
2021 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 18, 2021**

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
601 South Belvidere Street
Richmond, Virginia 23220-6500

INSTRUCTIONS FOR THE VIRGINIA 2021 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 18, 2021**. 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:

Virginia Housing only accepts files via our work center sites on Procorem. Contact TaxCreditApps@virginiahousing.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 Virginia Housing LIHTC Allocation Department staff.

Disclaimer:

Virginia Housing 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 Virginia Housing.

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 Virginia Housing LIHTC Allocation Department. Please note that we cannot release the copy protection password.

Virginia Housing LIHTC Allocation Staff Contact Information

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

TABLE OF CONTENTS

Click on any tab label to be directed to that tab within the application.

TAB	DESCRIPTION
1. <u>Submission Checklist</u>	Mandatory Items, Tabs and Descriptions
2. <u>Development Information</u>	Development Name and Locality Information
3. <u>Request Info</u>	Credit Request Type
4. <u>Owner Information</u>	Owner Information and Developer Experience
5. <u>Site and Seller Information</u>	Site Control, Identity of Interest and Seller info
6. <u>Team Information</u>	Development Team Contact information
7. <u>Rehabilitation Information</u>	Acquisition Credits and 10-Year Look Back Info
8. <u>Non Profit</u>	Non Profit Involvement, Right of First Refusal
9. <u>Structure</u>	Building Structure and Units Description
10. <u>Utilities</u>	Utility Allowance
11. <u>Enhancements</u>	Building Amenities above Minimum Design Requirements
12. <u>Special Housing Needs</u>	504 Units, Sect. 8 Waiting List, Rental Subsidy
13. <u>Unit Details</u>	Set Aside Selection and Breakdown
14. <u>Budget</u>	Operating Expenses
15. <u>Project Schedule</u>	Actual or Anticipated Development Schedule
16. <u>Hard Costs</u>	Development Budget: Contractor Costs
17. <u>Owner's Costs</u>	Development Budget: Owner's Costs, Developer Fee, Cost Limits
18. <u>Eligible Basis</u>	Eligible Basis Calculation
19. <u>Sources of Funds</u>	Construction, Permanent, Grants and Subsidized Funding Sources
20. <u>Equity</u>	Equity and Syndication Information
21. <u>Gap Calculation</u>	Credit Reservation Amount Needed
21. <u>Cash Flow</u>	Cash Flow Calculation
22. <u>BINs</u>	BIN by BIN Eligible Basis
24. <u>Owner Statement</u>	Owner Certifications
25. <u>Architect's Statement</u>	Architect's agreement with proposed deal
26. <u>Scoresheet</u>	Self Scoresheet Calculation
27. <u>Development Summary</u>	Summary of Key Application Points
28. <u>Efficient Use of Resources</u>	Calculation of Score
29. <u>Efficient Use of Resources - TE Bonds</u>	Calculation of Score

2021 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 Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

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

VHDA TRACKING NUMBER 2021-TEB-100

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 6/21/2021

1. Development Name: Ballston Station

2. Address (line 1): 4201 Fairfax Drive
 Address (line 2):
 City: Arlington State: VA Zip: 22203

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 Arlington 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: 1014.02

7. Development is located in a Qualified Census Tract..... FALSE

8. Development is located in a Difficult Development Area..... TRUE

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%
FALSE	TRUE	FALSE

Enter only Numeric Values below:

13. Congressional District: 8
 Planning District: 8
 State Senate District: 31
 State House District: 47

Click on the following link for assistance in determining the districts related to this development:
[Link to Virginia Housing'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

Redevelopment of an existing church into a 144-unit 100% affordable multifamily housing project financed with a 4% LIHTC and Tax Exempt Bonds. The project will have a groundfloor commercial unit consisting of the new church space along with a daycare.

VHDA TRACKING NUMBER

2021-TEB-100

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

6/21/2021

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: Mark Schwartz
 Chief Executive Officer's Title: County Manager Phone: 703 228-3120
 Street Address: 2100 Clarendon Boulevard, Suite 302
 City: Arlington State: VA Zip: 22201

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

- 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:

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)

Skip to Number 4 below.

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

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2021.

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, 2021, 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 2021 credits pursuant to Section 42(h)(1)(E).

3. **Select Building Allocation type:**

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?

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

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:

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

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?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request: 0.00%

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:

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: Virginia Housing 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 Virginia Housing 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: Ballston 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. 86-3099483 (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>Ballston GP, 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing 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: Long Term Lease

Expiration Date: 1/1/2099

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 Virginia Housing. 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..... 1/1/2099 .

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: Ronald R. Coleman, Nancy Mount, Gene Cross, and Patricia H. Barham, Trustees for Central Ur

Address: Central United Methodist Church, 4201 Fairfax Drive, Attn: Rev. Sarah Harrison-McQueen

City: Arlington St.: VA Zip: 22203

Contact Person: Rev. Sarah Harrison-McQueen Phone: (703) 527-8844

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%

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: | Ben Apfelbaum | This is a Related Entity. | FALSE |
| Firm Name: | Davis Construction | | |
| Address: | 12520 Parklawn Drive; Rockville, MD; 20852 | | |
| Email: | bapfelbaum@davisconstruction.com | Phone: | (301) 225-2194 |
| | | | |
| 6. Architect: | Anita Sircar | This is a Related Entity. | FALSE |
| Firm Name: | Davis, Carter, Scott, Ltd | | |
| Address: | 8614 Westwood Center Drive, Ste 800, Tysons, VA 22182 | | |
| Email: | asircar@dcsdesign.com | Phone: | (703) 556-9275 |
| | | | |
| 7. Real Estate Attorney: | Jonathan Kinney | This is a Related Entity. | FALSE |
| Firm Name: | Bean Kinney & Korman PC | | |
| Address: | 2311 Wilson Blvd, Suite 500, Arlington, VA 22201 | | |
| Email: | jkinney@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 Virginia Housing 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 Virginia Housing 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...
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 #3.)

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	144	bedrooms	192
Total number of rental units in development	144	bedrooms	192
Number of low-income rental units	144	bedrooms	192
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	144	bedrooms	192
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.....			165,787.98 (Sq. ft.)
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			30,762.01 (Sq. ft.)
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			135,025.97 (Sq. ft.)
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	0.794		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			TRUE
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	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	812.34	SF	108	108
2BR Garden	1216.76	SF	24	24
3BR Garden	1308.07	SF	12	12
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
			144	144

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:..... 9
- 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).	<u>TRUE</u>
If true, # of Elevators.	<u>3</u>
Elevator Type (if known)	<u>Machine Room Less (MRL)</u>

i. Roof Type	▶ <u>Flat</u>
j. Construction Type	▶ <u>Other</u>
k. Primary Exterior Finish	▶ <u>Fiber Cement Siding</u>

4. Site Amenities (indicate all proposed)

a. Business Center.....	<u>TRUE</u>	f. Limited Access.....	<u>TRUE</u>
b. Covered Parking.....	<u>TRUE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>FALSE</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></u>

l. Describe Community Facilities: OnsiteLeasing/PropertyMgmt/ResidentServices,Community Room,Garage

m. Number of Proposed Parking Spaces.....	<u>44</u>
Parking is shared with another entity	<u>FALSE</u>

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 structure
 Notes 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 Virginia Housing'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	13.70%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	13.70%
Project Wide Absorption Period (Months)	3

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 any development, upon completion of construction/rehabilitation:

**New
Constr.**

- TRUE** a. A community/meeting room with a minimum of 749 square feet is provided.
- 30.00%** 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.
- FALSE** 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.
- TRUE** g. Each unit is provided free individual high speed internet access.
- or
- FALSE** h. Each unit is provided free individual WiFi access.
- FALSE** i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS.
- or
- TRUE** j. Full bath fans are equipped with a humidistat.
- FALSE** k. Cooking surfaces are equipped with fire prevention features
- or
- TRUE** 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.
- FALSE** o. All interior doors within units are solid core.
- FALSE** 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.
- FALSE** r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

J. ENHANCEMENTS

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

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE 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 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)

- FALSE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- 0 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:
0% of Total Rental Units

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

If not, please explain:

[Redacted area]

 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	17	20	0
Air Conditioning	0	7	8	9	0
Cooking	0	5	7	8	0
Lighting	0	22	26	31	0
Hot Water	0	13	15	18	0
Water	0	11	16	21	0
Sewer	0	20	29	39	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$92	\$118	\$146	\$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: Viridant

Warning: The Virginia Housing housing choice voucher program utility schedule shown on VirginiaHousing.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**)

FALSE

- 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)

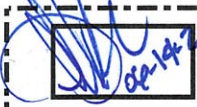
FALSE

- 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:

FALSE

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**, Virginia Housing 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: Yes

Organization which holds waiting list:

Arlington Co. Dept of Human Svcs

Contact person:

Vanessa Street

Title:

Executive Director

Phone Number:

(703) 228-1455

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:

12

% of total Low Income Units

8%

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

K. SPECIAL HOUSING NEEDS

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:

How many years in rental assistance contract?

Expiration date of contract:

There is an Option to Renew.....

FALSE

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%
15	10.42%	30% Area Median	450%
0	0.00%	40% Area Median	0%
60	41.67%	50% Area Median	3000%
69	47.92%	60% Area Median	4140%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
144	100.00%	Total	52740%

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
15	10.42%	30% Area Median	450%
0	0.00%	40% Area Median	0%
60	41.67%	50% Area Median	3000%
69	47.92%	60% Area Median	4140%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
144	100.00%	Total	52740%

- 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	1	1	499.28	\$633.00	\$633
Mix 2	1 BR - 1 Bath	30% AMI	1	1	541.40	\$633.00	\$633
Mix 3	1 BR - 1 Bath	30% AMI	1	1	496.98	\$633.00	\$633
Mix 4	1 BR - 1 Bath	30% AMI	1	1	566.39	\$633.00	\$633
Mix 5	1 BR - 1 Bath	30% AMI	1	1	542.23	\$633.00	\$633
Mix 6	1 BR - 1 Bath	30% AMI	1	1	542.93	\$633.00	\$633
Mix 7	1 BR - 1 Bath	30% AMI	1	1	655.12	\$633.00	\$633
Mix 8	1 BR - 1 Bath	30% AMI	1	1	491.80	\$633.00	\$633
Mix 9	1 BR - 1 Bath	30% AMI	1	1	643.98	\$633.00	\$633
Mix 10	1 BR - 1 Bath	30% AMI	1	1	461.65	\$633.00	\$633
Mix 11	1 BR - 1 Bath	30% AMI	1	1	539.41	\$633.00	\$633
Mix 12	1 BR - 1 Bath	30% AMI	1	1	602.49	\$633.00	\$633
Mix 13	1 BR - 1 Bath	30% AMI	1	1	561.00	\$633.00	\$633

L. UNIT DETAILS

Mix 14	1 BR - 1 Bath	30% AMI	1		581.03	\$633.00	\$633
Mix 15	1 BR - 1 Bath	30% AMI	1		524.29	\$633.00	\$633
Mix 16	1 BR - 1 Bath	50% AMI	1		515.58	\$1,117.00	\$1,117
Mix 17	1 BR - 1 Bath	50% AMI	1		542.32	\$1,117.00	\$1,117
Mix 18	1 BR - 1 Bath	50% AMI	1		437.25	\$1,117.00	\$1,117
Mix 19	1 BR - 1 Bath	50% AMI	5	5	502.27	\$1,117.00	\$5,585
Mix 20	1 BR - 1 Bath	50% AMI	5		539.14	\$1,117.00	\$5,585
Mix 21	1 BR - 1 Bath	50% AMI	5		528.77	\$1,117.00	\$5,585
Mix 22	1 BR - 1 Bath	50% AMI	5		569.42	\$1,117.00	\$5,585
Mix 23	1 BR - 1 Bath	50% AMI	5		561.80	\$1,117.00	\$5,585
Mix 24	1 BR - 1 Bath	50% AMI	5		538.67	\$1,117.00	\$5,585
Mix 25	1 BR - 1 Bath	50% AMI	5		653.34	\$1,117.00	\$5,585
Mix 26	1 BR - 1 Bath	50% AMI	5		495.88	\$1,117.00	\$5,585
Mix 27	1 BR - 1 Bath	50% AMI	5		619.69	\$1,117.00	\$5,585
Mix 28	1 BR - 1 Bath	50% AMI	5		511.39	\$1,117.00	\$5,585
Mix 29	1 BR - 1 Bath	50% AMI	5		553.06	\$1,117.00	\$5,585
Mix 30	1 BR - 1 Bath	50% AMI	2		542.46	\$1,117.00	\$2,234
Mix 31	1 BR - 1 Bath	60% AMI	3		542.46	\$1,359.00	\$4,077
Mix 32	1 BR - 1 Bath	60% AMI	5		604.27	\$1,359.00	\$6,795
Mix 33	1 BR - 1 Bath	60% AMI	5		566.84	\$1,359.00	\$6,795
Mix 34	1 BR - 1 Bath	60% AMI	5		576.46	\$1,359.00	\$6,795
Mix 35	1 BR - 1 Bath	60% AMI	5		525.55	\$1,359.00	\$6,795
Mix 36	1 BR - 1 Bath	60% AMI	5		517.32	\$1,359.00	\$6,795
Mix 37	1 BR - 1 Bath	60% AMI	5		543.84	\$1,359.00	\$6,795
Mix 38	2 BR - 1.5 Bath	60% AMI	1		923.93	\$1,623.00	\$1,623
Mix 39	2 BR - 1.5 Bath	60% AMI	1		945.81	\$1,623.00	\$1,623
Mix 40	2 BR - 1.5 Bath	60% AMI	1		788.19	\$1,623.00	\$1,623
Mix 41	2 BR - 1.5 Bath	60% AMI	1		853.00	\$1,623.00	\$1,623
Mix 42	2 BR - 1.5 Bath	60% AMI	5	2	943.56	\$1,623.00	\$8,115
Mix 43	2 BR - 1.5 Bath	60% AMI	5		951.88	\$1,623.00	\$8,115
Mix 44	2 BR - 1.5 Bath	60% AMI	5		861.37	\$1,623.00	\$8,115
Mix 45	2 BR - 1.5 Bath	60% AMI	5		1007.24	\$1,623.00	\$8,115
Mix 46	3 BR - 2 Bath	60% AMI	1		1053.76	\$1,867.00	\$1,867
Mix 47	3 BR - 2 Bath	60% AMI	1		955.47	\$1,867.00	\$1,867
Mix 48	3 BR - 2 Bath	60% AMI	5	1	1069.47	\$1,867.00	\$9,335
Mix 49	3 BR - 2 Bath	60% AMI	5		973.80	\$1,867.00	\$9,335
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

L. UNIT DETAILS

Mix 68							\$0
Mix 69							\$0
Mix 70							\$0
Mix 71							\$0
Mix 72							\$0
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			144	8			\$182,718

Total Units	144	Net Rentable SF:	TC Units	94,052.74
			MKT Units	0.00
			Total NR SF:	94,052.74

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

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$1,200
2. Office Salaries			\$135,500
3. Office Supplies			\$7,200
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$72,797
<u>3.50%</u> of EGI	<u>\$505.54</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$5,000
9. Auditing			\$27,000
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$9,920
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$36,720
Total Administrative			\$295,337

Utilities

14. Fuel Oil			\$0
15. Electricity			\$63,500
16. Water			\$39,900
17. Gas			\$28,000
18. Sewer			\$78,850
Total Utility			\$210,250

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$3,500
21. Janitor/Cleaning Contract			\$42,000
22. Exterminating			\$10,200
23. Trash Removal			\$15,600
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$10,000
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$102,268
29. Repairs/Material			\$8,400
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$23,000
32. Heating/Cooling Repairs & Maintenance			\$8,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$1,500
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$2,040
37. Miscellaneous			\$55,938
Totals Operating & Maintenance			\$282,446

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$259,629
39. Payroll Taxes	\$10,366
40. Miscellaneous Taxes/Licenses/Permits	\$25,000
41. Property & Liability Insurance	\$61,700
42. Fidelity Bond	\$0
43. Workman's Compensation	\$3,600
44. Health Insurance & Employee Benefits	\$22,332
45. Other Insurance	\$10,140
Total Taxes & Insurance	\$392,767

Total Operating Expense **\$1,180,800**

Total Operating Expenses Per Unit	<u>\$8,200</u>	C. Total Operating	<u>56.77%</u>	Expenses as % of EGI
--	----------------	---------------------------	---------------	-----------------------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$43,200**

Total Expenses	\$1,224,000
-----------------------	--------------------

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

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	10/1/2020	Charles Sims
b. Site Acquisition	11/15/2021	Charles Sims
c. Zoning Approval	2/1/2017	Charles Sims
d. Site Plan Approval	2/1/2017	Charles Sims
2. Financing		
a. Construction Loan		
i. Loan Application	4/1/2021	Charles Sims
ii. Conditional Commitment	7/1/2021	Charles Sims
iii. Firm Commitment	8/1/2021	Charles Sims
b. Permanent Loan - First Lien		
i. Loan Application	5/28/2021	Charles Sims
ii. Conditional Commitment	7/1/2021	Charles Sims
iii. Firm Commitment	8/1/2021	Charles Sims
c. Permanent Loan-Second Lien		
i. Loan Application	3/11/2021	Charles Sims
ii. Conditional Commitment	6/12/2021	Charles Sims
iii. Firm Commitment	6/12/2021	Charles Sims
d. Other Loans & Grants		
i. Type & Source, List	Virginia Housing Trust Fund	Charles Sims
ii. Application	12/4/2020	Charles Sims
iii. Award/Commitment	3/12/2021	Charles Sims
2. Formation of Owner	9/25/2020	Charles Sims
3. IRS Approval of Nonprofit Status	9/15/1989	Charles Sims
4. Closing and Transfer of Property to Owner	11/15/2021	Charles Sims
5. Plans and Specifications, Working Drawings	2/12/2021	Charles Sims
6. Building Permit Issued by Local Government	9/12/2021	Charles Sims
7. Start Construction	11/16/2021	Charles Sims
8. Begin Lease-up	1/1/2024	Charles Sims
9. Complete Construction	12/31/2023	Charles Sims
10. Complete Lease-Up	4/12/2024	Charles Sims
11. Credit Placed in Service Date	12/31/2023	Charles Sims

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)	25,592,788	0	25,128,123	0
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	5,228,935	0	5,130,559	0
Total Structure	30,821,723	0	30,258,682	0
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	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	0	0	0	0
o. Site Work	2,646,592	0	2,596,799	0
p. Other Site work	0	0	0	0
Total Land Improvements	2,646,592	0	2,596,799	0
Total Structure and Land	33,468,315	0	32,855,481	0
q. General Requirements	0	0	0	0
r. Builder's Overhead (8.3% Contract)	2,764,201	0	2,764,201	0
s. Builder's Profit (4.0% Contract)	1,344,002	0	1,344,002	0
t. Bonds	139,748	0	139,748	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: Security System	125,565	0	125,565	0
y. Other 2: Emergency Communicati	0	0	0	0
z. Other 3: Utilities, Neighbor Improv	331,130	0	289,275	0
Contractor Costs	\$38,172,961	\$0	\$37,518,272	\$0

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	1,037,554	0	1,002,554	0
b. Architecture/Engineering Design Fee \$15,405 /Unit)	2,218,315	0	2,218,315	0
c. Architecture Supervision Fee \$2,035 /Unit)	292,985	0	292,985	0
d. Tap Fees	0	0	0	0
e. Environmental	154,864	0	154,864	0
f. Soil Borings	10,045	0	10,045	0
g. Green Building (Earthcraft, LEED, etc.)	57,600	0	57,600	0
h. Appraisal	22,000	0	22,000	0
i. Market Study	8,000	0	8,000	0
j. Site Engineering / Survey	528,744	0	528,744	0
k. Construction/Development Mgt	823,706	0	823,706	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	603,451	0	0	0
n. Construction Interest (0.0% for 0 months)	951,859	0	950,907	0
o. Taxes During Construction	455,600	0	455,600	0
p. Insurance During Construction	703,164	0	703,164	0
q. Permanent Loan Fee (0.0%)	603,451	0	0	0
r. Other Permanent Loan Fees	180,000	0	0	0
s. Letter of Credit	41,599	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	70,000	0	70,000	0
v. Title and Recording	270,000	0	135,000	0
w. Legal Fees for Closing	1,253,630	0	1,002,904	0
x. Mortgage Banker	235,729	0	235,729	0
y. Tax Credit Fee	199,239			
z. Tenant Relocation	0	0	0	0
aa. Fixtures, Furnitures and Equipment	200,000	0	200,000	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	959,766	0	0	0
ad. Contingency	3,095,279	0	3,095,279	0
ae. Security	0	0	0	0
af. Utilities	624,280	0	624,280	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify: Marketing/Lease up	20,928	0	0	0
(2) Other* specify: Construction Inspections	376,695	0	376,695	0
(3) Other* specify: HVAC Commissioning	66,968	0	66,968	0
(4) Other* specify: Misc. Consultants	451,977	0	429,977	0
(5) Other* specify: LP Asset Management Fee	75,000	0	0	0
(6) Other* specify: Predevelopment Loans	519,002	0	519,002	0
(7) Other* specify: Reimbursables	103,389	0	103,389	0
(8) Other* specify: Proffers	210,885	0	0	0
(9) Other* specify: Interior Design	129,973	0	129,973	0
(10) Other* specify: Leaseup, Wifi, and Working	667,370	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$18,223,047	\$0	\$14,217,680	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$56,396,008	\$0	\$51,735,952	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	4,000,000	0	3,000,000	0
4. Owner's Acquisition Costs Land	10,050,000			
Existing Improvements	0	0		
Subtotal 4:	\$10,050,000	\$0		
5. Total Development Costs Subtotal 1+2+3+4:	\$70,446,008	\$0	\$54,735,952	\$0

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:

\$5,000,000

Proposed Development's Cost per Sq Foot

\$364 **Meets Limits**

Applicable Cost Limit by Square Foot:

\$390

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	70,446,008	0	54,735,952	0

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	54,735,952	0
---	------------	---

4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)

a. For QCT or DDA (Eligible Basis x 30%)	16,420,786	0
<i>State Designated Basis Boosts:</i>		
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	0
c. For Green Certification (Eligible Basis x 10%)		0

Total Adjusted Eligible basis

71,156,738	0
------------	---

5. Applicable Fraction

100.00000%	100.00000%	100.00000%
------------	------------	------------

6. Total Qualified Basis

(Eligible Basis x Applicable Fraction)

0	71,156,738	0
---	------------	---

7. Applicable Percentage

(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)

0.00%	4.00%	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	\$2,846,270	\$0
-----	-------------	-----

\$2,846,270
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. Arlington IDA Tax Exempt	06/11/21	07/31/21	\$33,262,586	Jason Friess
2. Tax Credit Equity	06/18/21	07/01/21	\$13,943,932	JD Bondurant
3. Arlington Housing Investm	03/11/21	06/12/21	\$19,065,000	Melissa Danowski
Total Construction Funding:			\$66,271,518	

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. VHDA Permanent Taxable	5/28/2021	7/1/2021	\$5,997,190	\$372,436	5.20%	35.00	30.00
2. SPARC	5/28/2021	7/1/2021	\$4,500,000	\$206,315	2.95%	35.00	30.00
3. REACH	5/28/2021	7/1/2021	\$2,000,000	\$78,889	1.95%	35.00	30.00
4. Arlington Housing Investm	3/11/2021	6/12/2021	\$19,065,000		0.50%	35.00	30.00
5. Amazon REACH Grant Fun	6/24/2020	12/4/2020	\$8,750,000		0.00%	35.00	30.00
6. Virginia Housing Trust Fur	12/4/2020	3/12/2021	\$900,000	\$27,000	3.00%	30.00	30.00
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$41,212,190	\$684,640			

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.			
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$0

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..... **TRUE**

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

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$33,262,586
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$6,500,000
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$5,997,190
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:	\$0

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: **51.34%**

7. Some of the development's financing has credit enhancements..... **FALSE**

If **True**, list which financing and describe the credit enhancement:

[Empty text box for listing financing and credit enhancements]

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

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

b. **FALSE** **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 [Empty text box]

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

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	\$1,625,000	(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 \$1,625,000

2. Equity Gap Calculation

a. Total Development Cost	\$70,446,008
b. Total of Permanent Funding, Grants and Equity	- \$42,837,190
c. Equity Gap	\$27,608,818
d. Developer Equity	- \$2,763
e. Equity gap to be funded with low-income tax credit proceeds	\$27,606,055

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator: _____

Contact Person: _____ Phone: _____

Street Address: _____

City: _____ State: _____ Zip: _____

b. Syndication Equity

i. Anticipated Annual Credits	\$2,846,270.00
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.970
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	\$2,845,985
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$27,606,055

c. Syndication: Private

d. Investors: Corporate

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$27,606,055

5. Net Equity Factor

Must be equal to or greater than 85% 96.9999890439%

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 Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing 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 Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$70,446,008</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$42,837,190</u>
3. Equals Equity Gap		<u>\$27,608,818</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>96.9999890439%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$28,462,702</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$2,846,270</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$2,846,270</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$2,846,270</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$19,765.7639</u>	Combined 30% & 70% PV Credit Requested
Credit per LI Bedroom	<u>\$14,824.3229</u>	

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		\$182,718
Plus Other Income Source (list):	Misc. fees, etc.	\$3,654
Equals Total Monthly Income:		\$186,372
Twelve Months		x12
Equals Annual Gross Potential Income		\$2,236,464
Less Vacancy Allowance	7.0%	\$156,552
Equals Annual Effective Gross Income (EGI) - Low Income Units		\$2,079,912

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	\$2,079,912
b.	Annual EGI Market Units	\$0
c.	Total Effective Gross Income	\$2,079,912
d.	Total Expenses	\$1,224,000
e.	Net Operating Income	\$855,911
f.	Total Annual Debt Service	\$684,640
g.	Cash Flow Available for Distribution	\$171,271

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	2,079,912	2,121,510	2,163,940	2,207,219	2,251,363
Less Oper. Expenses	1,224,000	1,260,720	1,298,542	1,337,498	1,377,623
Net Income	855,911	860,789	865,398	869,721	873,740
Less Debt Service	684,640	684,640	684,640	684,640	684,640
Cash Flow	171,271	176,149	180,758	185,081	189,100
Debt Coverage Ratio	1.25	1.26	1.26	1.27	1.28

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	2,296,390	2,342,318	2,389,165	2,436,948	2,485,687
Less Oper. Expenses	1,418,952	1,461,520	1,505,366	1,550,527	1,597,043
Net Income	877,439	880,798	883,799	886,421	888,644
Less Debt Service	684,640	684,640	684,640	684,640	684,640
Cash Flow	192,799	196,158	199,159	201,781	204,004
Debt Coverage Ratio	1.28	1.29	1.29	1.29	1.30

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	2,535,401	2,586,109	2,637,831	2,690,587	2,744,399
Less Oper. Expenses	1,644,954	1,694,303	1,745,132	1,797,486	1,851,410
Net Income	890,447	891,806	892,699	893,102	892,989
Less Debt Service	684,640	684,640	684,640	684,640	684,640
Cash Flow	205,807	207,166	208,059	208,462	208,349
Debt Coverage Ratio	1.30	1.30	1.30	1.30	1.30

Estimated Annual Percentage Increase in Revenue 2.00% (Must be \leq 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be \geq 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

Bldg #	BIN if known	NUMBER OF		<u>DO NOT use the CUT feature</u>				30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit				
		TAX CREDIT UNITS	MARKET RATE UNITS	Street Address 1	Street Address 2	City	State	Zip	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.		144		4201 Fairfax Drive		Arlington	VA	22203				\$0	\$71,156,738	12/31/23	4.00%	\$2,846,270				\$0
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

144 0

Totals from all buildings

\$0

\$71,156,738

\$0

\$0

\$2,846,270

\$0

Number of BINS: 1

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

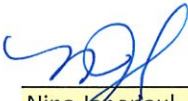
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to Virginia Housing'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 Virginia Housing 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 Virginia Housing 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 Virginia Housing 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, Virginia Housing 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing 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 Virginia Housing's inability to process the application. The original or copy of this application may be retained by Virginia Housing, 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: Ballston Limited Partnership
Ballston GP, LLC

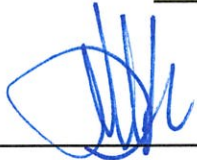
By: 
Its: Nina Janopaul, President
(Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing 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:	James E. Hitrik
Virginia License#:	0401011258
Architecture Firm or Company:	Davis, Carter, Scott Ltd.

By:  14 JUN 2021

Its: Senior Project Manager (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 Virginia Housing'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. Virginia Housing reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

	Included		Score
a. Signed, completed application with attached tabs in PDF format	Y	Y or N	0
b. Active Excel copy of application	Y	Y or N	0
c. Partnership agreement	Y	Y or N	0
d. SCC Certification	Y	Y or N	0
e. Previous participation form	Y	Y or N	0
f. Site control document	Y	Y or N	0
g. RESNET Certification	Y	Y or N	0
h. Attorney's opinion	Y	Y or N	0
i. Nonprofit questionnaire (if applicable)	Y	Y, N, N/A	0
j. Appraisal	Y	Y or N	0
k. Zoning document	Y	Y or N	0
l. Universal Design Plans	Y	Y or N	0
m. List of LIHTC Developments (Schedule A)	Y	Y or N	0
Total:			0.00

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development	N	0 or 40	0.00
d. Location in a revitalization area based on Qualified Census Tract	N	0 or 10	0.00
e. Location in a revitalization area with resolution	Y	0 or 15	15.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			15.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	5.00
b. Existing RD, HUD Section 8 or 236 program	N	0 or 20	0.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	10%	0, 20, 25 or 30	25.00
g. Development listed on the Rural Development Rehab Priority List	N	0 or 15	0.00
h. Dev. located in area with little or no increase in rent burdened population	N	Up to -20	0.00
i. Dev. located in area with increasing rent burdened population	Y	Up to 20	20.00
Total:			50.00

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			39.25
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 60	0.00
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)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	Y	0 or 10	10.00
g. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	N	0 or 5	0.00
Total:			59.25

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$126,000	\$62,300

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	8.33%	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)	10.42%	Up to 10	10.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	10.42%	Up to 10	10.00
e. Units with rent and income at or below 50% of AMI	52.08%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	52.08%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	52.08%	Up to 50	0.00
Total:			70.00

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 Virginia Housing	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:			50.00

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	88.99
b. Cost per unit		Up to 100	2.39
Total:			91.38

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	N	Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
Total:			60.00

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

TOTAL SCORE: **395.63**

Enhancements:

All units have:

	Max Pts	Score
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	11.25
c. Sub metered water expense	5	0.00
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	6.00
h. Each unit provided free individual WiFi	8	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	3.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	2.00
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	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>39.25</u>

All elderly units have:

t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
		<u>0.00</u>

Total amenities: 39.25

X.

Development Summary

Summary Information

2021 Low-Income Housing Tax Credit Application For Reservation

Deal Name:	Ballston Station
-------------------	-------------------------

Cycle Type:	4% Tax Exempt Bonds Credits	Requested Credit Amount:	\$2,846,270
Allocation Type:	New Construction	Jurisdiction:	Arlington County
Total Units	144	Population Target:	General
Total LI Units	144		
Project Gross Sq Ft:	165,787.98	Owner Contact:	Nina Janopaul
Green Certified?	TRUE		

Total Score
395.63

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$41,212,190	\$286,196	\$249	\$684,640

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$33,468,315	\$232,419	\$202	47.51%
General Req/Overhead/Profit	\$4,108,203	\$28,529	\$25	5.83%
Other Contract Costs	\$596,443	\$4,142	\$4	0.85%
Owner Costs	\$18,223,047	\$126,549	\$110	25.87%
Acquisition	\$10,050,000	\$69,792	\$61	14.27%
Developer Fee	\$4,000,000	\$27,778	\$24	5.68%
Total Uses	\$70,446,008	\$489,208		

Total Development Costs	
Total Improvements	\$56,396,008
Land Acquisition	\$10,050,000
Developer Fee	\$4,000,000
Total Development Costs	\$70,446,008

Income		
Gross Potential Income - LI Units		\$2,236,464
Gross Potential Income - Mkt Units		\$0
Subtotal		\$2,236,464
Less Vacancy %	7.00%	\$156,552
Effective Gross Income		\$2,079,912

Proposed Cost Limit/Sq Ft: \$364
Applicable Cost Limit/Sq Ft: \$390

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	108
# of 2BR	24
# of 3BR	12
# of 4+ BR	0
Total Units	144

Rental Assistance? FALSE

Expenses		
Category	Total	Per Unit
Administrative	\$295,337	\$2,051
Utilities	\$210,250	\$1,460
Operating & Maintenance	\$282,446	\$1,961
Taxes & Insurance	\$392,767	\$2,728
Total Operating Expenses	\$1,180,800	\$8,200
Replacement Reserves	\$43,200	\$300
Total Expenses	\$1,224,000	\$8,500

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	15	15
40% AMI	0	0
50% AMI	60	60
60% AMI	69	69
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$2,079,912
Total Expenses	\$1,224,000
Net Income	\$855,911
Debt Service	\$684,640
Debt Coverage Ratio (YR1):	1.25

Income Averaging? FALSE

Extended Use Restriction? 30

2021 Low-Income Housing Tax Credit Application For Reservation

Virginia Housing is running a BETA test of new EUR calculations that will be considered for implementation in 2022. These points are only a test and will not be used for scoring purposes in 2021. Please contact taxcreditapps@virginiahousing.com with questions or comments.

Credit Points:

If the Combined Max Allowable is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 200. In this example, $(40\%/60\%) \times 200$ or 133.33 points.

Using Current E-U-R method (up to 200)		88.99
Using proposed method:		
Combined Max	\$2,846,270	
Credit Requested	\$2,846,270	
% of Savings	0.00%	
Sliding Scale Points		0
<i>Difference</i>		-88.99

Cost Points:

If the Applicable Cost by Square foot is \$238 and the deal's Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 credit points.

For another example, the Applicable Cost by SqFt is \$238 and the deal's Proposed Cost is \$153.04 or a savings of 35.70%. Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings. Your savings divided by the goal of 50% times the max points 100. In this example, $(35.7\%/50\%) \times 100$ or 71.40 points.

Using Current E-U-R method (up to 100)		2.39
Using proposed method:		
Total Costs Less Acquisition	\$60,396,008	
Total Square Feet	165,787.98	
Proposed Cost per SqFt	\$364.30	
Applicable Cost Limit per Sq Ft	\$390.00	
% of Savings	6.59%	
Sliding Scale Points		13.18
<i>Difference</i>		10.79

\$/SF = **\$440.18** Credits/SF = **21.45994** Const \$/unit = **\$265,090.0069**

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

11000
100
1

In
Nova
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	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	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	812.34	1,216.76	1,308.07	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	108	24	12	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	381,600	477,000	556,739	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	381,600	477,000	556,739	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	381,600	477,000	556,739	0	0	0	0
PROJECT COST PER UNIT	0	357,579	535,598	575,791	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	32,595	41,738	47,104	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	32,595	41,738	47,104	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	32,595	41,738	47,104	0	0	0	0
PROJECT CREDIT PER UNIT	0	17,433	26,112	28,071	0	0	0	0
COST PER UNIT POINTS	0.00	4.72	-2.05	-0.29	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	69.78	12.48	6.73	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **2.39**

TOTAL CREDIT PER UNIT POINTS **88.99**

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	0	0	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	0	0	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	0	0	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	0	0	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	381,600	477,000	556,739	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	381,600	477,000	556,739	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	32,595	41,738	47,104	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	32,595	41,738	47,104	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	0	0	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	0	0	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	0	0	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	0	0	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	381,600	477,000	556,739	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	381,600	477,000	556,739	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	32,595	41,738	47,104	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	32,595	41,738	47,104	0	0	0	0

\$/SF = **\$440.18** Credits/SF = **21.45994** Const \$/unit = **\$265,090.01**

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

11000
100
1

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	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	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
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	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	812.34	1,216.76	1,308.07	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	108	24	12	0	0	0	0
PARAMETER-(COSTS=>35,000)	0	381,600	477,000	556,739	0	0	0	0
PARAMETER-(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(COSTS=>50,000)	0	381,600	477,000	556,739	0	0	0	0
PARAMETER-(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	381,600	477,000	556,739	0	0	0	0
PROJECT COST PER UNIT	0	357,579	535,598	575,791	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	32,595	41,738	47,104	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	32,595	41,738	47,104	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	32,595	41,738	47,104	0	0	0	0
PROJECT CREDIT PER UNIT	0	17,433	26,112	28,071	0	0	0	0
COST PER UNIT POINTS	0.00	4.72	-2.05	-0.29	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	69.78	12.48	6.73	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **2.39**

TOTAL CREDIT PER UNIT POINTS **88.99**

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	0	0	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	0	0	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	0	0	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	0	0	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	381,600	477,000	556,739	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	381,600	477,000	556,739	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	32,595	41,738	47,104	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	32,595	41,738	47,104	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	0	0	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	0	0	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	0	0	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	0	0	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	381,600	477,000	556,739	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	381,600	477,000	556,739	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	32,595	41,738	47,104	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	32,595	41,738	47,104	0	0	0	0

A

Partnership or Operating Agreement

Including **chart of ownership structure with percentage of interests** and **draft developer fee agreement**
(MANDATORY)

BALLSTON LIMITED PARTNERSHIP

AGREEMENT OF LIMITED PARTNERSHIP

THIS AGREEMENT OF LIMITED PARTNERSHIP (this “Agreement”) is made and entered into as of the 25th day of September, 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 September 25, 2020, 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 Ballston GP, 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 Ballston 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 Arlington County, Virginia, to be acquired, owned, operated and/or disposed of by the Partnership, to be known as “Ballston Station.”

