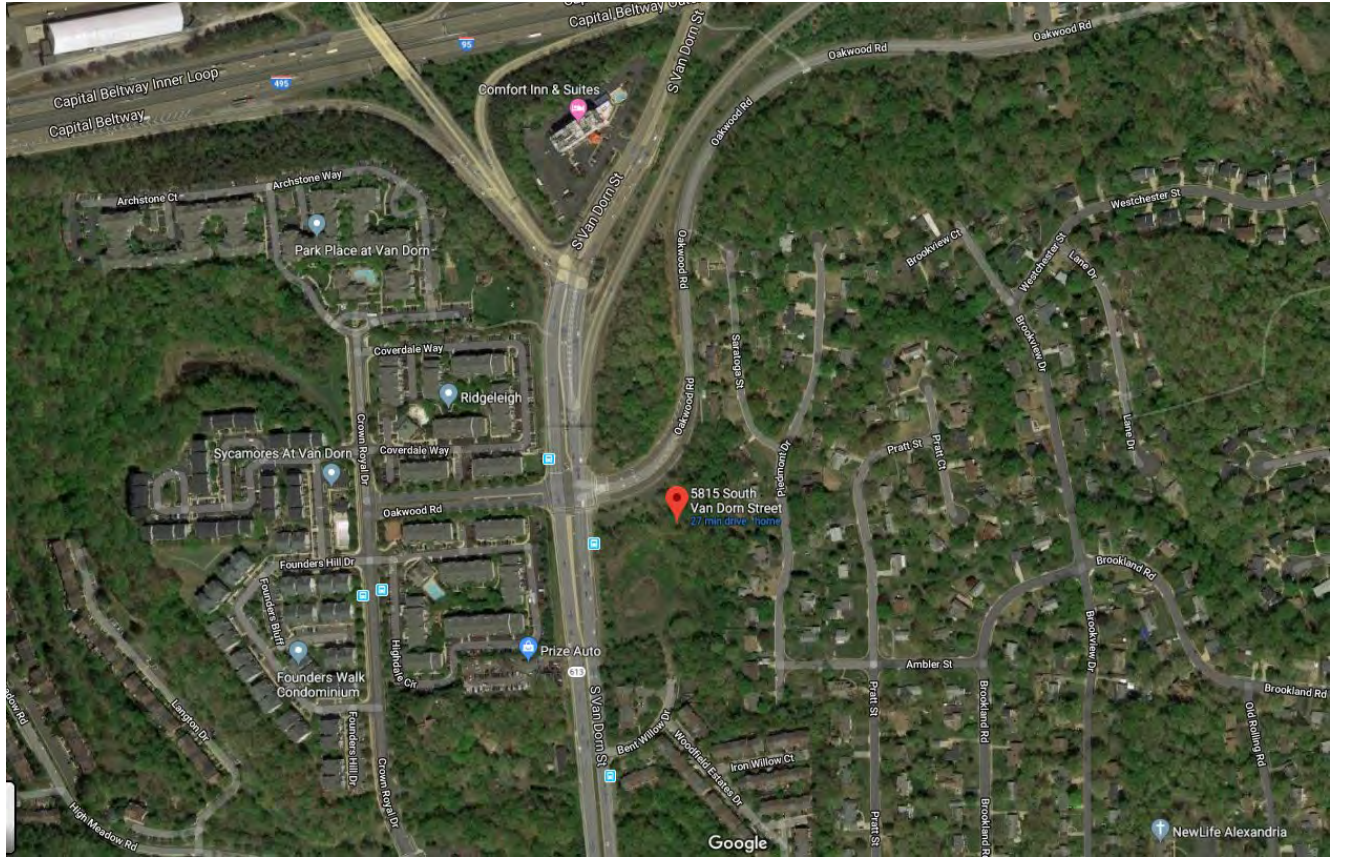
The Oakwood Senior Housing is located in a 6.2-acre site at the southeast quadrant of the intersection of South Van Dorn Street and Oakwood Road, (Tax Map Parcels 81-2 ((1))17C and 81-4 ((1))32, 33 and 34) in the Rose Hill Planning District, Bush Hill Community Planning Sector.



K.2

Location Map







Site Address: 5815 S Van Dorn Street

Subjects

Project: Oakwood North Four

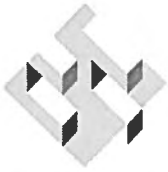
Owner: Oakwood North Four Limited Partnership

Project: Oakwood South Nine

Owner: Oakwood South Nine Limited Partnership

K.3

Surveyor's Certification of
Proximity to Public
Transportation



Surveyor's Certification of Proximity to Transportation

DATE: December 11, 2019

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220-6500

RE: 2019 Tax Credit Reservation Request

Name of Development: Oakwood South Nine

Name of Owner: Oakwood South Nine Limited Partnership

Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.

christopher consultants

Firm Name

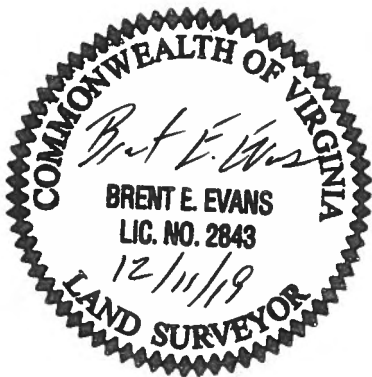
By:

Brent E. Evans

Its:

group leader, principal

Title





L

PHA/Section 8 Notification
Letter



PHA or Section 8 Notification Letter

Development Name: Oakwood South Nine

Tracking #: 2020-C-30

If you have any questions, please call the Tax Credit Department at (804) 343-5518.


General Instructions

1. Because of conflicting program requirements regarding waiting list procedures, this letter is not applicable to those developments that have project based Section 8 or project based vouchers.
2. This PHA or Section 8 Notification letter must be included with the application.
3. 'Development Address' should correspond to I.A.2 on page 1 of the Application.
4. 'Proposed Improvements' should correspond with I.B & D and III.A of the Application.
5. 'Proposed Rents' should correspond with VII.C of the Application.
6. 'Other Descriptive Information' should correspond with information in the application.

NOTE: Any change to this form letter may result in a reduction of points under the scoring system.

PHA or Section 8 Notification Letter

DATE: March 2, 2020

TO: Amy Ginger
Deputy Director, Operations | Fairfax 
3700 Pender Drive, Fairfax, VA 22030

RE: PROPOSED AFFORDABLE HOUSING DEVELOPMENT

Name of Development: Oakwood South Nine
Name of Owner: Oakwood South Nine Limited Partnership

I would like to take this opportunity to notify you of a proposed affordable housing development to be completed in your jurisdiction. We are in the process of applying for federal low-income housing tax credits from the Virginia Housing Development Authority (VHDA). We expect to make a representation in that application that we will give leasing preference to households on the local PHA or Section 8 waiting list. Units are expected to be completed and available for occupancy beginning on 4/1/2023 (date).

The following is a brief description of the proposed development:

Development Address:
5815 S Van Dorn Street, Alexandria, VA 22310

Proposed Improvements:

- New Constr.: 71 # units 1 # Bldgs
- Adaptive Reuse: # units # Bldgs
- Rehabilitation: # units # Bldgs

Proposed Rents:

- Efficiencies: \$ / month
- 1 Bedroom Units: \$ 584 - 1,267 / month
- 2 Bedroom Units: \$ 698 - 1,517 / month
- 3 Bedroom Units: \$ / month
- 4 Bedroom Units: \$ / month

Other Descriptive Information:

Oakwood South Nine will be part of the redevelopment of a site that has an existing stormwater pond that will be replaced with improved stormwater facilities and a new construction of affordable independent senior housing. Amenities will include onsite leasing/property management, community rooms, onsite resident services office, laundry, and surface parking. Includes a mix of one-

PHA or Section 8 Notification Letter

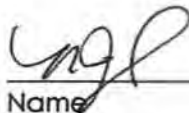
and two-bedroom units. The development is in close proximity to public transit.

We appreciate your assistance with identifying qualified tenants.

If you have any questions about the proposed development, please call me at
(703) ~~276~~ 7444.

Please acknowledge receipt of this letter by signing below and returning it to me.

Sincerely yours,



Name

Nina Janopaul, Oakwood South Nine Development LLC

Title for Oakwood South Nine Limited Partnership

To be completed by the Local Housing Authority or Sec 8 Administrator:

Seen and Acknowledged By: Amy Ginger

Printed Name: Amy Ginger

Title: Deputy Director

Phone: 703 246 5134

Date: 3/3/2020

M

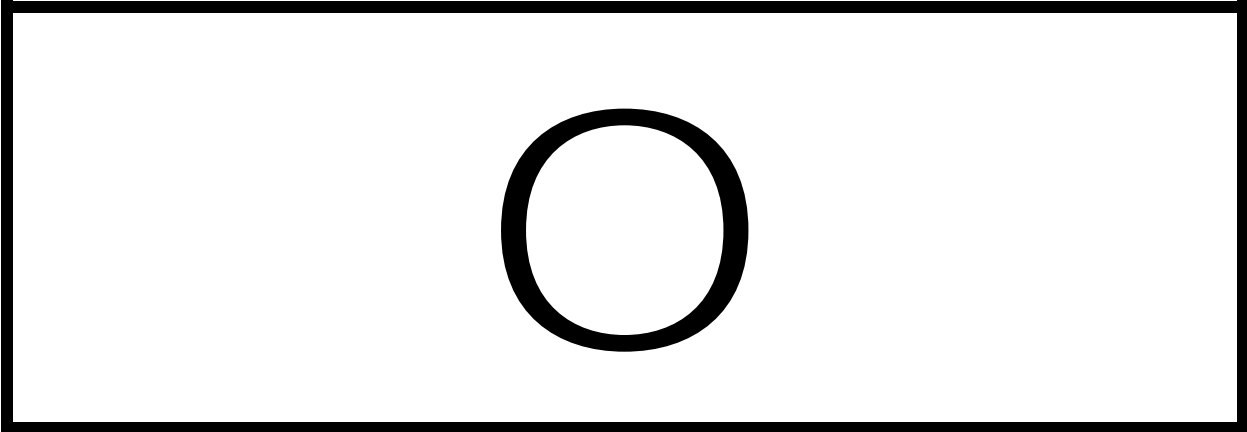
Locality CEO Response
Letter

This deal does not require
information behind this tab.

N

Homeownership Plan

This deal does not require
information behind this tab.



O

Plan of Development
Certification Letter

This deal does not require
information behind this tab.

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements

VHDA Experienced LIHTC Developers

Notes:

Updated:

1/30/2020

I Listed if 'named' Controlling General Partner or Managing Member (as confirmed by supporting documentation)

I Listed if documentation supported at least 6 LIHTC developments

I Listed if a principal who has developed at least 3 LIHTC deals and has at least \$500,000 in liquid assets

See LIHTC Manual for instructions on being added to this list

INDIVIDUALS

| | | |
|-------------------------|---------------------------|---------------------------|
| 1 Alexander, Randall P. | 28 Fore, Richard L. | 55 Mirmelstein, George |
| 2 Asarch, Chad | 29 Franklin, Wendell C. | 56 Nelson, IV, John M. |
| 3 Arista, Roberto | 30 Friedman, Mitchell M. | 57 Orth, Kevin |
| 4 Barnhart, Richard K. | 31 Gardner, Mark E. | 58 Page, David |
| 5 Baron, Richard | 32 Gunderman, Timothy L. | 59 Parent, Brian |
| 6 Bennett, Vincent R. | 33 Haskins, Robert G. | 60 Park, Richard A. |
| 7 Burns, Laura P. | 34 Heatwole, F. Andrew | 61 Park, William N. |
| 8 Chapman, Tim | 35 Honeycutt, Thomas W. | 62 Pasquesi, R.J. |
| 9 Cohen, Howard Earl | 36 Hunt, Michael C. | 63 Pedigo, Gerald K. |
| 10 Connelly, T. Kevin | 37 Iglesias, Adrian | 64 Poulin, Brian M. |
| 11 Connors, Cathy | 38 Jester, M. David | 65 Queener, Brad |
| 12 Copeland, M. Scott | 39 Johnston, Thomas M. | 66 Ripley, F. Scott |
| 13 Copeland, Robert O. | 40 Jones Kirkland, Janice | 67 Ripley, Ronald C. |
| 14 Copeland, Todd A. | 41 Kirkland, Milton L. | 68 Ross, Stephen M. |
| 15 Cordingley, Bruce A. | 42 Kittle, Jeffery L. | 69 Salazar, Tony |
| 16 Counselman, Richard | 43 Koogler, David M. | 70 Sari, Lisa A. |
| 17 Crosland, Jr., John | 44 Koogler, David Mark | 71 Sinito, Frank T. |
| 18 Curtis, Lawrence H. | 45 Lancaster, Dale | 72 Stockmaster, Adam J. |
| 19 Daigle, Marc | 46 Lawson, Phillip O. | 73 Stoffregen, Phillip J. |
| 20 Dambly, Mark H. | 47 Lawson, Steve | 74 Surber, Jen |
| 21 Deutch, David O. | 48 Leon, Miles B. | 75 Valey, Ernst |
| 22 Dischinger, Chris | 49 Lewis, David R. | 76 Uram, David |
| 23 Douglas, David D. | 50 Margolis, Robert B. | 77 Wilson, Stephen |
| 24 Edmondson, Jim | 51 McCormack, Kevin | 78 Woda, Jeffrey J. |
| 25 Ellis, Gary D. | 52 McNamara, Michael L. | 79 Wohl, Michael D. |
| 26 Fekas, William L. | 53 Melton, Melvin B. | 80 Wolfson, III, Louis |
| 27 Fitch, Hollis M. | 54 Midura, Ronald J. | |

NON-PROFITS, LHAs & (PUBLICLY TRADED) CORPORATIONS

- 1 AHC, Inc.
- 2 Alexandria RHA
- 3 Arlington Partnership for Affordable Housing (APAH)
- 4 Atlantic Housing Foundation, Inc.
- 5 Better Housing Coalition
- 6 Buckeye Community Hope Foundation
- 7 Community Housing Partners
- 8 Community Housing, Inc.
- 9 ElderHomes (dba Project: Homes)
- 10 Enterprise Homes, Inc
- 11 Fairfax County RHA
- 12 Homes for America, Inc.
- 13 Humanities Foundation, Inc.
- 14 Huntington Housing, Inc.
- 15 Newport News RHA
- 16 NHT Communities
- 17 Norfolk Redevelopment Housing Authority
- 18 People Incorporated
- 19 Piedmont Housing Alliance
- 20 Preserving US, Inc.
- 21 Portsmouth RHA
- 22 RHA/Housing, Inc.
- 23 Rush Homes
- 24 The Community Builders
- 25 Virginia Supportive Housing
- 26 Virginia United Methodist Housing Development Corporation
- 27 Wesley Housing Development Corporation
- 28 LEDIC Realty Company, LLC

Q

Documentation of Rental
Assistance



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

January 27, 2020

Oakwood South Nine Limited Partnership
c/o Nina Janopaul, President
4318 N. Carlin Springs Road
Arlington, VA 22203

RE: PBV Notice of Award

Dear Ms. Janopaul:

Fairfax County Department of Housing and Community Development (HCD) has made an award of eight (8) federal project-based vouchers (PBV) to the Oakwood South Nine project with a goal of providing new housing opportunities to serve elderly and disabled households at or below 50 percent of the Area Median Income (AMI). These PBVs are being awarded under the Request for Proposals that was advertised by HCD on November 14, 2019 and shall be used in accordance with the Application submitted by your organization.

At least ninety (90) days prior to starting construction, HCD must begin pre-construction reviews for the U.S. Department of Housing and Urban Development (HUD) statutory requirements, including, without limitation, for subsidy layering, environmental reviews, and confirming no construction has commenced, as outlined in 24 CFR Part 983.153. Once these requirements are met, the Fairfax County Redevelopment and Housing Authority (FCRHA) will enter into an Agreement to enter into a Housing Assistance Payments Contract (AHAP) with the developer. Upon completion of construction in compliance with the AHAP, the FCRHA will enter into a PBV HAP Contract with the project owner.

The unit rents will be established in accordance with 24 CFR Part 983.301. Except for certain tax credit units, the unit rent is the lower of 1) 110% of the HUD Metro Area Fair Market Rent (FMR), 2) the rent requested by the owner, or 3) the reasonable rent as determined by HCD. The initial unit rents are estimated in the AHAP, and then finalized in the PBV HAP Contract with the owner. The HUD FY2020 Metro Area FMRs are included in the table below.

| Bedroom Size | Efficiency | One Bedroom | Two Bedroom |
|----------------------|------------|-------------|-------------|
| HUD FY2020 Metro FMR | \$1,457 | \$1,500 | \$1,707 |

If you have any questions, please contact me at 703-246-5134 or by email at Amy.Ginger@fairfaxcounty.gov.

Department of Housing and Community Development
3700 Pender Drive, Suite 100
Fairfax, Virginia 22030-6039
Office: 703-246-5280, Fax: 703-273-2363, TTY: 703-385-3578
<http://www.fairfaxcounty.gov>

Very truly yours,



Amy Ginger
Deputy Director of Operations

Department of Housing and Community Development

3700 Pender Drive, Suite 100

Fairfax, Virginia 22030-6039

Office: 703-246-5280, Fax: 703-273-2363, TTY: 703-385-3578

<http://www.fairfaxcounty.gov>

R

Documentation of
Operating Budget

2020 Low-Income Housing Tax Credit Application For Reservation

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

| | | | |
|-----------------------------------|-----------------|----------|------------------|
| 1. Advertising/Marketing | | | \$1,022 |
| 2. Office Salaries | | | \$67,800 |
| 3. Office Supplies | | | \$3,600 |
| 4. Office/Model Apartment | (type _____) | | \$0 |
| 5. Management Fee | | | \$31,600 |
| <u>3.50%</u> of EGI | <u>\$445.07</u> | Per Unit | |
| 6. Manager Salaries | | | \$0 |
| 7. Staff Unit (s) | (type _____) | | \$0 |
| 8. Legal | | | \$1,183 |
| 9. Auditing | | | \$6,390 |
| 10. Bookkeeping/Accounting Fees | | | \$0 |
| 11. Telephone & Answering Service | | | \$2,348 |
| 12. Tax Credit Monitoring Fee | | | \$0 |
| 13. Miscellaneous Administrative | | | \$8,952 |
| Total Administrative | | | \$122,895 |

Utilities

| | | | |
|----------------------|--|--|-----------------|
| 14. Fuel Oil | | | \$0 |
| 15. Electricity | | | \$15,028 |
| 16. Water | | | \$11,443 |
| 17. Gas | | | \$6,627 |
| 18. Sewer | | | \$14,661 |
| Total Utility | | | \$47,759 |