“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. On the date of or prior to the closing of the debt and equity financing for the Project, 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 specially 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.

END OF ARTICLE X

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

PARTNERS:

GENERAL PARTNER:

BALLSTON GP, LLC, a Virginia limited liability company

By:



Carmen
Romero
President

LIMITED PARTNER:

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

By:



Carmen
Romero
President

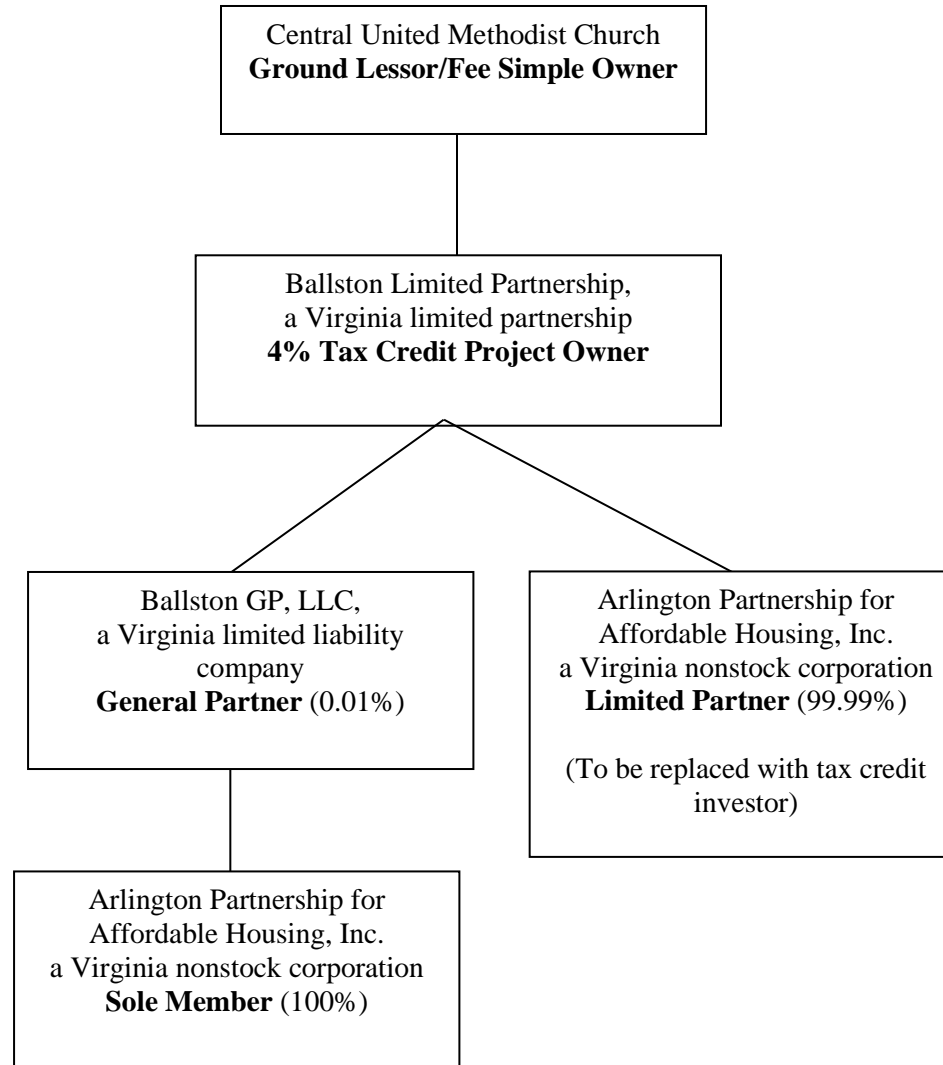
BALLSTON LIMITED PARTNERSHIP
SCHEDULE I
TO
AGREEMENT OF LIMITED PARTNERSHIP

<u>Partner's Name</u> <u>And Address</u>	<u>Capital Contribution</u>	<u>Percentage</u> <u>Interest</u>
<u>General Partner</u> Ballston GP, 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%

BALLSTON LIMITED PARTNERSHIP
SCHEDULE I
TO
AGREEMENT OF LIMITED PARTNERSHIP

<u>Partner's Name</u> <u>And Address</u>	<u>Capital Contribution</u>	<u>Percentage</u> <u>Interest</u>
<u>General Partner</u> Ballston GP, 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%

BALLSTON STATION/CUMC
ORGANIZATIONAL CHART



SIGNATURE BLOCK

BALLSTON LIMITED PARTNERSHIP,
a Virginia limited partnership

By: Ballston GP, LLC,
a Virginia limited liability company,
its general partner

By: _____
Name: _____
Title: _____

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made as of the ____ day of _____ 2021, by and between BALLSTON 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 low-income housing tax credit units and common areas located on certain land within in a building (the "**Building**") in Arlington County, Virginia (the "**Project**");

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 _____ Dollars (\$_____). 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 _____ Dollars (\$_____) 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, 2036.

(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:

BALLSTON LIMITED PARTNERSHIP,
a Virginia limited partnership

By: Ballston GP 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, September 25, 2020

This is to certify that the certificate of limited partnership of

Ballston 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: September 25, 2020



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Interim Clerk of the Commission

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, September 25, 2020

This is to certify that the certificate of organization of

Ballston GP, 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: September 25, 2020



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Interim Clerk of the Commission

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

AT RICHMOND, SEPTEMBER 25, 2020

The State Corporation Commission has found the accompanying articles of organization submitted on behalf of

Ballston GP, LLC

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it is ORDERED that this

CERTIFICATE OF ORGANIZATION

be issued and admitted to record with the articles of organization in the Office of the Clerk of the Commission, effective September 25, 2020.

The limited liability company is granted the authority conferred on it by law in accordance with the articles of organization, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By

A handwritten signature in black ink, appearing to read "Jehmal T. Hudson", with a long horizontal flourish extending to the right.

Jehmal T. Hudson
Commissioner

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

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 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

Printed Name

June 10, 2021

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

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

Ballston Station

**Exhibit: Previous Participation Certification
Explanation of Statements #5 and #13**

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.

Nina Janopaul

President/CEO



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

Recent APAH Awards include the TOP 50 Developers by Affordable Housing News (2019), ULI Washington Trends Award (2019), the Charles L. Edson Tax Credit Excellence Award, HAND Developer of the Year, Virginia Housing Award, and Viridant Sustainable Leadership Award.

APAH has a portfolio of 18 multifamily rental properties comprised of over 1,800 units valued at more than \$450 million, plus another 800 units in the pipeline. Prior to joining APAH, Nina was a principal at Capital Strategies Consulting, Inc. providing services to a variety of organizations, including Enterprise Community Partners.

Nina received a Bachelor of Arts Magna Cum Laude from Harvard University. She lives in Arlington with her husband, Bartlett Naylor.



Education

B.A. Magna Cum Laude, Harvard University

Affiliations and Awards

National Advisory Board for the ULI Terwilliger Center for Housing

Northern Virginia Advisory Committee, Virginia Housing (VHDA)

*Past President and Current Board Member, HAND
Member of Leadership Council and President of the
Board of Directors, Northern Virginia Affordable
Housing Alliance*

Trustee, 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: Ballston Station
 Name of Applicant: Ballston Station Limited Partnership

INSTRUCTIONS:

- 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.
- 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.
- List only tax credit development experience since 2005 (i.e. for the past 15 years)
- Use separate pages as needed, for each principal.

Arlington Partnership for Affordable Housing		Controlling GP (CGP) or 'Named' Managing Member of Proposed property?*		Y Y or N			
Principal's Name:							
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 Courtthouse Crossings, 1220, 1230 & 1233 N. Scott St.; 1240 & 1250 N. Rolfe St. Arlington, VA 22209	Courtthouse Crossings Limited Partnership, (703) 276-7444	Y	112	112	6/1/2006	4/14/2008	N
2 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
3 Parc Rosslyn, 1531 N. Pierce St. Arlington, VA 22209	Rosslyn Ridge Associates Limited Partnership, (703) 276-7444	N	238	96	9/30/2008	5/20/2009	N
4 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
5 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
6 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
7 Ama 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
8 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
9 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	3/24/2020	N
10 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	3/24/2020	N
11 Gilliam Place East, 918 S. Lincoln Street Arlington, VA 22204	Gilliam Place East Limited Partnership, (703) 276-7444	Y	83	83	8/12/2019	9/10/2020	N
12 Gilliam Place West, 3507 Columbia Pike Arlington, VA 22204	Gilliam Place West Limited Partnership, (703) 276-7444	Y	90	90	8/12/2019	9/10/2020	N
13 Fisher House II: 5705, 5711, 5717 Washington Blvd.; 1111 and 1209 N. Kensington St., 5700 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. N - 9/28/2018 5708 11th St. N - 10/19/2018 1209 N Kensington - 12/22/2018 1111 N Kensington - 3/1/2019 5716 11th Rd. N - 3/14/2019 5717 Washington Blvd - 3/29/2019 5711 Washington Blvd - 4/17/2019 5705 Washington Blvd - 5/8/2019	7/20/2020	N
14 Queens Court South, 1615 18th St. North, Arlington, VA 22209	Queens South Nine Limited Partnership, (703) 276-7444	Y	90	90	4/12/2021	TBD	N
15 Queens Court North, 1615 18th St. North,	Queens North Four Limited Partnership, (703) 276-7444	Y	159	156	4/12/2021	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: 1,748 1,518

LIHTC as % of Total Units 87%

Previous Participation Certification continued

	Development Name/Location	Name of Ownership Entity and Phone Number	Controlling General Partner? (Y/N)	Total Units	Low Income Units	Placed in Service Date	8609 Date	Non-compliance Found? Y/N (Explain Yes)
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2nd PAGE TOTAL: 0 0

GRAND TOTAL: 1,499 1,272

LIHTC as % of 85% Total Unit

List of LIHTC Developments (Schedule A)



Development Name: Ballston Station
 Name of Applicant: Ballston 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 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Ballston GP, LLC Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* N
 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							
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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: Ballston Station
 Name of Applicant: Ballston 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 2005 (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

Ballston Station

**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.

Nina Janopaul

President/CEO



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

Recent APAH Awards include the TOP 50 Developers by Affordable Housing News (2019), ULI Washington Trends Award (2019), the Charles L. Edson Tax Credit Excellence Award, HAND Developer of the Year, Virginia Housing Award, and Viridant Sustainable Leadership Award.

APAH has a portfolio of 18 multifamily rental properties comprised of over 1,800 units valued at more than \$450 million, plus another 800 units in the pipeline. Prior to joining APAH, Nina was a principal at Capital Strategies Consulting, Inc. providing services to a variety of organizations, including Enterprise Community Partners.

Nina received a Bachelor of Arts Magna Cum Laude from Harvard University. She lives in Arlington with her husband, Bartlett Naylor.



Education

B.A. Magna Cum Laude, Harvard University

Affiliations and Awards

National Advisory Board for the ULI Terwilliger Center for Housing

Northern Virginia Advisory Committee, Virginia Housing (VHDA)

*Past President and Current Board Member, HAND
Member of Leadership Council and President of the
Board of Directors, Northern Virginia Affordable
Housing Alliance*

Trustee, 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)

AGREEMENT TO GROUND LEASE

THIS AGREEMENT TO GROUND LEASE (this “**Agreement**”) is made and effective as of this 19th day of October, 2020 (the “**Effective Date**”), by and between Arlington Partnership for Affordable Housing, Inc., a Virginia corporation (“**APAH**”); and Joseph Eugene Cross, Briar Rose Smith, Mike Rugala, Alex Timm, Ali Azimipour, Tricia O’Hara and Dainty Ignacio, Trustees for Central United Methodist Church (“**CUMC**”).

RECITALS:

WHEREAS, CUMC is the owner of certain real property and improvements located in Arlington County, Virginia (the “**County**”), identified by the County as RPC # 14-024-017 located at 4201 Fairfax Drive, Arlington, Virginia (the “**Property**”); and

WHEREAS, APAH desires to develop the Property as a mixed-use project (the “**Project**”) which will be subjected to a land condominium pursuant to a declaration of land condominium (the “**Condominium Declaration**”), and which will include: (i) one or more units for the exclusive use of CUMC, including no less than nine (9) parking spaces for the exclusive use of CUMC (collectively, the “**CUMC Unit**”), and (ii) residential components consisting of approximately one hundred and forty-four (144) residential units, residential amenity space, parking areas, the loading dock, sidewalks, exterior improvements and appurtenances (collectively, the “**APAH Unit**”); and

WHEREAS, APAH desires to ground lease the Property from CUMC, and to construct the Project, and CUMC desires to ground lease the Property to APAH and have APAH construct the Project, all in accordance with the terms set forth in this Agreement, the Ground Lease (as hereinafter defined) and the Development Agreement (as hereinafter defined).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, APAH and CUMC agree as follows:

1. Incorporation. The recitals hereinabove contained are hereby incorporated herein by reference as if more fully set forth herein.

2. Agreement.

(a) APAH and CUMC shall enter into the Ground Lease (defined below), the Development Agreement (defined below) and the related documents in accordance with the terms set forth in this Agreement. In addition, APAH agrees to buy from CUMC, and CUMC agrees to sell to APAH, pursuant to the terms and conditions hereinafter set forth, (i) the rights of CUMC in and to those plans, documents, studies, reports and materials related to the Property as set forth in **Exhibit A** (the “**Existing Materials**”), and (ii) the rights of CUMC in and to those existing approvals in connection with the Property, as such existing approvals may be amended and/or updated by APAH (the “**Approvals**” and, together with the Existing Materials, the “**Existing Materials and Approvals**”).

(b) CUMC hereby agrees that APAH may: (i) utilize all Existing Materials and Approvals, and (ii) engage any architects, engineers, planners and other parties (the “**CUMC Professionals**”) previously retained by CUMC or any prior contract purchaser, partner or any joint developer of the Property, in order to continue to perform professional services for APAH pursuant to a separate written agreement between such CUMC Professionals and APAH. CUMC will cooperate and take all reasonable action as may be necessary in order to effectuate the provisions of this Section 2(b).

3. Deposit.

(a) Within five (5) Business Days after the Effective Date of this Agreement, APAH shall deliver to Commonwealth Land Title Insurance Company, at 1620 L Street, 4th Floor, Washington, DC 20036; Attn: David Nelson (the “**Escrow Agent**”) a deposit in the amount of Two Hundred Sixty Thousand and No/100 Dollars (\$260,000.00) (the “**Deposit**”) by wire transfer of immediately available funds. Upon delivery of the Deposit to Escrow Agent, the Deposit shall be non-refundable to APAH except as expressly set forth in this Agreement. Escrow Agent shall hold the Deposit and make delivery of the Deposit to the party entitled thereto in strict accordance with the terms of this Agreement. Escrow Agent shall invest the Deposit in an FDIC-insured, interest-bearing bank account and all interest and income thereon shall become part of the Deposit and shall be remitted to the party entitled to the Deposit pursuant to this Agreement.

(b) If prior to the Closing either party makes a written demand upon Escrow Agent for payment of the Deposit pursuant to a provision of this Agreement entitling such party to the Deposit (with such demand specifying the section of this Agreement entitling such party to the Deposit), then Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within five (5) Business Days after the giving of such notice, Escrow Agent is hereby authorized to make such payment. If Escrow Agent does receive such written objection within such five (5) Business Day period, Escrow Agent shall continue to hold such amount until otherwise directed by written instructions from the parties to this Agreement or a final judgment or arbitrator’s decision. However, Escrow Agent shall have the right at any time to deliver the Deposit and interest thereon, if any, to a court of competent jurisdiction in Arlington County, Virginia. Escrow Agent shall give written notice of such delivery to CUMC and APAH. Upon such delivery, Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder.

(c) The parties acknowledge that Escrow Agent is acting solely as escrow agent at their request and for their convenience, and that Escrow Agent shall not be deemed to be the agent of either of the parties and shall not be liable for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence. CUMC and APAH jointly and severally shall indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorneys’ fees, incurred in connection with the

performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Agreement or involving gross negligence by Escrow Agent.

(d) The parties shall deliver to Escrow Agent an executed copy of this Agreement. Escrow Agent shall execute the signature page for Escrow Agent attached hereto which shall confirm Escrow Agent's agreement to comply with the provisions of this Section 3.

4. Payments to CUMC, VUMDC Loan and Environmental Remediation Credit.

(a) Ground Lease and Ground Lease Payment. The form of ground lease is attached hereto as **Exhibit B** (the "**Ground Lease**"). CUMC acknowledges that the Ground Lease shall be subject to review, comment and approval by any lenders and partners providing financing to APAH in connection with the Project (collectively, "**APAH's Lenders**"), and CUMC agrees to cooperate reasonably with APAH and APAH's Lenders in connection with any revisions to the form of Ground Lease required by APAH's Lenders, but APAH and CUMC agree that as between APAH and CUMC, the Ground Lease attached hereto is in final form. Upon the execution of the Ground Lease at Closing, the Ground Lease Payment (as defined in the Ground Lease) shall be paid to CUMC in immediately available funds, subject to the credit of the Deposit and the other prorations and credits set forth in this Agreement.

(b) Existing Materials and Approvals Reimbursement. In addition to the Ground Lease Payment, at Closing, APAH shall reimburse CUMC for CUMC's cost incurred in connection with the Existing Materials and Approvals, in the approximate amount of Two Million Seven Hundred Twenty-Nine Thousand Six Hundred Forty-Five and 96/100 Dollars (\$2,729,645.96) (the "**Existing Materials and Approvals Reimbursement**"), but expressly excluding: (i) any amounts paid to Requity Real Estate Group LLC, or (ii) any Bozzuto developer fees in excess of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00). Prior to Closing, APAH and CUMC shall confirm the exact final amount of the Existing Materials and Approvals Reimbursement.

(c) VUMDC Loan. The Property is currently encumbered by that certain Credit Line Deed of Trust dated April 12, 2016 granted for the benefit of Virginia United Methodist Development Company, LLC, a Virginia limited liability company ("**VUMDC**"), recorded as Instrument No. 20160100007237, as amended by Amendment to Credit Line Deed of Trust dated July 8, 2018 and recorded as Instrument No. 20180100012552 and as affected by Substitution of Trustees dated July 23, 2018 and recorded as Instrument No. 20180100013253 (collectively, the "**VUMDC Deed of Trust**"). The VUMDC Deed of Trust was granted by CUMC as security in connection with that certain loan from VUMDC to CUMC (the "**VUMDC Loan**"). The outstanding balance in connection with the VUMDC Loan shall not any time, from and after the Effective Date, exceed Two Hundred Thousand and No/100 Dollars (\$200,000.00). Prior to Closing, CUMC shall cause any outstanding balance in

connection with the VUMDC Loan to be paid in full and the VUMDC Deed of Trust to be released.

(d) Environmental Remediation Credit. At Closing, APAH shall receive a credit from against the Ground Lease Payment and the Existing Materials and Approvals Reimbursement in the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00), as a contribution from CUMC towards environmental remediation costs to be incurred by APAH in connection with the Property.

5. Property Access, Covenants and Existing CUMC Facilities.

(a) Property Access. During the term of the Agreement, APAH and its agents shall have the right to enter upon the Property, subject to at least two (2) Business Days advance written notice to CUMC (which may be by electronic mail), as may be necessary to finalize plans and prepare for the construction of the Project. In addition, during the term of this Agreement, APAH shall have full right and authority to contact governmental authorities in the County, in the Commonwealth of Virginia, and any other governmental authorities for the sole purpose of gathering information in connection with the transaction contemplated by this Agreement. From and after the Effective Date, APAH shall use commercially reasonable efforts to provide CUMC with advanced notice of any meetings with any governmental authorities, and a representative of CUMC shall have the right to attend any meetings held in connection with the Project, excluding any meetings solely regarding the APAH Unit, APAH's financing of the Project and APAH's programming in connection with the Project, provided that in no event shall any decisions be made at such meetings that materially affect any of the following, as applicable, with respect to the Church Project: (i) the Building Permit Drawings (as hereinafter defined), (ii) the Final Building Permit Drawings (as hereinafter defined), (iii) the Interim Project Budget (as hereinafter defined), (iv) the Budget (as hereinafter defined), or (v) the Milestone Schedule (as hereinafter defined). In the event that a representative of CUMC is not present at any meeting with any governmental authorities in connection with the Project, excluding any meetings solely regarding the APAH Unit, APAH's financing of the Project and APAH's programming in connection with the Project, APAH shall promptly provide CUMC with a summary of such meeting, and in no event shall any decisions be made at such meetings that materially affect any of the following, as applicable, with respect to the Church Project: (i) the Building Permit Drawings, (ii) the Final Building Permit Drawings, (iii) the Interim Project Budget, (iv) the Budget, or (v) the Milestone Schedule.

(b) Damage and Indemnification. Prior to entry onto the Property pursuant to this Section 5, APAH, together with any consultants performing physical inspections of the Property, shall provide CUMC with evidence of insurance naming CUMC as an additional insured, in amounts at least equal to \$1,000,000 per occurrence and \$2,000,000 aggregate. If damage is caused to the Property by APAH or its agents in connection with the rights granted pursuant to this Section 5, then APAH shall restore any such damage caused by APAH or its agents to the condition existing prior to such entry thereon. APAH hereby indemnifies and agrees to hold

CUMC harmless against and from all claims, demands and liabilities for CUMC's actual damages of any type or arising out of or incident to APAH's entry onto the Property or investigation of the Property, including attorneys' fees, for nonpayment for services rendered to APAH, for mechanics liens resulting from nonpayment for services rendered to APAH, or for death or injury to any person or damage to property; provided, however, APAH shall not be liable to CUMC in connection with the mere discovery by APAH of pre-existing conditions on the CUMC, unless and only to the extent negligently, willfully or knowingly exacerbated by APAH. This indemnification and agreement to hold harmless shall survive Closing or the termination of this Agreement.

(c) CUMC and APAH Covenants. CUMC covenants and agrees that during the term of this Agreement, without the prior written consent of APAH, CUMC will not take or consent to any action, or fail to act in any way, that would create a title defect, the result of which would cause title to the Property to differ from the condition of title to the Property as of the Effective Date. Commencing on the Effective Date and concluding on the Closing Date, except as required by this Agreement, the Approvals and the Ancillary Project Documents (as hereinafter defined), CUMC shall not: (i) execute or approve the execution of any easements, rights-of-way, covenants, conditions, restrictions or encumbrances with respect to the Property without first obtaining the written approval of APAH, which approval shall not be unreasonably withheld, conditioned or delayed, (ii) further mortgage or encumber the Property, without first obtaining the written approval of APAH, which approval shall not be unreasonably withheld, conditioned or delayed, or (iii) enter into any contracts of sale, agreements or any proffers, entitlements, development conditions, or similar commitments affecting the Property. Commencing on the Effective Date and concluding on the Closing Date, except as required by this Agreement, the Approvals and the Ancillary Project Documents, APAH shall not: (i) execute or approve the execution of any easements, rights-of-way, covenants, conditions, restrictions or encumbrances with respect to the Property without first obtaining the written approval of CUMC, which approval shall not be unreasonably withheld, conditioned or delayed, (ii) mortgage or encumber the Property, or (iii) enter into any contracts of sale, agreements or any proffers, entitlements, development conditions, or similar commitments affecting the Property. APAH shall use good faith, diligent and commercially reasonable efforts to (i) initiate the process for obtaining all required approvals from the Washington Metropolitan Area Transit Authority ("**WMATA**") related to the metro and metro-related impacts in connection with the Project, and (ii) resolve any issues related to the Monticello Agreement (defined below). APAH shall use diligent efforts to obtain the WMATA approvals.

(d) Existing CUMC Facilities. Until the Closing, CUMC shall be solely responsible for managing the operations of the existing building and associated improvements located on the Property (the, "**Existing CUMC Facilities**"). The parties hereby acknowledge that it is intended that the Existing CUMC Facilities will be demolished immediately following the Closing. CUMC and all tenants and occupants pursuant to any Leases (as hereinafter defined) shall have completely vacated the Existing CUMC Facilities as of the Closing Date, and all of the Leases shall have been

terminated by CUMC as of the Closing Date. CUMC shall remove and/or dispose of any furniture, fixtures, equipment or improvements located on the Property prior to the Closing, and any and all improvements located on the Property at the Closing shall be deemed abandoned by CUMC unless otherwise mutually agreed to by APAH and CUMC.

6. Construction of the Project.

(a) Construction of the Project. The parties agree that the Project, including the Church Project (as hereinafter defined) shall be constructed by APAH, in accordance with this Agreement, the Approvals and the development agreement between the parties, in the form attached hereto as **Exhibit C** the ("**Development Agreement**"). The Development Agreement shall be executed at Closing. The general contractor for the Project shall be Davis Construction (the "**General Contractor**"). As used herein, the "**Church Project**" shall mean the portion of the Project consisting of the design and construction of the CUMC Unit, including the facilities to be constructed on the CUMC Unit for the use and ownership by CUMC. The interior portions of the Church Project shall be constructed pursuant to the terms of that certain guaranteed maximum price construction contract between APAH and the General Contractor (the "**Church Construction Contract**"). Prior to the execution thereof, the Core and Shell Construction Contract (as defined in the Development Agreement) and the contract between APAH and KCM, Inc. will be provided to CUMC. In addition, prior to the execution thereof, the Church Construction Contract shall be subject to the review and approval of CUMC, not to be unreasonably withheld, conditioned or delayed.

(b) Preliminary Project Budget, Preliminary Plans and Milestone Schedule. As of the Effective Date, the parties have agreed on a preliminary budget for the Project, attached hereto and incorporated herein by reference as **Exhibit D-1** (the "**Preliminary Project Budget**") and preliminary plans and specifications for the Project, as described in **Exhibit D-2** attached hereto (the "**Preliminary Plans**"). Following the Effective Date, APAH and CUMC shall work together, in good faith, to update the Preliminary Plans and the Preliminary Project Budget in accordance with the schedule attached hereto as **Exhibit D-3** (the "**Milestone Schedule**") and the provisions of this Section 6. APAH shall use good faith, diligent and commercially reasonable efforts to adhere to the Milestone Schedule, subject to the timely cooperation and action of CUMC as may be required pursuant to the provisions of this Section 6.

(c) Building Permit Drawings and Final Building Permit Drawings. CUMC agrees and acknowledges that APAH shall be primarily responsible for overseeing the update of the Preliminary Plans, pursuant to the Milestone Schedule, in order to develop "**Building Permit Drawings**" for submission to the County. The Building Permit Drawings shall be subject to the review and approval of CUMC, not to be unreasonably withheld, conditioned or delayed. As set forth on the Milestone Schedule, it is intended that the Building Permit Drawings shall be completed and submitted to the County on or around January 1, 2021. Following the submission of the Building Permit Drawings to the County, APAH shall cause the Building Permit

Drawings to be updated and revised as required in order to address any County comments such that the Building Permit Drawings can be approved by the County (as updated and approved by the County, the “**Final Building Permit Drawings**”). Following the approval of the Building Permit Drawings by CUMC, any changes to the Building Permit Drawings which would impact the Church Project shall be subject to the review and approval of CUMC, not to be unreasonably withheld, conditioned or delayed, except that any changes to the Building Permit Drawings related to permit review comments that do not affect the Interim Project Budget, the Budget, the Milestone Schedule, or the scope of the Project shall not require the approval of CUMC, but APAH shall provide CUMC with notice of the same, together with any applicable updates to the Building Permit Drawings.

(d) Interim Project Budget and Final Project Budget. Promptly following the completion of the Building Permit Drawings, APAH shall update the Preliminary Project Budget consistent with the Building Permit Drawings and updated pricing information provided by the General Contractor (the “**Interim Project Budget**”). A copy of the Interim Project Budget shall be provided to CUMC. If CUMC objects to the CUMC Construction Costs (as hereinafter defined), as reflected in the Interim Project Budget, CUMC must provide written notice of such objection to APAH within ten (10) days of CUMC’s receipt of the Interim Project Budget, which notice must specify CUMC’s specific objection(s) to the Interim Project Budget (the “**Interim Project Budget Notice of Disapproval**”). Upon the final approval of the Final Building Permit Drawings, the Church Construction Contract and the Core and Shell Construction Contract (as defined in the Development Agreement), APAH shall update the Interim Project Budget consistent with the Final Building Permit Drawings and the Construction Contracts (the “**Budget**”). A copy of the Budget shall be provided to CUMC. If CUMC objects to the CUMC Construction Costs, as reflected in the Budget, CUMC must provide written notice of such objection to APAH within ten (10) days of CUMC’s receipt of the Budget, which notice must specify CUMC’s specific objection(s) to the Budget (the “**Budget Notice of Disapproval**”). In the event of CUMC’s delivery of the Interim Project Budget Notice of Disapproval and/or the Budget Notice of Disapproval, APAH and CUMC shall work together in good faith to reduce the scope of the Church Project, such that the Interim Project Budget or the Budget, as applicable, and the CUMC Constructions Costs are acceptable to both APAH and CUMC.

(e) Review and Approval Procedures. CUMC shall timely provide all documents, information and its response indicating its approval or disapproval to any request for approval as required from CUMC in order to allow: (i) the Preliminary Plans and the Building Permit Drawings to be updated and the Final Building Permit Drawings to be completed and finalized, and (ii) the Preliminary Project Budget and the Interim Project Budget to be updated and the Budget to be completed and finalized, in each case pursuant to the Milestone Schedule and the provisions of this Section 6. If CUMC has not provided any required documents and information or its response indicating its approval or disapproval to any request for approval as required from CUMC pursuant to the Milestone Schedule or the provisions of this Section 6, then APAH may provide written notice (a “**Response Request Notice**”) to CUMC clearly describing the delinquent required documents, information or response to any request

for approval. Upon receipt of a Response Request Notice, CUMC shall provide the requested documents and information, request additional information as may be reasonably required or provide its response indicating its approval or disapproval to any Response Request Notice within five (5) business days (the “**Response Request Period**”). If CUMC fails to provide such documents and information, request reasonably required additional information or provide its response indicating its approval or disapproval to any request for approval prior to the expiration of the applicable Response Request Period, then APAH may provide a second written notice (a “**Second Response Request Notice**”) to CUMC clearly describing the delinquent required documents and information or response to any request for approval and the response that will be assumed by APAH if CUMC does not respond to the Second Response Request Notice within three (3) business days (the “**Second Response Request Period**”). The Second Response Request Notice shall state in bold, all capital letters, on the first page a header to the following effect: (a) that this notice is a Second Response Request Notice pursuant to Section 6(e) of this Agreement, (b) that CUMC is required, within three (3) business days either to provide such documents and information or request additional information, or provide its response indicating its approval or disapproval to any request for approval prior to the expiration of the Second Response Request Period, and (c) if CUMC fails to respond or issue its approval or disapproval within the Second Joinder/Execution Request Period, then CUMC will be deemed to have waived its right to object thereto. If CUMC fails to provide such document and information, request reasonably required additional information or provide its response indicating its approval or disapproval to any request for approval prior to the expiration of the applicable Second Response Request Period, then APAH may assume the response from CUMC that is set forth in the Second Response Request Notice, with CUMC thereby waiving any right to object or later respond or provide such document or information. In the event that, at any time, CUMC disapproves a submission for which CUMC’s approval is required pursuant to the provisions of this Section 6, any such disapproval shall be in writing and shall clearly state the reasons for CUMC’s disapproval (a “**Disapproval Notice**”). Promptly upon APAH’s receipt of any Disapproval Notice from CUMC, or if CUMC requests reasonably required additional information regarding any Response Request Notice, then APAH and CUMC shall meet and shall, in good faith, attempt to resolve any issues set forth in any such Disapproval Notice or otherwise, and if APAH and CUMC are unable to resolve the same, then the provisions of Section 6(g) of this Agreement shall apply.

(f) Escrow Agreement. As more particularly set forth in the Development Agreement, it is the intent of APAH and CUMC that CUMC shall be responsible for paying for: (i) the hard and soft costs of the design, development and construction of the Church Project, (ii) contingency amounts, and (iii) the costs of certain shared aspects of the Project that are allocated to the Church Project (collectively, the “**CUMC Construction Costs**”). The CUMC Construction Costs shall be identified, finalized and agreed upon as part of the finalization and approval of the Budget. The CUMC Construction Costs shall be placed into escrow at Closing, pursuant to an escrow agreement in the form required by APAH’s Lenders and subject to reasonable review and approval by CUMC (the “**Escrow Agreement**”). The Escrow

Agreement will allow APAH to draw on the funds in escrow during the course of constructing the Project, upon prior notice to CUMC, and subject to specified draw criteria to be verified by a third-party. All interest on the escrowed funds shall be solely for the benefit of CUMC. As set forth in Section 3 of the Development Agreement, promptly following Substantial Completion (as defined in the Development Agreement) of the Church Project a final reconciliation of the CUMC Construction Costs shall occur. Following Substantial Completion of the Church Project, APAH shall execute an assignment document (consistent with the assignment document delivered by CUMC pursuant to Section 11(d)(iv) of this Agreement) which shall assign back to CUMC any Existing Materials and Approvals to the extent the same relate to the Church Project (specifically including plans for the CUMC Unit). CUMC covenants that it shall have adequate funds to fulfill its obligations related to the Escrow Agreement as set forth in this Section 6(f).

(g) Development Dispute Resolution. If there should arise a dispute directly relating to the provisions of this Section 6, and APAH and CUMC are not able to resolve the dispute despite good faith negotiations (a “**Development Dispute**”), then APAH and CUMC agree that in lieu of seeking any other remedy pursuant to this Agreement, APAH and CUMC shall comply with the provisions set forth in this Section 6(g). Not more than two (2) business days after one party sends written notice to the other party that a Development Dispute remains unresolved, the parties shall contact Mark G. Anderson Consultants, Inc. (or another construction consultant having at least ten (10) years’ of relevant experience in the commercial construction industry and who is mutually agreed upon by the parties) (the “**Consultant**”). As soon as reasonably practicable, but not less than five (5) business days after the Consultant has been contacted, the parties shall present to the Consultant in writing their respective (i) descriptions of the dispute including all relevant facts, (ii) findings that they request the Consultant make, and (iii) detailed evidence and documentation sufficient for Consultant to make an informed decision. The parties shall promptly respond to Consultant’s request(s) for additional information, but in no event more than two (2) business days after such request. The parties shall appear together before the Consultant in order to respond to questions, either in person or via video conference, if the Consultant determines that such appearance is necessary in order to supplement the information provided by the parties. The parties will instruct the Consultant to make a determination within three (3) business days after Consultant has received the parties’ initial submission and all additional information requested by the Consultant. The decision of the Consultant shall be final and enforceable in any court having jurisdiction.

7. Development of the Project and Other Matters.

(a) CUMC’s Cooperation. CUMC shall join in and execute any such applications, consents, disclosures, affidavits, development conditions, reasonable easement agreements or such other documents reasonably required by APAH, APAH’s Lenders, the County, or any other governmental agency, with regard to the Project, including, but not limited to, any such applications, consents, disclosures or affidavits or such other documents required by APAH, APAH’s Lenders, the County or

any other governmental agency, with regard to the Approvals, the design, financing and construction process (collectively, "**Ancillary Project Documents**"); provided, however, such Ancillary Project Documents shall be at no cost or expense of CUMC and shall not obligate CUMC to pay any amounts or perform any actions in excess of those expressly provided for in this Agreement, the Ground Lease, the Development Agreement, the Condominium Declaration or the REA (as hereinafter defined). In no event shall APAH have the right, without first obtaining CUMC's written consent, to make any commitments to any governmental and/or quasi-governmental agencies or their respective representatives or other persons or entities that will bind the CUMC Unit after the Closing or that would bind the Property in the event Closing does not occur for any reason.

(b) Status Reports and APAH Financing. Commencing on the Effective Date, APAH shall hold regular progress meetings (either in person or by phone) with CUMC on APAH's efforts to consummate the transaction contemplated by this Agreement. Such progress meetings shall generally be held once per week during the period commencing on the Effective Date and continuing until the Closing Date. If requested by CUMC from time-to-time, APAH shall arrange for in-person meetings or telephone conferences to discuss the issues related to status, the Project and the consummation of the transaction contemplated by this Agreement. APAH shall timely complete and submit and shall diligently process and prosecute all applications required in connection with the low income housing tax credit and any other financing for the Project (the "**APAH Financing**"). APAH shall keep CUMC updated regarding the status of APAH Financing.

(c) Professionals and Development Materials. APAH hereby agrees that, in the event that the transaction evidenced by this Agreement does not close for any reason except for a default by CUMC pursuant to this Agreement, CUMC may (i) engage any architects, engineers, planners and other parties retained by APAH in connection with the Approvals, whether directly or as subcontractors to other parties (the "**APAH Professionals**"), to continue to perform professional services for CUMC or its designee pursuant to one or more separate written agreements between such APAH Professionals and CUMC or CUMC's designee, which agreement shall provide that CUMC or CUMC's designee shall be responsible for all payments to such APAH Professionals incurred in connection with such agreement, and (ii) utilize any plans, specifications, drawings, budgets or other work product generated by the APAH Professionals during the term of this Agreement or otherwise for APAH's benefit, specifically excluding any proprietary materials of APAH or materials related to APAH's programming (collectively, the "**Development Materials**"). Upon termination of this Agreement for any reason, except for a default by CUMC pursuant to this Agreement, APAH shall assign to CUMC all of APAH's rights in and to such of the Development Materials as CUMC may elect to assume, if any, to the extent APAH is not prohibited from assigning the same. APAH will use commercially reasonable efforts to cause the Development Materials to be assignable.

(d) Mechanic's Liens. In the event any APAH Professional, or any party retained by any APAH Professional or any subcontractor, files a mechanic's lien

against the Property in connection with any work performed by or on behalf of APAH, APAH shall either, at its sole expense, within twenty (20) days after such lien is filed, (i) cause the lien to be bonded off in a manner reasonably satisfactory to CUMC, or (ii) satisfy such lien in full, and provide evidence of satisfaction to CUMC. Any failure by APAH to either bond off or satisfy such lien within such twenty (20) day period shall constitute a default by APAH hereunder, subject to the provisions of Section 13(a) of this Agreement.

(e) Condominium Declaration and REA. APAH (at its sole cost and expense) shall prepare the documents necessary to create the CUMC Unit and the APAH Unit, including, without limitation, the Condominium Declaration and a reciprocal easement agreement (the “**REA**”). The REA shall, among other things, grant CUMC the right to site access and to use sidewalks, loading dock, elevators, and certain exterior improvements and appurtenances, including any easements in and the through the parking garage as may be necessary in order to allow CUMC access to all such sidewalks, loading dock, elevators, and exterior improvements and appurtenances, and parking spaces that constitute part of the CUMC Unit. The REA shall also provide for the maintenance of such areas and cost-sharing in connection therewith. The Condominium Declaration shall be substantially in the form attached hereto as **Exhibit E-1**, and the REA shall be substantially in the form attached hereto as **Exhibit E-2**. All exhibits to the Condominium Declaration and the REA shall be prepared by APAH (or its consultants) and shall be subject to the reasonable review and approval of CUMC prior to Closing. CUMC shall review and provide its approval or its disapproval, together with any comments, to all such exhibits within sixty (60) days after receipt of the same. The parties shall cooperate in good faith to finalize the Condominium Declaration and the REA prior to Closing. Notwithstanding anything to the contrary set forth herein, CUMC acknowledges that provisions of the Condominium Declaration and the REA shall be subject to the review and approval of any of APAH’s Lenders, and reasonable revisions the Condominium Declaration and the REA shall be made as deemed necessary by APAH’s Lenders. The Condominium Declaration and the REA shall be recorded at Closing.

(f) CUMC Representative. CUMC agrees to appoint one person as its designated representative for the purpose of responding to all requests related in any manner to the provisions herein (the “**CUMC Representative**”), and the act of the CUMC Representative shall be deemed sufficient to bind CUMC to such decisions, approvals or other actions. Initially, the CUMC Representative shall be Gene Cross. CUMC shall provide notice to APAH of any change in the CUMC Representative, which notice shall provide all necessary contact information.

8. CUMC’s Representations. CUMC makes the following representations and warranties (“**CUMC’s Representations**”) on the Effective Date and shall be deemed to make them again on the Closing Date, and such representations and warranties shall be true, accurate and correct in all material respects during the period commencing on the Effective Date and continuing through Substantial Completion, and shall survive the Closing pursuant to the survival provisions set forth in Section 16(k) of this Agreement:

(a) CUMC'S Representations.

(i) Authority. The execution and delivery of this Agreement by CUMC, and the consummation by CUMC of the transaction contemplated by this Agreement, are within its authority and all requisite action shall have been taken, as set forth below, to make this Agreement valid and binding on CUMC in accordance with its terms. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which CUMC is a party or by which CUMC is otherwise bound, which conflict, breach or default would have a material adverse effect on CUMC's ability to consummate the transaction contemplated by this Agreement. This Agreement is a valid and binding agreement enforceable against CUMC in accordance with its terms. CUMC shall take all necessary further action to provide additional approvals as may be reasonably required by the Escrow Agent at or prior to the Closing. Prior to the Effective Date, the following documents were approved by CUMC's regional board and all other required church governing bodies: (A) this Agreement, (B) the form of the Ground Lease attached hereto as **Exhibit B**, (C) the form of the Development Agreement attached hereto as **Exhibit C**, (D) the form of the Land Condominium Declaration attached hereto as **Exhibit E-1**, and (E) the form of the REA attached hereto as **Exhibit E-2**. Prior to Closing, CUMC will obtain the following approvals (the "**CUMC Approvals**"): (i) all outstanding approvals (if any) required from CUMC's regional board and any other church governing body in connection with any documents to be executed by CUMC at Closing (other than the Exhibits attached to this Agreement), and to any commercially reasonable changes to the form of the Ground Lease attached hereto as **Exhibit B**, the form of the Development Agreement attached hereto as **Exhibit C**, the form of the Land Condominium Declaration attached hereto as **Exhibit E-1**, and the form of the REA attached hereto as **Exhibit E-2**, as such commercially reasonable changes may be required by APAH's Lenders, and (ii) an order from the Circuit Court of Arlington County authorizing the sale and encumbrance of the Property, as contemplated by this Agreement, unless CUMC has incorporated, then, in such event, the applicable incorporation documents, approvals and resolutions. For purposes of clarity and example and not of limitation, changes to the form of any document described in clause (i) of this subsection (i), which have no material adverse effect on CUMC's rights or obligations pursuant to such document shall be deemed to be commercially reasonable.

(ii) No Violations. To CUMC's knowledge, the execution by CUMC of this Agreement and the consummation by CUMC of the transaction hereby contemplated does not, and will not at any time (i) result in a breach of or default under any indenture, agreement, instrument or obligation to which CUMC is a party and which affects all or any portion of the Property, or (ii) constitute a violation of any governmental requirement.

(iii) No Default. To CUMC's knowledge, CUMC is not in default under any mortgage, deed of trust, loan agreement, or other agreement to which CUMC is a party or which affects any portion of the Property.

(iv) Litigation. There are no material claims, causes of action or other litigation or proceedings pending or, to CUMC's knowledge, threatened in respect to the ownership, operation or environmental condition of the Property or any part thereof (including disputes with tenants, members, mortgagees, governmental authorities, utility companies, contractors, adjoining owners or suppliers of goods or services). No pending or, to the knowledge of CUMC, threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or non-binding any of CUMC's obligations or covenants to APAH as set forth in this Agreement, the Ground Lease, the Development Agreement, the Condominium Declaration or the REA.

(v) Hazardous Substances. To CUMC's knowledge, CUMC has not taken or failed to take any actions which would cause the Property to contain any waste, debris or contamination which is in violation of any local or federal law, regulation or ordinance, including the following: (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder; (iii) any "regulated substance" as defined in Virginia Code §62.1-44.34:8 (1950), and regulations promulgated thereunder; (iv) any "hazardous substance" as defined by the Virginia Waste Management Act, Virginia Code §10.1-1400 et. seq., and regulations promulgated thereunder; (v) any substance the presence of which on the Property is prohibited by any law similar to those set forth in this Section 8(a)(v); and (vi) any other toxic or hazardous substances or materials, whether products or wastes, that require special handling in collection, storage, treatment or disposal under any federal, state or local law, statute, ordinance or regulation, or under any court or administrative order or decree, or under any private agreement (collectively, "**Hazardous Materials**"). To CUMC's knowledge, the Property does not contain and has not contained any underground storage tanks.

(vi) No Unrecorded Commitments. CUMC has not entered into any contracts of sale, rights of first refusal or similar rights with regard to the Property.

(vii) Violation. Except for County citations relating to paint, stonework, fascia boards and similar matters, CUMC has not received written notice of any violations of any health, safety, environmental, pollution, zoning or other laws, ordinances, rules or regulations with respect to the Property, which have not been heretofore entirely corrected. In the event CUMC receives written notice of any such violations during the term of this Agreement prior to the Closing, CUMC shall (i) promptly provide APAH with copies of all documents evidencing any such violation, and (ii) use all commercially reasonable efforts to correct such violation to the satisfaction of the applicable regulatory entity, except that CUMC shall not be required to correct any violation related to the Existing CUMC Facilities, to the extent such violation will not be applicable following the demolition of the Existing CUMC Facilities.

(viii) Condemnation. CUMC has not received any written condemnation notice from a governmental entity with respect to all or part of the Property and, to CUMC's knowledge, none are pending or threatened.

(ix) Possession. To CUMC's knowledge, except relating to the historic district as set forth in the Approvals, there are no adverse parties in possession of the Property or any part thereof, and no party has been granted any option, purchase contract, license, lease or other right or interest relating to the use, purchase or possession of the Property, or any part thereof, except for the tenants or occupants who have entered into leases, occupancy agreements or licenses with CUMC. A complete list of said leases, occupancy agreements and/or licenses is attached as **Exhibit F** (the "**Leases**").

(x) Assessments. CUMC has no knowledge of any special assessments having been levied, threatened or pending against all or any part of the Property, and CUMC has no knowledge of any intended special assessments.

(xi) Bills for Labor. All bills and claims for labor performed and materials furnished to or for the benefit of the Property prior to the Effective Date, including in connection with the Existing Materials and Approvals, have been paid in full, and there shall be no mechanics' liens or materialmen's liens, whether or not perfected, on or affecting any portion of the Property. CUMC agrees to execute any customary affidavits and/or customary agreements which may be required by APAH's title insurance company in order for APAH to obtain from such title insurance company an owner's policy of title insurance covering the Property without exception for mechanics' liens or rights of parties in possession.

(xii) Previous Contracts. All prior contracts and agreements entered into by CUMC related to the purchase and/or development of the Property (the "**Prior Contracts**") have been properly and completely terminated as of the Effective Date and there are no amounts due to any party pursuant to such Prior Contracts. CUMC has received no notice (whether in writing or otherwise) that any prior contract purchaser, partner or any joint developer claims that any such Prior Contract was either not properly and completely terminated or that any amounts are due to any party pursuant to such Prior Contracts have not been paid in full. CUMC has provided to APAH copies of all plans, documents, studies, reports and materials related to the Property which have been provided to CUMC in connection with any such Prior Contracts, together with copies of all approvals in connection with the Property prior to the Effective Date.

(b) Updates and APAH Waiver. CUMC agrees to notify APAH of any state of facts which would constitute a breach of, or render inaccurate, any of CUMC's Representations, within seven (7) days after becoming aware of said state of facts. Notwithstanding anything to the contrary set forth in this Agreement, CUMC's Representations shall survive the Closing until Substantial Completion of the Church Project. If prior to Closing, APAH obtains actual knowledge that any of CUMC's Representations are untrue, inaccurate, or incorrect in any material respect, but APAH

elects to proceed with Closing, APAH shall be deemed to have waived any claims with respect to any applicable CUMC's Representations. In no event shall CUMC be liable to APAH for any consequential, exemplary, punitive, or any other type of damages (other than direct damages) or for unrealized expectations or other similar claims in respect of any such claims, and in every case APAH's recovery for any claims shall be net of any insurance proceeds and any indemnity, contribution, or other similar payment recovered or recoverable by APAH from any insurance company or other third party.

(c) AS-IS. Except as otherwise expressly set forth in CUMC's Representations, the Property is being ground leased to APAH "AS IS," "WHERE IS," and "WITH ALL FAULTS." Except as may be expressly stated in this Agreement, CUMC makes no representation relating to the condition of the Property or its suitability for APAH's intended use thereof, and APAH waives any and all claims relating to thereto.

9. APAH's Representations. APAH makes the following representations and warranties ("**APAH's Representations**") on the Effective Date and shall be deemed to make them again on the Closing Date, and such representations and warranties shall be true, accurate and correct in all material respects during the period commencing on the Effective Date and continuing through Substantial Completion, and shall survive the Closing pursuant to the survival provisions set forth in Section 16(k) of this Agreement:

(a) APAH's Representations.

(i) Organization; Qualification. APAH is a corporation, duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, and has the requisite power and authority to enter into this Agreement, and to consummate the transactions contemplated by the terms of this Agreement.

(ii) Authority. The execution and delivery of this Agreement by APAH and the consummation by APAH of the transaction contemplated by this Agreement are within its authority and all requisite action shall have been taken to make this Agreement valid and binding on APAH in accordance with its terms and no consent of any of APAH's partners, directors, officers or members are required to so empower or authorize APAH. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which APAH is a party or by which APAH is otherwise bound, which conflict, breach or default would have a material adverse effect on APAH's ability to consummate the transaction contemplated by this Agreement. This Agreement is a valid and binding agreement enforceable against APAH in accordance with its terms.

(iii) Litigation. No pending or, to the knowledge of APAH, threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or non-binding any of APAH's obligations or covenants to CUMC as set

forth in this Agreement, the Ground Lease, the Development Agreement, the Condominium Declaration or the REA.

(b) Updates and CUMC Waiver. APAH agrees to notify CUMC of any state of facts which would constitute a breach of, or render inaccurate, any of APAH's Representations, within seven (7) days after becoming aware of said state of facts. Notwithstanding anything to the contrary set forth in this Agreement, APAH's Representations shall survive the Closing until Substantial Completion of the Church Project. If prior to Closing, CUMC obtains actual knowledge that any of APAH's Representations are untrue, inaccurate, or incorrect in any material respect, but CUMC elects to proceed with Closing, CUMC shall be deemed to have waived any claims with respect to any applicable APAH's Representations. In no event shall APAH be liable to CUMC for any consequential, exemplary, punitive, or any other type of damages (other than direct damages) or for unrealized expectations or other similar claims in respect of any such claims, and in every case CUMC's recovery for any claims shall be net of any insurance proceeds and any indemnity, contribution, or other similar payment recovered or recoverable by CUMC from any insurance company or other third party.

10. Conditions Precedent.

(a) APAH Conditions Precedent. APAH's obligations to proceed with the Closing under this Agreement shall be subject to and conditioned upon the fulfillment of the following conditions precedent (the "**APAH Conditions Precedent**"):

(i) All of the documents and funds required to be delivered by CUMC to APAH at the Closing pursuant to the terms and conditions of this Agreement shall have been delivered.

(ii) Except for adverse changes caused by APAH or its agents, there shall have been no material adverse changes to the environmental condition of the Property, since the Effective Date, and there shall be no pending or open actions by any governmental authority relating to the environmental conditions on the Property.

(iii) CUMC shall have complied in all material respects with all terms, requirements and provisions in this Agreement to be complied with, fulfilled or performed by CUMC hereunder.

(iv) Each of CUMC's Representations set forth in this Agreement shall in fact be true and correct in all material respects as of the Closing Date.

(v) There are no uncorrected violations of any laws, ordinances, rules or regulations of any governmental authority (except for any uncorrected violations related to the Existing CUMC Facilities that will not be applicable following the demolition of the Existing CUMC Facilities) or pending litigation which affect the Property.

(vi) Provided APAH has complied with the terms of Section 5(c) hereof, all issues shall have been satisfactorily resolved in connection with that certain

previously-executed Mutual Consent and Cooperation Agreement (the “**Monticello Agreement**”), in APAH’s sole but reasonable discretion.

(vii) APAH shall have obtained any offsite easements from the neighboring property owners, as required in connection with the Project.

(viii) Provided APAH has complied with the terms of Section 5(c) hereof, all issues shall have been satisfactorily resolved by APAH and WMATA related to the metro and metro-related impacts in connection with the Project, in APAH’s sole but reasonable discretion.

(ix) APAH and the General Contractor shall have entered into the Construction Contracts, the Final Building Permit Drawings and the Budget shall have been finally approved by APAH and CUMC as required pursuant to this Agreement.

(x) APAH shall have obtained all construction and building permits as required in connection with the construction of the Project.

(xi) APAH shall have obtained all financing required in connection with the Project (including, but not limited to, Arlington County Board approval of any Arlington County financing), and APAH’s Lenders shall be ready to close on any construction financing concurrently with Closing.

(xii) The CUMC Approvals shall have been obtained, and CUMC shall have complied with the provisions of Section 6(f) of this Agreement.

(xiii) The Ground Lease, the Condominium Declaration, the REA, the Development Agreement and the Escrow Agreement shall have been fully approved by APAH’s Lenders and CUMC.

(xiv) No governmental authority or quasi-governmental authority shall have imposed (or publicly announced its intention to impose) a moratorium or suspension of the issuance or building permits or of water or sewer facilities or permits, or shall have taken (or published or announced its intention to take) any other action that APAH reasonably determines would prohibit APAH from constructing the Project pursuant to the Approvals.

(xv) The Arlington County Board shall have approved the minor site plan amendment/extension and any street and alley vacations required in connection with the Approvals and the Project, and all applicable appeal periods have expired without an appeal having been filed or, if an appeal is filed, a final decree shall have been entered by a court of competent jurisdiction upholding the approval of the minor site plan amendment/extension and any street and alley vacations required in connection with the Approvals and the Project and all applicable appeal periods shall have expired without an appeal of such decree having been filed.

(xvi) CUMC shall have caused the use restrictions contained in that certain deed dated June 30, 1922 and recorded in Deed Book 184 at Page 48 to be terminated or to be amended to the reasonable satisfaction of APAH's Lenders. APAH hereby acknowledges that the APAH Condition Precedent set forth in this Section 10(a)(xiv) shall be deemed to be satisfied if that certain Deed of Release and Termination, substantially in the form attached hereto as **Exhibit G** or the Deed of Amendment, substantially in the form attached hereto as **Exhibit H**, is executed by all applicable parties and delivered to Escrow Agent for recordation.

(b) CUMC Conditions Precedent. CUMC's obligations to proceed with the Closing under this Agreement shall be subject to and conditioned upon the fulfillment of the following conditions precedent (the "**CUMC Conditions Precedent**" and, together with the APAH Conditions Precedent, the "**Conditions Precedent**"):

(i) All of the documents and funds required to be delivered by APAH to CUMC at the Closing pursuant to the terms and conditions of this Agreement shall have been delivered.

(ii) APAH shall have complied in all material respects with all terms, requirements and provisions in this Agreement to be complied with, fulfilled or performed by APAH hereunder.

(iii) Each of APAH's Representations set forth in this Agreement shall in fact be true and correct in all material respects as of the Closing Date.

(iv) Any changes to the Ground Lease, the Condominium Declaration, the REA, the Development Agreement and the Escrow Agreement required by APAH's Lenders have been fully approved by CUMC, subject to the provisions of Section 8(a)(i).

(v) In the event that APAH's Lenders require that the ground leasehold interest in the CUMC Unit be granted as security for the loans provided by APAH's Lenders, CUMC shall have reviewed and approved all loan documents relating to such loans to which CUMC is a signatory or which will be an encumbrance on the CUMC Unit.

(c) APAH shall be required to use diligent and good faith efforts to cause to be satisfied each of the Conditions Precedent which are in APAH's control, and CUMC shall be required to use diligent and good faith effort to cause to be satisfied each of the Conditions Precedent which are in CUMC's control.

(d) In the event that any one or more of the APAH Conditions Precedent are not satisfied on or prior to the Closing Date (as hereinafter defined), despite each party's diligent, good faith efforts, then APAH shall have the right to elect, on or before the Closing Date, to: (i) terminate this Agreement by giving written notice to CUMC, in which event the Deposit shall be returned to APAH, unless the Closing Notice has been previously delivered pursuant to the provisions of Section 11(f) of this Agreement, in which event the Deposit shall be paid to CUMC, and the parties shall

have no further obligations hereunder except for those obligations which specifically survive such termination, or (ii) waive satisfaction of such unsatisfied APAH Conditions Precedent, and proceed to Closing within ten (10) days, or (iii) extend the Closing Date by such period of time as may be necessary to cause the unsatisfied APAH Conditions Precedent to be satisfied, provided that such extension shall not exceed (X) five (5) months for all APAH Conditions Precedent except in connection with a Third Party Condition Precedent Delay (as hereinafter defined) or (Y) seven (7) months solely for a Third Party Condition Precedent Delay (as applicable, the “**APAH Closing Extension Period**”). As used herein, a “**Third Party Condition Precedent Delay**” shall refer to any of the following: (1) a failure of the APAH Condition Precedent set forth in Section 10(a)(vi) to be satisfied, (2) a failure of the APAH Condition Precedent set forth in Section 10(a)(vii) to be satisfied, but only if the APAH Condition Precedent set forth in Section 10(a)(vii) is not satisfied due to delay by any party other than APAH, (3) a failure of the APAH Condition Precedent set forth in Section 10(a)(viii) to be satisfied, or (4) a failure of the APAH Condition Precedent set forth in Section 10(a)(x) to be satisfied, but only if the APAH Condition Precedent set forth in Section 10(a)(x) is not satisfied due to delay by any party other than APAH. If APAH elects option (iii) above and the unsatisfied APAH Conditions Precedent are not satisfied by the end of the APAH Closing Extension Period, APAH shall have the right to elect between options (i) and (ii) above by the date that is ten (10) days after the expiration of the APAH Closing Extension Period. If APAH does not timely make an election pursuant to this Section 10(d), APAH shall be deemed to have elected option (i) above. Nothing in this Section 10(d) shall be deemed to affect APAH’s rights and remedies in the event of a default by CUMC hereunder, as set forth in Section 13(b), or APAH’s rights and remedies as set forth in Section 13(c).

(e) In the event that any one or more of the CUMC Conditions Precedent are not satisfied on or prior to the Closing Date, despite each party’s diligent, good faith efforts, then CUMC shall have the right to elect, on or before the Closing Date, to: (i) terminate this Agreement by giving written notice to APAH, in which event the Deposit shall be returned to APAH unless (x) the Closing Notice has been previously delivered pursuant to the provisions of Section 11(f) of this Agreement, in which event the Deposit shall be paid to CUMC or (y) the unsatisfied CUMC Condition Precedent is not satisfied due to a default by APAH pursuant to this Agreement, in which case the provisions of Section 13(a) shall govern, and the parties shall have no further obligations hereunder except for those obligations which specifically survive such termination, or (ii) waive satisfaction of such unsatisfied CUMC Conditions Precedent, and proceed to Closing within ten (10) days, or (iii) extend the Closing Date by such period of time as may be necessary to cause the unsatisfied CUMC Conditions Precedent to be satisfied, provided that such extension shall not exceed five (5) months (the “**CUMC Closing Extension Period**”). If CUMC elects option (iii) above and the unsatisfied CUMC Conditions Precedent are not satisfied by the end of the CUMC Closing Extension Period, CUMC shall have the right to elect between options (i) and (ii) above by the date that is ten (10) days after the expiration of the CUMC Closing Extension Period. If CUMC does not timely make an election pursuant to this Section 10(e), CUMC shall be deemed to have elected option

(i) above. Nothing in this Section 10(e) shall be deemed to affect CUMC's rights and remedies in the event of a default by APAH hereunder, as set forth in Section 13(a).

11. Closing.

(a) Closing. The consummation of the transactions associated with the execution of the Ground Lease (the "**Closing**") shall take place on such date selected by APAH, and reasonably acceptable to CUMC (the "**Closing Date**"), which Closing Date shall in no event be later than April 30, 2021, subject to the provisions of Sections 10(d) and 10(e) of this Agreement. The Closing shall occur on the Closing Date and be held at the offices of Escrow Agent. The parties acknowledge that the Closing may occur through delivery of the Closing documents by CUMC and APAH to the Escrow Agent, and delivery of the funds necessary for Closing to Escrow Agent by wire transfer of funds, so that the parties will not need to personally attend the Closing.

(b) Prorations. Any real estate taxes (if any) shall be pro-rated as of the Closing Date.

(c) Closing Costs. CUMC shall pay: (i) one-half of the cost of recordation of the Memorandum of Ground Lease (as defined in the Ground Lease), and (ii) one-half of the Closing fee charged by the Escrow Agent. APAH shall pay: (A) one-half of the cost of recordation of the Memorandum of Ground Lease, (B) all costs of recordation of the Condominium Declaration and the REA, (C) all mortgage recording taxes in connection with the APAH Financing, (D) all title insurance premiums and fees required to be paid by APAH with respect to the title policy issued in connection with the Ground Lease, and (E) one-half of the Closing fee charged by Escrow Agent. Each party shall pay its own attorneys' fees in connection with this Agreement and Closing.

(d) CUMC Closing Deliveries. At the Closing, CUMC shall execute and/or deliver such documents, affidavits, certificates or other items required pursuant to this Agreement, or reasonably requested by the Escrow Agent, including, but not limited to, the following:

- (i) The Ground Lease and the Memorandum of Ground Lease;
- (ii) The Development Agreement;
- (iii) The Escrow Agreement, together with the CUMC Construction Costs;
- (iv) An assignment of CUMC's interest in and to the Existing Materials and Approvals, in a form reasonably acceptable to CUMC and APAH;
- (v) A title affidavit or an indemnity in a form reasonably acceptable to CUMC, which is sufficient to enable the title company to delete the standard pre-printed exceptions to the title insurance policy to be issued pursuant to the title commitment; provided however, that CUMC shall not be obligated to provide a title

affidavit or an indemnity form addressing the pre-printed exceptions related to the survey if APAH has not provided a survey to the title company;

(vi) A certificate executed by CUMC stating the United States Taxpayer Identification Number for CUMC and stating that CUMC is not a foreign person as defined in the Internal Revenue Code;

(vii) A certificate restating, as of the Closing Date, all of CUMC's Representations;

(viii) CUMC's counterpart signature to the settlement statement;

(ix) Resolutions, certificates of good standing, and such other organizational documents as the title company shall reasonably require evidencing CUMC's authority to consummate this transaction;

(x) A sub-development agreement, in form agreed upon by CUMC and APAH, which shall provide for the payment to CUMC of a portion of the developer fee paid to APAH in connection with the Project in the amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) (the "**Sub-Development Agreement**"); and

(xi) The Condominium Declaration and the REA.

(e) APAH Closing Deliveries. At the Closing, APAH shall execute and/or provide such documents, affidavits, certificates or other items required pursuant to this Agreement, or reasonably requested by the Escrow Agent, including, but not limited to, the following:

(i) The Ground Lease and the Memorandum of Ground Lease;

(ii) The Development Agreement;

(iii) The Escrow Agreement;

(iv) The Ground Lease Payment and the Existing Materials and Approvals Reimbursement, with credit for the Deposit, plus or minus the adjustments or pro-rations required by this Agreement;

(v) A certificate restating, as of the Closing Date, all of APAH's Representations;

(vi) APAH's counterpart signature to the settlement statement;

(vii) Such other certificates, agreements and other documents as may be reasonably requested by the Escrow Agent in order to permit the title company to issue a title policy; and

(viii) The Sub-Development Agreement.

(f) Early Vacation of the Property. CUMC shall cause the Property to be vacated by CUMC and all tenants and occupants by the date that is ninety (90) days prior to the Anticipated Closing Date (as hereinafter defined), following receipt by CUMC of written notice from APAH (the “**Closing Notice**”), which Closing Notice shall: (i) state the anticipated Closing Date (the “**Anticipated Closing Date**”), and (ii) shall be given to CUMC at least one hundred and fifty (150) days prior to the Anticipated Closing Date. Prior to CUMC’s vacation of the Property, CUMC shall cause all utilities to the Property to be shut off and shall provide APAH with evidence of such utility shut-off. CUMC shall be responsible for paying all fees and charges in connection with utilities to the Property which relate to the period of time prior to CUMC’s vacation of the Property. Upon APAH’s delivery of the Closing Notice and the vacation of the Property by CUMC and all tenants and occupants, (A) the Deposit shall be non-refundable to APAH except in the event of a default by CUMC pursuant to this Agreement, (B) APAH shall pay to CUMC Five Thousand Dollars (\$5,000.00) (the “**Early Vacation Fee**”), (C) CUMC shall execute such reasonable access agreements as may be required by APAH or APAH’s Lenders in order to allow APAH conduct remediation work on the Property prior to Closing, and (D) APAH shall execute reasonable agreements indemnifying CUMC in connection with any work performed on the Property prior to Closing. Upon payment to CUMC, the Early Vacation Fee shall be non-refundable to APAH except in the event of default by CUMC pursuant to this Agreement, and the Early Vacation Fee shall not be credited against the Ground Lease Payment at Closing.

12. Risk of Loss, Casualty Damage and Condemnation.

(a) Risk of Loss. Until Closing, the risk of loss or damage to the Property or any portion thereof is assumed by CUMC. Upon Closing, the risk of loss or damage to the Property or any portion thereof is assumed by APAH, subject to the provisions of the Ground Lease.

(b) Casualty Damage. If the Property is damaged or destroyed by fire or other casualty prior to the Closing Date (“**Casualty Damage**”), then CUMC shall have no obligation to make any repairs and shall notify APAH in writing of such Casualty Damage and this transaction shall proceed in accordance with the provisions of this Agreement (notwithstanding such Casualty Damage) without set-off or deduction and CUMC shall retain all right, title and interest in all insurance proceeds associated with such Casualty Damage.

(c) Condemnation. In the event of the institution of any proceedings by any governmental authority which shall relate to the taking or proposed taking (a “**Taking**”) of any portion of the Property by eminent domain, CUMC shall notify APAH, in writing, within ten (10) days after CUMC’s receipt of notification thereof, and, in the event that such Taking involves a material portion of the Property, APAH shall thereafter have the right and option to terminate this Agreement by giving CUMC written notice of APAH’s election to terminate with ten (10) Business Days after receipt

by APAH of the notice from CUMC, in which event the Deposit shall be returned to APAH, and the parties shall have no further obligations hereunder except for those obligations which specifically survive such termination. For purposes of this Section 12(c), a Taking shall be deemed to involve a material portion of the Property if the Taking will affect more than five percent (5%) of the area of the Property, impact the Approvals, or materially increase the cost or lengthen the schedule for APAH's development of the Project. Should APAH elect not to terminate, CUMC shall assign to APAH all of its right, title and interest in all awards in connection with any such Taking. With regard to a Taking, APAH and CUMC shall work cooperatively and in good faith, and CUMC shall not negotiate or litigate or compromise any claim in connection with such Taking without the prior written consent of APAH, in its commercially reasonable discretion. APAH shall have the right to participate in any such action or proceeding.

13. Default.

(a) APAH's Default. In the event APAH defaults in any of its material obligations under this Agreement at or prior to Closing, any of APAH's Representations are untrue in any material respect as of the Closing Date, or there is a failure of a CUMC Condition Precedent caused by any act of omission by APAH in contravention of this Agreement, or in the event APAH fails to proceed to Closing as and when required hereunder, and such default or failure continues for more than thirty (30) days after written notice from CUMC, then CUMC, as its sole remedy, may elect to terminate this Agreement, and APAH shall be deemed to have forfeited the Deposit. In the event that CUMC elects to terminate this Agreement, the Escrow Agent shall deliver the Deposit to CUMC, and neither party shall have any further obligations pursuant to this Agreement except for those obligations which expressly survive termination of this Agreement. CUMC AND APAH ACKNOWLEDGE THAT CUMC'S DAMAGES WOULD BE DIFFICULT TO DETERMINE, AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF CUMC'S DAMAGES RESULTING FROM A DEFAULT BY APAH PURSUANT TO THIS AGREEMENT. CUMC AND APAH FURTHER AGREE THAT THIS SECTION 13(A) IS INTENDED TO AND DOES LIQUIDATE THE AMOUNT OF DAMAGES DUE CUMC, AND SHALL BE CUMC'S EXCLUSIVE REMEDY AGAINST APAH, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY APAH AT OR PRIOR TO THE CLOSING. Notwithstanding the foregoing, the limitation on remedies set forth in this Section 13(a) shall not apply to any indemnity obligations of APAH or any of APAH's Representations that survive Closing.

(b) CUMC's Default. In the event CUMC defaults in any of its material obligations under this Agreement at or prior to the Closing, any of CUMC's Representations are untrue in any material respect as of the Closing Date, or there is a failure of an APAH Condition Precedent caused by any act or omission by CUMC in contravention of this Agreement, or in the event CUMC fails to proceed to Closing as and when required hereunder, and such default or failure continues for more than thirty (30) days after written notice from APAH, at APAH's election, and as APAH's exclusive remedies, APAH may either (i) terminate this Agreement, whereupon the Deposit and the Early Vacation Fee (if paid by APAH) shall be returned to APAH and the parties shall have no further obligations hereunder except for those obligations which

specifically survive such termination, or (ii) seek specific performance of CUMC's obligation to proceed to Closing pursuant to this Agreement. In the event that APAH terminates this Agreement pursuant to option (i) in connection with (x) a breach by CUMC of its obligation to deliver the CUMC Closing deliveries as set forth in Section 11(d) of this Agreement and its obligations set forth in Section 10(c), which results in a failure of CUMC to perform its Closing obligations, (y) the failure of CUMC to obtain the CUMC Approvals (subject to the provisions, limitations and requirements set forth in Section 8(a)(i)), or (z) any act or omission of CUMC that results in a material breach of CUMC's Representations or the covenants of CUMC set forth in Section 5(c) of this Agreement, then in addition to the return of the Deposit and the Early Vacation Fee (if paid by APAH) to APAH pursuant to the foregoing clause (i), CUMC shall be obligated to pay to APAH, within thirty (30) days after the date of termination of this Agreement, an amount equal to all of APAH's third party costs incurred in connection with this Agreement prior to the date of termination of this Agreement, up to a cap of One Million and No/100 Dollars (\$1,000,000.00). APAH shall provide CUMC reasonably detailed invoices in connection with any third party costs for which APAH seeks reimbursement. Notwithstanding the foregoing, the limitation on remedies set forth in this Section 13(b) shall not apply to any indemnity obligations of CUMC or any of CUMC's Representations that survive Closing.

(c) Monticello Agreement. Notwithstanding anything in this Agreement to the contrary, provided that APAH has used good faith, diligent and commercially reasonable efforts to satisfactorily resolve any issues related to the Monticello Agreement, in the event that APAH terminates this Agreement due to either (i) a failure of the CUMC Condition Precedent set forth in Section 10(a)(vi) to be satisfied, or (ii) a failure of the CUMC Condition Precedent set forth in Section 10(a)(iv) to be satisfied due to any litigation filed in connection with the Monticello Agreement, the Deposit shall be returned to APAH, and CUMC shall be obligated to pay to APAH, within thirty (30) days after the date of termination of this Agreement, an amount equal to all of APAH's third party costs incurred in connection with this Agreement prior to the date of termination of this Agreement, up to a cap of One Million and No/100 Dollars (\$1,000,000.00). APAH shall provide CUMC reasonably detailed invoices in connection with any third party costs for which APAH seeks reimbursement.

14. Real Estate Broker. CUMC and APAH each represent and warrant to the other that neither party has dealt with any real estate broker, agent or finder in connection with this Agreement and that no right to or claim for commission or other compensation has been created by the actions of either with respect to this Agreement. CUMC and APAH hereby indemnify and agree to hold the other harmless against all loss, liability and expense, including reasonable attorney fees and costs suffered by the other due to any breach of the foregoing warranties. This indemnification and agreement to hold harmless shall survive the termination of this Agreement.

15. Notices. Any notice, request, demand, instruction, or other communication to be given to either party hereunder shall be in writing and made either by hand-delivery, or sent by Federal Express or a comparable overnight mail service, or mailed by U.S. registered or certified mail, return receipt requested, postage prepaid to APAH

and CUMC, at their respective addresses set forth below, and a copy of each such notice shall be sent to the applicable party at the email addresses set forth below. Notice shall be deemed to have been given upon receipt or refusal of delivery of said notice, provided that a copy of such notice has been sent to the applicable party at the email addresses set forth below. For purpose of calculating time limits which run from the giving of a particular notice, the time shall be calculated from actual receipt of the notice. The addressees and addresses for the purpose of this Section may be changed by giving notice. Unless and until such written notice is received, the last addressee and address stated herein shall be deemed to continue in effect for all purposes hereunder.