Operating:

| | | | |
|---|--|--|------------------|
| 19. Janitor/Cleaning Payroll | | | \$0 |
| 20. Janitor/Cleaning Supplies | | | |
| 21. Janitor/Cleaning Contract | | | \$35,000 |
| 22. Exterminating | | | \$2,843 |
| 23. Trash Removal | | | \$11,926 |
| 24. Security Payroll/Contract | | | \$8,692 |
| 25. Grounds Payroll | | | \$0 |
| 26. Grounds Supplies | | | \$1,470 |
| 27. Grounds Contract | | | \$25,367 |
| 28. Maintenance/Repairs Payroll | | | \$2,500 |
| 29. Repairs/Material | | | \$39,203 |
| 30. Repairs Contract | | | \$3,988 |
| 31. Elevator Maintenance/Contract | | | \$28,650 |
| 32. Heating/Cooling Repairs & Maintenance | | | \$5,443 |
| 33. Pool Maintenance/Contract/Staff | | | |
| 34. Snow Removal | | | \$6,000 |
| 35. Decorating/Payroll/Contract | | | \$10,222 |
| 36. Decorating Supplies | | | \$6,000 |
| 37. Miscellaneous | | | \$10,000 |
| Totals Operating & Maintenance | | | \$197,304 |

M. OPERATING EXPENSES

Taxes & Insurance

| | |
|--|------------------|
| 38. Real Estate Taxes | \$95,000 |
| 39. Payroll Taxes | \$2,428 |
| 40. Miscellaneous Taxes/Licenses/Permits | \$5,917 |
| 41. Property & Liability Insurance | \$29,205 |
| 42. Fidelity Bond | \$1,722 |
| 43. Workman's Compensation | \$852 |
| 44. Health Insurance & Employee Benefits | \$9,183 |
| 45. Other Insurance | \$710 |
| Total Taxes & Insurance | \$145,017 |

Total Operating Expense **\$512,975**

| | | | |
|--|----------------|--|---------------|
| Total Operating Expenses Per Unit | <u>\$7,225</u> | C. Total Operating Expenses as % of EGI | <u>56.85%</u> |
|--|----------------|--|---------------|

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$17,750**

| | |
|-----------------------|------------------|
| Total Expenses | \$530,725 |
|-----------------------|------------------|

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.



viridiant

December 9, 2019

Charles Sims
Arlington Partnership for Affordable Housing
4318 N Carlin Springs Road
Arlington, Virginia 22203
csims@aph.org

RE: Preliminary Utility Allowance for Oakwood Senior Housing

Dear Mr. Sims,

Please see the following Preliminary Utility Allowance (UA) for Oakwood Senior Housing located in Fairfax County, Virginia. Utility projections were generated with applicable rates, fees, and taxes of the property's utility providers: Dominion Energy, Fairfax County Water Authority. The utility rates are current within 90 days of the date of this letter. Below is a table depicting the highest UA by each bedroom type. Should you have any questions do not hesitate to contact me.

| PRELIMINARY UA* | | | ALLOWANCES BY BEDROOM SIZE | |
|--|-----------------|---------|----------------------------|-------|
| Utilities | Type of Utility | Paid by | 1-bdr | 2-bdr |
| Heating | Electric | Tenant | \$14 | \$16 |
| Air Conditioning | Electric | Tenant | \$6 | \$8 |
| Cooking | Electric | Tenant | \$5 | \$7 |
| Lighting | Electric | Tenant | \$22 | \$26 |
| Hot Water | Electric | Tenant | \$13 | \$15 |
| Water | - | Tenant | \$12 | \$15 |
| Sewer | - | Tenant | \$26 | \$34 |
| Trash | - | Owner | - | - |
| Total UA for costs paid by tenant | | | \$98 | \$121 |
| *Allowances only for application use for Oakwood Senior Housing as an ENERGY STAR and EarthCraft Gold project with planned energy-efficient features including: heating, cooling, lighting, water heating, appliances, building envelope, and air sealing. The water and sewer projections were produced using water fixtures with low-flow rates: ≤ 1.28 gpf toilets, 2.0 gpm showerheads, 2.2 kitchen faucets, 1.5 gpm lavatory faucets. | | | | |

Sincerely,

Rob McRaney

Rob McRaney
Business Relations Manager, Viridiant

S

Supportive Housing
Certification

This deal does not require
information behind this tab.

T

Funding Documentation



County of Fairfax, Virginia

MEMORANDUM

March 5, 2020

Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220-6500
Attn: J.D. Bondurant

Re: Financing Commitment, Oakwood Apartments

Ladies and Gentlemen:

The Fairfax County Redevelopment and Housing Authority (“Housing Authority”) has approved and hereby issues its commitment (the “Commitment”) to make a permanent loan in the principal amount of \$5,250,000 (the “Loan”) to APAH Oakwood, LLC (the “Borrower”) to provide financing for Oakwood Senior Apartments, that is consistent with the application and approvals for such Loan (the “Project”). This Commitment is conditioned on Oakwood South Nine Limited Partnership obtaining a reservation of 9% low-income housing tax credits from the Virginia Housing Development Authority (“VHDA”) for the Project that is consistent with the application submitted to VHDA for its 2020 funding round.


Of this \$5,250,000 loan amount, the loan will be allocated proportionally by land area according to the land condominium division of the site, with 89.45% allocated to Oakwood South Nine Limited Partnership and 10.55% allocated to Oakwood North Four Limited Partnership. Interest will have a minimum rate of 2% simple per annum with a maximum rate equal to the Applicable Federal Rate (AFR), for a minimum term of thirty (30) years. The annual loan payments shall be repaid from ground rent payable by Oakwood South Nine Limited Partnership to the Borrower, which will be based only on a percentage of cash flow remaining after payment of operating expenses and required debt service. This commitment is subject to the Borrower’s compliance with material terms of the comprehensive agreement between the Housing Authority and the Borrower.

The Borrower will comply with all requirements, restrictions, and provisions in its application and, if awarded, any approvals for financing from VHDA and the Housing Authority. The Loan will be made in accordance with the procedures of the Housing Authority and will be documented with the Housing Authority’s form of loan documents. The Housing

Authority is providing this letter to VHDA solely for the purpose of the application for a reservation of low-income housing tax credits for the Project.

We look forward to working with you.

Sincerely,



Thomas E. Fleetwood
Assistant Secretary, Fairfax County
Redevelopment and Housing Authority

| |
|---|
| Oakwood South Nine Blue Print Loan % |
|---|

| | | | |
|-----------------------|------------------------------|-----------|---------------------|
| Blueprint Loan Amount | | \$ | 5,250,000.00 |
| | Applicable Percentage | | Loan Amount |
| Oakwood South Nine | 89.450% | \$ | 4,696,125.00 |
| Oakwood North Four | 10.550% | \$ | 553,875.00 |
| Total | 100.000% | \$ | 5,250,000.00 |

RESOLUTION NUMBER 02-20

Authorization, Subject to the Approval of the Fairfax County Board of Supervisors, to Make a Housing Blueprint Loan to Arlington Partnership for Affordable Housing Oakwood, LLC, in the Amount of \$5,250,000, to Finance the Development of Oakwood Apartments, Alexandria, Virginia (Lee District).

WHEREAS, Arlington Partnership for Affordable Housing Oakwood, LLC, a Virginia limited liability company, submitted a request for financing through negotiations during the Public-Private Education and Infrastructure Act (PPEA) process for the Blueprint Loan as a source of financing for the development of the 150-unit Oakwood Apartments; and

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) wishes to assist Arlington Partnership for Affordable Housing Oakwood, LLC to develop the 150-unit Oakwood Apartments project in order to produce affordable senior rental housing in Fairfax County by providing a loan to Arlington Partnership for Affordable Housing Oakwood, LLC, in the amount of \$5,250,000.

NOW, THEREFORE, BE IT RESOLVED that the FCRHA, subject to approval by the Board of Supervisors, hereby authorizes:

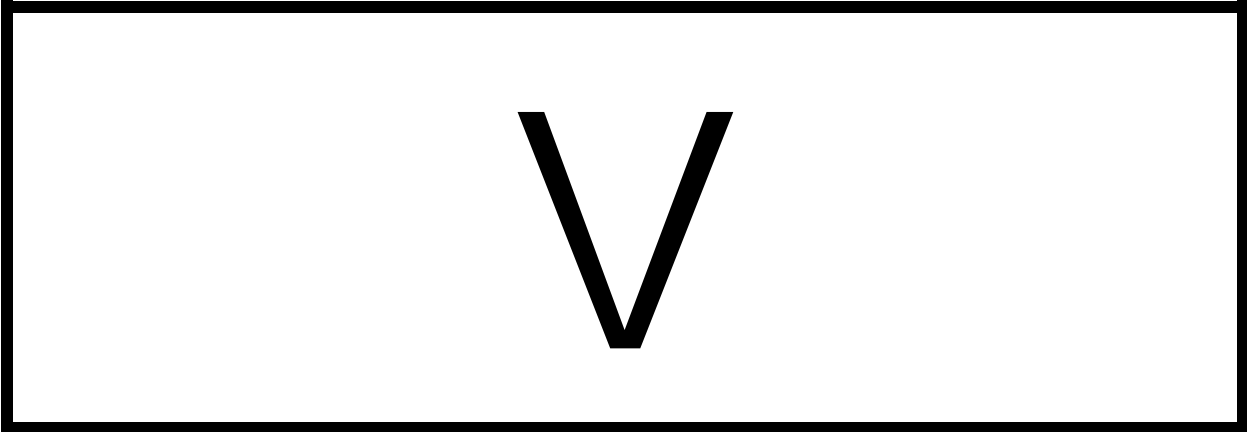
- 1) Making a loan to Arlington Partnership for Affordable Housing Oakwood, LLC, for the Oakwood Apartments project in the amount of \$5,250,000, as described in the Action Item presented to the FCRHA on January 30, 2020; and
- 2) The allocation of Blueprint funds in the amount of \$5,250,000 for the purpose of the development of Oakwood Apartments.

BE IT FURTHER RESOLVED that the FCRHA authorizes Thomas E. Fleetwood, Assistant Secretary, or any other Assistant Secretary to negotiate all loan terms on behalf of the FCRHA and authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute all documents, agreements, and instruments necessary or appropriate in connection with the making of the loan for the development of the 150-unit Oakwood Apartments.