If to APAH: Arlington Partnership for Affordable Housing
4318 North Carlin Springs Rd
Arlington, VA 22203
Attn: Nina Janopaul
Email: njanopaul@apah.org

With a copy to: Walsh Colucci Lubeley & Walsh, P.C.
2200 Clarendon Blvd, Suite 1300
Arlington, VA 22201
Attn: Antonia E. Miller
Email: amiller@thelandlawyers.com

If to CUMC: Central United Methodist Church
4201 Fairfax Drive
Arlington, VA 22203
Attn: Rev. Sarah Harrison-McQueen
Email: pastor@cumcballston.org

With a copy to: Hirschler Fleischer
8270 Greensboro Drive, Suite 700
Tysons, VA 22102
Attn: Justine Fitzgerald
Email: JFitzgerald@hirschlerlaw.com

If to the CUMC
Representative: Joseph Eugene Cross
4141 N. Henderson, #310
Arlington, VA 22203
Email: gcross@aol.com

16. Miscellaneous.

(a) Waiver of Breach. The failure of any party hereto to enforce any provision of this Agreement shall not be construed to be a waiver of such or any other provision, nor in any way to affect the validity of all or any part of this Agreement or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or

subsequent breach. No waiver, amendment, release, or modification of this Agreement shall be established by conduct, custom, or course of dealing and all waivers must be in writing and signed by the waiving party.

(b) Counterparts/Facsimile and Email Signatures. This Agreement may be executed in any number of identical counterparts, any one and all of which shall constitute the Agreement of the parties and each of which shall be deemed an original. This Agreement may be executed by facsimile signatures or electronic delivery of signatures which shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

(c) Assignment. Except as otherwise expressly set forth in this Section 16(c), this Agreement is not assignable by APAH or CUMC without the prior written approval of the other party. Notwithstanding the foregoing, APAH may assign this Agreement, without the prior written approval of CUMC, to an Affiliate (as hereinafter defined) of APAH so long as (i) APAH is not released from its liability hereunder, and (ii) APAH provides written notice to CUMC of any proposed assignment no later than ten (10) Business Days prior to the Closing. CUMC may assign this Agreement, without the prior written approval of APAH, to an Affiliate of CUMC so long as (x) CUMC is not released from its liability hereunder, and (y) CUMC provides written notice to APAH of any proposed assignment no later than ten (10) Business Days prior to Closing. As used herein “**Affiliate**” means a single purpose entity in which the assigning party is a majority owning member or partner or an entity that is directly or indirectly managed or controlled by the assigning party or is under common control with the assigning party.

(d) Binding Effect, Amendment. This Agreement shall not be binding on either party until executed by both APAH and CUMC. Escrow Agent’s execution of this Agreement shall not be a prerequisite to its effectiveness. No modification or amendment of this Agreement shall be of any force or effect unless in writing executed by both CUMC and APAH.

(e) Attorneys’ Fees. In the event either party hereto commences litigation against the other to enforce its rights hereunder, the prevailing party shall be entitled to reasonable attorneys’ fees and costs incidental to such litigation.

(f) Governing Law. This Agreement shall be interpreted in accordance with the internal laws of the Commonwealth of Virginia, both substantive and remedial, without regard to conflicts of laws principles.

(g) Entire Agreement. This Agreement, and the exhibits attached hereto, sets forth the entire agreement between CUMC and APAH relating to the Property and the subject matter hereof, and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties.

(h) Time of the Essence. Time is of the essence in the performance of all obligations by APAH and CUMC under this Agreement.

(i) Computation of Time. Any time period provided for in this Agreement which ends on any day other than a Business Day shall extend to 5:00 p.m. on the next full Business Day.

(j) Construction of Agreement. All of the parties to this Agreement have participated freely in the negotiation and preparation hereof; accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto.

(k) Survival Provisions. The provisions of this Agreement shall survive the Closing until Substantial Completion of the Church Project.

(l) Partial Invalidity. In the event that any portion of this Agreement is determined to be unconstitutional, unenforceable or invalid, such portion of this Agreement shall be stricken from and construed for all purposes not to constitute a part of this Agreement, and the remaining portion of this Agreement shall remain in full force and effect and shall, for all purposes, constitute this entire Agreement.

(m) Business Day. "**Business Day**" shall mean Monday through Friday, except for federal holidays or holidays otherwise recognized by the Commonwealth of Virginia. Any reference in this Agreement to a specific time shall refer to the time in the time zone where the Property is located.

(n) Exhibits and Schedules. All Exhibits and Schedules, whether or not annexed hereto, are a part of this Agreement for all purposes.

(o) Confidentiality. CUMC and APAH shall not disclose the terms and conditions contained in this Agreement and shall keep the same confidential, provided that each may disclose the terms and conditions of this Agreement (i) as required by law, (ii) to consummate the terms of this Agreement, including, but not limited, as may be required in connection with the Approvals, or any financing relating thereto, including the APAH Financing, or (iii) to its board members, lenders, attorneys and accountants. During the term of this Agreement, CUMC may solicit backup offers, but CUMC shall not initiate or engage in any request for proposal or similar process in connection with the Property. All backup offers shall be expressly and absolutely contingent on the termination of this Agreement.

(p) No Personal Liability of Officers, Trustees or Directors. APAH agrees that none of CUMC's managers, members, trustees, employees, officers, directors, trustees, shareholders, counsel, representatives, or agents shall have any personal liability under this Agreement or any document executed in connection with the transactions contemplated by this Agreement. CUMC acknowledges that this Agreement is entered into by APAH which is a not-for-profit Virginia corporation, and CUMC agrees that none of APAH's managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, or agents shall have any personal liability under this Agreement or any document executed in connection with the transactions contemplated by this Agreement.

(q) No Recording. Except upon the occurrence of a failure by CUMC to proceed with the Closing and the continuance of such failure beyond applicable notice and cure periods, the parties shall not cause or allow this Agreement or any memorandum or other evidence hereof to be recorded or become a public record without the prior consent of both parties.

(r) Relationship of Parties. CUMC and APAH acknowledge and agree that the relationship established between the parties pursuant to this Agreement is only that of a seller and a purchaser of property. Neither APAH nor CUMC is, nor shall either hold itself out to be, the agent, employee, joint venturer or partner of the other party.

(s) WAIVER OF JURY TRIAL. THE PARTIES HERETO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.


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[SIGNATURES APPEAR ON FOLLOWING PAGE]

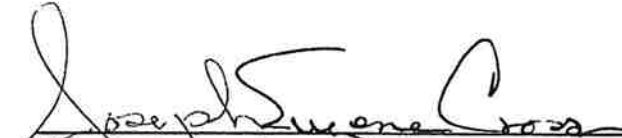
IN WITNESS WHEREOF, and intending to be legally bound, APAH and CUMC have executed this Agreement as of the dates indicated below.

APAH:

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

By: 
Name: _____ Nina Janopaul
Title: _____ President
Date: _____ Oct. 5, 2020

CUMC:



Joseph Eugene Cross, Trustee

Date: 10/3/2020



Briar Rose Smith, Trustee

Date: 10/10/2020

Mike Rugala, Trustee

Date: _____



Alex Timm, Trustee

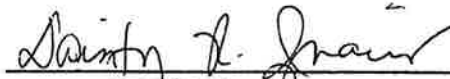
Date: 10/9/2020

Ali Azimipour, Trustee

Date: _____

Tricia O'Hara, Trustee

Date: _____



Dainty Ignacio, Trustee

Date: 10/12/2020

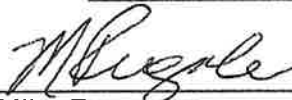
CUMC:

Joseph Eugene Cross, Trustee

Date: _____

Briar Rose Smith, Trustee

Date: _____



Mike Rugala, Trustee

Date: 10/10/2020

Alex Timm, Trustee

Date: _____

Ali Azimipour, Trustee

Date: _____

Tricia O'Hara, Trustee

Date: _____

Dainty Ignacio, Trustee

Date: _____

CUMC:

Joseph Eugene Cross, Trustee

Date: _____

Briar Rose Smith, Trustee


Date: _____

Mike Rugala, Trustee

Date: _____

Alex Timm, Trustee

Date: _____


Ali Azimipour, Trustee

Date: 10/13/2020

Tricia O'Hara, Trustee

Date: _____

Dainty Ignacio, Trustee

Date: _____

CUMC:

Joseph Eugene Cross, Trustee

Date: _____

Briar Rose Smith, Trustee

Date: _____

Mike Rugala, Trustee

Date: _____

Alex Timm, Trustee

Date: _____

Ali Azimipour, Trustee

Date: _____

Tricia O'Hara

Tricia O'Hara, Trustee

Date: 10/14/20

Dainty Ignacio, Trustee

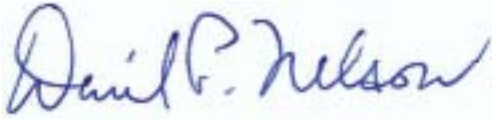
Date: _____

ESCROW AGENT SIGNATURE PAGE

The undersigned executes the Agreement to which this signature page is attached for the purpose of agreeing to the provisions of Section 3 of the Agreement.

ESCROW AGENT:

COMMONWEALTH LAND TITLE COMPANY

By:  _____

Name: David P. Nelson

Title: Senior Vice President

EXHIBITS LIST:

Exhibit A	List of Existing Materials
Exhibit B	Form of Ground Lease
Exhibit C	Form of Development Agreement
Exhibit D-1	Preliminary Project Budget
Exhibit D-2	Description of the Preliminary Plans
Exhibit D-3	Milestone Schedule
Exhibit E-1	Form of the Condominium Declaration
Exhibit E-2	Form of the REA
Exhibit F	List of Leases
Exhibit G	Form of Deed of Release and Termination
Exhibit H	Form of Deed of Amendment

EXHIBIT A

List of Existing Materials

1. GPR_4201 North Fairfax Drive (Central United Methodist Church)-WMATA Services
2. Central United Methodist Church Hazmat Survey
3. Phase II Wells
4. Phase 1 Update
5. MemoReport_UMC- 6/2/2016
6. GPR_Report_UMC- 8/31/2016
7. Notification-civ- 9/29/2016
8. Notification – des- 9/30/2016
9. Report
10. Contract Addendum #1- 11/2/2016
11. Contract Addendum #4
12. Accounting records from Bozzuto
 - a. Ballston Invoices 1 of 7
 - b. Ballston Invoices 2 of 7
 - c. Ballston Invoices 3 of 7
 - d. Ballston Invoices 4 of 7
 - e. Ballston Invoices 5 of 7
 - f. Ballston Invoices 6 of 7
 - g. Ballston Invoices 7 of 7
 - h. Ballston Station Job Cost Summary
 - i. Ballston Station Transaction Analysis
 - j. CUMC Invoices Part 1 of 5
 - k. CUMC Invoices Part 2 of 5
 - l. CUMC Invoices Part 3 of 5
 - m. CUMC Invoices Part 4 of 5
 - n. CUMC Invoices Part 5 of 5
 - o. CUMC Job Cost Summary
 - p. CUMC Transaction Analysis
13. Agreement for Development Consulting Services EXECUTED-termination
14. AIA B108 Ballston Housing FINAL signed- 8/3/2016
15. AIA B108 Central United Church FINAL signed (corrected)- 8/3/2016
16. APAH Due Diligence Documents
 - a. Minor Site Plan Amendment
 - b. Bohler Survey
 - c. CUMC Phase II ESA _1580-C_Draft Report
 - d. Document List
 - e. LIHTC Application - Plans & Specs.
 - f. Memo Wells + Associates
17. Archeology
 - a. GPR_Report_UMC- 8/31/2016

- b. SOW- 7/6/2016
 - c. Central_UMC_Tasks- 9/8/2016
 - d. Draft Notice- 9/8/2016
 - e. Permit- Removal of Human Burials- 9/8/2016
 - f. SOW-1- 9/8/2016
 - g. SOW- 9/8/2016
 - h. ASCO- 10/20/2016
 - i. Amendment_SOW- 4/7/2017
 - j. Extension_to_Burial_Permit_2019
 - k. 042116P11329.pdf
 - l. 042116P11329A.pdf
 - m. 061016_additional.services.pdf
 - n. 092916_additional.services.pdf
 - o. Arch_SOW
 - p. Ballston-Station-SPRC-Ball-Family-Letter-2017
 - q. Signed GAL Report for United Methodist Church
 - r. WSSI Overview
18. Boehler CUMC- 11/2/2016
 19. Bohler - Contract Addendum #2
 20. Bohler_2015_11_23.pdf
 21. Bohler-2016_01_18.pdf
 22. Cohn Reznick
 23. CUMC Phase 1 Study
 24. CUMC_PSA_signed- 6/7/2019
 25. CUMC-HUD-1
 26. CUMC Term Sheet-signed
 27. DCS RAS-05 - Save Existing Graveyard
 28. DCS RAS-06 - Redesign of Units Due to Reduced Unit Count
 29. DCS RAS-07 - Redesign DD's After Building Design Changed
 30. E&G Agreement
 31. ECS report (geotech phase 1)
 32. ECS-geotech
 33. ECS-phase 1
 34. ECS-phase 2
 35. Exhibit A- Legal Description
 36. Exhibit C-1 (Budget)
 37. Exhibit C-2- Milestone Schedule
 38. Exhibit D
 - a. Exhibit D-1 STSA
 - b. Exhibit D-2 KCC
 - c. Exhibit D-3 TLIC
 - d. Exhibit D-4 ASK
 - e. Exhibit D
 39. Final Decree

40. HP-Robert-Ball-Sr.-Attachment-C-Design-Guidelines
41. HP-Robert-Ball-Sr.-Attachment-D-Designation-Report
42. Invoices Requested
43. Long Fence
44. Market Study
45. MSA Executed Contract
46. Operating- 3/2/2017
47. Option to Purchase- Melissa Wood
48. Option to Purchase- Missing Melissa Wood
49. PDF Copy of Ballston Methodist Church Alley Vacation Appraisal
50. Phoenix1.pdf
51. PNV Signed Ballston Station Cons Agmt.
52. PNV Signed CUMC Cons Agmt.
53. PSA
54. RAS-09
55. RAS-09A with proposal-signed
56. RAS-10 with proposal-signed
57. RBSr-Burial-Ground-Final-w-Cover
58. Request to extend burial permit
59. Signed monitoring WMATA
60. ALTA_signed
61. Summerwalk-2008
62. Thunderbird
63. Title Objection Letter
64. UP report (dry utility)
65. Utility Pro CUMC- July
66. Utility Pro- June 2016
67. Utility.pdf
68. WA report (traffic impact)
69. Wells & Associates.pdf
70. Wetlands- 11/2/2016

EXHIBIT B

Form of Ground Lease

[attached]

DEED OF GROUND LEASE

THIS DEED OF GROUND LEASE (this "**Lease**") is made as of the _____ day of _____, 2021 (the "**Effective Date**"), by and between _____, Trustees for Central United Methodist Church ("**Landlord**" or "**CUMC**") and _____ ("**Tenant**").

RECITALS

A. Landlord is the owner of (i) that certain real property situated in Arlington County, Virginia (the "**County**"), consisting of approximately 29,783 square feet, together with all easements, rights and appurtenances thereunto belonging (the "**Land**"), which, as of the Effective Date, has been subdivided pursuant to the Condominium Declaration (as hereinafter defined) to create the APAH Unit (as hereinafter defined) and the CUMC Unit (as hereinafter defined), and (ii) the Existing Improvements (as hereinafter defined).

B. Pursuant to the Agreement to Ground Lease dated _____, 2020, between Landlord and Arlington Partnership for Affordable Housing, Inc., a Virginia corporation (the "**Agreement**"), and the provisions of this Lease, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Premises (as hereinafter defined) for development by Tenant as more fully herein set forth.

NOW THEREFORE, the Landlord and Tenant do hereby agree as follows:

ARTICLE 1
DEFINITIONS

In addition to the defined terms in the Recitals above (which are incorporated herein), or otherwise set forth in this Lease, the following terms, as used in this Lease, shall have the following definitions:

Additional Rent: All charges payable by Tenant as set forth in this Lease and not included within the Ground Lease Payment.

APAH: Arlington Partnership for Affordable Housing, Inc., its successors or permitted assigns.

APAH Unit: The portion of the Project known as _____
[NOTE: INSERT CONDOMINIUM DECLARATION DESCRIPTION]

Approvals: _____, as the same may be updated and modified from time-to-time and approved by the County and all applicable governmental authorities.

Condominium Declaration: _____

CUMC Unit: The portion of the Project known as
[NOTE: INSERT
CONDOMINIUM DECLARATION DESCRIPTION]

Depository: The reputable banking institution or title insurance company selected by Landlord, subject to any Leasehold Mortgagee requirements, to hold certain funds as set forth in this Lease.

Development Agreement: That certain Development Agreement executed by Landlord and Tenant and dated as of the Effective Date.

Existing Improvements: Any buildings, fixtures, structures or improvements existing on the Land as of the Effective Date.

Force Majeure: An occurrence, which (x) is directly consequent of (i) an act of God, (ii) a civil insurrection, (iii) a human virus epidemic resulting in governmental orders to cease construction, (iv) a war in which the United States is a declared combatant, (v) a casualty caused by an extraordinary natural event which is beyond the control of a prudent lessee, or (vi) a strike declared by a certified union, a wildcat strike or a lockout by a supplier which Tenant is not able to avoid, settle or defer by taking actions and expending funds in a manner consistent with the real estate development industry practices in the Washington, D.C. metropolitan area or by reasonable labor contract negotiations, and (y) directly prevents any and all construction, renovation, restoration or repair of the Improvements for more than ten (10) consecutive days. In no event shall (a) any matters that may be remedied by the prudent expenditure of funds be construed to be a Force Majeure event, or (b) any Force Majeure event be deemed to continue for more than ninety (90) days.

Ground Lease Payment: Ten Million Nine Hundred Ninety-Five Thousand and No/100 Dollars (\$10,995,000.00) to be paid by Tenant to Landlord on the Effective Date. Landlord and Tenant acknowledge that the Ground Lease Payment is a one-time, upfront payment to the Landlord and that no other payments, other than Additional Rent, shall be owed to the Landlord during the Term of this Lease.

Hazardous Substance: All hazardous or toxic substances, wastes or materials, any pollutants or contaminants (including asbestos, PCB's, petroleum and by-products and raw materials which include hazardous constituents) or materials which are included under or regulated by any Hazardous Substance Law.

Hazardous Substance Law: Any and all local, state or federal laws, rules and regulations pertaining to environmental regulation, contamination, clean-up or disclosure, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act and the Toxic Substances Control, as any of the foregoing have been or may be amended.

Impositions: All real estate taxes assessed or assessable against the Premises, ad valorem taxes on tangible property, assessments, vault charges, water and sewer charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including but not limited to assessments for public improvements or benefits, relating to any part of the Premises, which shall become due and payable during the Term.

Improvements: The Existing Improvements until the Existing Improvements are demolished by Tenant, and thereafter, the Tenant Improvements.

Investor: The investor member or limited partner of Tenant. The Investor as of the Effective Date, and its mailing address, is attached hereto as **Exhibit A**.

Lease Year: Each successive twelve (12) full calendar month period after the Effective Date of this Lease.

Leasehold Mortgage: Any mortgage and/or deed of trust at any time in effect on all or any part of the Improvements or Tenant's leasehold estate under this Lease, or if more than one such mortgage and/or deed of trust shall at the time be in effect, each of them.

Leasehold Mortgagee: The holder or beneficiary of a Leasehold Mortgage, provided either Tenant or such holder has (i) notified Landlord in writing of such holder's interest in the Improvements or interest in Tenant's leasehold estate under this Lease and of its mailing address, and (ii) given Landlord a copy of the Leasehold Mortgage held by such holder. A list of each Leasehold Mortgagee as of the Effective Date, and their respective mailing addresses, is attached hereto as **Exhibit B**.

Premises: The APAH Unit, the CUMC Unit and the Improvements. Following Substantial Completion of the CUMC Unit, the definition of the Premises shall exclude the CUMC Unit.

Project: As defined in the Development Agreement.

Project Completion: The date on which the Project receives a Certificate of Occupancy from the County.

REA: _____.

Related Entity: Any individual or entity which owns or controls or is owned or controlled, in whole or in part, directly or indirectly, by the applicable party, or any partner of the applicable party, or any entity which is a partner of the applicable party.

Rent: All rent and charges set forth in this Lease, including the Ground Lease Payment and Additional Rent.

Subleases: All residential leases for apartment units within the Improvements entered into by Tenant as lessor and such other subleases as are permitted or approved by Landlord pursuant to the provisions of Section 10.2 of this Lease.

Substantial Completion: As defined in the Development Agreement.

Subtenants: The tenants under Subleases, who are residents of the Project and such other subtenants of the APAH Unit as are permitted or approved by Landlord pursuant to the provisions of Section 10.2 of this Lease.

Tenant Improvements: The Project (as defined in the Development Agreement) and/or any additional improvements to be constructed on the APAH Unit or the CUMC Unit by Tenant, pursuant to the provisions of the Development Agreement. Following Substantial Completion of the CUMC Unit, the definition of Tenant Improvements shall exclude the improvements which are part of the CUMC Unit.

ARTICLE 2 PREMISES

Section 2.1 Premises. In consideration of the Rent and covenants herein set forth and contained, Landlord does hereby lease unto Tenant and Tenant does hereby lease from Landlord, for the Term, upon and subject to the terms and provisions of this Lease, the Premises, subject, however, to the liens, charges, encumbrances, leases, easements and restrictions of record as of the Effective Date. For avoidance of doubt, upon Substantial Completion of the CUMC Unit, the following shall occur: (a) this Lease shall automatically terminate with respect to the CUMC Unit, (b) all references in this Lease to the Premises, the Tenant Improvements and the Land shall be deemed to exclude the CUMC Unit and the improvements thereon, (c) Tenant shall have no further ground leasehold interest in the CUMC Unit pursuant to this Lease or otherwise, and (d) Tenant shall cause all Leasehold Mortgagee(s) to execute and deliver, and Tenant shall record, a release of the CUMC Unit from all Leasehold Mortgage(s), in form and substance reasonably acceptable to Landlord. The provisions of this Section 2.1 shall not be interpreted in any way to change or modify the terms of Article 17 with respect to the CUMC Unit following Substantial Completion of the CUMC Unit. Notwithstanding anything to the contrary set forth in the Condominium Declaration, Landlord agrees that Landlord shall not have the right to subdivide the CUMC Unit pursuant to the Condominium Declaration until Substantial Completion of the CUMC Unit.

Section 2.2 Condition of Premises. Subject to CUMC's Representations (as defined and set forth in the Agreement), which survive until Substantial Completion of the CUMC Unit, and which are incorporated herein by reference, Tenant accepts possession of the Premises in its "AS IS" "WHERE IS" condition existing on the Effective Date without representation or warranty of any kind from Landlord. Tenant has thoroughly examined the Premises and is aware of and accepts the condition of the Premises as of the Effective Date.

ARTICLE 3
TERM OF LEASE

Section 3.1 Term. The term of this Lease (the “**Term**”) shall commence on the Effective Date and shall expire on the date that is seventy- five (75) years after the date of Project Completion, subject to extension pursuant to the provisions of Section 3.2. Promptly following Project Completion, Landlord and Tenant each agree to execute a side letter confirming the date of Project Completion for all purposes pursuant to this Lease.

Section 3.2 Extensions Periods. Not later than six (6) months prior to the expiration of the Term, Landlord and Tenant shall meet to review the existing Leasehold Mortgages, and Landlord may elect, by written notice (the “**Assumption Election Notice**”) to Tenant delivered not later than five (5) months prior to the expiration of the Term, to assume the existing Leasehold Mortgages at the end of the Term. In the event that Landlord delivers the Assumption Election Notice, Tenant shall use commercially reasonable and good faith efforts to work with the existing Leasehold Mortgagees to ensure that the existing Leasehold Mortgages can be assumed by Landlord at the end of the Term (and Landlord shall cooperate with such efforts). If Landlord delivers the Assumption Election Notice and the Leasehold Mortgages can be assumed by Landlord, the Lease shall expire at the end of the Term, and Tenant shall surrender the Premises and Improvements to Landlord at the expiration of the Term subject to the existing Leasehold Mortgages. If Landlord does not deliver the Assumption Election Notice or if, despite Tenant’s commercially reasonable and good faith efforts, the Leasehold Mortgages cannot be assumed by Landlord, the Term shall be extended for a period of five (5) years (an “**Extension Period**”), and, in such event, the process described in this Section 3.2 shall be repeated two (2) additional times, such that the Term shall be subject to three (3) possible Extension Periods of five (5) years each pursuant to the provisions of this Section 3.2. If Landlord does not deliver the Assumption Election Notice prior to the commencement of the third Extension Period, this Lease shall terminate upon the expiration of the third Extension Period, and, at the expiration of the third and final five (5) year Extension Period, Tenant will surrender the Premises and Improvements to Landlord free and clear of all Leasehold Mortgages. All references in this Lease to the Term shall refer to the Term (as defined in Section 3.1), plus any applicable Extension Periods pursuant to this Section 3.2.

ARTICLE 4
RENT

Section 4.1 Rent. Tenant covenants and agrees to pay, at such time as provided herein, the Ground Rent Payment and Additional Rent, as herein provided.

Section 4.2 Ground Rent Payment. On the Effective Date, Tenant shall pay to Landlord the Ground Rent Payment, in immediately available funds, subject to the credits and prorations as set forth in the Agreement.

Section 4.3 Legal Tender. All Rent payable to Landlord under this Lease shall be paid in such currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at Landlord's principal place of business or at such other place as Landlord from time to time specifies by written notice to Tenant.

Section 4.4 Net Lease. It is the intent of Landlord and Tenant that the Ground Rent Payment shall be a fully net return to Landlord over and above any and all Impositions, insurance premiums, costs, expenses, utility charges and other charges of every kind and nature related to the Premises or this transaction, except for the following as may be imposed upon Landlord: (a) franchise taxes, (b) inheritance taxes, (c) capital stock taxes, (d) income tax on any Rent payable hereunder, (e) income taxes measured by the net income of Landlord from all sources, and (f) judgments for damages against Landlord and all sums paid by Landlord in settlement of litigation against Landlord pursuant to this Lease. Except as otherwise expressly provided for herein, all such Impositions related to the Premises, insurance premiums, costs, expenses, utility charges and charges related to the Tenant Improvements which may arise or become due, shall be paid by Tenant, and Landlord shall be indemnified and saved harmless by Tenant from and against the same. Except as set forth in the REA and the Development Agreement, Landlord shall not be called upon to make any expenditure for the maintenance, repair or preservation of the Tenant Improvements.

ARTICLE 5 PAYMENT OF REAL ESTATE TAXES, ETC.

Section 5.1 Obligation for Real Estate Taxes, Etc. Tenant shall pay or cause to be paid, when due, all Impositions for the Premises which shall become due or payable during the Term of this Lease. Where any Impositions are permitted by law to be paid in installments, Tenant may pay such Impositions in installments as and when such installments become due; provided, however, that all installments must be paid as they become due and before any fine, penalty, interest or cost may be added thereto. In the event any fine, penalty, interest or cost is added thereto, Tenant shall pay such fine, penalty, interest or cost. Any Impositions, other than Impositions which have been converted into installment payments by Tenant, relating to a fiscal or other period used by the governmental authority for the collection of such Impositions, a part of which period is included in a period of time after the expiration of the Term of this Lease, shall be adjusted between Landlord and Tenant as of the expiration of the Term (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises or any part thereof, or shall become payable, during the Term of this Lease) so that Tenant shall pay that portion of such Imposition which is attributable to the portion of such fiscal period within the Term, and Landlord shall pay the remainder thereof. Any such Impositions which apply only to a portion of the first year of the Term shall also be appropriately adjusted, and Tenant shall pay its appropriate share of such Impositions, if any, for the calendar year based on the Effective Date. Notwithstanding the foregoing, following the termination of this Lease with respect to the CUMC Unit, Landlord shall be solely responsible for the payment of

all Impositions (if any), assessments, utilities and other charges solely attributable to the CUMC Unit.

Section 5.2 Direct Payment. Tenant shall pay all Impositions in connection with the Premises directly to the appropriate governmental authority, and Tenant shall make arrangements with the County to have all statements for Impositions sent to Tenant. Notwithstanding the foregoing, Landlord shall promptly deliver to Tenant all statements for Impositions Landlord receives which relate to the Premises.

Section 5.3 Proof of Payment. Upon request by Landlord, Tenant shall furnish to Landlord copies of official receipts of the appropriate governmental authority or other proof satisfactory to Landlord, evidencing the timely payment of the Impositions.

Section 5.4 Contest. Tenant or a Leasehold Mortgagee may contest the validity or amount of any assessment or Imposition but in no event during such appeal shall Tenant defer the payment thereof. Tenant shall cause all sums finally adjudicated to be due after any such appeal to be paid before any fine, penalty, interest or cost may be added thereto. If reasonably requested by Tenant or required by law, Landlord agrees to join in and execute any documents required to challenge or contest assessments or Impositions pursuant to this Section 5.4, provided that all expenses in connection therewith (including reasonable attorneys' fees) shall be paid by Tenant, and Tenant indemnifies and agrees to hold harmless and defend Landlord from any liabilities, costs, expenses, damages or claims in relation thereto. If, after being requested to do so in writing by Landlord, Tenant fails to contest by appropriate legal or other proceedings, the amount or validity of any Imposition, Landlord may elect to contest on its own behalf any such Imposition, and Tenant agrees to cooperate with Landlord in the conduct of such appropriate proceedings. Landlord reserves the right to accept a settlement or discontinue such action at any time.

ARTICLE 6 INSURANCE

[NOTE: ALL INSURANCE TO BE REVIEWED, UPDATED AND APPROVED BY EACH PARTY'S INSURANCE PROVIDERS PRIOR TO CLOSING.]

Section 6.1 Hazard Insurance. During the Term of this Lease, Tenant shall maintain in effect, at Tenant's expense (subject to any cost allocations in the Development Agreement), the following insurance with respect to the Premises:

(a) Hazard insurance against loss or damage to the Tenant Improvements from fire and other risks covered by an All Risk Coverage insurance policy for the Commonwealth of Virginia, in an amount equal to one hundred percent (100%) of the full replacement value of the Tenant Improvements, or, if such policy is not obtainable, then in an amount equal to the maximum insurable value which is obtainable.

(b) During the period of any construction or reconstruction on or within the Tenant Improvements, the insurance described in Section 6.1(a) above shall be effected under a Builder's Risk Completed Value (non-reporting form, if available) Policy with an All-Risk Endorsement.

(c) Broad form coverage boiler or pressure vessel insurance, sprinkler system insurance and machinery insurance, if the Improvements contain equipment of the nature covered by such policy, in an amount equal to one hundred percent (100%) of the full replacement value of such equipment.

Section 6.2 Terms of Hazard Policies. All policies of insurance provided for in Section 6.1 shall be subject to the following requirements:

(a) The proceeds under such policies shall be payable (i) in the case of any particular casualty resulting in termination of this Lease, to Landlord, (ii) in the case of any particular casualty resulting in a loss payment not exceeding One Hundred Thousand (\$100,000.00) and not resulting in termination of this Lease, to Tenant, and (iii) in the case of any particular casualty resulting in a loss payment in excess of One Hundred Thousand Dollars (\$100,000.00) and not resulting in termination of this Lease, to the Depository. Any loss paid under any such insurance to Tenant shall be held by Tenant in trust for application to the cost of restoring, replacing or rebuilding the destroyed or damaged Tenant Improvements in accordance with the provisions of Article 8. Any loss so paid to the Depository shall be disbursed by it in accordance with the provisions of Section 6.2(b).

(b) All sums referred to in Section 6.2(a) paid to or deposited with the Depository (the "**Deposited Sums**") shall be disbursed in the manner hereinafter provided. From time to time as the restoration, repair, replacement or rebuilding of the Tenant Improvements or any portion thereof damaged or destroyed by fire or other casualty progresses (hereinafter referred to as the "**Work**"), disbursement of any money so held by the Depository shall be made upon receipt by the Depository of the following:

(i) A certificate signed by Tenant, dated not more than thirty (30) days prior to the application for such disbursement, setting forth in substance the following:

(A) That the sum then requested to be disbursed either has been paid by Tenant and/or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons or corporations (whose names and addresses shall be stated) who have rendered and furnished certain labor and/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 or corporations in respect thereof, and stating the progress of the Work up to the date of such certificate;

(B) Copies of all applicable conditional or final and unconditional lien waivers;

(C) That the sum then requested to be disbursed does not exceed the cost of the Work insofar as actually accomplished up to the date of such certificate; and

(D) That no default exists under this Lease on the part of Tenant.

Upon receipt of said certificate, the Depository shall, out of the Deposited Sums, disburse to Tenant the amount stated in the certificate to be due to Tenant and/or is then due to the contractors, subcontractors, materialmen, engineers, architects or other persons or corporations for work done or materials furnished. If there is an excess of proceeds after restoration, said proceeds shall be paid to the Leasehold Mortgagee(s), to reduce or extinguish the mortgage debt, if allowed pursuant to the Leasehold Mortgage(s). Any proceeds in excess of the amount applied to the Leasehold Mortgage debt shall be divided between Landlord and Tenant pro rata based on the aggregate fair market value of Landlord's interest in the Land and reversionary interest in the Improvements and Tenant's interest in the Improvements, all as determined by the Appraisal Process. The fees of the Depository shall be paid from the Deposited Sums, prior to disbursement as set forth herein. If, for any reason, the Tenant Improvements are not restored, replaced, repaired, or rebuilt and Tenant is not actively and in good faith diligently proceeding with arrangements for the repair and restoration, subject to Force Majeure, then the entire balance of Deposited Sums shall be paid directly to Landlord by the Depository, and Tenant's failure to restore, repair, replace or rebuild the Improvements shall be deemed a default under this Lease, unless Landlord or Tenant has exercised its right to terminate the Lease pursuant to Article 8 hereof. It is agreed that Landlord will seek to enforce the provisions of this paragraph in a reasonable manner, taking into consideration the time required (x) to settle insurance claims, (y) to obtain necessary governmental permission to repair and restore, and (z) for delays caused by Force Majeure.

Section 6.3 Tenant's Liability Insurance. During the Term of this Lease, Tenant, at its sole cost and expense, shall maintain in effect the following insurance:

(a) Comprehensive general liability insurance against all claims for bodily injury, personal injury, death or property damage occurring on or about the Premises or in or about adjoining streets, property, or passageways, or in connection with any operations incidental to the Premises. The policy for such insurance shall name Landlord and any Leasehold Mortgagee(s) as additional insureds and shall initially contain coverage of not less than One Million Dollars (\$1,000,000.00) for injury including death to any one person and not less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage combined with an umbrella policy with coverage of an additional Five Million Dollars (\$5,000,000.00) per occurrence for bodily injury and property damage combined, such amounts to be adjusted from time to time, at Landlord's discretion reasonably exercised, with coverages then deemed necessary and customary in connection with the operation of first class apartment buildings in Northern Virginia.

(b) With respect to all employees from whom such coverage is required by applicable law, appropriate worker's compensation insurance covering all persons for whom such coverage is available to Tenant and if obtainable, naming Landlord as an additional insured.

Section 6.4 Tenant's Insurance. Tenant may effect for its own account any insurance not required under the provisions of this Lease, but any insurance effected by Tenant in connection with the Premises, whether or not required under this Article, shall be for the mutual benefit of Landlord and Tenant and shall be subject to all other provisions of this Article.

Section 6.5 Terms of All Insurance Carried By Tenant. All insurance carried by Tenant shall be subject to the following terms:

(a) All such insurance shall be effected under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the Commonwealth of Virginia.

(b) Each policy shall contain a statement that the insurance shall not be invalidated should any insured waive in writing prior to a loss any or all right of recovery against any person for loss occurring to the property described in the insurance policy, if obtainable. Each policy shall contain a waiver by such insurance company of its right of subrogation against Landlord.

(c) All policies shall name Landlord, Tenant and any Leasehold Mortgagee(s) as additional insureds as their interests may appear pursuant to the provisions of this Lease. Upon request by Landlord, Tenant shall promptly deliver to Landlord copies of all insurance policies and certificates obtained by Tenant relating to the Premises.

(d) All policies for such insurance shall contain a provision or endorsement that such policies are primary to any insurance obtained directly by Landlord.

(e) Each policy shall contain, if obtainable in the ordinary course of business upon request by the insured to the insurance carrier, provisions that no work performed in or about the Premises and no act or omission of Tenant, Landlord, any Leasehold Mortgagee(s) or occupant of the Improvements shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

(f) Each policy shall contain an agreement by the insurer that such policy shall not be cancelled or amended without at least thirty (30) days' prior written notice to Landlord and any Leasehold Mortgagee(s).