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

This deal does not require
information behind this tab.



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

RPC Nos.: _____

RIGHT OF FIRST REFUSAL AGREEMENT (OAKWOOD SOUTH NINE)

THIS RIGHT OF FIRST REFUSAL AGREEMENT (this "*Agreement*"), dated and effective as of the 10 day of March , 2020 is made by and between Oakwood South Nine Limited Partnership, a limited partnership formed under the laws of the Commonwealth of Virginia (the "*Partnership*"), and Arlington Partnership for Affordable Housing, Inc., a Virginia nonprofit corporation (the "*Purchaser*").

Recitals

The Partnership was formed for the purpose of acquiring, owning, developing, rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a seventy-one (71) unit residential project located in Fairfax County, Virginia 22310 (the "*Project*"), to be constructed upon a portion of the land more fully described in Attachment A (the "*Land*"). The Land is currently owned by Fairfax County Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia, in its proprietary capacity (the "*Lessor*"), which will lease the Land to APAH Oakwood LLC, a Virginia limited liability company ("*APAH Lessee*"), pursuant to a Deed of Lease. APAH Lessee will subject the Land to a condominium regime (including a land condominium regime) (the "*Condominium*"), which will consist of a land condominium unit called the South Unit as more fully described in Attachment B, consistent with the plans submitted to the Virginia Housing Development Authority by the Partnership in connection with its application for low-income housing tax credits (the "*South Unit*"), and the North Unit (as defined below). The Partnership will enter into a sublease with APAH Lessee with respect to the South Unit and construct the Project. The Project will be located on the South Unit and will not include the North Unit or any improvements located on the North Unit.

The Partnership desires to give, grant, bargain, sell, and convey to Purchaser certain rights to purchase the Partnership Property, as defined below, on the terms and subject to the conditions set forth herein.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Defined Terms.** The following defined terms used in this agreement shall have the meanings specified below:

Code: The Internal Revenue Code of 1986, as amended (or any corresponding provision of succeeding law).

Compliance Period: The entire period during which the "compliance period" described

Record and Return To:

in Section 42(i)(1) of the Code shall be applicable to any building in the Project.

North Unit: The North Unit in the Condominium, which unit will be owned by Oakwood North Four Limited Partnership, a Virginia limited partnership, consisting of the land more fully described on Attachment C.

Person: An individual or entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, cooperative, or association and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so requires.

Project: The aggregate of all of the individual buildings and dwelling units and the common areas located in or around the Partnership Property.

Partnership Property: The Partnership's fee interest in the South Unit and in the improvements comprising a project known as Oakwood South Nine, which will contain seventy-one (71) residential units in a building located on the South Unit.

State: The Commonwealth of Virginia.

2. **Right of First Refusal.** After the end of the Compliance Period, the Partnership will not sell the Project or any portion thereof to any Person without first offering the Project for a period of ninety (90) days to Purchaser or its assignee (if it then qualifies as an organization described in Section 42(h)(5)(C) of the Code) (the "**Buyout**"), at a price (the "**Buyout Price**") equal to the sum of (i) the principal amount of all outstanding indebtedness secured by the Project, and any accrued interest on any of such debts (other than the principal amount of indebtedness incurred within the 5-year period ending on the date of the Buyout) and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners of any limited partner of the Partnership. All costs of the Buyout, including any filing fees, shall be paid by Purchaser. In the event that Purchaser does not purchase the Partnership Property on the terms set forth above, then the right of first refusal granted herein shall lapse.

The Right of First Refusal granted hereunder is intended to satisfy the requirement of Section 42(i)(7) of the Code and shall be interpreted consistently therewith. In accordance therewith, in the event that Section 42(i)(7) of the Code is amended to permit the owner of a qualified low-income housing project to grant an "option" (as opposed to a "right of first refusal") to purchase the project at the Buyout Price without adversely affecting the Limited Partner's status as a partner of the Partnership for federal income tax purposes or limiting tax credits that otherwise would be available to and allocable to the investor limited partner of the Partnership, then this Agreement shall be automatically amended to provide such option in lieu of the contemplated right of first refusal.

3. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party.

4. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

5. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

6. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws.

7. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

8. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

9. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

10. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the parties have executed this Right of First Refusal Agreement as of the date first above written.

WITNESS/ATTEST:

Oakwood South Nine Limited Partnership

By: Oakwood South Nine Development LLC,
General Partner



By: 
Name: Nina Janopaul
Title: President

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Arlington, to-wit:

Subscribed, sworn to and acknowledged before me by Nina Janopaul, President of Oakwood South Nine Development LLC, the General Partner of Oakwood South Nine Limited Partnership, as of this 10th day of March, 2020.

[AFFIX SEAL]

TyReisha E. Pugh
NOTARY PUBLIC
REG. #7770865
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES AUG. 31, 2022

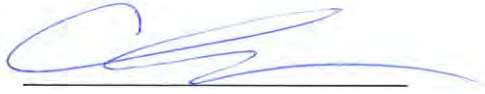

Notary Public


My Commission Expires: August 31, 2022

Notary Registration Number: 7770865

WITNESS/ATTEST:

Arlington Partnership for Affordable Housing, Inc.,
Purchaser




By: 
Name: Nina Janopaul
Title: President

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Arlington, to-wit:

Subscribed, sworn to and acknowledged before me by Nina Janopaul, President of
Arlington Partnership for Affordable Housing, Inc., as of this 10th day of March, 2020.

[AFFIX SEAL]


Notary Public

My Commission Expires: August 31, 2022

Notary Registration Number: 7770865

TyReisha E. Pugh
NOTARY PUBLIC
REG. #7770865
COMMONWEALTH OF VIRGINIA
MY COMMISSION EXPIRES AUG. 31, 2022

[Signature Pages – Right of First Refusal (Oakwood South Nine)]

ATTACHMENT A

DESCRIPTION OF LAND

Beginning at a point on the southeasterly right-of-way line of Oakwood Road, a variable width right-of-way, said point being the southwesterly corner of the land of Anthony D. and Leah S. McIvor;

Thence, departing the southeasterly right-of-way line of Oakwood Road and with the southerly line of the land of Anthony D. and Leah S. McIvor N 77°40'44" E a distance of 75.54 feet to a point, said point being the northwesterly corner of Lot 10, Brookland Estates and being a point in common with Lot 11, Brookland Estates;

Thence, with the westerly line of Lot 10, Brookland Estates and continuing with Lots 9, 9A, 8A, and 8, Brookland Estates S 07°49'52" E a distance of 407.70 feet to a point, said point being the northernmost corner of Lot 7, Brookland Estates;

Thence, with the northwesterly and westerly lines of Lot 7, Brookland Estates and continuing with the westerly line of Lots 6, 5 and 4 Brookland Estates the following two (2) courses and distances:

1. S 61°47'11" W a distance of 93.83 feet to a point;
2. S 04°22'16" E a distance of 311.66 feet to a point, said point being a northerly corner of Parcel C, Willow Creek;

Thence, with the northerly line of Parcel C, Willow Creek and continuing with Outlot D, Willow Creek (Bent Willow Drive, private street) and Parcel B, Willow Creek S 88°21'05" W a distance of 378.28 feet to the easterly right-of-way line of South Van Dorn Street, a variable width right-of-way;

Thence, with the easterly right of way line of South Van Dorn Street the following three (3) courses and distances:

1. N 04°16'01" W a distance of 161.46 feet to a point;
2. N 06°28'57" W a distance of 180.06 feet to a point;
3. N 04°18'08" W a distance of 165.31 feet to a point on the southeasterly right-of-way line of the aforementioned Oakwood Road;

Thence, departing the easterly right-of-way line of South Van Dorn Street and with the southeasterly right-of-way line of Oakwood Road the following three (3) courses and distances:

1. N 38°38'51" E a distance of 61.09 feet to a point;
2. with a curve turning to the left having a radius of 351.56 feet, an arc length of 335.84 feet, a central angle of 54°43'59", a chord bearing of N 54°02'06" E and a chord length of 323.21 feet to a point;

3. N 77°43'23" E a distance of 53.92 feet to the point of beginning.
Containing an area of 270,302 square feet or 6.20528 acres, more or less.

ATTACHMENT B

South Unit

[Legal Description of South Unit to be Attached When Available at Project Closing]

W

Internet Safety Plan and
Resident Information
Form

(if internet amenities selected)

Providing free Wi-Fi at Oakwood South Nine

Overview

1.) Security and Maintenance

- a. Contract with an IT provider to install and maintain a firewall at the router level to prevent intrusion attempts.
- b. Use same IT provider to maintain the deployed technology.

2.) Education

- a. Provide computer basics and internet safety training intermittently as optional for residents to attend. Include lessons as part of package to disburse to residents.
 - i. Lessons included on page 4.
- b. Include disclaimers and internet security guidance in the Acceptable Use Policy (page 2) and the Acknowledgment (page 3) about inherent risks in using the internet.

Acceptable Use Policy

Residents of Oakwood South Nine must agree to and follow the acceptable use policy when using the Oakwood South Nine network.

1. All Oakwood South Nine Residents must adhere to all federal and state laws when using Oakwood South Nine's network, services and/or internet access.
2. Spam may not be distributed using mail servers connected to the Oakwood South Nine network. Any computer on the Oakwood South Nine network that is infected with spam generating software and that distributes spam, with or without the Owner's knowledge or consent, may be disconnected from or denied access to the Oakwood South Nine network at the discretion of Oakwood South Nine.
3. Viruses, malware, or other malicious code may not be distributed using computers connected to the Oakwood South Nine network. Any computer on the Oakwood South Nine network that is infected with malicious code and distributes malicious software, even without the Owner's knowledge or consent, may be disconnected from the network at the discretion of Oakwood South Nine.
4. Illegal file sharing is not allowed, and computers engaged in such activity may not be connected to the Oakwood South Nine network. Any computer on the Oakwood South Nine network that is infected with illegal file sharing software and distributes copyrighted materials, even without the Owner's knowledge or consent, may be disconnected from the Oakwood South Nine network at the discretion of Oakwood South Nine.
5. The service is designed for personal, general Internet use including streaming, web surfing, e-mail access, and all other possible legal online activities. Residents are not allowed to host **public servers** of any kind or use static IPv4 IP addresses. Oakwood South Nine may disconnect Residents who use the service for activities deemed to exceed typical residential use.
6. You agree to allow personnel of Oakwood South Nine and its partners reasonable access to your unit for proper maintenance of equipment.
7. The Access Points being distributed **are property of Oakwood South Nine** and may not be removed from the premises. Should your time at Oakwood South Nine come to an end, you may **not** take the access point with you. Doing so may result in a charge or forfeiture of your security deposit.
8. Like any commercially provided Internet Connection, this service is subject to usage monitoring. Anonymity is not guaranteed on the internet. Oakwood South Nine Staff will **not** have access to browsing data, however Oakwood South Nine **will** be alerted by the data center, the connection provider, should they detect a unit misusing the service as outlined in sections 1, 2, 3, 4, or 5. Gross misuse may result in the entire building being cut off by the data center, disrupting your neighbors as well.
9. Using the internet has inherent risks, be aware of the sites you navigate to, make sure they are using https (which you can verify by looking at the status bar) and don't give out personal information unless you have verified the legitimacy of a website.
10. Oakwood South Nine's Acceptable Use Policy may change without notice. All changes will be shared via flyers before taking effect.

Acknowledgement of Goods Received

Unit Number _____

First Name _____

Last Name _____

E-mail _____

By signing below, you acknowledge the following:

- 1.) You are currently living at Oakwood South Nine and you have been walked through the following materials:
 - a. Oakwood South Nine’s Acceptable Use Policy
 - b. This acknowledgement form
- 2.) That you are receiving **one** access point for your household, and it is currently installed in your unit.
- 3.) That the access point you are receiving is the property of Oakwood South Nine. You do **not** own this Access Point. Should your time at Oakwood South Nine come to an end, you may **not** take the access point with you. Doing so may result in an additional charge or forfeiture of your security deposit.
- 4.) Should an issue arise with your connectivity you will follow the included troubleshooting guide. If connectivity issues persist, please alert the leasing office giving them your name and unit number or email apahlaptopreport@gmail.com with the subject “Connectivity issues, [your unit number here]” Include your name and unit number again in the message body.
 - a. If you damage or break the Access Point by accident or negligence you may be charged for replacing the unit.
 - b. If the Access Point or power cable fails on its own, you will **not** be charged for replacing the unit.
 - c. The Access Point should not be moved to another unit without previous authorization from Oakwood South Nine or APAH staff.

x _____
Signature

_____/_____/_____
Day / Month / Year



Arlington Partnership
For Affordable Housing



Lesson 1 Part 1

Introduction to Computing

Introduction

- ▶ Who We Are
- ▶ What You Will Learn
- ▶ Class time 6PM until 730PM
- ▶ Class Etiquette
 - Breaks, cell phones, questions
- ▶ You get out of it what you put into it

A Computer is:

- ▶ A **machine** that manipulates/processes data (inputs) according to a set of instructions and produces/displays an output
- ▶ Combination of hardware and software



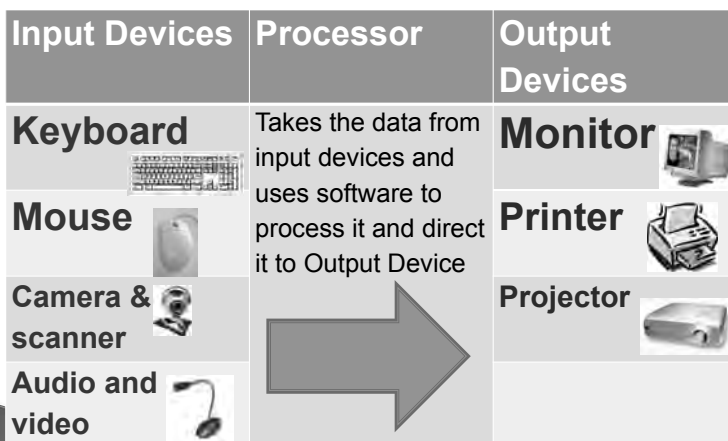
3

Hardware and Software

- **Hardware** – Physical parts of the computer. Anything that you can touch.
- **Software** – Instruction sets that run on **hardware** that create files, perform calculations, and display webpages (kind of like a cookbook)

3

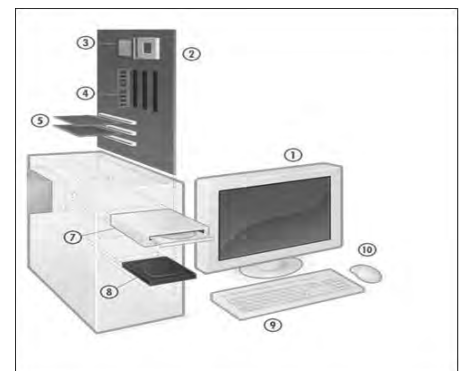
How A Computer Works



5

Hardware

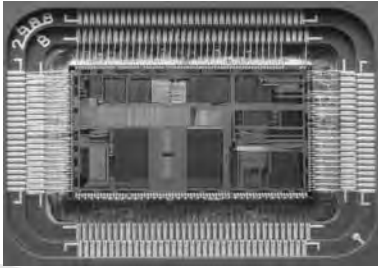
- The Hardware Parts*
- Output Device**
 1. Monitor (Screen)
 - Processing**
 2. Mother Board
 3. Central Processing Unit (CPU)
 - Storage**
 4. Memory Cards – RAM
 5. Circuit Board
 7. CD Rom Drive
 8. Hard Drive
 - Input Devices**
 9. Keyboard
 10. Mouse



4

Central Processing Unit (CPU)

- ▶ The CPU is an electronic circuit that can execute software in MIPS (millions of instructions per second!)
- ▶ The CPU is the “brain” of the computer



Mouse

- ▶ Desktop Mouse



- ▶ Touchpad – laptop mouse













7

Mouse Functions

- ▶ Click = Press Left Button (**Select**)
- ▶ Double Click = Press Left Button Twice Quickly (**Open**)
- ▶ Right Click = Press Right Button (**Options**)

Cursor Shapes

- While you are waiting for your document to open the cursor might change shape, from  to 
- While the cursor looks like  just be patient while the computer is busy
- Drag your mouse around the document and notice how the cursor changes shape, from  to 
- When you see  click
- Adjust the size of text boxes windows, panes and cells using arrows    

Keyboard

- ▶ Input Device with alpha, numeric, punctuation, symbols, and navigation keys



Home Row: asdf jkl;

10

Software

- ▶ Operating System – The software that works with the hardware to control the computer’s operations. Most computers have Microsoft Windows (such as Windows 7, Windows Vista)
- ▶ Programs – The software that users interact with to perform their work. Common applications include Microsoft Word, Excel, PowerPoint, Internet Explorer, and Firefox. Google Chrome

Turning On the Computer



Practice: Ctrl + Alt + Del → Enter



Logging Onto Laptop with Student ID & Password



Opening a Program

- Use the Start button to access "All Programs"



- Then select the program that you want to open



Exercise - Typing Practice

- Open the program "Microsoft Office Word"
Start > All Programs > Microsoft Office > Microsoft Office Word
- Key in the following Home keys 10 times:
asdf jkl; [Enter]
- Key in the following 10 times:
Your name. Press SHIFT key for upper case letters.

Exercise - More Typing Practice

- Key in the following 5 times:
Today's date: November 7, 2016
- Key in the following 5 times:
. , ; : / ? ' "
- Key in the following 5 times:
Your favorite movie or music.

Turning Off or Shut Down Computer



Lesson 1 Part 2

Introduction to Computing

Agenda

- ▶ Computer Desktop
- ▶ Files and Folders
- ▶ Windows
- ▶ Memory
- ▶ Keyboarding

Desktop

- ▶ What do you keep on a regular desktop?
 - Pens, paper, stapler, paper clips
- ▶ What is a Computer Desktop?
 - Place to store frequently accessed programs, files, photos, etc.



3

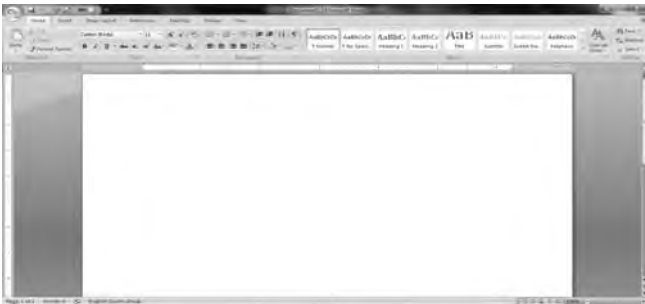
Opening a Program

- Use the Start button to access “All Programs”
- Then select the program that you want to open



Windows and MS Word

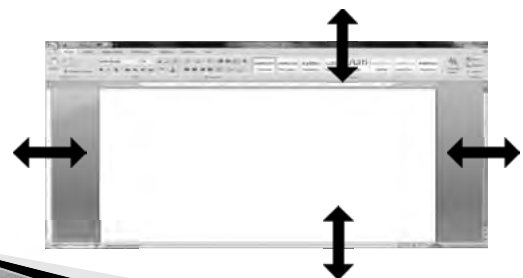
- ▶ Open program → Microsoft Word



5

Windows

- ▶ Exercises:
 - Minimize, Maximize, Close button
 - Resize window to tall and thin
 - Resize window to short and wide

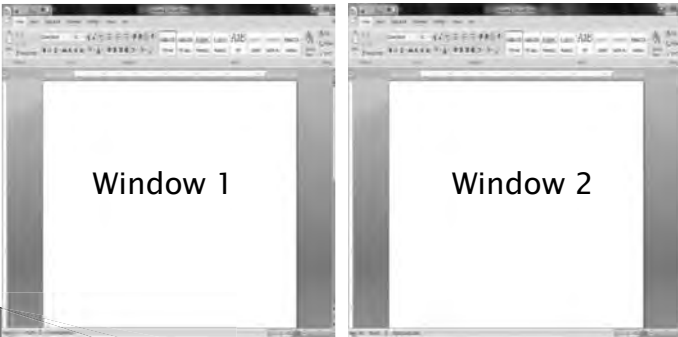


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6

Windows

- ▶ Exercise:
 - Open two windows and place side by side. Why?