(g) Any such insurance may be effected by a policy or policies of blanket insurance covering the Premises and any other property in which Tenant has an interest; provided, however, that the amount of the total insurance allocated to the Premises shall, in the Landlord's reasonable judgment, be such as to furnish protection

equivalent to that provided by separate policies in the amounts herein required; further provided, that in all other respects, any such policy or policies shall comply with the other provisions of this Lease.

(h) In the event insurance of the types, coverages, and amounts as specified in this Article 6 are not commercially available, Tenant shall procure insurance most closely matching such requirements and such insurance shall be deemed in compliance with this Article 6, provided that if such insurance becomes commercially available at a later date, Tenant shall then carry insurance as specified herein.

Section 6.6 Insurable Condition. Tenant shall not violate any of the conditions or provisions of any policy provided for in this Article 6 or void or make voidable any such policies, and Tenant shall so perform and satisfy the requirements of the companies writing such policies such that at times companies of good standing shall be willing to write and/or continue such insurance.

Section 6.7 Landlord Insurance. Landlord shall maintain insurance for the CUMC Unit upon substantially the same requirements set forth in this Article 6, taking into account the use of the CUMC Unit and the use of the APAH Unit.

ARTICLE 7 USE

Section 7.1 Permitted Use.

(a) During the Term, the Premises shall be used (i) as an affordable housing project (and ancillary uses thereto) to the extent required by the Extended Use Regulatory Agreement and/or Declaration of Restrictive Covenants between the Virginia House Development Authority and Tenant entered into on or about the Effective Date of this Lease, and (ii) in accordance with all applicable laws and requisite governmental approvals. Subject to the preceding sentence and other applicable provisions of this Lease, Tenant shall have the right to use the Premises or any part thereof to build and rebuild the Tenant Improvements thereupon and to make such alterations, improvements and betterments to the Tenant Improvements as it may desire, and to sublease the Premises in accordance with the provisions of Article 10.

(b) All Tenant Improvements shall remain the sole and exclusive property of Tenant until the expiration or termination of this Lease, at which time all of Tenant's right, title and interest in and to the Tenant Improvements shall vest in Landlord, subject to the rights of all Subtenants. Tenant agrees to execute and deliver to Landlord such reasonable documents and to give such further reasonable assurances as are necessary to convey to and vest in Landlord all of the foregoing right, title and interest in the Tenant Improvements upon the expiration or termination of this Lease, including a deed and bill of sale, which deed shall be recorded, and Landlord and Tenant shall share equally the recordation costs in connection therewith (if any). During the Term, Tenant shall be entitled to all tax attributes of ownership of the Improvements including, without limitation, all depreciation, deductions and federal low

income housing tax credits or other federal or state benefits relating to the Tenant Improvements, and Tenant alone shall be entitled to claim depreciation on the Improvements for all purposes during the Term.

Section 7.2 Compliance with Law. Tenant shall at all times during the Term, at Tenant's cost and expense, perform and comply with all laws, rules, orders, ordinances, regulations and requirements now or hereafter enacted or promulgated, of any governmental agency or authority having jurisdiction over the Premises or the Improvements. Tenant shall procure, maintain and comply with all permits, licenses and other authorizations required for any use of the Premises, or any part thereof then being made, and for the proper erection, installation, operation and maintenance of the Tenant Improvements and the facilities and equipment therein.

Section 7.3 Covenant Against Waste. Tenant covenants not to do or suffer any waste or damage, disfigurement or injury to the Premises, except as provided in Section 9.4.

Section 7.4 Hazardous Waste. Tenant shall not perform or allow the performance of any activity on the Premises which would result in the discharge, seepage, spillage or release of oil, petroleum or chemical liquids or solids, liquid or gaseous products or any Hazardous Substance in violation of Hazardous Substance Laws. Tenant shall comply with all Hazardous Substance Laws and shall notify Landlord immediately in the event of any discharge, seepage, spillage or release of Hazardous Substance(s) on the Premises. In the event Landlord receives notice from any governmental or regulatory entity or any third-party of any discharge, seepage, spillage or release of Hazardous Substance(s) on the Premises, Landlord shall promptly provide a copy of such notice to Tenant.

Section 7.5 Mechanics' Liens. Landlord shall not be liable for any work performed or to be performed on the Tenant Improvements by or on behalf of Tenant or for any materials furnished or to be furnished at the Premises for Tenant, except as set forth in the Development Agreement. Tenant shall assure that no mechanic's or other lien for such work or materials shall attach to the Premises or to the reversionary or other interest of Landlord. If any mechanic's lien or other lien or charge shall be filed or made against the Premises or any part thereof (except in connection with any work being performed by Landlord, its agents or contractors), or if any such lien or charge shall be filed or made against Landlord as owner, then Tenant, at Tenant's cost and expense, within twenty (20) days after such lien or charge shall have been filed or made, shall cause the same to be cancelled and discharged of record by payment thereof or filing of a bond or otherwise, and shall also defend, at Tenant's cost and expense, any action, suit or proceeding which may be brought for the enforcement of such lien or charge, and shall pay any damages, costs and expenses (including reasonable attorneys' fees) suffered or incurred therein by Landlord, and shall satisfy and discharge any judgment entered therein. In the event of the failure of Tenant to discharge within the above-mentioned twenty (20) day period any mechanic's lien or other lien or charge herein required to be paid or discharged by Tenant, Landlord may at its sole option pay such items or discharge such liability by payment or bond, or both,

and Tenant will repay to Landlord, as Additional Rent, upon demand any and all amounts paid by Landlord therefor or by reason of any liability on such bond, and also any and all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection therewith. Notwithstanding the foregoing, Tenant at its expense may contest, after prior written notice to Landlord, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity to application, in whole or in part, of any mechanics' lien or other charge of the nature referred to above, provided that (a) neither the Premises nor any part thereof would be in any danger of being forfeited or lost, and (b) Tenant shall have furnished such security as may be required in the proceedings or reasonably required by Landlord. Notwithstanding such contest, if Landlord shall at any time reasonably determine that its interest may be jeopardized by Tenant's failure to discharge the lien or other charge, Landlord shall give Tenant written notice of such determination. If Tenant does not discharge such lien or other charge within twenty (20) days after delivery of said notice, then Landlord may discharge the same, and Tenant shall reimburse Landlord, as Additional Rent, for the amount of the payments, costs and expenses incurred by Landlord in connection with such discharge, upon demand of Landlord.

ARTICLE 8 CASUALTY AND TAKING

Section 8.1 Casualty. In the case of any casualty to the Improvements, this Lease shall not automatically terminate but shall remain in full force and effect pursuant to the provisions of this Lease, with all Rent due and payable, and Landlord and Tenant hereby waive the provisions of any law providing for termination of a lease upon a casualty to the Improvements or any similar rights now or hereafter granted by law.

Section 8.2 Restoration. Tenant covenants and agrees that in case of damage to or destruction of the Tenant Improvements, Tenant shall, at its sole cost and expense, promptly commence to repair, restore and rebuild the same, and shall complete the same within a reasonable period, using diligent efforts. Tenant shall be entitled to apply insurance proceeds to the restoration of the Improvements, to the extent provided in and subject to the terms of Section 6.2.

Section 8.3 Destruction During Last Twenty Years. Anything in this Lease to the contrary notwithstanding, in the event of a fire or other casualty to the Tenant Improvements during the last twenty (20) years of the Term hereof, resulting in damage or destruction, the cost for repair of which exceeds fifty percent (50%) of the appraised value of the Improvements, which cost of repair and appraised value shall be determined by the Appraisal Process (as hereinafter defined), Tenant shall have the right to elect to terminate this Lease, provided that Tenant may exercise its right to terminate hereunder only if (a) Tenant is in full compliance with all terms and conditions of this Lease; (b) the Tenant Improvements are insured in an amount equal to or greater than the cost to repair the damage or destruction; (c) Tenant's insurance carrier has accepted liability in writing or has made payment with respect to such damage or destruction; and (d) all Leasehold Mortgages are fully paid or will be fully paid prior to termination of this Lease. In order to exercise this option to terminate, Tenant shall

deliver a written notice to Landlord within twenty (20) days of the damage or destruction. Such notice shall specify Tenant's intent to terminate the Lease and to commence the Appraisal Process to determine the cost to repair and the appraised value. In the event that, pursuant to the Appraisal Process, it is determined that the cost of repair exceeds fifty percent (50%) of the appraised value of the Tenant Improvements, then (i) the Term hereof shall cease and expire as of the one hundred twentieth (120th) day following the occurrence of the damage or destruction with the same force and effect as if such date were the original expiration date hereof, (ii) the Rent shall cease as of such date, and (iii) Tenant or Depository shall forthwith (x) deliver all insurance proceeds theretofore received to Landlord as Landlord's sole and exclusive property, and (y) assign to Landlord, in form satisfactory to Landlord, all of Tenant's right, title and interest in and to any insurance proceeds not yet received. In the event that, pursuant to the Appraisal Process, it is determined that the cost of repair is equal to or less than fifty percent (50%) of the appraised value of the Tenant Improvements, Tenant shall be obligated to repair, restore and rebuild the same as set forth in Section 8.2. Anything in this Lease to the contrary notwithstanding, in the event of a fire or other casualty to the Tenant Improvements during the last five (5) years of the Term hereof, resulting in substantial damage or destruction to the Tenant Improvements such that Tenant would have the right to elect to terminate this Lease pursuant to the provisions of this Section 8.3, Landlord shall have the right to elect to terminate this Lease.

Section 8.4 Notice of Taking. Upon receipt by either Landlord or by Tenant of notice of the institution of any proceedings for the taking of any part of the Premises for any public or quasi-public purpose by any lawful power or authority by the exercise of any power of condemnation or eminent domain (a "**Taking**"), the party receiving such notice shall, within ten (10) days of receipt, give written notice thereof to the other party (the "**Taking Notice**"). Both Landlord and Tenant shall have the right to appear in any and all proceedings in connection with a Taking and be represented by counsel. The entire proceeds of the award or compensation (the "**Award**") made in any such proceeding shall be paid to the Depository to be held in trust for distribution among Landlord and Tenant as hereinafter provided.

Section 8.5 Entire Taking. If, at any time during the Term, there shall be a Taking of the entire Premises, this Lease and the Term shall terminate and expire on the date of such Taking and Additional Rent, and other sums of money and other charges herein paid or provided to be paid by Tenant shall be apportioned and paid to the date of such Taking.

Section 8.6 Partial Taking.

(a) In the event of a Taking of less than the entire Premises but which constitutes a Substantial Taking (as hereinafter defined), Tenant shall have the right to terminate this Lease as of the effective date of such Substantial Taking, upon giving Landlord notice in writing of such election within sixty (60) days after receipt or delivery of the Taking Notice. In the event of such termination, the Term shall terminate and expire on the date of such Taking and Additional Rent and other sums of money and other charges herein paid or provided to be paid by Tenant shall be apportioned and

paid to the date of such Taking. As used herein a “**Substantial Taking**” shall mean a Taking of at least fifty percent (50%) of the Tenant Improvements such that after the Taking, the untaken portion of the Tenant Improvements shall be unsuitable, in Tenant’s reasonable opinion, for the continued feasible and economic operation of the Tenant Improvements by Tenant.

(b) In the event of (i) a Taking that does not constitute a Substantial Taking, or (ii) a Substantial Taking after which Tenant elects not to terminate this Lease pursuant to Subsection 8.6(a) above, this Lease shall remain in effect with respect to that portion of the Improvements which shall not be impacted by such Taking. In such event, Tenant shall promptly restore such portion of the Tenant Improvements not impacted by the Taking, to the extent as nearly as possible, to the condition, character and usability immediately prior to the Taking. The Depository shall disburse to Tenant amounts expended on such restoration, in accordance with the provisions of Section 6.2(b), from the Award.

Section 8.7 Award If Lease Terminates. In the event of a termination of this Lease, either in whole or in part, pursuant to either Section 8.5 or Section 8.6, the Appraisal Process shall be commenced and the Award shall be divided between the parties in the following order of priority:

(a) Landlord shall receive an amount equal to all Rent due under this Lease accruing to the date of termination, if not already paid by Tenant.

(b) Landlord shall receive an amount equal to the fair market value, as determined by the Appraisal Process, of any portion of the Land so taken.

(c) Any Leasehold Mortgagee(s) shall receive the full amount due with respect to their respective Leasehold Mortgage(s) in the order of priority of such Leasehold Mortgage(s) up to an aggregate not to exceed the fair market value of the Improvements so taken, as determined by the Appraisal Process.

(d) Landlord shall receive an amount equal to the fair market value of its reversionary interest in the Improvements so taken, as determined by the Appraisal Process.

(e) The Leasehold Mortgagee(s) shall receive the remaining amount due in respect to their respective Leasehold Mortgage(s) in the order of priority of such Leasehold Mortgage(s).

(f) Tenant shall receive an amount equal to the fair market value of its interest in the Premises impacted by such Taking, as determined by the Appraisal Process, minus the amount paid to any Leasehold Mortgagee(s) pursuant to Subsections 8.7(c) and 8.7(e) above.

(g) Tenant and Landlord shall share the amount of any remaining Award pro rata in proportion to the aggregate respective fair market value of any affected portion of the Land and the Landlord’s reversionary interest in any affected

portion of the Improvements and the fair market value of Tenant's interest in the Premises impacted by such Taking, all as determined by the Appraisal Process.

Section 8.8 Taking for Temporary Use. If the temporary use of the whole or any part of the Premises shall be subject to a temporary Taking which shall impact the whole or any part of the Premises for a period of time not to exceed one (1) year, the Term shall not be reduced or affected in any way. In such case, Tenant shall continue to pay Additional Rent, and any other sum of money herein provided to be paid by Tenant, and Tenant shall be entitled to the entire Award for such temporary Taking (whether paid by way of damages, rent, or otherwise) unless the period of occupation and use by the condemning authority shall extend beyond the date of expiration of this Lease, in which case the award made for such temporary Taking shall be apportioned between Landlord and Tenant as of the date of such expiration of this Lease, in proportion to the respective period of the temporary Taking occurring before and after the date of expiration of this Lease. At the termination of any such temporary Taking, Tenant will, at its sole cost, repair and restore, as nearly as may be reasonably possible, the Tenant Improvements to the condition of such Tenant Improvements at the time of such temporary Taking. Tenant shall not be required to make such repairs and restoration if the Term shall expire prior to the date of termination of such temporary Taking, and in any such event, Landlord shall be entitled to recover all damages and Awards arising out of the failure of the condemning authority to repair and restore the Tenant Improvements at the expiration of such temporary Taking.

Section 8.9 Appraisal Process. Any references in this Lease to the "**Appraisal Process**" shall refer to the process and provisions set forth in this Section 8.9. In the event that an appraisal of the Premises (or any portion thereof) is required or permitted under this Lease, the party initiating the appraisal shall send written notice to the other party (the "**Appraisal Notice**"). Any appraisal of the Premises and the Land (or any portion thereof) shall value the Premises and the Land (i) until the last twenty (20) years of the Term, as it is being used as of the date of the appraisal (and subject to any use restrictions of record or as set forth in this Lease), and (ii) during the last twenty (20) years of the Term, at its highest and best use, and in each case, shall take into account all relevant factors affecting such value. An appraisal of the Premises and the Land (or any portion thereof) shall be completed by a qualified and disinterested real estate appraiser having either MAI or SRA professional designation with not less than ten (10) years' experience appraising properties similar to the Project in the Northern Virginia area jointly selected by Landlord and Tenant (the "**Joint Appraiser**"). If Landlord and Tenant cannot agree upon the Joint Appraiser within ten (10) days after the delivery of the Appraisal Notice, the appraisal of the Premises and the Land (or any portion thereof) shall be determined by averaging two (2) appraisals made independently by two (2) appraisers possessing the qualifications hereinabove set forth, provided that the higher appraisal does not exceed the lower appraisal by more than five percent (5%). Landlord and Tenant shall each select an appraiser possessing the qualifications hereinabove set forth and deliver written notice of such appraiser's name and address to the other within twenty (20) days after the delivery of the Appraisal Notice. If the higher of the two (2) appraisals exceeds the lower by more than five percent (5%), then a third appraiser having the qualifications hereinabove set forth shall be selected by the

first two (2) appraisers, and the appraisal of the Premises and the Land (or any portion thereof) shall be determined by averaging the two (2) appraisals closest in value. If a party fails to timely appoint an appraiser as required by this Section 8.9, the other appraiser or appraisers so appointed shall act alone, and his, her or their decision shall be binding on all parties hereunder. The cost of the Joint Appraiser shall be shared equally between Landlord and Tenant. The cost of any appraiser selected by Landlord shall be borne by Landlord. The cost of any appraiser selected by Tenant shall be borne by Tenant. The cost of any third appraiser chosen by the first two (2) appraisers shall be shared equally between Landlord and Tenant.

ARTICLE 9 IMPROVEMENTS

Section 9.1 Initial Construction. Tenant shall, at its own cost and expense, construct on the Premises the Tenant Improvements, pursuant to the Approvals and the provisions of the Development Agreement.

Section 9.2 Landlord Cooperation with Regard to Construction Process.

(a) Landlord agrees, within thirty (30) days after actual receipt of the relevant documents and a written request from Tenant, to join in any and all reasonable applications for permits, licenses, or other authorizations, which Landlord is required to join by any governmental authority in connection with any work that Tenant may do hereunder or in connection with the right to construct the Tenant Improvements. Such documents shall include, but are not limited to, all documents necessary to file and obtain approval of any plats which may be required by the County or other governmental authority and other approvals, any applications necessary for the development of the Premises and construction of the Improvements, any site plan amendments and any documents required in connection with administrative changes to the façade of the building.

(b) Within thirty (30) days after request, Landlord shall join in the execution of all easement agreements and similar documents as may reasonably be required in connection with the Project or the Premises, including, but not limited to, easements for electric, telephone, gas, water, sewer and other public utilities and facilities and for other facilities useful and/or necessary for the Project or any permitted use of the Premises (including the construction thereof), including, but not limited to, occupancy permits.

(c) In the event that, at any time, Landlord disapproves of a request for joinder/execution pursuant to Sections 9.2(a) or 9.2(b), any such disapproval shall be in writing and shall clearly state the reasons for Landlord's disapproval (a "**Disapproval Notice**"). Promptly upon Tenant's receipt of any Disapproval Notice from Landlord, Tenant and Landlord shall meet and shall, in good faith, attempt to resolve any issues set forth in any such Disapproval Notice, and if necessary, shall resolve such dispute in accordance with Section 18.12 of this Lease.

(d) If Landlord has not either (i) joined/executed any application or related document or easement agreement or related document, or (ii) issued a Disapproval Notice, within thirty (30) days after request from Tenant pursuant to Sections 9.2(a) or 9.2(b), Tenant may provide written notice (a **“Joinder/Execution Request Notice”**) to Landlord clearly describing the requested joinder/execution. Upon receipt of a Joinder/Execution Request Notice, Landlord shall either (i) join/execute any such application or related document or easement agreement or related document, or (ii) issue a Disapproval Notice within five (5) business days (the **“Joinder/Execution Request Period”**). If Landlord fails to either (i) join/execute any such application or related document or easement agreement or related document, or (ii) issue a Disapproval Notice prior to the expiration of the applicable Joinder/Execution Request Period, Tenant may provide a second written notice (a **“Second Joinder/Execution Request Notice”**) to Landlord clearly describing the requested joinder/execution. The Second Joinder/Execution Request Notice shall state in bold, all capital letters, on the first page a header to the following effect: (a) that this notice is a Second Joinder/Execution Request Notice pursuant to Section 9.2 of this Lease, (b) that Landlord is required, within three (3) business days (the **“Second Joinder/Execution Request Period”**), either to (i) join/execute any such application or related document or easement agreement or related document, or (ii) issue a Disapproval Notice, and (c) if Landlord fails to respond or issue a Disapproval Notice within the Second Joinder/Execution Request Period, then Landlord will be deemed to have waived its right to object thereto. If Landlord fails either to (i) join/execute any such application or related document or easement agreement or related document, or (ii) issue a Disapproval Notice prior to the expiration of the Second Joinder/Execution Request Period, then Tenant may move forward with and execute any such application or related document or easement agreement or related document without the joinder/execution of Landlord, Landlord thereby waiving any right to object thereto. If Landlord issues a Disapproval Notice or otherwise requests additional information relating to Tenant’s request, then the parties shall resolve such issues in accordance with the provisions of Section 9.2(c), and if necessary, Section 18.12 of this Lease.

Section 9.3 Repairs. Tenant shall at all times during the Term, at Tenant’s cost and expense, keep the Premises, all Tenant Improvements located thereon, and all facilities and fixtures, in good working order and condition and as may be required by law and by the terms of the insurance policies furnished pursuant to this Lease, whether or not such repair shall be interior or exterior, extraordinary or ordinary, and whether or not such repair shall be of a structural nature. Landlord shall, from and after the date of Substantial Completion, at Landlord’s cost and expense, keep the CUMC Unit, all Tenant Improvements located therein, and all facilities and fixtures exclusively serving the CUMC Unit, in good working order and condition and as may be required by law.

Section 9.4 Demolition of Existing Improvements; Alterations.

(a) On a schedule set forth in the Development Agreement, Tenant may destroy, demolish or remove the Existing Improvements, and may remove, regrade and rearrange the Premises and the contents thereof as may be incidental to any construction of the Tenant Improvements. Tenant shall comply with all laws,

regulations, rules or orders of governmental and quasi-governmental authorities having jurisdiction over the Premises relating to the demolition of the Existing Improvements.

(b) After initial construction of the Tenant Improvements, Tenant shall have the right to make alterations to the Tenant Improvements, provided, however, that (i) Tenant shall obtain Landlord's prior written consent to any Material Alterations (as hereinafter defined), which consent shall not be unreasonably withheld, conditioned or delayed, and (ii) prior to any alterations, regardless of whether such alterations constitute Material Alterations, Tenant shall provide to Landlord the following: (a) the scope of the alterations, and all plans and specifications for the alterations, (b) the applicable governmental approvals, (c) satisfactory evidence that Tenant has financing for such alterations, and (d) reasonable evidence that Tenant has contracted for the construction of such alterations. Tenant shall comply with all laws, regulations, rules or orders of governmental and quasi-governmental authorities having jurisdiction over the Premises relating to any such alterations. As used herein, the term "**Material Alterations**" shall mean any alterations which would alter the exterior of the Project or materially affect the CUMC Unit or any Common Area (as defined in the REA).

Section 9.5 Surrender of Premises. Tenant covenants that upon expiration or termination of this Lease for any reason whatsoever, Tenant will surrender to Landlord the entire Premises and Improvements, free and clear of all mechanic's and materialmen's liens and, subject to the provisions of Section 3.2, free and clear of all Leasehold Mortgages.

ARTICLE 10 ASSIGNMENT AND SUBLETTING

Section 10.1 Assignment.

(a) Tenant shall not assign, transfer or sell Tenant's interest in the APAH Unit and the improvements thereon to a person, entity or third-party during the Term without complying first with the provisions of Article 17 hereof. If CUMC fails to exercise its right to purchase the leasehold interest in the APAH Unit, then Tenant shall have the right to assign, transfer or sell Tenant's leasehold interest in the APAH Unit, directly or indirectly, upon prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, provided that the following conditions (the "**Tenant Assignment Conditions**") are satisfied to the reasonable satisfaction of CUMC: (a) the proposed assignee or transferee shall demonstrate (based upon financial statements of the proposed assignee and/or a proposed guarantor) a financial net worth equal reasonably acceptable to Landlord, (b) the assignee or transferee will use the APAH Unit and improvements thereon for an affordable housing project, and (c) the proposed assignee or transferee, either itself or through its principals, employees, or agents or employed management company, shall possess experience in managing comparable apartment buildings. Notwithstanding the foregoing, APAH shall not be required to satisfy the Tenant Assignment Conditions in connection with any assignment that constitutes an Exempt Transfer (as hereinafter defined). No assignment in violation

of this Section 10.1(a) shall be binding upon Landlord, and any such attempted assignment shall be an automatic default under this Lease.

(b) Except for an Exempt Transfer, Landlord shall not assign, transfer or sell Landlord's interest in the CUMC Unit and the improvements thereon to a person, entity or third-party during the Term without complying first with the provisions of Article 17 hereof. If APAH fails to exercise its right to purchase the CUMC Unit, then Landlord shall have the right to assign, transfer or sell Landlord's interest in the CUMC Unit, directly or indirectly, upon prior written notice to Tenant, to any assignee or transferee that will use the CUMC Unit and the improvements thereon for a Compatible Use (as hereinafter defined). As used herein, a "**Compatible Use**" shall include the use of the CUMC Unit for office use, retail space, school or place of worship, or if the use does not fall into one of these categories, a similar use, as approved by Tenant in Tenant's reasonable discretion; provided that such use: (i) shall be consistent with applicable County land use requirements, and (ii) shall not be in violation of the use restrictions set forth in Section 9(Q) of the REA. Any attempted assignment in violation of this Section 10(b) shall be an automatic default under this Lease.

Section 10.2 Subleasing. Except in connection with the Subleases to the residential Subtenants, Tenant shall not sublease all or any portion of Tenant's interest in any residential units located within the APAH Unit and the improvements thereof without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord hereby consents to the entry by Tenant into apartment leases with residents on Tenant's standard lease form. Nothing in this Lease shall be construed to limit the rights of any Leasehold Mortgagee subject to the terms of this Lease or the right of Tenant to sublease any portion of the APAH Unit outside of the residential units solely for a use that is in support of the Project. No Sublease in violation of this Section 10.2 shall be binding upon Landlord, and any such attempted Sublease shall be an automatic default under this Lease.

Section 10.3 Nondisturbance of Subtenants. Landlord, by execution of this Lease, agrees that in the event Landlord or any other party on Landlord's behalf takes possession of the Premises, neither Landlord nor such other party shall affect or disturb any Subtenant's right to possession of the Premises in the exercise of Landlord's rights so long as the Subtenant is not then in default under any of the terms, covenants, or conditions of its Sublease with Tenant. In the event that Landlord or any other party succeeds to the interest of Tenant under this Lease, or in the event that Landlord exercises the other rights granted to it herein, each Subtenant shall be bound to Landlord or such other party under all of the terms, covenants and conditions of this Lease, and each Subtenant shall attorn to, and be liable to and recognize Landlord or such other party as each Subtenant's new landlord for the balance of the term of each Subtenant's Sublease, upon and subject to all the terms and conditions thereof; and each Sublease and the rights of each Subtenant thereunder shall continue in full force and effect as a direct lease between each Subtenant and Landlord or such other party upon all the terms, covenants, conditions and agreements set out in each Sublease, and the rights of each Subtenant thereunder shall not be terminated or disturbed except in accordance with the terms and provisions of each Sublease. Each Subtenant shall

thereafter make the rental and other payments set out in each Sublease as instructed by Landlord or such other party. Such attornment shall be effective and self-operative without the execution of any further instrument by Landlord and each Subtenant immediately upon the succession by Landlord or such other party to the interest of Tenant under each Sublease, and the respective rights and obligations of each Subtenant and Landlord upon such attornment, to the extent of the then remaining balance of the term of each Sublease and any extension or renewal permitted thereby, shall be and are the same as shall be set forth in each Sublease on the date of Landlord's succession to Tenant's rights thereunder.

ARTICLE 11 LANDLORD'S TITLE AND QUIET ENJOYMENT

Section 11.1 Title and Lien Paramount. Landlord shall have title to the Land and the reversionary interest in the Improvements paramount to all others. Except as expressly set forth in Section 9.2 of this Lease, Tenant shall have no right or power to and shall not in any way encumber the title of Landlord in and to the Land or its reversionary interest in the Improvements. Except as expressly set forth in Section 9.2 of this Lease, the fee simple estate of Landlord in the Land and the interest of Landlord in the Improvements shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Tenant, and any claim to a lien or otherwise upon the Land or in the Improvements arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant in the Premises.

Section 11.2 Quiet Enjoyment. Landlord covenants and agrees with Tenant that, upon Tenant paying the Rent and performing and fulfilling all covenants, agreements and conditions set forth in this Lease, Tenant shall at all times during the Term peaceably and quietly have, hold and enjoy the Premises and all rights, appurtenances and privileges belonging or in any way appertaining thereto without hindrance or molestation by Landlord, its agents, employees or parties claiming through Landlord, subject to the provisions of this Lease. From and after the Effective Date, and subject to the prior consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed, Landlord shall not take any action or inaction which would change the state of title of the Land as it exists on the Effective Date.

ARTICLE 12 LEASEHOLD MORTGAGE FINANCING AND INVESTOR RIGHTS

Section 12.1 Consent to Leasehold Mortgage(s). Subject to the terms of this Article 12, Tenant may mortgage all or any part of the Improvements or Tenant's leasehold estate under this Lease under a Leasehold Mortgage(s) at any time and from time to time, on any terms Tenant may deem desirable, and in connection therewith may assign the leasehold estate to the holder of such Leasehold Mortgage(s), which assignment shall be reasonably acceptable to Landlord. Any such Leasehold Mortgage(s) shall be a lien only of the Tenant's interest in the Improvements and Tenant's leasehold estate under the Lease and shall not constitute a lien on Landlord's

Interest in the Land, its reversionary interest in the Improvements or under the Lease or the CUMC Unit, except that, notwithstanding anything in this Lease to the contrary, such Leasehold Mortgage(s) may include a lien on Tenant's leasehold estate in the CUMC Unit until the Substantial Completion of the CUMC Unit, at which time Tenant shall cause the Leasehold Mortgage(s) to execute and deliver, and Tenant shall record, a release of the CUMC Unit from such Leasehold Mortgage(s) in form and substance reasonably acceptable to Landlord.

Section 12.2 Provisions Effecting Leasehold Mortgage(s). A Leasehold Mortgagee and the Investor shall have the benefit and bear the burden of the following provisions:

(a) Landlord shall, upon giving to Tenant any notice of default or termination of this Lease, simultaneously give a copy of such notice to each Leasehold Mortgagee and Investor, and no notice of default or termination of this Lease given to Tenant shall be effective until a copy thereof shall have been mailed by Landlord to the last address provided to Landlord by or on behalf of each Leasehold Mortgagee and the Investor.

(b) Each Leasehold Mortgagee and the Investor shall have the same period, after such notice has been given to it, for remedying any default or causing the same to be remedied, as is given under this Lease to Tenant after the giving of such notice to Tenant and the Leasehold Mortgagee or Investor, plus sixty days (60) ("**Cure Period**"). Until the expiration of such period, Landlord will not exercise any of Landlord's remedies set forth in this Lease relating to default. Landlord shall accept performance by any Leasehold Mortgagee or the Investor with the same effect as if any default under this Lease had been cured by Tenant, it being agreed that each Leasehold Mortgagee and the Investor shall have the right, but not the obligation, to cure any default of Tenant hereunder.

(c) Landlord agrees that it will take no action to effect a termination of this Lease or exercise any other remedy by reason of a default by Tenant without first giving to each Leasehold Mortgagee a reasonable period of time to foreclose under the Leasehold Mortgage or otherwise to acquire the leasehold estate of Tenant under this Lease (the "**Foreclosing Mortgagee**"), provided that:

(i) the Foreclosing Mortgagee elects in writing, delivered to Landlord during the Cure Period, to foreclose its interest in the Premises;

(ii) the Foreclosing Mortgagee cures during the Cure Period all defaults in the payment of Rent under this Lease and thereafter pays all Rent under this Lease as the same becomes due and owing;

(iii) the Foreclosing Mortgagee cures during the Cure Period all non-monetary defaults under this Lease capable of being cured by an entity not in possession of the Premises, and complies with all terms and conditions of this Lease that are capable of being complied with by an entity not in possession of the Premises;

(iv) the Foreclosing Mortgagee diligently pursues foreclosure of its interest in the Premises;

(v) the Foreclosing Mortgagee agrees in writing with Landlord during the Cure Period to cure, upon completion of foreclosure, all defaults not cured pursuant to (iii) above, and comply with all terms and conditions not complied with pursuant to (iii) above. In the event any of the foregoing (i) - (v) are not at all times satisfied, Landlord may proceed with any and all remedies available under this Lease.

(d) Each Leasehold Mortgagee may be added to the "loss payable endorsement" to all property insurance, as its interest may appear.

(e) The rights provided to Leasehold Mortgagees in this Section 12.2 may be exercised only by such entities as are Leasehold Mortgagees.

(f) Landlord hereby acknowledges that potential and existing Leasehold Mortgagees of Tenant may require estoppel certificates, consents, subordination agreements, approvals or other written documentation from Landlord and from certain third parties that may from time to time have a property, regulatory or other interest in the Premises in connection with existing or potential Leasehold Mortgages, and Landlord hereby agrees to (i) deliver all such documentation requested of Landlord as Tenant or any existing or potential Leasehold Mortgagee may reasonably require, provided that nothing therein adversely affects the rights of Landlord pursuant to this Lease, and (ii) reasonably cooperate with Tenant and any such existing or potential Leasehold Mortgagee in order to obtain any such written documentation from any such third parties. It is understood that Landlord shall not be obligated to expend any funds or incur any liabilities in implementation of the foregoing, except for de minimis attorneys' fees in connection with the review of any such documentation.

(g) Tenant hereby agrees to forward to Landlord a copy of any notice of default under any Leasehold Mortgage within three (3) days after Tenant's receipt thereof from the applicable Leasehold Mortgagee.

(h) If Landlord is reasonably satisfied that any foreclosure of a Leasehold Mortgage is final, was properly executed and is legally enforceable against Tenant in all respects, Landlord shall terminate this Lease if so requested by the Leasehold Mortgagee of such foreclosed Leasehold Mortgage, provided that (i) such request is made within one hundred eighty (180) days following foreclosure of such Leasehold Mortgage, (ii) such Leasehold Mortgagee pays to Landlord all Rent and other charges due and owing under the Lease, and (iii) such Leasehold Mortgagee simultaneously executes a lease with Landlord on substantially the same terms and conditions set forth in this Lease, including all provisions related to the rights of Leasehold Mortgagees, for the balance of the Term. Nothing herein contained shall be deemed to impose any obligation on the part of Landlord to deliver physical possession of the Premises to such Leasehold Mortgagee or designee unless Landlord at the time of the execution and delivery of such new lease shall have obtained physical possession thereof. If more than one Leasehold Mortgagee shall make written request

upon Landlord for a new lease in accordance with the provisions of this subsection then such new lease shall be entered into pursuant to the request of the Leasehold Mortgagee whose Leasehold Mortgage shall be senior in lien priority. In the event fewer than all of the foregoing provisions shall have been satisfied by or with respect to any such Leasehold Mortgagee with the senior lien priority, the Leasehold Mortgagee immediately junior in lien to such senior Leasehold Mortgagee shall have paramount rights to the benefits set forth in this subsection, subject nevertheless to the provisions hereof respecting the holders of Leasehold Mortgages junior in lien priority, if any. In the event of any dispute as to the respective senior and junior priorities of any such Leasehold Mortgages, the certification of such priorities by a title company doing business in the Commonwealth of Virginia, selected by Landlord, shall be conclusively binding on all parties concerned. Such new lease shall provide that the tenant thereunder shall recognize all Subleases in existence immediately prior to the termination of the Term of this Lease pursuant to their terms, as though they had never terminated but had continued in full force and effect after the termination of this Lease. The tenant under the new lease shall assume all obligations of the landlord under such Subleases accruing from and after the termination of the Term of this Lease, including any covenant of quiet enjoyment contained in such Subleases. It is further understood and agreed that upon execution and delivery of said new lease with a Leasehold Mortgagee, Landlord will instruct all Subtenants who have not theretofore terminated their Subleases to attorn to and pay their rent to such tenant under the new lease.

Section 12.3 Additional Leasehold Mortgage Provisions. Tenant shall give each Leasehold Mortgagee and Investor prompt notice of any arbitration, Appraisal Process, condemnation or legal proceedings of which such party is aware involving the Premises or any obligations under this Lease. Within the time frames set forth in this Lease, each such Leasehold Mortgagee or Investor shall have the right to intervene in any such proceedings, appoint an arbitrator or appraiser in the event Tenant fails to do so and be made a party to such proceedings. In the event that any Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, Tenant shall deliver to such Leasehold Mortgagee and Investor notice of, and a copy of, any award or decision made in any such proceeding, which award or decision shall be binding on all Leasehold Mortgagees and any Investor.

Section 12.4 Insurance. A standard mortgage clause naming each Leasehold Mortgagee may be added to any and all insurance policies required to be carried by Tenant hereunder on the condition that the insurance proceeds are to be applied in the manner specific in this Lease and the Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to Tenant (but not such proceeds, if any, payable jointly to Landlord and Tenant) pursuant to the provisions of this Lease.