Files and Folders



- ▶ File = electronic version of a document, spreadsheet, presentation, etc.



- ▶ Folder = used to organize files

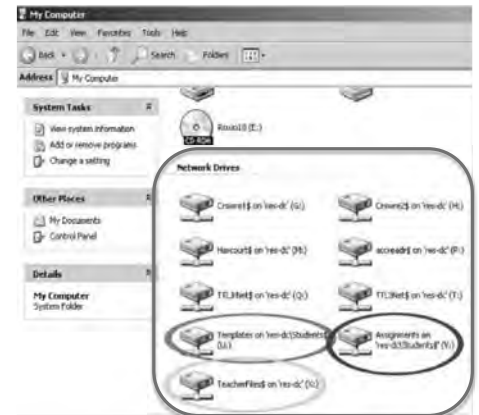


Memory

- ▶ Places to store files:
 - Hard Drive - My Documents on the computer
 - DVD - 
 - Flash Drive - 
 - The "Cloud" -
 - Discussion of Pros and Cons for each type of memory

Memory

- ▶ Another place to store files:
 - Network Drive
 - Company's data system
 - Used only by members of that company

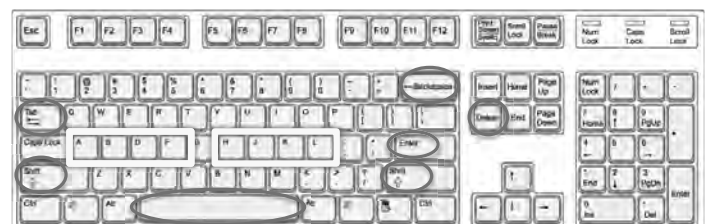


File Exercises

- ▶ Save new Word document
 - File > Save As
 - Choose a file name and save in My Documents
- ▶ Create new folder in My Documents
 - Name the folder "Class"
 - Create 3 files in Word: "Resume" "Budget" and "Jobs"
 - Select and Drag each file into the "Class" folder

Keyboarding

- ▶ Home Row
- ▶ Backspace and Delete
- ▶ Space Bar
- ▶ Shift
- ▶ Enter
- ▶ Tab



Keyboarding Practice

- ▶ Type three sentences in “Resume” file.
- ▶ REMEMBER TO SAVE YOUR DOCUMENT.
- ▶ Type three sentences in “Jobs” file.
- ▶ REMEMBER TO PRACTICE EACH DAY.
- ▶ QUESTIONS!!!!????

Turning Off or Shut Down Computer



13

Lesson 2

Internet Security
Navigating the Internet
Social Media
Voice over Internet Protocol (VoIP)/Chat

Agenda Part 1

- ▶ Computer Security—Why?
- ▶ Create Strong Passwords
- ▶ Backup/Save Your Data
- ▶ Online Banking Primer
- ▶ Buying Things Online
- ▶ Online Tracking

Computer Security—Why?

- ▶ Anti-Virus Software
 - Microsoft Security Essentials (free), McAfee, Norton: scans your computer for potential viruses.
- ▶ Flash Drives
 - Be careful using flash drives from other people.
- ▶ Updates
 - Always click 'YES' to Anti-Virus and Windows Updates.
- ▶ Firewall
 - NEVER disable the Windows Firewall (ON by default)

Create Strong Passwords

- ▶ All passwords must be airtight strong.
 - Reduces chances of hacking and ID theft.
- ▶ At least 10 characters with lower case, upper case, and special characters !@#%&*
 - Can create a unique phrase or sentence that no one knows or is published. No birthdates, 12345, ABCDE, social security #.
 - Write down each password and place somewhere safe.
- ▶ Use different passwords for EACH account.
 - Computer
 - Online Banking
 - Social Media: Facebook, Twitter, Instagram

Create Strong Passwords

- ▶ **Class Exercise:**
 - Create a password together
 - At least 10 characters with lower case, upper case, and special characters !@#%&*

Back Up Your Data

- ▶ SAVE, SAVE, SAVE
 - Save your files early and often!
- ▶ Backups
 - Computers can crash one day. Hard drives can become corrupted and viruses can erase files.
 - Periodically save a copy of your files to a flash drive or backup hard drive.
- ▶ Cloud Storage
 - Google Drive, Drop Box, backup files regularly
- ▶ Magnets
 - NEVER put a magnet near a computer. Can wipe data off the hard drive and ruin the monitor.



Online Banking

- ▶ Online Banking
 - Only access online banking sites from home computer.
 - Never access on a shared computer.
- ▶ Key in URL addresses in Browser.
- ▶ Don't automatically click links in email.
www.bankofamerica.com
not same as
www.bankofamerica.com.fakewebsite.exe
This is a **DANGEROUS** link.

7

Buying Things Online

- ▶ Only purchase items from well-known websites.
- ▶ Ensure the URL contains **https** and the lock symbol before entering credit card info.
- ▶ NEVER wire money as payment.



8

Online Tracking 1

- ▶ Websites remember where you have visited like Google & Facebook.
 - Why? So they can target sales ads to fit your interests.
- ▶ Also, sites are saved on the web browser.
 - To remove:
 - Firefox: History > Clear Recent History
 - Chrome: Clear Browsing Data

9

Online Tracking 2

- ▶ Prevent Online Tracking
 - Sign out of email when searching online.
 - Use Private Browsing.
- ▶ Firefox: Preferences > Privacy > Tracking
- ▶ Chrome: File > New incognito window

10

Agenda Part 2

- ▶ Popular Uses of the Internet
- ▶ Internet Vocabulary
- ▶ Cable Internet Service & Connection
- ▶ Web Browser
- ▶ Format of URL Web Address
- ▶ Finding Stuff on the Internet

11

Popular Uses of the Internet

| To do this | What to use |
|---|--|
| ▶ View Websites | ▶ Browsers: Firefox, Chrome, Safari, Opera |
| ▶ Send & receive messages & documents | ▶ Gmail, Outlook, Yahoo |
| ▶ Send and receive short text messages | ▶ Cell phone carriers |
| ▶ Locate places on a map & get directions | ▶ Google maps, Mapquest, Rand McNally |

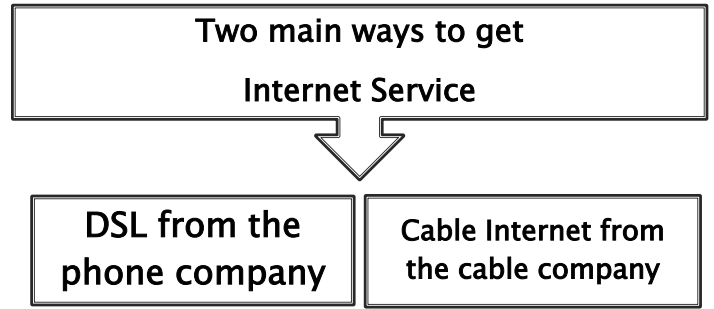
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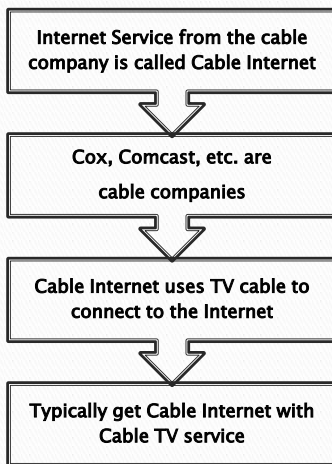
Internet Vocabulary

- ▶ Website: One organization’s location on the Web.
- ▶ Browser: Software used to explore or “surf” the Web.
- ▶ URL: Address used to go to a website.
- ▶ Link: Text or picture when clicked with your mouse takes you quickly to a website.
 - www.nytimes.com

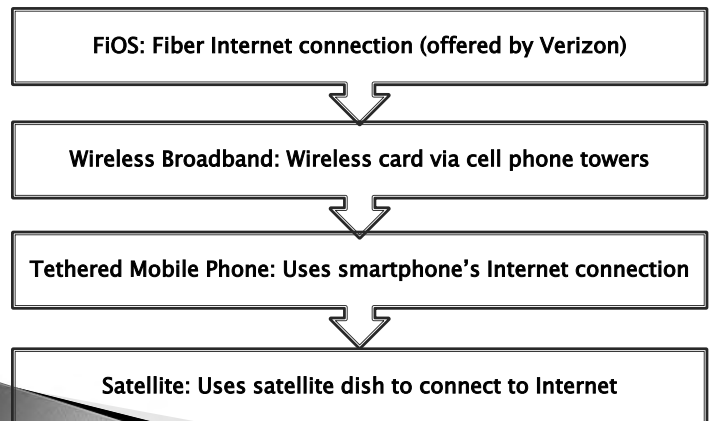
How Do I Get Internet Service?



Cable Connection



Other Types of Internet Service



Connecting to the Internet

- ▶ Computer connects with cables to router



OR

- ▶ Computer connects wirelessly to router = Wi-Fi



- ▶ Caveats, snooping, intercepting signals

Web Browsers

- ▶ An Application used to view web pages and navigate websites on the Internet



- ▶ Opera, Firefox, Safari, Chrome, Microsoft Edge

MS Edge Web browser

Parts to a Browser Window



19

Navigating Backward & Forward



- ▶ While browsing the internet, the Browser remembers websites visited.
- ▶ Use Back Button to return to previous sites.
- ▶ Use Forward Button to go in reverse direction.
- ▶ Often, when opening a new link, the website will appear in a new Tab or window.

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Format of URL Web Address

www.washingtonpost.com

Often starts with "www" = Worldwide Web

Domain Name

Type of website

- Commercial (.com)
- Non-profit (.org)
- Educational (.edu)
- Government (.gov)

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SEARCHING on the Internet

Question: Over 10 billion websites, how do I find the right one?

Answer: Use a search engine & key words.



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SEARCHING the Internet (cont'd)

▶ For example, find information about the Amazon River in South America.

▶ In the search box, key in Amazon River.



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Interpreting Search Results

- Results page shows hundreds of websites or "hits."
- Each "hit" shows:
 - Blue link that takes you to the website.
 - Sample of text from the website.
 - URL of the website (in green).

Number of websites about the Amazon River

One of the hits



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Your Turn on the Internet

- ▶ Find the name and height of the tallest mountain in the world.
- ▶ Find the name of the winner of the World Cup.
- ▶ Find an image of the Washington Wizards logo.
- ▶ Using Google maps, find directions from Arlington City (your address in this building) to a Harris Teeter market.

Email Communications

- ▶ Email is a way to send electronic messages to anyone in the world instantly.
- ▶ Email Services:
 - Gmail
 - Outlook (reinvented Hotmail)
 - Yahoo!
 - AOL Mail

PC Magazine
<http://www.pcmag.com/article2/0,2817,2408983,00.asp>

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Email Security

- ▶ Most common way for a computer to be infected with a virus or get hacked.
- ▶ Be wary of suspicious looking emails
 - “You just won a prize!”
 - “Your account has been locked.”
 - Pay attention to poor grammar, awkward, and unprofessional writing—signs of potential danger.
- ▶ NEVER
 - Open an email from someone you don’t know
 - Open attachments that end in .exe .com .bat
 - Click on links inside emails

Email Addresses

- ▶ Must use an email address to send message to another person.
- ▶ Contains a username and a domain separated by the ‘@’ symbol.
- ▶ The ‘@’ symbol stands for the word “at.”
- ▶ Example: john.smith@gmail.com

Email Address vs. URL

- ▶ Email Address
 - Identifies a person or entity
 - Always has the @ symbol
 - Shows the email service provider
 - Example: **john.smith@gmail.com**
- ▶ URL
 - Identifies a website
 - Usually begins with www, name of website, extension
 - Example: **www.carpentersshelter.org**

Sign Up/Sign In to Email

- ▶ If you already have an email account, sign into your account.
- ▶ If you don’t have an email account, create one by going to www.gmail.com
 - Click “Create an Account” button **CREATE AN ACCOUNT**
 - Enter a name, username, and create a password.
 - Make sure your password has at least 10 characters with lower case, upper case, and special characters.
 - See next slide.

Create Strong Passwords

- ▶ At least 10 characters with lower case, upper case, and special characters !@#\$\$%&
- ▶ Can create a unique phrase or sentence that no one knows or is published.
- ▶ No birthdates, 12345, ABCDE, social security #.
- ▶ Write down each password and place somewhere safe.

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Compose an Email

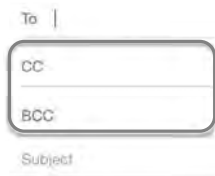
- ▶ Click on the Compose button 

- ▶ Three parts to an email:
 - To, Subject, and Message



CC and BCC

- ▶ Carbon Copy (CC)
 - Send a copy of the email to your supervisor.
- ▶ Blind Carbon Copy (BCC)
 - Send a copy of the email to your supervisor, but do not want the client to know.
 - Not recommended to do. Can **forward** a copy to your supervisor afterwards.



Reply, Reply All, Forward

- ▶ Reply – send an email **back to someone** who sent you an email.
- ▶ Reply All – send an email back to **everyone** who was on the email.
- ▶ Forward – send an email that you received to **someone else**.



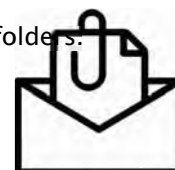
Exercise

- ▶ Send an email to someone in class.
- ▶ Ask them “What is your favorite restaurant?”
- ▶ Open the email that you receive.
- ▶ Reply with the name of your favorite restaurant.

Attachments



- ▶ Email can be used to send files.
 - Documents, Spreadsheets, Presentations, Images.
- ▶ File size typically limited to 20–25 MB (megabytes).
- ▶ Click ‘Attach a file’ button and locate the file.
 - Typically in ‘Documents’ or ‘Pictures’ folders.
 - Drag & Drop feature available.



Exercise

- ▶ Create a Word document
 - Type three sentences describing your dream job.
 - Save the document as 'Resume' in 'Documents' folder.
- ▶ Compose and send an email to someone in class with 'Resume' document attached.

Email Etiquette

- ▶ Resist using Reply All unless applicable. Just use Reply.
- ▶ Don't use BCC (may make message look suspicious).
- ▶ Don't forward "chain letters" or jokes (especially at the office).
- ▶ Don't send anything negative about a person or your company. Why?
 - Any email you send at work may be read by your employer.

Email Etiquette (cont'd)

- ▶ Don't send anything in an email you would be uncomfortable seeing on the front page of a newspaper.
- ▶ Emails can get forwarded to anyone anywhere.
- ▶ NEVER open email attachments from people you don't know.
 - Most common way to infect a computer virus.

Voice over IP (VoIP)/Chat Communications

- ▶ Voice over IP and Chat tools are a way to communicate with someone on another computer or Smart Phone
- ▶ Applications include: SKYPE, G-Chat and Google Video, Facebook Messenger, WhatsApp, Face Time, etc.



Voice over IP (VoIP)/Chat Communications (cont'd)

- ▶ Applications have many similar features and allow you to chat or share video or have person to person video chats, live
- ▶ Applications are available for free and downloadable to your desktop
- ▶ To enjoy enhanced features you can pay extra

Turning Off your Computer



APAH Lesson 3

Advanced Internet Topics

Agenda

- › Arlington Co. Dept. of Human Services website
- › Arlington Co. Government Website
- › “Common Sense Media” (resources for families/parents)
- › Library Websites & resources
- › “Lynda.com” free to residents with library card
- › Resume resources and websites
- › Job Searching hints
- › Applying for jobs online

Arlington Co. Human Services Main page

- › Multi purpose site for all your needs
 - <https://departments.arlingtonva.us/dhs>



Arlington Co. Human Services (Cont'd)

- › “Cards” displaying varied content of interest



Arlington Co. Human Services Website (Cont'd)

- › The Resident Housing link was selected.



Arlington Co. Govt. Website

- › URL of website: <https://www.arlingtonva.us/>



Arlington Human Services Website (Cont'd)

- ▶ Many aspects of site available in Spanish



Common Sense Media - Why?

- ▶ Website to assist with families with Children URL: <https://www.commonsensemedia.org/>



Common Sense Media

- ▶ Independent Non-profit organization that attempts to assist families and their kids in navigating the web and all data out there,
- ▶ Provide Movie and Book Reviews,
- ▶ Best movies for kids along with reviews,
- ▶ Age appropriate information on media.



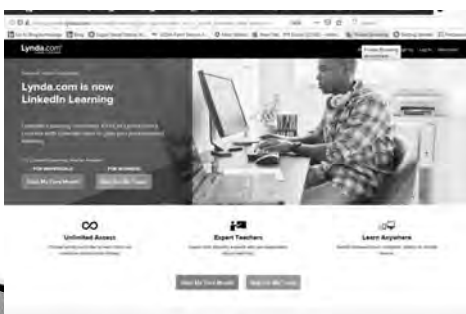
Arlington Library "Lynda" Website

- ▶ Lynda.com is a learning website available to Arlington County residents with a valid library card (Now run by *LinkedIn* learning)



"Lynda.com" Website (Cont'd)

- ▶ On line courses, certifications, Learn software, creative, and business skills to achieve your personal and professional goals. Join today to get access to thousands of courses.



Resume Resources

- ▶ Get assistance with writing your resume from many sources on line.



Resume Resources

- ▶ Get assistance with writing your resume from many sources on line. Indeed.com:



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Resume Resources

- ▶ Get assistance with writing your resume from many sources on line.

- ▶ **Monster.com:** <https://www.monster.com/career-advice/article/resume-writing-help>
- ▶ **Indeed.com:** <https://www.indeed.com/forum/gen/Resume-Tips/Do-professional-resume-writers-really-help/t533665>
- ▶ **Create a Free Resume online:** <https://resume-help.org/>



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Applying online for jobs

- ▶ **Linked In,**
- ▶ **USA.gov**
- ▶ **Indeed.com**
- ▶ **Careerbuilder.com**
- ▶ **Monster.com**



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Job Searching hints

- ▶ Sign up for Linked In with your resume
- ▶ Have a professional email address not a frivolous one,
- ▶ Go to job fairs with copies of your resume,
- ▶ Target each application to the job opportunity
- ▶ Use online learning like Lynda.com to develop your skills and marketability,
- ▶ Practice job interviewing with a mentor or friend or teacher.
- ▶ **Research, research!!!**

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Applying online for jobs (cont'd)

- ▶ **DO's:**
- ▶ Check company website and apply from that site
- ▶ Tailor your resume to that position. Good idea to have a couple of resumes, why?
- ▶ Update your Linked-In site, as people will solicit job offers to you. Examples
- ▶ Write a cover letter for the job and attach it with your application if possible.