Section 12.5 Improper Payments. No payment made to Landlord by a Leasehold Mortgagee shall constitute an agreement that such payment was, in fact, due under the terms of this Lease; and a Leasehold Mortgagee having made any such payment to Landlord pursuant to Landlord's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof provided

demand shall have been made therefor not later than three (3) months after the date of its payment.

Section 12.6 Required Amendments. Landlord shall not unreasonably withhold its consent to any amendment of the provisions of this Article 12 by any Leasehold Mortgagee or the Investor as a condition of making its Leasehold Mortgage loan to Tenant or becoming limited partner or investor member of Tenant that is reasonable and customary for leasehold mortgage financing or low-income housing tax credit equity financing, as applicable, and does not adversely affect any of Landlord's economic rights or obligations pursuant to this Lease or Landlord's title to the CUMC Unit, the Land or the reversionary interest in the Improvements.

Section 12.7 VHDA Provisions. [NOTE: VHDA TO PROVIDE REQUIRED GROUND LEASE PROVISIONS WHICH WILL BE ATTACHED AS AN EXHIBIT]

ARTICLE 13 DEFAULTS

Section 13.1 Events of Default. Any of the following events shall constitute a default by Tenant under this Lease, and thereafter, subject to all applicable notice and cure periods, Landlord shall have the rights and remedies set forth in this Article 13:

(a) The failure of Tenant to pay Rent when the same is due and payable or any sums, charges, expenses and costs of any kind or nature identified in or collectible under this Lease, subject to the provisions of Section 5.4, and such failure to pay Rent continues for a period of ten (10) days after written notice addressed to Tenant has been delivered by Landlord to the Tenant.

(b) Except as provided in (a) above, Tenant fails in the timely performance of or compliance with any of the covenants, conditions, agreements, terms or provisions contained in this Lease, and such default in performance or compliance continued for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that in connection with a default under this subsection (b) that is not capable of being cured by the exercise of due diligence within thirty (30) days, the time for curing the failure shall be extended for such time as may be necessary to cure the failure by Tenant using due diligence, provided Tenant commences within said thirty (30) day period and at all times thereafter proceeds diligently to cure the failure and cures such failure within sixty (60) days after such written notice. Notwithstanding the foregoing, Tenant shall not be deemed to be in default pursuant to this Section 13(b), if Tenant is contesting, in good faith, any ruling, code issue or notice of violation issued with respect to the Premises.

(c) Tenant files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy law or any other present or future applicable federal, state or other law, or Tenant seeks to, consents to or acquiesces in

the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of its assets or of the Improvements or of any interest of Tenant pursuant to this Lease.

(d) If within thirty (30) days after the commencement of any proceedings against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the present or future applicable federal, state or other law, such proceedings have not been dismissed, or if, within thirty (30) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator or Tenant or of all or any substantial part of its assets or of the Premises or any interest of Tenant therein, such appointment is not vacated or stayed on appeal or otherwise cancelled and if stayed, within thirty (30) days after the expiration of any such stay such appointment is not cancelled.

(e) If Tenant abandons the Premises for a period of more than twenty-one (21) days.

Section 13.2 Remedies. If any such event of default occurs, and upon the expiration of all applicable notice and cure periods, including any Leasehold Mortgagee cure period(s), in addition to any other rights and remedies Landlord may have under this Lease and at law and in equity, and whether or not Tenant abandons the Premises, Landlord shall have the option, in its sole discretion, to:

(a) Collect, by legal proceedings or otherwise, each Installment of Rent and any other charge payable to Landlord hereunder at any time after the same become due, and to enforce by legal proceedings or otherwise, every term and provision of this Lease;

(b) Terminate this Lease by written notice to Tenant, such notice to specify the date upon which the Lease shall terminate (such notice to operate as a notice to quit, any statutory or other notice to quit being hereby expressly waived by Tenant);

(c) With or without re-entering the Premises, collect the rents, issues and profits accruing by virtue of all Subleases on the Premises;

(d) With or without terminating the Lease re-enter the Premises and relet the Premises; provided, however, re-entry or taking possession of the Premises by Landlord pursuant to legal proceedings shall not constitute an election to terminate this Lease, unless written notice of such intention is given to Tenant or unless termination thereof is decreed by a court of competent jurisdiction;

(e) Sue Tenant to collect all unpaid Rent and/or damages incurred by Landlord as a result of Tenant's default, in one or more proceedings as damages are ascertained, whether or not this Lease shall have been terminated.

Section 13.3 Landlord's Right to Property Receipts. Immediately upon the occurrence of an event of default, and expiration of all applicable notice and cure

periods, and whether or not Landlord elects to re-enter the Premises, or to terminate this Lease, Landlord shall be entitled to:

(a) Sue for or otherwise collect all rents, issues and profits payable under all Subleases on the Premises including those past due and unpaid;

(b) Perform all acts necessary for the operation and maintenance of the Premises in the same manner and to the same extent that Tenant might reasonably so do; and

(c) Enforce the performance of any and all covenants and provisions of the Subleases and exercise all the rights and privileges of the lessor thereunder, including the right to fix, modify and reduce rents, to demand and sue for the premises covered by the Sublease, to relet such premises or any part thereof, to collect the rents and profits under any new leases and to compromise and settle any disputes, all in accordance with all applicable laws and requisite governmental approvals. Landlord may apply to any court of competent jurisdiction for the appointment of a receiver to collect such rents, issues and profits and to do any other act which Landlord might do under this Lease, and Landlord shall be entitled to the appointment of such receiver as a matter of right. Provided the Lease has not been terminated, all rents, issues and profits from the Subleases received by Landlord or a receiver shall be applied in accordance with the provisions of Section 13.4 of this Lease. Any action by Landlord to re-enter or take possession of the Premises pursuant to the provisions of this Lease shall be accomplished through legal proceedings and not through the exercise of self-help or force.

Section 13.4 Reletting. Should Landlord elect to relet the Premises without terminating this Lease in the event of a default, after the expiration of all applicable notice and cure periods, pursuant to the provisions of this Lease, Landlord may relet, subject to the existing Subleases, all or any part of the Premises for such term (which may be for a term extending beyond the Term of this Lease) at such rents and upon such other terms and conditions as Landlord, in its sole discretion, shall determine. The term "rents" as used herein with respect to any reletting shall be deemed to include all sums payable to or for the benefit of Landlord for the use of the Premises. Landlord shall have the right to take all steps necessary to maintain and preserve the Premises and prepare it for reletting, including the right to make alterations and repairs to the Premises. In the event of any such reletting, at the option of Landlord, subject to the rights granted to any Leasehold Mortgagee under a Leasehold Mortgage, rent received by Landlord from such reletting shall be applied first to the payment of any indebtedness from Tenant to Landlord, other than for future Rent due hereunder; second, to the payment of the costs and expense of maintaining, preserving and preparing the Premises for reletting; third, to the payment of Rent (including the projected Impositions and other charges due and unpaid hereunder), and the residue, if any, shall be paid to Tenant. If any rent to be received by such reletting, and thus credit to Tenant, shall not be promptly paid to Landlord by the new tenant, or if the rent received from such reletting during any month shall be less than the sums to be paid during that month by

Tenant hereunder, Tenant shall pay such deficiency to Landlord as Additional Rent, upon five (5) days written notice.

Section 13.5 Termination after Re-Entry. Notwithstanding any re-entry, reletting or collection of rents from Subtenants without termination of the Lease, in the event of any event of default, after expiration of all applicable notice and cure periods, Landlord may at any time thereafter give written notice to Tenant specifying such event of default and stating that this Lease and the Term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least five (5) days after the giving of such notice, and upon the date specified in such notice, this Lease shall expire and terminate.

Section 13.6 Surrender. Upon any termination of this Lease, Tenant shall quit and peacefully surrender possession and all interest in the Premises to Landlord, and Landlord, upon or at any time after such termination, may without further notice, enter upon and re-enter the Premises and possess and repossess itself thereof, by legal proceedings, and may dispossess Tenant and remove Tenant and may have, hold and enjoy the Premises and the right to receive all rental income of and from the same. Upon any such termination, subject to the provisions of this Lease, the title to and ownership of the Improvements shall automatically be assigned to and vest in Landlord, without execution of any further instruments.

Section 13.7 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. 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 rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 13.8 Non-Waiver by Landlord. No failure by 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 Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. The compromise or settlement of any legal or administrative proceedings instituted by Landlord against Tenant shall not constitute a waiver of Tenant's obligations to comply with any future covenant, agreement or condition of this Lease, nor of any of Landlord's rights hereunder. 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 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 shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 13.9 Non-Waiver by Tenant. Tenant acknowledges and agrees that Landlord has no obligations pursuant to this Lease except as expressly set forth herein, and in the event of any failure by Landlord to comply with the terms hereof, Tenant's sole remedy shall be specific performance or a declaratory judgment and in no event shall Landlord be liable to Tenant for monetary damages of any kind as a result of a breach of this Lease by Landlord, except: (a) in the event that Landlord breaches the covenant of quiet enjoyment, and (b) in connection with Landlord's indemnity obligations pursuant to Section 15.2 hereof. Any monetary damages awarded pursuant to this Lease shall in all events be limited to actual damages, with Landlord and Tenant waiving all rights to claim special, consequential or punitive damages. No failure by Tenant 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, shall constitute a waiver of any such breach or of such covenant agreement, term or condition. The compromise or settlement of any legal or administrative proceedings instituted by Tenant against Landlord shall not constitute a waiver of Landlord's obligations to comply with any future covenant, agreement or condition of this Lease, nor of any of Tenant's rights hereunder. No covenant, agreement, term or condition of this Lease to be performed or complied with by Landlord, and no breach thereof, shall be waived, altered or modified except by written instrument executed by Tenant. No waiver or any breach shall affect or alter this Lease but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

ARTICLE 14
LANDLORD'S RIGHT TO ENTER THE PREMISES AND PERFORM TENANT'S
COVENANTS

Tenant agrees to permit Landlord and any authorized representatives of Landlord to enter the Premises at all times during usual business hours, and at any time, upon at least 24 hours' notice to Tenant (with 48 hours' notice to Tenant required if Landlord will be entering any residential unit), but without notice in case of emergency, to inspect the same. Tenant covenants and agrees that if Tenant shall at any time fail to make any payment or perform any other act on its part to be made or performed under this Lease, subject to all applicable notice and cure periods, Landlord may, but shall not be obligated to, and without notice or demand and without waiving, or releasing Tenant from, any obligation of Tenant under this Lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith to pay expenses and employ counsel. All sums so paid by Landlord and all expenses in connection therewith, including reasonable attorneys' fees, shall be deemed Additional Rent hereunder and be payable to Landlord on demand.

ARTICLE 15
INDEMNIFICATION

Section 15.1 Tenant Indemnification. Tenant shall indemnify, hold harmless and defend Landlord against and from any and all claims, losses, costs, expenses, damages and liabilities (including reasonable attorney's fees) arising from or relating to (i) any

condition of the Tenant Improvements, (ii) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, (iii) any negligence of Tenant, or any of its agents, contractors, employees, licensees, or Subtenants, or (iv) the existence of any Hazardous Substances at the Premises, the Land or the Improvements, or the breach of any Hazardous Substances Laws, caused by any act or omission by Tenant, or any of its agents, contractors, employees, licensees or Subtenants. Tenant, upon notice from Landlord, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Landlord. Notwithstanding the foregoing, the foregoing Tenant indemnity obligations shall not apply to the CUMC Unit from and after conveyance of the CUMC Unit to CUMC, and any and all warranties and indemnities with respect to the CUMC Unit shall be governed by the provisions of the Development Agreement.

Section 15.2 Landlord Indemnification. Landlord shall indemnify, hold harmless and defend Tenant against and from any and all claims, losses, costs, expenses, damages any liabilities incurred by Tenant (including reasonable attorney's fees) arising from or relating to a breach of this Lease by Landlord, but only to the extent not directly caused by the action or inaction of Tenant or any of its agents, contractors, employees, licensees or Subtenants. Landlord, upon notice from Tenant, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Tenant.

ARTICLE 16 LIMITATION OF LANDLORD'S LIABILITY

The term "Landlord," as used in this Lease, so far as covenants or agreements on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners of the Landlord's interest in this Lease at the time in question, and in the event of any transfer or transfers of such interest, except a transfer by way of security, the Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all liability with respect to performance of any and all covenants and agreements on the part of the Landlord contained in this Lease thereafter to be performed, provided that upon any such transfer, the transferee shall be deemed to have assumed, subject to the limitations of this Article, all of the covenants, agreements and conditions in this Lease contained to be performed on the part of the Landlord, it being intended hereby that the covenants and agreements contained in this Lease on the part of the Landlord shall, subject as aforesaid, be binding on the Landlord, its successors and assigns, only during and in respect of their respective periods of ownership.

ARTICLE 17 MUTUAL RIGHT OF FIRST OFFER

Section 17.1 General Provisions and Exempt Transfers. All references in this Article 17 to "**APAH**" shall refer to APAH, Tenant and any Related Entities, and their respective successors and assigns, and all references in this Article 17 to "**CUMC**" shall

refer to CUMC and any Related Entities, and their respective successors and assigns. The CUMC Right of First Offer (as hereinafter defined) shall not apply to any transfer of title in the APAH Unit to any APAH Related Entity or to the exercise of any rights of any Leasehold Mortgagee or Investor in connection with the APAH Unit, and the APAH Right of First Offer (as hereinafter defined) shall not apply to any transfer of title in the CUMC Unit to any CUMC Related Entity. The transfers described in the immediately preceding sentence are each referred to herein as “**Exempt Transfers**”. The provisions of this Section 17 are subject to all rights and requirements of any Leasehold Mortgagee or Investor.

Section 17.2 APAH Right of First Offer. Subject to Exempt Transfers, APAH shall have an ongoing and continuing right of first offer (the “**APAH Right of First Offer**”) to purchase all (but not less than all) of the CUMC Unit, subject to and in accordance with the terms of this Article 17. In the event CUMC shall determine, in its sole discretion, that it desires to sell the CUMC Unit other than in an Exempt Transfer, CUMC shall notify APAH in writing of such intent (the “**CUMC Unit Offer Notice**”), which CUMC Unit Offer Notice shall include the asking price (the “**CUMC Unit Offer Price**”) pursuant to which CUMC will be marketing the CUMC Unit for sale, an appraisal of the CUMC Unit prepared by a reputable and experienced third party appraiser evidencing the basis for the CUMC Unit Offer Price, and the commercially reasonable time frame for closing. The CUMC Unit Offer Notice shall contain the following phrase in all bold font in a conspicuous manner – “Notice of Offer to Purchase the CUMC Unit – Failure to Respond Within Thirty (30) Days May Result in the Termination of APAH’s Rights.”

Section 17.3 CUMC Right of First Offer. Subject to Exempt Transfers, CUMC shall have an ongoing and continuing right of first offer (the “**CUMC Right of First Offer**”) to purchase all (but not less than all) of the leasehold interest in the APAH Unit, subject to and in accordance with the terms of this Article 17. In the event APAH shall determine, in its sole discretion, that it desires to sell the APAH Unit other than in an Exempt Transfer, APAH shall notify CUMC in writing of such intent (the “**APAH Unit Offer Notice**”), which APAH Unit Offer Notice shall include the asking price (the “**APAH Unit Offer Price**”) pursuant to which APAH will be marketing the APAH Unit for sale, an appraisal of the APAH Unit prepared by a reputable and experienced third party appraiser evidencing the basis for the APAH Unit Offer Price, and the commercially reasonable time frame for closing. The APAH Unit Offer Notice shall contain the following phrase in all bold font in a conspicuous manner – “Notice of Offer to Purchase the APAH Unit – Failure to Respond Within Thirty (30) Days May Result in the Termination of CUMC’s Rights.”

Section 17.4 Exercise Notice. APAH shall have thirty (30) days after its receipt of any CUMC Unit Offer Notice to notify CUMC in writing (an “**Exercise Notice**”) that it elects to purchase the CUMC Unit at the CUMC Unit Offer Price stated in the CUMC Unit Offer Notice and under the terms of this Article 17. CUMC shall have thirty (30) days after its receipt of any APAH Unit Offer Notice to deliver an Exercise Notice to APAH notifying APAH in writing that it elects to purchase APAH’s leasehold interest in the APAH Unit at the APAH Unit Offer Price stated in the APAH Unit Offer Notice and under the terms of this Article 17. The party delivering an Exercise Notice pursuant to

this Section 17.4 shall be referred to in the subsequent provisions of this Article 17 as “**Purchaser**,” and the party receiving an Exercise Notice pursuant to this Section 17.4 shall be referred to in the subsequent provisions of this Article 17 as “**Seller**.” As used in this Article 17, the term “**Purchase Price**” shall mean the CUMC Unit Offer Price or the APAH Unit Offer Price, as applicable.

Section 17.5 Failure to Exercise or Consummate. If (i) APAH declines or fails to send an Exercise Notice to CUMC within thirty (30) days after APAH’s receipt of the CUMC Unit Offer Notice, (ii) APAH and CUMC, despite diligent, good faith efforts, fail to enter into a PSA (as hereinafter defined) pursuant to the provisions of this Article 17 within thirty (30) days after the Exercise Notice, or (iii) a PSA entered into by APAH as Purchaser terminates for any reason other than Seller default, then CUMC shall be free to market the CUMC Unit for sale to third parties at no less than the CUMC Unit Offer Price, and CUMC shall be free to sell the CUMC Unit for a price no less than ninety-eight percent (98%) of the CUMC Unit Offer Price without any requirement to again comply with the provisions of this Article 17, provided that such sale closes within six (6) months after the date of the CUMC Unit Offer Notice. If any such sale of the CUMC Unit does not close within six (6) months after the date of the CUMC Unit Offer Notice or if the price is less than ninety-eight percent (98%) of the CUMC Unit Offer Price, then CUMC must again comply with the provisions of this Section 17. If (x) CUMC declines or fails to send an Exercise Notice to APAH within thirty (30) days after CUMC’s receipt of the APAH Unit Offer Notice, (y) APAH and CUMC, despite diligent, good faith efforts, fail to enter into a PSA pursuant to the provisions of this Article 17 within thirty (30) days after the Exercise Notice or (z) a PSA entered into by CUMC as Purchaser terminates for any reason other than Seller default, then APAH shall be free to market the APAH Unit for sale to the public at no less than the APAH Unit Offer Price, and APAH shall be free to sell the APAH Unit for a price no less than ninety-eight percent (98%) of the APAH Unit Offer Price without any requirement to again comply with the provisions of this Article 17, provided that such sale closes within six (6) months after the date of the APAH Unit Offer Notice. If any such sale of the APAH Unit does not close within six (6) months after the date of the APAH Unit Offer Notice or if the price is less than ninety-eight percent (98%) of the APAH Unit Offer Price, then APAH must again comply with the provisions of this Section 17.

Section 17.6 Other Terms of Sale. Upon delivery of an Exercise Notice, Seller shall prepare and deliver to Purchaser a draft Agreement of Purchase and Sale (a “**PSA**”), which provides for the sale of the CUMC Unit or the APAH Unit, as applicable, at the Purchase Price and in accordance with the following additional terms and conditions: (a) Purchaser shall post a good faith deposit within three (3) business days after execution of the PSA in an amount equal to ten percent (10%) of the Purchase Price with the Washington, D.C. or Northern Virginia office of a national title company office selected by Purchaser as escrow agent, which deposit shall be held in escrow; (c) Purchaser will be granted a 30-day study period, during which Purchaser may terminate the PSA for any reason whatsoever and the deposit shall be fully refundable (“**Study Period**”) within which to evaluate the CUMC Unit or the APAH Unit, as applicable, including review of title, survey, environmental matters, and such other matters as Purchaser deems appropriate, and to make such other studies as it elects, and Seller

shall provide (at no cost or expense to Seller) to Purchaser, no later than the commencement of the Study Period, with access to materials typically and customarily delivered to purchasers in similar transactions; (d) if Purchaser does not elect to proceed with the sale transaction prior to 5:00 p.m. Eastern Time on the last day of the Study Period by written notice to Seller, then the PSA shall automatically terminate and the deposit shall automatically be refunded to Purchaser; (e) if Purchaser does elect to proceed to closing, then the closing shall take place on a date designated by Purchaser upon ten (10) days prior written notice to Seller, but in no event later than thirty (30) days after the end of the Study Period, subject only to the satisfaction of customary conditions to closing; (f) the CUMC Unit or the APAH Unit, as applicable, will, subject to customary representations and warranties set forth in the PSA, otherwise be conveyed on as “as-is, where-is” basis, with all faults; (g) Purchaser’s remedies for Seller’s default or non-performance will be either specific performance or termination of the PSA and return of the deposit; provided that if the remedy of specific performance is not available, Purchaser shall have all rights at law and/or equity; (h) Seller’s sole remedy for Purchaser’s default or non-performance will be the forfeiture of the deposit (plus interest accrued thereon), and nullification of the provisions of this Article 17 with respect to Purchaser for any subsequent offer to sell or sale of the CUMC Unit or the APAH Unit, as applicable; (i) Purchaser may not assign its interest in the PSA to a party that is not a Related Entity; and (j) such PSA will contain other customary terms and provisions for a purchase contract of commercial real estate in the greater Washington, D.C. metropolitan area. Seller and Purchaser shall negotiate the terms of the PSA in good faith and with diligence.

MISCELLANEOUS

Section 18.1 Construction. This Lease shall be construed according to and be governed by the laws of the Commonwealth of Virginia.

Section 18.2 Headings. The headings used for the various articles and sections of this Lease are used only as a matter of convenience for reference, and are not to be construed as part of this Lease or to be used in determining the intent of the parties of this Lease.

Section 18.3 Partial Invalidity. If any of the terms, provisions or conditions of this Lease or the application thereof to any person, entity or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease and the application of such terms, provisions or conditions to a person, entity or circumstances other than those which it is held invalid or unenforceable shall not be affected thereby and each of the other terms, provisions and conditions of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 18.4 Landlord Not a Partner. It is expressly understood that Landlord shall not be construed or held to be a partner or associate of Tenant in the conduct of its business, it being further understood and agreed that the relationship between the parties hereto is and, unless otherwise agreed in writing, shall at all times remain that of landlord and tenant.

Section 18.5 Bind and Inure. The words "Landlord" and "Tenant" shall be construed to mean the original parties, their respective permitted successors and assigns and those claiming through or under them, respectively. The agreements and conditions in this Lease contained on the part of Tenant to be performed and observed shall be binding upon Tenant and its permitted successors and assigns and shall inure to the benefit of Landlord and its permitted successors and assigns, and the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and its permitted successors and assigns and shall inure to the benefit of Tenant and its permitted successors and assigns. No Leasehold Mortgagee shall be deemed to be the holder of said leasehold estate until such Leasehold Mortgagee shall have acquired indefeasible title to said leasehold estate.

Section 18.6 Estoppel Certificate. Each party agrees from time to time, upon no less than fifteen (15) days prior written request of the other, to execute and acknowledge a statement in writing certifying that this Lease has not been modified and is in full force and effect (or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), the dates to which Rent has been paid and whether there exists any uncured default by the other party and, if so, the nature of such default. Any such statement delivered pursuant to this Section 18.6 may be relied upon by any prospective purchaser of such party's interest in this Lease or current or prospective Leasehold Mortgagee.

Section 18.7 Notice. Every notice and demand required or permitted to be given under this Lease shall be in writing and deemed to have been duly given when hand-delivered, or delivered via commercial carrier (with receipt therefor), or when mailed postage prepaid by first class, certified or registered mail, return receipt requested. Notices shall be addressed as follows:

To Landlord: Central United Methodist Church
4201 Fairfax Drive
Arlington, Virginia 22203
Attn: Senior Pastor

with a copy to: Hirschler Fleischer
8270 Greensboro Drive, Suite 700
Tysons, VA 22102
Attn: Justine Fitzgerald

To Tenant: Arlington Partnership for Affordable Housing, Inc.
4318 North Carlin Springs Rd.
Arlington, VA 22203
Attn: Nina Janopaul

with a copy to: Walsh, Colucci, Lubeley & Walsh, P.C.
2200 Clarendon Blvd., Suite 1300
Arlington, VA 22201

Attn: Antonia E. Miller

or to such other address (or notice party) as that party shall from time to time have designated by written notice given to the other party as herein provided. Notices shall be deemed received by the receiving party when hand-delivered or the first business day after being delivered via commercial carrier (with receipt therefor) or three (3) business days after being mailed postage prepaid by first class, certified or registered mail, return receipt requested. Notices may be delivered by or on behalf of a party by its counsel. Copies of notices are sent for informational purposes only and shall not be deemed notice to the notice party.

Section 18.8 Documents Relating to the Premises. Tenant shall deliver to Landlord copies of all documents related to the Premises filed by Tenant with any governmental or public entity or in any legal or administrative proceeding including without limitation, all documents in connection with the Approvals filed after the Effective Date and all pleadings, petitions, applications and tax and assessment documents. Tenant shall deliver a copy to Landlord of any official notice with respect to the Premises received by Tenant or any documents related to the Premises filed by any other party, with any government or public entity or in any legal or administrative proceeding, within five (5) days after receipt of same by Tenant. Landlord shall deliver a copy to Tenant of any official notice with respect to the Premises received by Landlord or any documents related to the Premises filed by any other party, with any government or public entity or in any legal or administrative proceeding, within five (5) days after receipt of same by Landlord.

Section 18.9 Entire Agreement. This Lease, together with the exhibits attached hereto, contains all the agreements made between the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease and exhibits attached hereto, shall be of any force or effect, and the same may not be modified in any other manner than by an instrument in writing executed by the parties hereto or their respective successors in interest.

Section 18.10 No Merger of Title. There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Land by reason of the fact that the same person may own or hold (a) the leasehold estate created by this Lease or any interest in such leasehold estate, and (b) any interest in the fee estate of the Land, and no such merger shall occur unless and until all persons, including any mortgagee having any interest in (i) the leasehold estate created by this Lease, or (ii) the fee estate in the Land, shall join in a written instrument effecting such merger and shall duly record the same.

Section 18.11 Broker. Landlord and Tenant each represent and warrant to each other that neither of them has employed any broker in carrying in the negotiations, or had any dealings with any broker, relating to this Lease. Landlord shall indemnify and hold Tenant harmless, and Tenant shall indemnify and hold Landlord harmless, from and against any claim or claims for brokerage or other commission arising from or

out of any breach of the foregoing representation and warranty by the respective indemnitors.

Section 18.12 Waiver of Jury Trial and Mediation. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on or with respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant hereunder, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage. As a condition precedent to either Landlord or Tenant initiating litigation under this Lease, Landlord and Tenant shall submit to non-binding mediation. Such mediation shall be initiated by the written demand of either Landlord or Tenant. With respect to such mediation, the parties shall, within fifteen (15) days after demand is filed or served on the other party, agree upon a qualified mediator who is not affiliated with either Landlord or Tenant. If the parties are unable to agree upon a mediator, a qualified mediator shall be appointed by the American Arbitration Association office located nearest the site of the Premises. Such mediation shall occur within thirty (30) days after the mediator has been agreed upon or appointed and shall occur in Arlington County, Virginia, or at another mutually acceptable location reasonably convenient to Landlord and Tenant. If mediation has not resulted in a resolution of the disputed issue within sixty (60) days after demand for mediation is made, either Landlord or Tenant may proceed to initiate litigation.

Section 18.13 Enforcement of Lease. In the event either party is required or elects to take legal action to enforce against the other party the performance of the other party's obligations under this Lease, then the non-successful party shall immediately reimburse the successful party for all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the successful party in connection with the legal action.

Section 18.14 Counterparts/Facsimile and Email Signatures. This Lease may be executed in any number of identical counterparts, any one and all of which shall constitute the agreement of the parties and each of which shall be deemed an original. This Lease may be executed by facsimile signatures or electronic delivery of signatures, which shall be binding on the parties hereto.

Section 18.15 Memorandum of Ground Lease. The Landlord agrees, upon request by Tenant, to execute a memorandum of ground lease in the form attached hereto as **Exhibit C** (the "**Memorandum of Ground Lease**"). Tenant shall be permitted to record the Memorandum of Ground Lease among the land records at Tenant's sole cost and expense. Promptly following Substantial Completion of the CUMC Unit, Landlord and Tenant agree to execute an amendment to memorandum of ground lease in the form attached hereto as **Exhibit D** (the "**Amendment to Memorandum of Ground Lease**"). Tenant shall record the Amendment to Memorandum of Ground Lease among the land records at Tenant's sole cost and expense. Upon expiration of the Term of this Lease, Tenant, at Tenant's sole cost and expense, shall cause the Memorandum of Ground Lease and Amendment to Memorandum of Ground Lease to be terminated of record, and upon Tenant's failure to do so, Landlord shall have the

right to do so, and Tenant hereby appoints Landlord as its attorney in fact, coupled with an interest, to record such termination.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, and intending to be legally bound, Landlord and Tenant have executed this Lease as of the dates indicated below.

Landlord:

_____, Trustee
Date: _____

_____, Trustee
Date: _____

_____, Trustee
Date: _____

_____, Trustee
Date: _____

Tenant:

By: _____
Name: _____
Title: _____
Date: _____

LIST OF EXHIBITS

- Exhibit A Investor Information as of the Effective Date
- Exhibit B List of Leasehold Mortgagees as of the Effective Date
- Exhibit C Form of Memorandum of Ground Lease
- Exhibit D Form of Amendment to Memorandum of Ground Lease

EXHIBIT A
INVESTOR INFORMATION AS OF THE EFFECTIVE DATE

EXHIBIT B
LIST OF LEASEHOLD MORTGAGEES AS OF THE EFFECTIVE DATE

EXHIBIT C
FORM OF MEMORANDUM OF GROUND LEASE

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (this "Memorandum") made effective as of the ___ day of _____, 202_ (the "Effective Date"), by and between _____, Trustees for Central United Methodist Church ("Landlord"), and _____ ("Tenant").

WITNESSETH:

1. Premises. Landlord and Tenant are parties to that certain Deed of Ground Lease dated _____, 20__ (the "Lease") for that certain real property described on Exhibit A attached hereto, together with the improvements located thereon as of the Effective Date of this Memorandum and as may be located thereon following the Effective Date of this Memorandum (as more particularly described in the Lease, the "Premises"). Tenant intends to construct the Project (as defined in the Lease) on the Premises.

2. Term and Mutual Right of First Offer. The Lease has a term of seventy-five (75) years from the date of Project Completion (as defined in the Lease) (the "Term"). The Term is subject to extension for three (3) five (5) year periods, as more particularly set forth in the Lease. The Lease contains right of first offer provisions and provisions restricting assignment rights for the benefit of both Landlord and Tenant, as more particularly set forth in the Lease.

3. Incorporation of Lease. This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This Memorandum is merely a memorandum of the Lease and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this Memorandum, the terms of the Lease shall prevail.

4. Termination. This Memorandum (and any and all amendments to this Memorandum) shall automatically terminate, without the necessity of the execution of any further document or instrument, upon the date of termination or expiration of the Lease (or of Tenant's right to possession thereunder, whichever occurs first). Although this Memorandum (and any and all amendments to this Memorandum) shall automatically terminate as set forth in the preceding sentence, Tenant, upon the request of Landlord, shall execute and acknowledge a document confirming the termination of this Memorandum (and any and all amendments to this Memorandum).

5. Binding Effect. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the terms of the Lease.

The parties have executed this Memorandum as of the date and year first above written.

LANDLORD:

_____, Trustee
Date: _____

_____, Trustee
Date: _____

_____, Trustee
Date: _____

_____, Trustee
Date: _____

STATE/Commonwealth of _____)
COUNTY OF _____) SS:
_____)

This instrument was acknowledged before me, a Notary Public in and for the jurisdiction aforesaid, this ____ day of _____, 20__ by _____, Trustee of Central United Methodist Church.

WITNESS my hand and official seal.

Notary Public

Notary Registration No.: _____
My Commission Expires: _____

TENANT:

STATE/Commonwealth of _____)
) SS:
COUNTY OF _____)

This instrument was acknowledged before me, a Notary Public in and for the jurisdiction aforesaid, this ____ day of _____, 20____ by _____.

WITNESS my hand and official seal.

Notary Public

Notary Registration No.: _____
My Commission Expires: _____

Exhibit A

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate, and being in Arlington County, Virginia, being more particularly described as follows:

[INSERT CONDOMINIUM DECLARATION DESCRIPTION]

EXHIBIT D
FORM OF AMENDMENT TO MEMORANDUM OF GROUND LEASE

AMENDMENT TO MEMORANDUM OF GROUND LEASE

THIS AMENDMENT TO MEMORANDUM OF GROUND LEASE (this “Amendment to Memorandum”) made effective as of the ___ day of _____, 202_ (the “Effective Date”), by and between _____, Trustees for Central United Methodist Church (“Landlord”), and _____ (“Tenant”).

WITNESSETH:

1. Premises. Landlord and Tenant are parties to that certain Deed of Ground Lease dated _____, 20__ (the “Lease”). In connection with the Lease, Landlord and Tenant did record that certain Memorandum of Ground Lease dated _____ as Instrument _____ among the land records of Arlington County, Virginia (the “Memorandum”). Landlord and Tenant to desire to execute and record this Amendment to Memorandum to reflect the termination of the Lease with respect to the CUMC Unit (as defined in the Lease), such that, from and after the Effective Date, the Premises (as defined in the Memorandum), subject to and encumbered by the Lease shall be as described in Exhibit A to the this Amendment to Memorandum. Notwithstanding the foregoing, the CUMC Unit shall remain subject to the right of first offer provisions and the provisions restricting assignment rights, as more particularly set forth in the Lease.

2. Incorporation of Lease. This Amendment to Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This Amendment to Memorandum is intended only to amend Exhibit A attached to the Memorandum and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this Amendment to Memorandum, the terms of the Lease shall prevail. Except as otherwise expressly modified by the terms of this Amendment to Memorandum, the Memorandum shall remain unchanged and continue in full force and effect.

3. Binding Effect. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the terms of the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES FOLLOW]

The parties have executed this Memorandum as of the date and year first above written.

LANDLORD:

_____, Trustee

Date: _____

_____, Trustee

Date: _____

_____, Trustee

Date: _____

_____, Trustee

Date: _____

STATE/Commonwealth of _____)

COUNTY OF _____)

) SS:

This instrument was acknowledged before me, a Notary Public in and for the jurisdiction aforesaid, this ____ day of _____, 20____ by _____, Trustee of Central United Methodist Church.

WITNESS my hand and official seal.

Notary Public

Notary Registration No.: _____

My Commission Expires: _____

STATE/Commonwealth of _____)
) SS:
COUNTY OF _____)

This instrument was acknowledged before me, a Notary Public in and for the jurisdiction aforesaid, this ____ day of _____, 20____ by _____, Trustee of Central United Methodist Church.

WITNESS my hand and official seal.

Notary Public

Notary Registration No.: _____
My Commission Expires: _____

STATE/Commonwealth of _____)
) SS:
COUNTY OF _____)

This instrument was acknowledged before me, a Notary Public in and for the jurisdiction aforesaid, this ____ day of _____, 20____ by _____, Trustee of Central United Methodist Church.

WITNESS my hand and official seal.

Notary Public

Notary Registration No.: _____
My Commission Expires: _____

STATE/Commonwealth of _____)
) SS:
COUNTY OF _____)

This instrument was acknowledged before me, a Notary Public in and for the jurisdiction aforesaid, this ____ day of _____, 20____ by _____, Trustee of Central United Methodist Church.

WITNESS my hand and official seal.

Notary Public

Notary Registration No.: _____
My Commission Expires: _____

Exhibit A

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate, and being in Arlington County, Virginia, being more particularly described as follows:

[INSERT CONDOMINIUM DECLARATION DESCRIPTION]

EXHIBIT C

Form of Development Agreement

[attached]

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “**Agreement**”) is made as of _____, 2021 (the “**Effective Date**”), by and between [APAH _____ LLC], a Virginia limited liability company (“**APAH**”) and Joseph Eugene Cross, Briar Rose Smith, Mike Rugala, Alex Timm, Ali Azimipour, Tricia O’Hara and Dainty Ignacio, Trustees for Central United Methodist Church (“**CUMC**”). Capitalized terms that are used but not defined herein shall have the meanings set forth in that certain Agreement to Ground Lease, dated _____, 2020, by and between Arlington Partnership for Affordable Housing, Inc. and CUMC (the “**Agreement to Ground Lease**”).

RECITALS:

WHEREAS, CUMC owns certain real property and improvements located in Arlington County, Virginia, identified by the County as RPC # 14-024-017 located at 4201 Fairfax Drive, Arlington, Virginia; and

WHEREAS, on or about the date hereof, CUMC caused the Property to be subjected to a land condominium regime pursuant the Condominium Declaration; and

WHEREAS, pursuant to that certain Deed of Ground Lease between the APAH Ballston Limited Partnership, a Virginia limited partnership (the “**Residential Project Owner**”) and CUMC, dated as of the date hereof (the “**Ground Lease**”), CUMC ground leased to the Residential Project Owner the APAH Unit and the CUMC Unit; and

WHEREAS, the Residential Project Owner will cause to be constructed the APAH Unit, and APAH will cause to be constructed upon the CUMC Unit the Church Project (the Church Project together with construction of the APAH Unit are referred to herein as the “**Projects**”); and

WHEREAS, the Residential Project Owner’s leasehold interest in the CUMC Unit will terminate upon completion of the Church Project, as further described herein; and

WHEREAS, APAH and CUMC desire to set forth herein certain provisions relating to the construction of the Church Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, APAH and CUMC hereby agree as follows:

1. **Recitals.** The recitals set forth above are hereby incorporated by reference herein as if fully set forth herein.

2. **Construction of the Church Project.**

(a) **General.** APAH shall cause the Church Project to be constructed upon the CUMC Unit in accordance with the provisions of the Agreement to Ground Lease and this Agreement. The Church Project shall be constructed pursuant to the terms of, and consistent

with, (i) one or more guaranteed maximum price construction contract(s) approved by CUMC, between the Residential Project Owner and Davis Construction (the “**General Contractor**”) for the construction of the core and shell portions of the Residential Project and the Church Project (the “**Core and Shell Construction Contract**”), (ii) that certain guaranteed maximum price construction contract approved by CUMC, between APAH and the General Contractor for the construction of the interior portions of the Church Project (the “**Church Construction Contract**,” and together with the Core and Shell Construction Contract, the “**Construction Contracts**”), (iii) the construction documents prepared by the architect for the Projects, Davis Carter Scott Ltd., and approved by CUMC (the “**Construction Documents**”), (iv) the Approvals, (v) all applicable laws, ordinances, rules and regulations relating to the construction of the Church Project (“**Applicable Laws**”) and (vi) the Final Building Permit Drawings (as defined in the Agreement to Ground Lease) (the criteria set forth in items (i) through (v) are collectively referred to herein as the “**Construction Criteria**”).

(b) Permits. APAH shall be responsible for obtaining all building permits and other governmental approvals required to construct the Church Project in accordance with the Construction Criteria, as well as the occupancy permit for the Church Project upon completion as described in Section 4(b); provided, however, that CUMC shall be solely responsible for obtaining all permits and other approvals required (i) for the installation of the CUMC FFE (defined in Section 2(i)) and (ii) for the specific use of the Church Project space, including, without limitation, the use permit required for a child care operation.

(c) Construction Commencement. APAH shall cause construction of the Church Project to commence (“**Construction Commencement**”) within thirty (30) days after the execution of the Ground Lease, and APAH shall diligently pursue Substantial Completion of the Church Project subject only to Force Majeure Delay and CUMC Delay (as each term is defined below). At any time from Construction Commencement until Substantial Completion, CUMC or its qualified designee may elect to observe the status of the construction, subject to any site rules and safety requirements; provided that such observation shall be for CUMC’s benefit only. Notwithstanding the foregoing, CUMC shall promptly notify APAH in writing if, at any time prior to Substantial Completion, CUMC or its qualified designee discovers or identifies any material deficiencies or defects in the Church Project.

(d) Construction Process. If, in connection with the construction of the Church Project, APAH requires CUMC to respond to a request (including, without limitation, pursuant to Section 2(e)(ii) hereof), CUMC shall provide the same within three (3) business days after APAH’s written request therefor, except in the event a different time period is expressly set forth herein. If CUMC fails to provide such information, approval or disapproval within the applicable time period, then APAH may send a second notice to CUMC requesting such information (a “**Second Response Request Notice**”) clearly describing the delinquent required documents and information or response to any request for approval and the response that will be assumed by APAH if CUMC does not respond to the Second Response Request Notice within two (2) business days (the “**Second Response Request Period**”). The Second Response Request Notice shall state in bold, all capital letters, on the first page a header to the following effect: (a)

that this notice is a Second Response Request Notice pursuant to Section 2(d) of this Agreement, (b) that CUMC is required, within two (2) business days either to provide such documents and information or request additional information reasonably required for CUMC's response, or provide its response indicating its approval or disapproval to any request for approval prior to the expiration of the Second Response Request Period, and (c) if CUMC fails to respond or issue its approval or disapproval within the Second Response Request Period, then CUMC will be deemed to have waived its right to object thereto. If CUMC fails to provide such document and information, request additional information or provide its response indicating its approval or disapproval to any request for approval prior to the expiration of the applicable Second Response Request Period, then APAH may assume the response from CUMC that is set forth in the Second Response Request Notice, with CUMC thereby waiving any right to object or later respond or provide such document or information. In the event that, at any time, CUMC disapproves a submission for which CUMC's approval is required pursuant to the provisions of this Section 2(d), any such disapproval shall be in writing and shall clearly state the reasons for CUMC's disapproval (a "**Disapproval Notice**"). Promptly upon APAH's receipt of any Disapproval Notice from CUMC, or if CUMC requests additional information regarding any Second Response Request Notice, then APAH and CUMC shall meet and shall, in good faith, attempt to resolve any issues set forth in any such Disapproval Notice or otherwise, and if APAH and CUMC are unable to resolve the same, then the provisions of Section 7 of this Agreement shall apply.

(e) Change Orders.

(i) APAH Permitted Changes. In connection with the construction of the Church Project, APAH may (a) make changes to the Construction Documents that are not material (i.e., customary "field" changes that have no more than a de minimis effect on the Budget, the functionality, architecture, appearance or capacity of the Church Project or the Schedule (defined in Section 4(a)), (b) substitute a product of substantially equal quality if any product specified in any Construction Documents or Construction Criteria is not available or is not available within a time frame required to maintain the Schedule and so long as such substitution has no more than a de minimis effect the Budget or the functionality, architecture, appearance or capacity of the Church Project, (c) make changes to the Construction Documents as are required by utility providers or any governmental authority, including the Virginia Housing Development Authority and the Washington Metropolitan Area Transit Authority, so long as such changes are promptly disclosed to CUMC, (d) make changes required to satisfy any requirements contained in any easements provided by neighboring property owners, (e) approve change orders under the Construction Contracts to the extent such change orders only affect the cost and/or physical aspects of the Residential Project, or (f) make changes (to the extent the changes do not materially affect the functionality, architecture, appearance or capacity of the Church Project or affect the Budget or the Schedule) that are required to address circumstances arising during construction which are not foreseen at the time of the finalization of the Construction Documents, including the discovery of human remains (collectively, "**APAH Permitted Changes**"), so long as, in each case, APAH informs the CUMC Representative in a reasonable manner (which may include discussion at a Construction Meeting (defined below) or inclusion in regular reports provided to CUMC) regarding the nature of any proposed APAH Permitted Changes and the basis therefor. CUMC shall be

responsible for paying its allocated share of any APAH Permitted Changes pursuant to the provisions of Section 3(d).

(ii) Other APAH Changes. In connection with the construction of the Church Project, if APAH desires to make any change order, substitution and/or change to the Construction Documents that is not an APAH Permitted Change, then before making any such substitution and/or change, APAH must first obtain CUMC's written consent thereto, which consent shall not be unreasonably withheld or conditioned. Any such request for consent shall be governed by the terms and conditions of Section 2(d) above.

(iii) CUMC Changes. In connection with the construction of the Church Project, CUMC may make substitutions and/or changes to the Construction Documents (the "**CUMC Changes**") so long as (i) the change will not have a material adverse effect on the General Contractor's ability to complete the Projects in accordance with the Schedule and the Construction Criteria, (ii) the change will not increase the cost of the Residential Project by requiring additional changes to the Residential Project, (iii) the change will not have a material adverse effect on the overall aesthetics of, the use of, or the ability to access, the Residential Project, in APAH's reasonable determination, (iv) the change will not violate the County Section 4.1 approval or any other governmental approvals or requirements for the Projects and (v) CUMC deposits into the escrow account held pursuant to the Escrow Agreement (the "**Escrow Account**") the amount of any increased costs resulting from the CUMC Changes. CUMC shall also be required to pay for any increased soft costs associated with the CUMC Changes, including design fees, consultant fees, permit fees, administrative filing fees and construction management fees. CUMC shall not be permitted to use contingency amounts reflected in the Budget to pay for CUMC Changes. CUMC shall be responsible for paying all of the costs of the CUMC Changes pursuant to the provisions of Section 3(d).

(f) Warranty. The construction of the Church Project shall be subject to a general contractor warranty period (covering construction only) of one (1) year beginning upon substantial completion as determined under the Construction Contracts (the "**Warranty Period**"). One or more subcontractors may also provide warranties for their respective work and the manufacturers of certain products installed within the CUMC Unit may provide warranties (together with the General Contractor's warranty, the "**Warranties**"). Promptly after the Ground Lease is terminated with respect to the CUMC Unit, APAH shall use commercially reasonable efforts to cause each of the Warranties to be assigned to CUMC. With respect to each of the Warranties that are assigned to CUMC, CUMC and not APAH shall be responsible for the enforcement of such Warranties and for communicating with the General Contractor, subcontractor or manufacturer, as the case may be. With respect to all warranties for the Projects that are not assigned to CUMC, APAH shall be responsible for the enforcement of such warranties and for communicating with the General Contractor, subcontractor or manufacturer, as the case may be.

(g) Reports and Records. From Construction Commencement until Final Completion (defined in Section 6), APAH shall promptly share with CUMC the monthly

draw package delivered to APAH's lenders, the regular reports generated by the Projects' construction consultant and copies of meeting minutes for all OAC meetings relating to the Projects. CUMC shall have the right to attend all such OAC meetings (each, a "**Construction Meeting**"). Either party may request additional meetings, and upon the mutual agreement of both parties, APAH shall schedule such additional meetings among representatives of APAH, the CUMC Representative (defined in Section 2(h)), and, as applicable, the General Contractor, to discuss the status of the development and construction of the base building construction for the Projects and the Church Project. During such period, APAH shall also keep, or cause the General Contractor to keep, for a period of at least seven (7) years, records, books and accounts relating to the development and construction of the Projects, including, but not limited to the CUMC Construction Costs (the "**Books and Records**").

(h) CUMC Representative. CUMC shall designate a representative for purposes of this Agreement (the "**CUMC Representative**") who shall have the right to attend each Construction Meeting and who shall receive copies of all notices to CUMC to which reference is made in this Agreement. The CUMC Representative shall have the authority to act on behalf of CUMC. CUMC may designate a substitute or replacement CUMC Representative from time to time by written notice to APAH. As of the date of this Agreement, the CUMC Representative is Joseph Eugene Cross, and if he cannot perform the duties required by the CUMC Representative for any reason, then the CUMC Representative shall be _____.

(i) CUMC Furniture, Fixtures and Equipment. Except as may be set forth in the Construction Criteria, APAH shall have no obligations with respect to the purchase and installation of the Church Project's fixtures, furniture and equipment, including, without limitation, loose seating, ecclesiastical furnishings, audio visual lighting (AVL) equipment and installation, playground equipment, and interior wayfinding signage (collectively, the "**CUMC FFE**"). CUMC shall cause to be installed the CUMC FFE at its sole cost and expense. CUMC's installation of the CUMC FFE (the "**CUMC Work**") shall comply with applicable laws, including fire, health and safety codes. CUMC shall obtain, at its sole cost and expense, all required permits for the CUMC Work. CUMC shall have the right to access the CUMC Unit and to commence the CUMC Work prior to Substantial Completion so long as (i) the CUMC Work will not interfere with APAH's construction of the Projects, (ii) CUMC holds meetings with APAH and/or APAH's construction team as reasonably required by APAH and as reasonably necessary to coordinate with APAH the schedule and logistics relating to the CUMC Work, (iii) CUMC and its contractors abide by the General Contractor's safety protocols and (iv) CUMC provides to APAH evidence that CUMC and its contractors have obtained insurance coverage in accordance with Section 5 below.

(j) Development Manager. KCM Inc. will provide construction management (CMa) services for the Projects, with Ted Kalriess acting as the lead representative from KCM Inc. KCM Inc.'s fees are included in the Budget. In no event shall the contract with KCM Inc. be amended without the prior written consent of CUMC, which consent shall not be unreasonably withheld, conditioned or delayed. The contract with KCM Inc. shall contain a

provision that requires Ted Kalriess to review and approve all construction draws, including the draws from the Escrow Account.

3. **Cost Allocation.**

(a) **Initial Allocation.** The budget for the Projects as of the Effective Date, showing the hard and soft costs relating to the design, development and construction of the Projects, as well as contingency amounts, is set forth on **Exhibit A** attached hereto (the “**Budget**”). Subject to adjustment as set forth herein, CUMC shall be responsible for paying a total of [\$ _____] of CUMC Construction Costs for the Church Project. The CUMC Construction Costs are fully set forth on **Exhibit A** attached hereto, which sets forth in detail (i) the breakdown of the costs between the Residential Project and the Church Project and (ii) the allocation of the costs between the Residential Project and the Church Project with respect to certain shared elements, including, without limitation, the garage.

(b) **CUMC Escrow.** CUMC shall escrow the full amount of the CUMC Construction Costs on the Effective Date pursuant to the Escrow Agreement. CUMC’s escrowed funds shall be disbursed to pay for the costs of the CUMC Project pursuant to the Escrow Agreement.

(c) **Intentionally Omitted.**

(d) **Determination of Final Allocation.** Upon APAH’s receipt of the final version of the [NAME OF DOCUMENT TO BE INSERTED AFTER CONSULTATION WITH ACCOUNTANT] for the Projects prepared by CohnReznick or another accounting firm engaged by APAH (the “**Cost Certification**”), APAH shall deliver the Cost Certification to CUMC. The Cost Certification shall describe the CUMC Construction Costs, in reasonable detail, together with supporting documentation (together with the Cost Certification, the “**Final Value Certification**”). After the CUMC Construction Costs are finalized, either as set forth in the immediately preceding sentence or in connection with an Audit Claim delivered by CUMC pursuant to Section 3(e) (the “**Final Approved CUMC Construction Costs**”), APAH and CUMC shall act as follows: (i) if the Final Approved CUMC Construction Costs are less than the CUMC Construction Costs budgeted at Closing, APAH and CUMC shall, within ten (10) days after the Final Approved CUMC Construction Costs are determined, jointly instruct the escrow agent to make all remaining disbursements of Final Approved CUMC Construction Costs in accordance with the procedure set forth in the Escrow Agreement, and to release any funds remaining in the escrow to CUMC, or (ii) if the Final Approved CUMC Construction Costs are greater than the CUMC Construction Costs budgeted at Closing, then CUMC shall, within thirty (30) days after the Final Approved CUMC Construction Costs are determined, deliver the shortfall amount into the Escrow Account, and APAH and CUMC shall jointly instruct the escrow agent to make all remaining disbursements of the Final Approved CUMC Construction Costs in accordance with the procedure set forth in the Escrow Agreement.

(e) CUMC Audit Rights. CUMC and its agents, representatives and auditors shall be permitted to conduct an audit of the draft Final Value Certification and all Books and Records related thereto upon written notice to APAH delivered within ten (10) business days after CUMC's receipt of the draft Final Value Certification (the "**Audit Notification Deadline**"). Any third-party auditor used by CUMC shall be a reputable national or regional accounting or real estate firm, and in no event may any portion of the fee of such auditor be based on any cost savings to CUMC due to the audit. APAH shall reasonably cooperate with CUMC in the course of CUMC's review and/or audit of the Final Value Certification. Any audit shall be conducted on business days during normal business hours by CUMC or its auditors. If CUMC's audit reveals that APAH understated or overstated the overall CUMC Construction Costs (as opposed to any one or more line items), CUMC shall submit a written claim to APAH ("**Audit Claim**") no later than forty five (45) days after CUMC's receipt of the Final Value Certification (the "**Audit Claim Deadline**"). Any Audit Claim shall describe in detail how the CUMC Construction Costs have been understated or overstated. If APAH disputes the Audit Claim, APAH must provide written notice thereof ("**Dispute Notice**") to CUMC within ten (10) business days of receipt of the Audit Claim and the parties shall agree on an independent third party certified public accountant to conduct its own independent audit of the CUMC Construction Costs. If the parties cannot agree on an independent third party certified public accountant, then each party shall select its own third party certified public accountant meeting the qualifications in this sentence, and such two certified public accounts shall together choose a mutually agreed upon independent third party certified public accountant who has at least ten (10) years of experience providing accounting services for similar projects located in the vicinity of the Projects. The independent third party certified public accountant shall be selected within five (5) days after APAH's Dispute Notice. The parties shall cooperate with such third party accountant so that such third party accountant can make a determination as to the validity of the Audit Claim, which determination of the third party accountant must be made and provided to the parties within thirty (30) days following the selection of such third-party accountant and shall be final and binding upon the parties. CUMC shall pay the costs of its audit and/or retaining the third party accountant; provided, however, if the audit or, if applicable, the third party accountant, concludes that the CUMC Construction Costs in the aggregate were overstated by three percent (3%) or more, APAH shall pay the actual and reasonable third party cost of the audit and third party accountant, not to exceed \$7,500.00 in the aggregate. If (i) CUMC shall not have delivered an Audit Claim by the Audit Claim Deadline, (ii) CUMC notifies APAH that CUMC does not intend to deliver an Audit Claim, or (iii) CUMC fails to notify APAH of its desire to audit the Final Value Certification by the Audit Notification Deadline, then CUMC shall be deemed to have accepted as final and determinative the CUMC Construction Costs as shown on the Final Value Certification.

4. **Church Project Completion Date; Substantial Completion; Force Majeure Delay; CUMC Delay.**

(a) Church Project Completion Date. Subject to Force Majeure Delay and CUMC Delay, APAH shall (i) use commercially reasonable, good faith diligent efforts to adhere to the Schedule and (ii) cause construction of the Church Project to be Substantially Complete on or prior to the date that is thirty-two (32) months after the Closing (the "**Completion Date**"). The

schedule for the construction of the Church Project as of the Closing is set forth on **Exhibit B** attached hereto (the “**Schedule**”). APAH shall keep CUMC fully and timely informed as to APAH’s progress and efforts and shall promptly notify CUMC if APAH reasonably believes that the Church Project will not be Substantially Complete (defined in Section 4(b)) by the Completion Date.

(b) Substantial Completion. APAH shall be deemed to have achieved “**Substantial Completion**” and the Church Project shall be deemed “**Substantially Complete**” when (a) the architect has delivered to APAH and CUMC an AIA Certificate of substantial completion with respect to the core and shell and interior portion of the Church Project’s building, (b) the County has delivered to APAH, and APAH has delivered to CUMC, an occupancy permit with respect to the Church Project, and (c) APAH has delivered to CUMC partial lien waivers (taking into account that final payment will not be made until after Final Completion) from the General Contractor and each subcontractor, materialman, consultant or other person or entity providing goods or services to the General Contractor in connection with the construction of the Church Project. At least ten (10) business days prior to the anticipated Completion Date, APAH shall provide written notification (the “**Substantial Completion Notice**”) to CUMC. Within ten (10) days following delivery of the Substantial Completion Notice, APAH and the CUMC Representative will jointly inspect the Church Project and jointly prepare a report that shall set forth any incomplete items or items to be corrected within the CUMC Unit in order to cause the Church Project to comply with the Construction Criteria (the “**Inspection Report**”). APAH shall cause all items listed in the Inspection Report to be completed as soon as reasonably practicable after the finalization of the Inspection Report. Within five (5) business days after APAH notifies CUMC that the Inspection Report items have been completed, APAH and the CUMC Representative shall jointly inspect the completed items and at APAH’s request, CUMC shall execute a written confirmation that CUMC has accepted APAH’s completed work with respect to the items set forth on the Inspection Report. Except as set forth in the Inspection Report, and except in connection with APAH’s obligations during the Warranty Period as set forth in Section 2(f), APAH shall have no obligations in connection with the Church Project following Final Completion.

(c) Force Majeure Delay and CUMC Delay. As used herein, the term “**Force Majeure Delay**” means any of the following which in fact interferes with the construction of the Church Project: strikes, lockouts, civil disorder, inability to procure materials, riot, insurrection, war, fuel shortage, unanticipated, adverse weather conditions which prevent the party required to perform an activity from performing such activity including, if applicable and appropriate under the circumstances, the time reasonably required to allow soils to dry following such adverse weather condition, casualty, act of God, unanticipated delays by any governmental authority including public utility companies, or delays due to a pandemic or public health emergency (whether foreseeable or unforeseeable) consisting of closures of governmental offices, prohibitions on construction activities, or outbreaks of communicable disease among laborers who are then on-site at the Projects, all except to the extent such delay was in the reasonable control of the party seeking to take advantage of the Force Majeure Delay provision; provided, however, in no event shall insufficiency or unavailability of funds constitute a Force Majeure Delay hereunder.

As used herein, the term “**CUMC Delay**” means any actual delay in the construction of the Church Project which occurs as a result of the occurrence of any of the following events: (a) any change order requested by CUMC pursuant to the provisions of this Agreement, (b) CUMC’s failure to review, confirm or approve, in a timely manner, any item requiring CUMC’s review, confirmation or approval as specified in this Agreement, or (c) any interference with APAH’s construction of the Church Project due to acts or omissions of CUMC or its agent or contractors. APAH shall promptly notify CUMC of the existence of a Force Majeure Delay or a CUMC Delay, and the Completion Date set forth herein shall be automatically extended on a day-for-day basis. Any costs or expenses reasonably incurred by APAH with respect to the Projects as a result of a CUMC Delay that are not in the Budget shall be reimbursed to APAH by CUMC within thirty (30) days following written notice thereof to CUMC, regardless of whether there are contingency amounts available, and to the extent any such costs are attributable to the Church Project, such funds shall be deposited in the Escrow Account.

5. **Insurance.** [NOTE: ALL INSURANCE TO BE REVIEWED, UPDATED AND APPROVED BY EACH PARTY’S INSURANCE PROVIDERS PRIOR TO CLOSING.] From Construction Commencement until Final Completion, APAH shall cause the architect, design consultants, civil engineers, the General Contractor, and all other contractors working on the Projects, to maintain the insurance coverages provided for below, as applicable to each such contractor, with insurance carriers authorized to do business in the Commonwealth of Virginia and rated at least A-/IX in the current edition of Best’s insurance guides with the minimum limits set forth below:

(a) Workers’ Compensation Insurance as required by applicable law and Employer’s Liability Insurance with a minimum limit of \$1,000,000 or, if greater, the minimum limit required by law.

(b) Commercial General Liability Insurance covering bodily injury, death of any person, or injury or damage to real or personal property, including completed operations and contractual liability insurance with the following minimum limits for bodily and personal injury and property damage on an occurrence basis: \$2,000,000 per occurrence; \$5,000,000 aggregate limit.

(c) Business Automobile Liability Insurance covering any auto used by APAH covering bodily injury and property damage with a minimum limit of \$1,000,000 per accident.

(d) Commercial Umbrella Insurance providing excess limits for the Employer’s Liability, Commercial General Liability and Business Automobile Liability policies pursuant to clauses (a), (b) and (c) above, with a minimum limit of \$5,000,000 each occurrence and \$5,000,000 annual aggregate.

(e) Builder’s Risk Insurance on an “all risk” policy form, in an amount not less than one hundred percent (100%) of the estimated completed insurable value of the Projects. [TBD WHETHER CONTRACTOR OR APAH WILL CARRY THIS.]

(f) Professional liability insurance policy covering the professional work rendered with respect to the Church Project, with limits not less than Two Million Dollars (\$2,000,000.00) per claim and annual aggregate, subject to a deductible of not more than one Hundred Thousand Dollars (\$100,000.00).

CUMC shall be named as an additional insured on all commercial general liability policies and a loss payee on property insurance policies, and APAH shall provide evidence of the insurance to CUMC upon request.

6. **Term; Events of Default; Remedies.** This Agreement shall commence as of the date hereof and shall continue until Final Completion or until all of the obligations of the parties set forth herein are completed, unless sooner terminated in accordance with its terms. “**Final Completion**” shall mean (a) Substantial Completion has been achieved with respect to the Projects, (b) a permanent certificate of occupancy for the Projects or such other approvals of governmental authorities as may then be required to render occupancy of the Projects for its intended purpose legal, (c) all of the work (including all items on the Inspection Report) not completed at Substantial Completion with respect to the Projects, such as, for example, exterior landscaping, is completed, and (d) APAH has delivered or caused the Escrow Agent to deliver to CUMC an endorsement to its owner’s title insurance policy reflecting the termination of the Ground Lease with no encumbrances or liens created by or permitted by APAH other than those previously approved by CUMC, including no mechanic’s liens or similar encumbrances. APAH shall use commercially reasonable, good faith diligent efforts to cause Final Completion to occur on or prior to the date that is three (3) months after the Completion Date.

(a) Any one of the following events shall be deemed an “**APAH Event of Default**”: (i) if APAH fails to comply in any material respect with any provision of this Agreement, including, without limitation, a failure to achieve Substantial Completion and Final Completion when required, which default is not cured within thirty (30) days of CUMC’s delivery of written notice to APAH specifying such failure, provided, however, that if a non-monetary default is incapable of being cured within such thirty-day period, then the same shall not constitute an APAH Event of Default provided that APAH commences the cure thereof within such thirty (30) day period and thereafter diligently prosecutes the same to completion within ninety (90) days after delivery of such notice to APAH; (ii) if APAH commits fraud, or an act or omission involving gross negligence, willful misconduct or intentional breach of a provision of this Agreement; (iii) the bankruptcy of APAH or the Residential Project Owner; or (iv) the foreclosure by APAH’s Lenders or the Residential Project Owner’s lender. Notwithstanding the foregoing, the cure period described in this Section 6(a) shall not apply to an APAH Event of Default that consists of a failure to achieve Substantial Completion or Final Completion within the timeframes required hereunder.

(b) **CUMC Remedies.** In the case of an APAH Event of Default, CUMC may elect, as its sole and exclusive remedies, to (i) if the APAH Event of Default results in a construction delay, APAH agrees to pay to CUMC liquidated damages in the amount of seventeen percent (17%) of any liquidated damages actually received by APAH under the Core and Shell

Construction Contract and all of the liquidated damages actually received by APAH under the Church Construction, (ii) seek additional damages available at law for losses and costs caused by an APAH Event of Default, but no such damages shall duplicate any amounts received as liquidated damages under the preceding clause, (iii) seek specific performance, injunction, or other equitable remedy, (iv) direct APAH, in writing, to proceed with the construction of the Church Project, subject to such reasonable conditions designed to address the APAH Event of Default as may be imposed by CUMC, (v) in the event of an APAH Event of Default set forth in Section 6(a)(ii) or Section 6(a)(iii) or Section 6(a)(iv), terminate this Agreement, and/or (vi) enforce the Guaranty Agreement, provided by APAH in the form attached hereto as Exhibit C, when the APAH Event of Default consists of a failure to construct all or a portion of the Church Project consistent with the Construction Criteria or as otherwise required herein.

(c) Actions Upon Termination and Expiration. Upon expiration or earlier termination of this Agreement, APAH shall deliver to CUMC all materials, supplies, equipment, keys, contracts, documents and other books and records pertaining to this Agreement or to the development of the base building construction of the Projects (if not yet completed) and the Church Project.

(d) CUMC Event of Default. A “**CUMC Event of Default**” is defined as a failure of CUMC to comply in any material respect with any provision of this Agreement, which default is not cured within thirty (30) days of APAH’s delivery of written notice to CUMC specifying such failure, provided, however, that if a non-monetary default is incapable of being cured within such thirty-day period, then the same shall not constitute a CUMC Event of Default provided that (i) the additional time to cure will not prevent construction of the Projects from continuing within the timeframes set forth on the Schedule and (ii) CUMC commences the cure thereof within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

(e) APAH Remedies. In the case of a CUMC Event of Default, APAH may elect, as its sole and exclusive remedies, to (i) seek monetary damages at law for damages caused by a CUMC Event of Default, or (ii) seek specific performance, injunction, or other equitable remedy. In no event shall either party be liable for consequential, punitive or special damages arising from this Agreement.

7. Construction Disputes. If there should arise a dispute directly relating to the construction of the Projects, including, by way of example and not limitation, the approval of a change order, the choice of particular materials, or the means and methods of installation of certain materials, and the parties are not able to resolve the dispute despite good faith negotiations, then the parties agree that in lieu of filing suit in a court of competent jurisdiction, the parties shall partake in the following dispute resolution process:

(a) Not more than two business days after one party sends written notice to the other party that a construction dispute remains unresolved, the parties shall contact Mark G. Anderson Consultants, Inc. (or another construction consultant having at least ten (10) years’ of

relevant experience in the commercial construction industry and who is mutually agreed upon by the parties) (the “**Consultant**”).

(b) As soon as reasonably practicable, but not less than five (5) business days after the Consultant has been contacted, the parties shall each present to the Consultant in writing their respective (i) descriptions of the dispute including all relevant facts, (ii) findings that they request the Consultant make, and (iii) detailed evidence and documentation sufficient for Consultant to make an informed decision. The parties shall promptly respond to Consultant’s request(s) for additional information, but in no event later than two (2) business days after such request.

(c) The parties shall appear together before the Consultant in order to respond to questions, either in person or via video conference, if the Consultant determines that such appearance is necessary in order to supplement the information provided by the parties. The parties will instruct the Consultant to make a determination within three (3) business days after Consultant has received the parties’ initial submission and all additional information requested by the Consultant. The decision of the Consultant shall be final and enforceable under in any court having jurisdiction.

8. **Indemnification.** APAH shall indemnify, defend and hold harmless CUMC and its members, managers, partners, officers, directors, agents and employees from and against any and all actions, suits, claims, penalties, losses, liabilities or damages, and reimburse CUMC and its members, managers, partners, officers, directors, agents and employees, for all expenses incurred (including reasonable attorneys’ fees and disbursements and the cost of litigation) resulting from a breach of this Agreement by APAH or arising out of acts of APAH outside the scope of APAH’s authority under this Agreement or resulting from the gross negligence or willful misconduct of APAH. CUMC shall indemnify, defend and hold harmless APAH and its affiliates, members, managers, partners, officers, directors, agents and employees from and against any and all actions, suits, claims, penalties, losses, liabilities or damages, and reimburse APAH and its affiliates, members, managers, partners, officers, directors, agents and employees, for all expenses incurred (including reasonable attorneys’ fees and disbursements and the cost of litigation) resulting from a breach of this Agreement by CUMC or arising out of acts of CUMC outside the scope of CUMC’s authority under this Agreement or resulting from the gross negligence or willful misconduct of CUMC.

9. **APAH’s Representations.** [REPRESENTATIONS TO BE UPDATED PRIOR TO EXECUTION IF NECESSARY TO REFLECT THEN-CURRENT FACTS.] APAH shall be deemed to have made the following representations and warranties to CUMC on the Effective Date and upon Substantial Completion of the Church Project, which representations and warranties shall survive the expiration or termination of this Agreement for one year:

(a) **Organization/Qualification.** APAH is a limited liability company, duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia,

and has the requisite power and authority to enter into this Agreement, and to consummate the transactions contemplated by the terms of this Agreement.

(b) Authority. The execution and delivery of this Agreement by APAH and the performance by APAH of its obligations contemplated by this Agreement are within its authority and all requisite action shall have been taken to make this Agreement valid and binding on APAH in accordance with its terms and no consent of any of APAH's partners, directors, officers or members are required to so empower or authorize APAH. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which APAH is a party or by which APAH is otherwise bound, which conflict, breach or default would have a material adverse effect on APAH's ability to perform its obligations contemplated by this Agreement. This Agreement is a valid and binding agreement enforceable against APAH in accordance with its terms.

(c) Litigation. No pending or, to the knowledge of APAH, threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or non-binding any of APAH's obligations or covenants to CUMC as set forth in this Agreement, the Ground Lease, the Development Agreement, the Condominium Declaration or the REA.

(d) No Violations. To APAH's knowledge, the execution by APAH of this Agreement and the consummation by APAH of the transaction hereby contemplated does not, and will not at any time (i) result in a breach of or default under any indenture, agreement, instrument or obligation to which APAH is a party and which affects all or any portion of the CUMC Unit, or (ii) constitute a violation of any governmental requirement.

(e) No Default. To APAH's knowledge, APAH is not in default under any mortgage, deed of trust, loan agreement, or other agreement to which APAH is a party or which affects any portion of the CUMC Unit.

(f) Hazardous Substances. To APAH's knowledge, APAH has not taken or failed to take any action which would cause the CUMC Unit to contain any waste, debris, contamination or Hazardous Materials, which are in violation of any local or federal law, regulation or ordinance.

(g) No Unrecorded Commitments. Except as contemplated by this Agreement and the Agreement to Ground Lease, APAH has not entered into any contracts of sale, rights of first refusal or similar rights with regard to the CUMC Unit.

(h) Condemnation. APAH has not received any written condemnation notice from a governmental entity with respect to all or part of the CUMC Unit and, to APAH's knowledge, none are pending or threatened.

(i) Possession. To APAH's knowledge, there are no adverse parties in possession of the CUMC Unit or any part thereof, and APAH has not granted any party any option,

purchase contract, license, lease or other right or interest relating to the use, purchase or possession of the CUMC Unit, or any part thereof.

APAH agrees to notify CUMC of any state of facts which would constitute a breach of, or render inaccurate, any of APAH's representations and warranties contained in this Section 9, within seven (7) days after becoming aware of said state of facts, and in any event prior to the termination of the Ground Lease with respect to the CUMC Unit. To that end, APAH shall, prior to the termination of the Ground Lease with respect to the CUMC Unit, provide CUMC with an updated schedule of disclosures necessary to make the representations and warranties of APAH under this Section 9 true in all material respects and not misleading. In no event shall APAH have any liability for a breach or default under this Agreement if the updated schedule of disclosures sets forth any state of facts contrary to the representations and warranties in this Section 9, to the extent such contrary state of facts does not arise as a result of an act or omission of APAH.

10. **Miscellaneous.**

(a) **Notices.** Notices to be delivered pursuant to this Agreement shall be delivered in the manner and to the addresses set forth in the Ground Lease.

(b) **Waivers.** Failure by either party to complain of any action, non-action or default of the other party hereunder shall not constitute a waiver of the aggrieved party's rights hereunder unless expressed in a writing executed by such aggrieved party. Waiver by either party of any right for any default of the other party, including a waiver determined to occur as the result of an action or inaction, shall not constitute a waiver of any right for either a subsequent default or the same obligation or for any other default, past, present or future.

(c) **Time of the Essence.** Time is of the essence in the performance of each party's obligations under this Agreement.

(d) **Assignment.** The parties mutually agree that the benefits hereunder are not assignable by either party without the written consent of the other party, except as otherwise permitted in the Ground Lease. Subject to the foregoing provisions of this Section 10(d), this Agreement shall inure to the benefit of, and shall bind, the heirs, executors, administrators, successors and assigns of APAH and CUMC.

(e) **Execution.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be executed by PDF or other electronic or facsimile signature and the same shall be deemed an original signature.

(f) **Construction of the Agreement.** Titles to sections and subsections are for convenience only and are not intended to limit or expand the covenants and obligations expressed thereunder. Any reference herein to the singular shall include the plural and vice versa and reference to the male, female or neuter gender shall include reference to all other genders.

This Agreement represents the result of bargaining and negotiations between the parties and of a combined draftsmanship effort. Consequently, the parties expressly waive and disclaim, in connection with the interpretation of this Agreement, any rule of law requiring that ambiguous or conflicting terms be construed against the party whose attorney prepared this Agreement.

(g) Entire Agreement; Conflicts. This Agreement, the Agreement to Ground Lease and the Ground Lease, and the exhibits attached to each of the foregoing, contain the entire agreement among the parties with respect to the specific subject matter described herein. No change or modification of this Agreement, or any waiver of the provisions hereof, shall be valid unless same is in writing and signed by APAH and CUMC. In the event of a conflict between this Agreement and the Agreement to Ground Lease or the Ground Lease, this Agreement shall control.

(h) Governing Law, Venue and Consent to Jurisdiction. Subject to the terms of Section 7 of this Agreement, it is the intention of the parties that all questions with respect to the construction of this Agreement and the rights or liabilities of the parties hereunder shall be determined in accordance with the laws of the Commonwealth of Virginia. Venue for any disputes arising hereunder shall be properly had in the state and federal courts serving Arlington County, Virginia. The parties hereby consent and submit to the jurisdiction of the courts of Arlington County, Virginia and expressly waive any right to challenge the venue and jurisdiction of any Arlington County, Virginia court.

(i) Business Days and Periods of Time. If any date or the expiration of any time period, as specified in this Agreement, shall fall on a Saturday, Sunday or legal holiday, such date or time period shall be extended to the first business day after such date or time period. As used in this Agreement, “**business day**” means any day on which business is generally transacted by banks in the Washington, D.C. metropolitan area, excluding Saturdays, Sundays and legal holidays.