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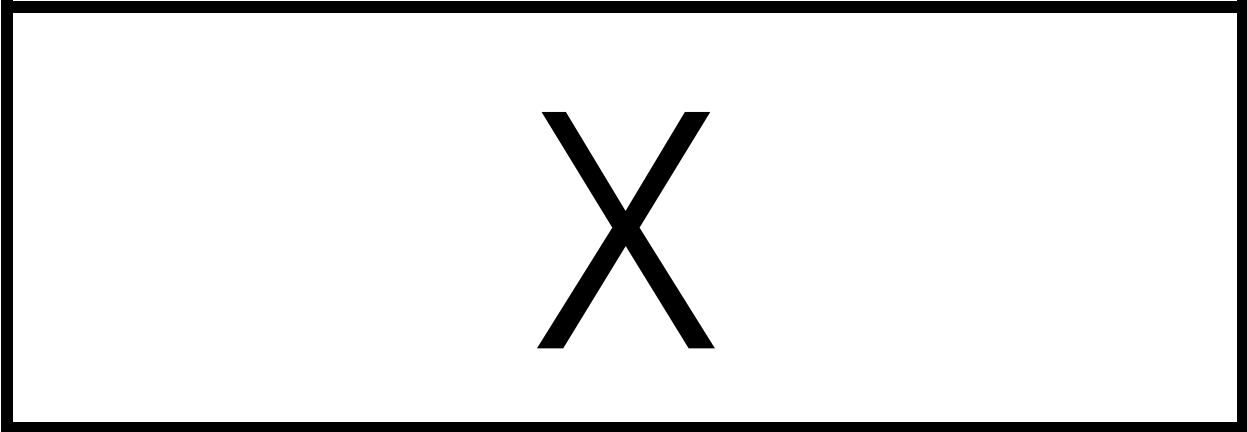
Applying online for jobs (cont'd)

- ▶ **DONT's:**
- ▶ Type lazily, make spelling mistakes (no excuses) and that grammar is correct. First impressions!
- ▶ Never use 'auto fill' when applying, why?
- ▶ Leave any blanks, always complete the entire application,
- ▶ Save your work as you go along,
- ▶ There is a lot of competition out there, put your best foot forward at all times!

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Turning Off your Computer





X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Oakwood South Nine
(Oakwood South Nine Limited Partnership)
Fairfax County, Virginia

Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the "Marketing Plan") has been designed to convey to current and potential residents with disabilities that **Oakwood South Nine** will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and provide effective management and maintenance of the property.

Oakwood South Nine Development LLC, the General Partner ("Managing Member") of Oakwood South Nine Limited Partnership ("Applicant"), will engage a VHDA-approved and qualified property management firm (the "Property Manager") to manage the operations of Oakwood South Nine. The Property Manager will be responsible for all of the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, the Property will be home to a variety of community and resident services programs.

I. Affirmative Marketing

The **Property Manager** is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the United States of America and will actively promote fair housing in the development and marketing of this project. The **Property Manager**, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3601, et. Seq.).

When a Section 504 unit becomes vacant, the Property Manager will work to fill the unit with a qualified household. Marketing will include outreach to partner organizations and advertisement in standard marketing vehicles (e.g. Craigslist). Any unit which is designated as a unit for people with disabilities and that conforms to Section 504 of the Rehabilitation Act will be held vacant for sixty days (60). The Property Manager will document its marketing efforts to find households with qualified disabilities during this time period. If a qualified tenant is not found, the marketing evidence will be submitted to VHDA's Program Compliance Officer and the manager will request approval to rent the unit to any income-qualified household. If the request is approved, the lease will contain a provision stating that the household must agree to move to a vacant unit at the same property if a household including a person with a disability applies for the unit, and that the move will be paid for by the Property Owner.

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

Unless prohibited by an applicable federal subsidy program, a "first preference" will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth. The Property Manager will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS), Virginia Department of Behavioral Health and Developmental Services (DBHDS), or any other agency approved by the Authority. The Property Manager will retain a tenant verification letter and Acknowledgement and Settlement Agreement of Target

Population Status.

Target population units will be confirmed by VHDA.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

The Property Manager will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

ENDependence Center of Northern Virginia – Ashburn - (Area Center for Independent Living)
44121 Harry Byrd Hwy
Suite 240
Ashburn, VA 20147
(571)291-9550

Virginia Board for People with Disabilities
Washington Building
1100 Bank Street, 7th Floor
Richmond, VA 23219
(804) 786-0016

Fairfax Area Disability Services Board
12011 Government Center Parkway, Suite 708
Fairfax, VA 22035
(703) 324-5421

DARS – Virginia Department for Aging and Rehabilitative Services
5904 Old Richmond Highway Suite 410
Alexandria, VA 22303
(703) 960-3411

Fairfax County Department of Family Services - Children and Families
12011 Government Center Parkway, Pennino Building
Fairfax, VA 22035
(703) 324-7500

Fairfax-Falls Church Community Services Board
8221 Willow Oaks Corporate Drive
Fairfax, Virginia 22031
(703) 383-8500

Healthworks for Northern Virginia
163 Fort Evans Road, N.E.
Leesburg, VA 20176
(703) 443-2000

Fairfax County Commission on Aging
12011 Government Center Parkway, Pennino Building
Fairfax, VA 22035
(703) 324-7500

Pathway Homes
10201 Fairfax Blvd., Suite 200
Fairfax, VA 22030-2209
(703) 876-0390

Community Residences
14160 Newbrook Dr.
Chantilly, VA 20151
(703) 842-2300

PRS, Inc.
1761 Old Meadow Rd, Suite 100
McLean, VA 22102
(703) 536-9000

Virginia Department of Medical Assistance Services
600 East Broad Street
Richmond, VA 23219
(804) 786-7933

Virginia Department of Behavioral Health and Developmental Services
1220 Bank Street
Richmond, VA 23219
(804) 786-3921

2. Internet Search

Oakwood South Nine will also be listed on the following websites:

www.virginiahousingsearch.com
accessva.org
dbhds.virginia.gov
www.craigslist.org

3. Print Media

Print media sources that cater to persons with disabilities in Fairfax County will also be identified to add to those published on a regular basis by Fairfax County Department of Parks, Recreation, and Community Services. Some of the major publications include the Fairfax County Times, Fairfax Connection, and other local newspapers published in English, Spanish, and other languages. Other sources may include, but are not limited to, rental magazines such as Apartment Shoppers Guide and Apartments for Rent.

The Property Manager will also maintain a current listing on VirginiaHousingSearch.com, including information on amenities available for the Target Population. All advertising materials will prominently feature the Equal Housing Opportunity logo type, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. Residents will be offered incentives, to be determined,

for referring qualified applicants who rent at the property. Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures** – A simple brochure can be produced at low cost which will effectively sell the apartments and community. This brochure will include a listing of features and amenities.
- **Flyers** – A flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics and a property description to generate traffic. From time to time as necessary, flyers should include a special offer with a deadline (e.g. "Bring this flyer with you when you visit this weekend and pay no application fee!").

III. Public and Community Relations

The Property Manager will promote Equal Housing Opportunity by ensuring that all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office.

The Managing Member participates in a public and community relations program that boosts the relationship between the Property Owner and the Property Manager, and local disability organizations, neighborhood civic organizations, social service programs, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside for resident interviews and application assistance.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 5:30 P.M. subject to change based on the needs of the property and residents. Applicants will meet with the Property Manager or designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the

greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance.

Tenant Selection and Qualification Criteria

A third-party credit scoring provider is used to review applicants by means of a credit scoring model to determine an applicant's ability to meet his/her rental obligations. Credit scoring utilizes a statistical model for comparing information on bill paying history, the number and type of credit accounts, late payments, outstanding debt, rental history and the age of accounts, to the performance of consumers with similar profiles. The scoring system awards points for each factor that helps predict applicant creditworthiness and the likelihood of the applicant to make payments when due. The scoring provider makes a recommendation of accept or decline based on the results.

As part of the credit approval process, each applicant is required to provide income information on the Rental Application. This information is verified via direct written contact by the leasing staff with the employer/source of income and/or written verification such as paystubs, tax returns, etc. If there is more than one applicant, the same credit approval process is performed.

Residents will also have additional qualification criteria as specifically addressed in the Affordable Housing Program.

Criminal Background Check

The Property Manager performs criminal background checks as part of the approval process for prospective residents. The criminal background check is subject to state and local landlord-tenant laws. The requirement is that a criminal background check be done on all adult occupants, as a condition of the application and as a condition of the lease agreement. Felony convictions for violent crimes against people or property, drug-related activities, weapons related activities, larceny or sex-related crimes render an individual ineligible for occupancy.

A third-party contractor is utilized to perform these background checks, which includes a review of all available criminal records, local sex offender lists, the FBI Most Wanted List and the Office of Foreign Asset Control (OFAC) list.

As a condition of their lease agreement, residents are required to acknowledge that the landlord has the right to terminate a lease or evict a resident in the event that, after the lease has commenced, there is any subsequent discovery of a crime that would have rendered the resident ineligible for occupancy at move-in. The criminal background check policy that is implemented is subject to modification based on the Property Manager's experience with this requirement at the property.

Occupancy Standards

Both maximum and minimum per-unit occupancy standards will be established and maintained.

V. Turnover of Section 504 units

Any unit which is designated as a unit for people with disabilities and that conforms to Section 504 of the Rehabilitation Act will be held vacant for 60 days, during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and the Property Manager can provide sufficient documentation to VHDA's Compliance Officer, the Property Manager may request the ability to lease 60-point Units, to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact

to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the Property Owner or Manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the Property Owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 60-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.

Y

Inducement Resolution for Tax Exempt Bonds

Non VHDA loan 4% deals only

This deal does not require
information behind this tab.