(j) Joint Venturers. Nothing contained herein is intended to create, nor shall it ever be construed to make, APAH and CUMC, or any of their respective affiliates, partners or joint venturers.

(k) Severability. If any part or all of any term, covenant, condition, agreement, provision or section of this Agreement shall be adjudged invalid or unenforceable by a court of competent and final jurisdiction, the same shall be severable from the remainder of this Agreement, and this Agreement shall not terminate or be deemed void or voidable, but shall continue in full force and effect and there shall be substituted for such invalid provision a like, but legal and enforceable, provision which most nearly accomplishes the intention of the parties hereto, and if no such provision is available, the remainder of this Development Agreement shall be enforced. If such term, covenant, condition, agreement, provision or section of this Agreement is adjudged invalid due to its scope or breadth, such item shall be deemed valid to the extent of the scope or breadth permitted by law.

(l) Waiver of Jury Trial. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT SUCH PARTY MAY HAVE TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE PROJECTS, ANY DOCUMENTS EXECUTED IN CONNECTION HEREWITH OR ANY OF THE MATTERS ADDRESSED HEREIN. EACH OF THE PARTIES HEREBY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY AND HAS BEEN MADE AFTER CONSULTING LEGAL COUNSEL.

(m) Attorneys' Fees. If there arises any dispute under this Agreement and said dispute results in litigation, mediation or arbitration between the parties (including pursuant to Section 7 hereof), the parties agree that the substantially prevailing party shall be entitled to recover, from the non-prevailing party, all reasonable attorneys' fees and the fees of the Consultant, if applicable, incurred by the substantially prevailing party.

[Signature Page Follows]

The parties hereto have executed this Development Agreement as of the date first written above.

APAH:

APAH _____ LLC, a
Virginia limited liability company

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

Name:
Title:

CUMC:

TRUSTEES FOR CENTRAL UNITED
METHODIST CHURCH

Trustee

Trustee

Trustee

Trustee

Trustee

EXHIBIT A

BUDGET AND CUMC CONSTRUCTION COSTS

EXHIBIT B

SCHEDULE FOR COMPLETION OF CHURCH PROJECT

EXHIBIT C

FORM OF GUARANTY AGREEMENT

GUARANTY OF COMPLETION

THIS GUARANTY OF COMPLETION (this “Guaranty”) is made this ____ day of _____ 2021, by **Arlington Partnership for Affordable Housing, Inc.**, a Virginia non-stock corporation (“Guarantor”) to **Joseph Eugene Cross, Briar Rose Smith, Mike Rugala, Alex Timm, Ali Azimipour, Tricia O’Hara and Dainty Ignacio, Trustees for Central United Methodist Church** (“CUMC”).

W I T N E S S E T H:

A. CUMC and [APAH _____, LLC], a Virginia limited liability company (“APAH Developer”), are parties to that certain Development Agreement, dated on or about the date hereof (the “Development Agreement”). All capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings ascribed to them in the Development Agreement; and

B. Pursuant to the Development Agreement, the APAH Developer has agreed to (i) construct the Church Project in accordance with the Construction Criteria so that Substantial Completion is achieved on or prior to the Completion Date and (ii) achieve Final Completion in the manner required by the Development Agreement, in each case subject to the provisions of the Development Agreement, including Force Majeure Delay, CUMC Delay, and CUMC’s obligations (the “Guaranteed Obligations”); and

C. Guarantor is affiliated with the APAH Developer and Guarantor derives substantial benefit from the Development Agreement and the Church Project to be constructed pursuant to the Development Agreement; and

D. Guarantor has agreed to guaranty to CUMC the Guaranteed Obligations, as more particularly set forth in this Guaranty.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor does hereby represent, covenant, and agree, for the benefit of CUMC, as follows:

1. Guarantor hereby unconditionally and irrevocably guarantees the full and faithful performance of the Guaranteed Obligations free from any liens or claims of any or all persons performing services or labor on any improvements in connection with the Guaranteed Obligations, as required pursuant to the Development Agreement. If, for any reason or under any contingency, the APAH Developer shall (a) abandon construction of the improvements in connection with the Guaranteed Obligations, (b) fail to complete the Guaranteed Obligations as and when required, or (c) fail to pay any costs related to the Guaranteed Obligations, as may be required pursuant to the Development Agreement, then, in any such event, Guarantor shall (i) assume all responsibility therefor (subject to the terms and conditions of this Guaranty) and, at Guarantor’s own cost and expense, cause the Guaranteed Obligations to be completed as and when required, and (ii)

pay and discharge all liens and claims of all persons performing services or labor in connection with the Guaranteed Obligations, which the APAH Developer shall have failed to pay or discharge as required pursuant to the Development Agreement. Nothing in this Guaranty shall limit the right of Guarantor to draw on any funds available to the APAH Developer or Guarantor pursuant to the Development Agreement in connection with performing the Guaranteed Obligations pursuant to this Guaranty. By acceptance of this Guaranty, CUMC agrees that, as long as Guarantor shall continue to perform the Guaranteed Obligations in accordance with the preceding sentence, CUMC shall not declare a default under this Guaranty with respect to APAH Developer's obligation to complete the Guaranteed Obligations.

2. In the event Guarantor fails to perform its obligations pursuant to this Guaranty, Guarantor shall be liable to CUMC for and shall indemnify and hold CUMC harmless against any loss, damage and expense (including reasonable counsel fees, but excluding any special or consequential damages) sustained or incurred by CUMC as a result of such failure. All sums due and payable by Guarantor hereunder shall be payable on demand of CUMC.

3. Guarantor makes the following representations and warranties to CUMC, which shall survive the execution and delivery of this Guaranty until the Guaranteed Obligations are paid and performed in full:

(a) Guarantor acknowledges that it is fully familiar with the Development Agreement;

(b) Guarantor has the power and authority to execute, deliver and carry out the terms and provisions of this Guaranty; and

(c) This Guaranty is a valid and binding obligation of Guarantor, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

4. Guarantor expressly agrees that CUMC may, in its sole and absolute discretion, without the consent of Guarantor, and without in any way releasing or affecting or impairing the obligations and liabilities of Guarantor hereunder:

(a) Waive compliance with any terms contained in the Development Agreement or any defaults thereunder, or grant any other indulgences with respect to the Development Agreement;

(b) With the agreement of the APAH Developer, modify, amend, or change any provisions of the Development Agreement; and

(c) Grant extensions or renewals of or with respect to the Development Agreement and the Guaranteed Obligations.

Guarantor further agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected or impaired by reason of the assertion by CUMC of any rights or remedies which it may have under or with respect to the Development Agreement, or by reason of CUMC's failure to exercise, or delay in exercising any such right or remedy or any right or remedy CUMC may have under the Development Agreement or in respect to this Guaranty.

5. The liability of Guarantor under this Guaranty shall be primary, direct and immediate and not conditional or contingent upon pursuit by CUMC of any remedies it may have against the APAH Developer or any other party in connection with the Guaranteed Obligations. Any one or more successive or concurrent actions may be brought hereon against Guarantor either in the same action, if any, brought against the APAH Developer, or in separate actions, as often as CUMC may deem advisable.

6. Guarantor also agrees that in the event this Guaranty shall be enforced by suit or otherwise, Guarantor will reimburse CUMC, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorney's fees and court costs.

7. Any notice, demand or request shall be provided in writing, shall be delivered to the address noted below and shall be (a) deemed fulfilled upon personal service or hand delivery, or (b) deemed given three (3) business days after deposited in any post office or letter box, postage prepaid, by certified mail, return receipt requested, or (c) shall be deemed given on the next business day after deposited with a recognized overnight courier. All notices shall be sent to the following address (or such other address as the parties hereto may provide in writing from time to time):

If to Guarantor to: Arlington Partnership for Affordable Housing, Inc.
 4318 North Carlin Springs Road
 Arlington, VA 22203
 Attn: Nina Janopaul

with copy to: Gallagher Evelius & Jones LLP
 218 N. Charles Street, Suite 400
 Baltimore, Maryland 21201
 Attn: Benjamin J. Rubin, Esq.

If to CUMC to: Central United Methodist Church
 4201 Fairfax Drive
 Arlington, VA 22203
 Attn: Rev. Sarah Harrison-McQueen

With a copy to: Hirschler Fleischer
 8270 Greensboro Drive, Suite 700
 Tysons, VA 22102
 Attn: Justine Fitzgerald

8. All rights and remedies afforded to CUMC by reason of this Guaranty are separate and cumulative and the exercise of one shall not in any way limit or prejudice the exercise of any such other rights or remedies. No delay or omission by CUMC in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies hereunder, and no modification, amendment or termination hereof or thereof shall be deemed made by CUMC unless in writing, duly signed by CUMC. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of CUMC and no single or partial exercise of any right or remedy hereunder or thereunder shall preclude other or further exercise hereof or thereof or any other right or remedy.

9. The obligations of Guarantor hereunder shall terminate upon APAH Developer's achievement of Final Completion.

10. The obligations of Guarantor hereunder are for the benefit of CUMC only, and are not for the benefit of any third party, and no such third party may rely hereon.

11. In case any provision (or any part of 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 (or remaining part of the affected provision) of this Guaranty, but this Guaranty shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein, but only to the extent it is invalid, illegal or unenforceable.

12. This Guaranty shall be construed in accordance with and shall be governed by the laws of the Commonwealth of Virginia.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Guaranty of Completion under seal as of the day and year first hereinabove written.

GUARANTOR:

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

By:

Nina Janopaul
President

12692465.2 042264.00001

EXHIBIT D-1

Preliminary Project Budget

[attached]

Sources & Uses

	4% LIHTC	CUMC	Total
Sources of Funds	100.00%	16.47%	
Permanent Tax Exempt Bonds	\$ 7,687,882	\$ -	\$ 7,687,882
CUMC Sales Proceeds	\$ -	\$ 10,995,000	\$ 10,995,000
SPARC	\$ 4,500,000	\$ -	\$ 4,500,000
REACH	\$ 2,000,000	\$ -	\$ 2,000,000
AHIF	\$ 21,750,000	\$ -	\$ 21,750,000
REACH Grant Proceeds	\$ 8,750,000	\$ -	\$ 8,750,000
Tax Credit Equity (4%)	\$ 19,253,510	\$ -	\$ 19,253,510
Deferred Developer Fee	\$ 375,000	\$ -	\$ 375,000
FHLB AHP	\$ -	\$ -	\$ -
Arl Comm Foundation/ Church Fundraising	\$ -	\$ 4,000,000	\$ 4,000,000
Other Philanthropy / Church Dev Fee	\$ -	\$ 250,000	\$ 250,000
Total Sources	\$ 64,316,392	\$ 15,245,000	\$ 79,561,392
Uses of Funds			
Acquisition Costs			
Site Acquisition/Capitalized Lease Pmt	\$ 10,995,000	\$ -	\$ 10,995,000
settlement cost for construction closing	\$ 270,000	\$ 50,843	\$ 320,843
Acquisition Subtotal	\$ 11,265,000	\$ 50,843	\$ 11,315,843
Construction Costs			
Superstructure	\$ 13,475,383	\$ 2,657,004	\$ 16,132,387
Church Interiors		\$ 5,060,108	\$ 5,060,108
Residential Interiors	\$ 14,698,960		\$ 14,698,960
Garage	\$ 5,795,436	\$ 1,142,713	\$ 6,938,149
Site Work	\$ 2,574,705	\$ 854,847	\$ 3,429,552
Builder's Risk from Davis (don't need)	\$ (218,438)	\$ (55,891)	\$ (274,329)
Hard Cost Contingency	\$ 1,920,556	\$ 378,685	\$ 2,299,241
EarthCraft (Outside contract)	\$ 57,600	\$ -	\$ 57,600
Pedestrian Signal Modifications (Outside contract)	\$ 25,059	\$ 4,941	\$ 30,000
Construction Utility Consumption (Outside contract)	\$ 167,060	\$ 32,940	\$ 200,000
Water Submetering Equipment (Outside contract)	\$ 40,000	\$ -	\$ 40,000
Security System (Outside contract)	\$ 292,355	\$ 57,645	\$ 350,000
Exterior Signage (Outside contract)	\$ 41,765	\$ 8,235	\$ 50,000
Neighbor Landscaping/Improvements	\$ 41,765	\$ 8,235	\$ 50,000
TDM Fund Contribution	\$ 35,000		\$ 35,000
FF&E and AV	\$ 200,000	\$ 650,000	\$ 850,000
Emergency Communication System	\$ 58,471	\$ 11,529	\$ 70,000
BCC Development Payment	\$ -	\$ 250,000	\$ 250,000
Additional Consultants	\$ 125,295	\$ 24,705	\$ 150,000
Requity	\$ -	\$ 460,000	\$ 460,000
Construction Subtotal	\$ 39,330,972	\$ 11,545,697	\$ 50,876,668
Soft Costs			
Construction Period Taxes	\$ 446,830	\$ 112,051	\$ 558,881

Architectural Design	\$ 2,088,250	\$ 411,750	\$ 2,500,000
Architectural Supervision	\$ 292,355	\$ 57,645	\$ 350,000
Third Parties and County Fees	\$ 786,423	\$ 155,063	\$ 941,485
Marketing/Leaseup	\$ 20,883	\$ 4,118	\$ 25,000
Market Study	\$ 8,000	\$ -	\$ 8,000
Civil Engineering/Survey	\$ 444,077	\$ 87,561	\$ 531,638
Tax Credit Prep	\$ 1,000	\$ -	\$ 1,000
Construction Management	\$ 605,593	\$ 119,408	\$ 725,000
Construction Inspections	\$ 292,355	\$ 57,645	\$ 350,000
Soil Borings + Geotech	\$ 10,024	\$ 1,976	\$ 12,000
Environmental	\$ 50,000	\$ 100,000	\$ 150,000
Builder's Risk Insurance	\$ 584,710	\$ 115,290	\$ 700,000
Interior Design	\$ 100,000	\$ -	\$ 100,000
Accounting/Cost Cert	\$ 60,000	\$ -	\$ 60,000
Other Church Soft Costs	\$ -	\$ 500,000	\$ 500,000
Reimbursables	\$ 136,635	\$ 26,941	\$ 163,576
Soft Cost Contingency	\$ 354,110	\$ 127,424	\$ 481,534
Legal	\$ 498,417	\$ 672,919	\$ 1,171,336
Appraisal	\$ 17,000	\$ -	\$ 17,000
General Liability Insurance	\$ 116,942	\$ 23,058	\$ 140,000
Utility Design and Connection Fees	\$ 455,878	\$ 89,887	\$ 545,765
HVAC Commissioning	\$ 66,824	\$ 13,176	\$ 80,000

Soft Cost Subtotal \$ 7,436,304 \$ 2,675,911 \$ 10,112,215

Financing Costs

Perm/Cons Application & Processing Fees	\$ 173,331	\$ -	\$ 173,331
Brokerage Fees	\$ -	\$ -	\$ -
Capitalized Interest (Construction Loan)	\$ 1,116,125	\$ -	\$ 1,116,125
Perm/Cons Financing Fees	\$ 282,289	\$ -	\$ 282,289
Interest Rate Cap (9%) / LOC Fee (4%)	\$ 92,153	\$ 5,000	\$ 97,153
VHDA Out of Balance Fee	\$ 30,000	\$ -	\$ 30,000
Tax Credit Fees	\$ 138,244	\$ -	\$ 138,244
VHDA Bridge Loan Collateralization Fee	\$ 245,740	\$ -	\$ 245,740
Church Predevelopment Loan interest	\$ -	\$ 600,000	\$ 600,000

Financing Cost Subtotal \$ 2,077,882 \$ 605,000 \$ 2,682,882

Developer Fee and Reserves

Debt Service & Operating Reserves	\$ 954,331	\$ -	\$ 954,331
Lease Up Reserve	\$ 100,000	\$ -	\$ 100,000
Limited Partner Asset Managment Reserve	\$ 89,500	\$ -	\$ 89,500
Developer Fee	\$ 3,000,000	\$ -	\$ 3,000,000
Working Capital/Leaseup Reserve	\$ 62,402	\$ 367,549	\$ 429,951

Developer Fee and Reserves Subtotal \$ 4,206,233 \$ 367,549 \$ 4,573,782

Total Uses \$ 64,316,392 \$ 15,245,000 \$ 79,561,392

EXHIBIT D-2

Description of the Preliminary Plans

- 1.) VHDA Submission Set dated 8/15/2019
- 2.) Church and Daycare Drawings dated 3/12/2018
- 3.) Design Concepts (MCLA) Document dated 12/21/2016
- 4.) 2019 Revision Plans- Structural, Geotech + ACIP supplement, 4.1 Minor Site Amendment
- 5.) CUMC Civil dated 3/8/2018
- 6.) CUMC Wells Fargo Refeed Mark Ups dated 5/22/2020

EXHIBIT D-3
Milestone Schedule

CUMC Milestone Dates

The following time periods are relative to the submission of the Building Permit drawings; scheduled currently for 1 January 2021 submission to Arlington County.

<u>Task</u>	<u>Complete By:</u>
Review Program and Interior Design	9/15/20
Establish Church Budget	9/22/20
Cost Reduction List & Decisions	10/15/20
Revise Interior Construction Documents (Permit Ready)	12/15/20
SUBMIT Building Permit Drawings	01/01/21
Final Finish Selections & Schedules	01/30/21
General Contractor Budgeting	02/21/21
Final GMP Pricing	07/15/21
Closing	09/15/21

EXHIBIT E-1

Form of Condominium Declaration

[attached]

**DECLARATION OF CONDOMINIUM
FOR
_____ LAND CONDOMINIUM**

This Declaration of Condominium for _____ Land Condominium is made as of this ____ day of _____, 202__ by **Central United Methodist Church**, a _____, Grantor (the "Declarant"), Grantor.

RECITALS

A. Declarant is the owner of the fee simple interest in certain land and improvements constructed thereon, and all easements, rights and appurtenances belonging thereto (hereinafter collectively called the "**Submitted Land**") located in Arlington County, Virginia (the "County"), and more particularly described in **Exhibit "A"** attached to and made a part of this Declaration.

B. Declarant desires to subject the Submitted Land, as defined and set forth below, to a condominium regime pursuant to the Virginia Condominium Act, Title 55.1, Section 1900 et seq. of the Code of Virginia, 1950 Edition, as amended (hereinafter called the "Act" or the "Condominium Act").

C. _____ Pursuant to § 55.1-1920 of the Condominium Act, the Declarant has attached to this Declaration of Condominium, as **Exhibit "D"** (incorporated herein by reference), a certain condominium plat and plan entitled "Exhibit D Plat Showing Submitted Land and Existing Easement and Plan showing location and dimensions of Units and Common Elements" made by _____, dated _____ and consisting of ____ sheets.

Now, Therefore, Declarant hereby creates an expandable condominium pursuant to the provisions of the Condominium Act, and hereby submits the Submitted Land, as identified on Exhibit "A" attached hereto and made a part hereof, to the provisions of the Condominium Act and this Declaration of Condominium.

Section 1.12 "**Land Unit**" means an area described as such in this Declaration of Condominium and shown as such on the Land Condominium Plat. "Land Unit" is sometimes also referred to as a "Unit".

Section 1.13 "**Land Unit Building**" means the building to be erected on the Submitted Land.

Section 1.13 "**Mortgage**" means any deed of trust, mortgage, or other security instrument constituting a lien against an entire Land Unit.

Section 1.14 "**Mortgagee**" means the holder of or beneficiary under a Mortgage.

Section 1.15 "**Owner**" and "**Unit Owner**" mean any natural person, corporation, partnership, limited liability company, association, trust, or other entity, legally capable of holding title to real property, that owns title to an entire Land Unit; provided, however, that any natural person, corporation, partnership, limited liability company, association, trust, or other legal entity that holds such an interest solely as security for the performance of an obligation shall not be an Owner solely by reason of that interest.

Section 1.16 "**Percentage Interest**" means the undivided percentage ownership interest appurtenant to each Land Unit with respect to the Common Elements and also represents that Unit Owner's voting percentage in the Unit Owners Association. In accordance with Section 55.1-1917 of the Condominium Act, each Land Unit in the Land Condominium is assigned a Percentage Interest based on the par value of the Land Unit, as such percentages are set forth in **Exhibit "C"** attached hereto.

Section 1.17 "**REA**" has the meaning ascribed to it in Section 4.3 herein.

Section 1.18 "**Submitted Land**" has the meaning ascribed to it in **Exhibit "A"** of this Declaration of Condominium and includes all of the Land Units and Common Elements.

Section 1.19 "**Unit Owners Association**" means the unincorporated entity comprised of all Unit Owners.

ARTICLE 2

CREATION OF CONDOMINIUM REGIME; EXPANSION OF CONDOMINIUM

Section 2.1 **Name of Condominium.** This condominium shall be known as "**[REDACTED]** Land Condominium".

Section 2.2 **Submission of Submitted Land to the Condominium Act.** The Submitted Land is hereby subjected to, and shall hereafter be held, conveyed, divided, subdivided, leased, rented, occupied, improved and encumbered in accordance with the Condominium Act and the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges, and liens set forth in this Declaration of

Condominium, including the Bylaws (a copy of which is attached to and made a part of this Declaration of Condominium as **Exhibit "B"**), all of which are declared and agreed to be in aid of a plan for the subjecting of the Submitted Land to a condominium regime pursuant to the Condominium Act, and all of which shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by any person or entity acquiring or owning any fee simple interest in the Submitted Land, including, without limitation, all present and future Owners and Mortgagees. All present and future Owners shall be subject to, and shall comply with, the provisions of the Land Condominium Instruments. The acceptance of a deed of conveyance, the entering into of a lease or the entering into occupancy of any portion of a Land Unit shall constitute an agreement that the provisions of the Land Condominium Instruments are accepted and ratified by such Owner, lessee or occupant and all of such provisions shall be enforceable equitable servitudes and covenants running with the land and shall bind any person having at any time any interest or estate in such Land Unit or portion thereof, as though such provisions were recited and stipulated at length in each and every deed of conveyance or lease thereof.

Section 2.3 Units; Percentage Interests. Pursuant to Section 55.1-1917 of the Condominium Act, each of the Land Units in the Land Condominium has been allocated a Percentage Interest based on the par value of the Land Unit. **Exhibit "C"**, which is attached hereto and made a part of this Declaration of Condominium, is a list of the Land Units and the Percentage Interests of each Land Unit based on the par value of the Land Unit. Each Land Unit shall have, as an appurtenance to that Land Unit, a voting interest in the Unit Owners Association equal to the Percentage Interest for such Land Unit. The locations of the boundaries of the Land Units are shown on the Land Condominium Plat. Each Land Unit consists of the area so identified on the Land Condominium Plat.

Section 2.4 Dimensions of Land Units. The dimensions of the Land Units created herein are as shown on the Land Condominium Plat. The vertical boundaries of each Land Unit shall be the vertical planes of the boundary lines, as indicated on the Land Condominium Plat. The upper and lower boundaries of each Land Unit shall be the horizontal planes of the boundary lines as are indicated on the Land Condominium Plat.

Section 2.5 Common Elements.

(a) **Common Elements.** The Common Elements consist of any areas specifically designated as Common Elements on the Land Condominium Plat.

(b) **Ownership.** Each Owner shall be the owner of an undivided interest as a tenant-in-common in the Common Elements in accordance with each Owner's Percentage Interest. The Common Elements shall remain undivided and shall remain appurtenant to the Land Units. No Unit Owner or any person shall bring any action for partition or division thereof.

Section 2.6 Option to Expand Condominium: Declarant hereby expressly reserves unto itself and/or its successors and assigns, the option and right to expand this Land Condominium pursuant to Sections 55.1-1916(c) and 55.1-1926 of the Condominium Act and subject to the provisions of this Section.

(a) The option to expand shall be at the sole option of Declarant and shall not require the consent of any Land Unit Owner. There are no other limitations on the option to expand except as set forth in this Article 2.

(b) This option to expand the Condominium shall expire ten (10) years after the date of recording of this Declaration of Condominium if not sooner exercised; however, Declarant may, at any time prior to the expiration of such period, terminate its option to expand by recording among the Land Records an executed and notarized document terminating this option.

(c) The metes and bounds description of that property which may be added to this Land Condominium is set forth in **Exhibit "A-1"** and hereinafter referred to as "Additional Land".

(d) Declarant expressly reserves the right to add any or all portions of the Additional Land at any time, at different times, in any order, without limitation, provided, however, that the Additional Land shall not exceed the total area of all that land described in **Exhibit "A-1"** attached hereto. Both the Submitted Land and Additional Land are graphically depicted on **Exhibit "D"**, attached hereto and made a part hereof.

(e) If expanded, then at such time as the Land Condominium is expanded, the maximum number of Land Units on the Additional Land will not exceed one_(1) Land Unit. The maximum number of Land Units on any portion of the Additional Land added to the Condominium shall not exceed ____ (____) Land Units per acre. Moreover, the maximum number of Land Units in the Condominium, as a whole, shall never exceed _____ (XX) Land Units. [UPDATE PER PLATS]

(f) The Declarant makes no assurances as to the location or type of Land Units or improvements on the Additional Land.

(g) The allocation of Percentage Interests for Land Units created on the Additional Land shall be based upon par value. Therefore, in the event that the Condominium is expanded to include any portion of the Additional Land, the Percentage Interests of all Land Units in the Condominium shall be reallocated with the Percentage Interest of each Land Unit then included in the Condominium determined by dividing the par value of such Land Unit by the aggregate par value of all Land Units then included in the Condominium.

ARTICLE 3

AMENDMENTS TO DECLARATION OF CONDOMINIUM

This Declaration of Condominium may be amended in accordance with the Condominium Act and only with the unanimous written consent of all of the Unit Owners of the Unit Owners Association, which consent by an Owner to such amendment shall not be unreasonably withheld, conditioned or delayed unless such amendment materially impacts such Owner, and the Eligible Mortgagees of such Owners. Any amendment to this Declaration of Condominium shall become effective upon its recordation in the Land Records. Notwithstanding the above, each Land Unit Owner covenants and agrees to execute any amendment to this Declaration of Condominium which is reasonably required to amend the Land Condominium Plat to reflect the as-built conditions of the buildings constructed within the Land Condominium.

ARTICLE 4

MISCELLANEOUS

Section 4.1 Subdivision of Land Units. Declarant shall have the right to subdivide its Land Unit at any time or times. Except for Declarant, no Owner shall have any right to subdivide its Land Unit at any time or times, without the prior written consent of all other Owners, notwithstanding anything to the contrary set forth in Section 55.1-1933 of the Condominium Act. Upon any such subdivision, the Percentage Interest appurtenant to such Land Units shall be recomputed in accordance with the procedures set forth in the Condominium Act.

Section 4.2 Existing Covenants. The Submitted Land is expressly subject to that certain Reciprocal Easement Agreement recorded among the Land Records immediately subsequent hereto (the "REA"), as the same may be amended from time to time. All Unit Owners must comply with the terms and provisions of the REA.

Section 4.3 Enforcement.

(a) The Unit Owners Association and any Land Unit Owner shall have the right to enforce the Land Condominium Instruments by any proceeding at law or in equity against any person or persons violating any of the same, either to restrain or enjoin violation and/or to recover damages, including reasonable attorneys' fees. Any breach or violation of the Land Condominium Instruments by any employee, agent, contractor, invitee, tenant, or guest of a Land Unit Owner shall be deemed a violation or breach by and enforceable against such Land Unit Owner. The failure or forbearance to enforce the Land Condominium Instruments shall in no event be deemed a waiver of the right to do so thereafter.

(b) There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach

of any of the provisions of the Land Condominium Instruments cannot be adequately remedied by action at law or exclusively by recovery of damages.

(c) Before any action authorized under this Section 4.3 is taken against a Land Unit Owner, except in the event of an emergency, the Land Unit Owner alleged to have violated or breached the Land Condominium Instruments shall be afforded a reasonable opportunity to correct the alleged violation or breach after written notice has been delivered to said Land Unit Owner via certified United States mail, postage prepaid, return receipt requested, at its last known address, and/or as listed in the Arlington County Tax Records.

Section 4.4 Real Estate Taxes and Assessments. All real estate taxes, governmental assessments and other public charges (collectively "Taxes") relating to any Land Unit shall be the sole responsibility of and shall be paid prior to delinquency by the Owner of the Land Unit.

Section 4.5 Severability. The provisions of this Declaration of Condominium shall be deemed independent and severable, and the invalidity or unenforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such invalidity or unenforceability shall adversely and materially alter the operation of the Land Condominium.

Section 4.6 Captions. The captions and section headings in this Declaration of Condominium are included only for convenient reference, and in no way define, limit, or describe the scope or intent of this Declaration of Condominium and shall not be relied upon or used in construing the effect or meaning of any of the provisions of this Declaration of Condominium.

Section 4.7 Applicable Law. This Declaration of Condominium shall be governed by and construed according to the laws of the Commonwealth of Virginia.

Section 4.8 Effective Date. This Declaration of Condominium shall become effective when the Land Condominium Instruments have been recorded among the Land Records.

Section 4.9 Notices. Except as otherwise provided in this Declaration of Condominium or the Bylaws, all notices, demands, bills, statements, or other communications under this Declaration of Condominium and the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally, or one (1) business day after being sent by a recognized overnight service (such as Federal Express or UPS), (i) if to an Owner, at the Owner's Unit address or such other address as the Owner may designate in writing to the Unit Owners Association; (ii) if to the Unit Owner's Association, at the principal office of the Unit Owners Association; or (iii) if to an Eligible Mortgagee, to the address provided to the Unit Owners Association by that Eligible Mortgagee.

Section 4.10 Exhibits. All exhibits attached to this Declaration of Condominium are incorporated into and made a part of this Declaration of Condominium.

Section 4.11 Estoppel Certificate. If reasonably requested by a Mortgagee, prospective purchaser, lessee, or similar party, the Unit Owners shall each execute and deliver an estoppel certificate upon not less than fifteen (15) business days prior request. If applicable, the estoppel certificate shall include a statement certifying that this Declaration of Condominium, the Bylaws and/or the Land Condominium Plat are unmodified (except as identified in the estoppel certificate) and in full force and effect, representing that, to such party's actual knowledge, there is no default (or stating the nature of the alleged default) pursuant to the Land Condominium Instruments, and indicating such other matters with respect to this Declaration of Condominium, the Bylaws and/or the Land Condominium Plat as may reasonably be requested.

Section 4.12 Inconsistency. In the event of any inconsistency or conflict between this Declaration of Condominium, and the Bylaws and/or the Land Condominium Plat, the provisions of this Declaration of Condominium shall control.

Section 4.13 No Partnership, Joint Venture or Principal/Agent Relationship. Neither anything in the Land Condominium Instruments, nor the acts of any Unit Owner, shall be deemed to create the relationship of principal and agent, or partnership, or of joint venture, as among the Unit Owners.

Section 4.14 Termination of Condominium. The Land Condominium may be terminated and the Submitted Land removed from the provisions of the Condominium Act by the unanimous agreement of all Unit Owners as evidenced by a termination agreement, or ratification thereof, by all Unit Owners and recorded among the Land Records, provided that all Mortgagees of the Units and any tax credit investors with respect to the Units during the applicable tax credit compliance period consent to any such termination.

[SIGNATURE PAGES FOLLOW]

EXHIBIT "A"
Legal Description of the Submitted Land

EXHIBIT "A-1"
Legal Description of the Additional Land

EXHIBIT "B"
Bylaws of the Land Condominium

(attached hereto)

**BYLAWS
OF
UNIT OWNERS ASSOCIATION
OF**

LAND CONDOMINIUM

**ARTICLE 1
PLAN OF CONDOMINIUM**

Section 1.1 The Land Condominium. The real property described on Exhibit “A” to the Declaration has been established as a condominium pursuant to Chapter 19 of Title 55.1 of the Code of Virginia (the “Condominium Act”). These Bylaws are attached to and made part of the Declaration as Exhibit “B” and are intended by the Declarant to set forth, among other things, a plan by which the affairs of the Land Condominium (the “Land Condominium”) shall be administered and governed by the Unit Owners Association pursuant to the Condominium Act.

Section 1.2 Definitions. In these Bylaws, all capitalized terms shall have the same meanings as designated in the Declaration of Condominium or in Section 55.1-1900 of the Condominium Act, unless otherwise expressly provided or apparent from the context.

Section 1.3 Applicability of Bylaws. The provisions of these Bylaws are applicable to the Unit Owners Association and to the Land Condominium. All present and future Unit Owners, lessees and occupants of Land Units, and any other persons who may use the Land Condominium or the facilities of the Land Condominium in any manner, are subject to the Declaration of Condominium and these Bylaws. The acceptance of a deed of conveyance to any portion of a Land Unit shall constitute an agreement that these Bylaws and the Declaration of Condominium, as either may be amended from time to time, are accepted, ratified and will be complied with.

**ARTICLE 2
UNIT OWNERS ASSOCIATION**

Section 2.1 Purpose and Status of the Unit Owners Association. The purpose of the Unit Owners Association shall be to exercise the minimal powers conferred upon it by the Declaration and these Bylaws. The Unit Owners Association is an unincorporated entity. All powers and duties of the Unit Owners Association set forth in the Declaration of Condominium and these Bylaws shall be exercised solely by the Unit Owners of the Unit Owners Association, and any officers that may be appointed by the Unit Owners as provided in Article 3 herein. There shall be no Board of Directors for the Unit Owners Association.

Section 2.2 Name and Mailing Address. The Unit Owners Association shall be known as "Unit Owners Association of [REDACTED] Land Condominium". All notices, demands, requests or communications to the Unit Owners Association shall be mailed to: Unit Owners Association of [REDACTED] Land Condominium c/o **NEED ADDRESS** [REDACTED], Attention: [REDACTED], or as otherwise determined from time to time by the Unit Owners Association.

Section 2.3 Limited Powers of the Unit Owners Association. The Land Condominium has been established for the sole purpose of creating Land Units that can each be financed and conveyed. The Unit Owners Association shall have only those powers enumerated in the Condominium Act that are reasonably necessary to effect the foregoing limited purpose of the Land Condominium or to effect such other matters that are expressly provided for in the Declaration and these Bylaws. The property subjected to the Land Condominium is to be maintained and operated pursuant to the REA.

Section 2.4 Members. The Unit Owners Association shall have as its members all of the Unit Owners.

Section 2.5 Meetings of the Unit Owners Association. Meetings of the Unit Owners Association shall be held as required by the Condominium Act or as agreed upon by the Unit Owners. At any such meeting, the Unit Owners Association may designate a person to act as the chairperson of each meeting and designate a records secretary ("Secretary") to keep the minutes of the meeting and record any votes taken at the meeting. The Secretary may be, but shall not be required to be, an employee or designee of a Unit Owner.

Section 2.6 Place of Meetings. Meetings of the Unit Owners Association shall be held at the principal office of the Unit Owners Association or at such other suitable place convenient to the members of the Unit Owners Association as may be determined by the Owners from time to time.

Section 2.7 Notice of Meetings. It shall be the duty of the Secretary of the Unit Owners Association or such other person designated by the Unit Owners Association to provide notice of each meeting of the Unit Owners Association at least twenty one (21) days, but not more than sixty (60) days, prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice as of the date of such mailing. Notice may be personally delivered to each Unit Owner at its Unit address. Attendance by a member of the Unit Owners Association at a meeting in person or by proxy shall constitute waiver of notice of the time, place and purposes of such meeting.

Section 2.8 Voting.

(a) Each Unit Owner shall designate a person to act as proxy on its behalf, and be entitled to cast a vote based on the Percentage Interest of each Unit owned by such Unit Owner at all meetings of the Unit Owners Association. The

designation of any such proxy shall be made in writing and filed with the Secretary of the Unit Owners Association or other person designated by the Unit Owners Association to receive proxies, in a form approved by the Unit Owners Association, which approval may not be unreasonably withheld, conditioned or delayed, before the appointed time of each meeting. Each proxy shall be revocable at any time by written notice to the person presiding over the meeting by the Unit Owner who so designated the proxy, and shall automatically expire after the first meeting held on or after the date of that proxy or any recess or adjournment of that meeting. Proxies may be utilized to establish a quorum pursuant to Section 2.9 of this Article 2 and may be utilized to vote on any other matter at the meeting of the Unit Owners Association. In the case of a Land Unit which is owned by more than one person (whether individual or entity), any or all of such owners may be present at any meeting of the Unit Owners Association and may vote or take any other action as a Unit Owner as provided below, either in person or by proxy. A fiduciary shall be the voting member with respect to any Land Unit owned in a fiduciary capacity. Where title to a Land Unit is in more than one person, such multiple owners shall be entitled to cast, in the aggregate and as a solid block or through a duly appointed representative of the group of owners, the vote allocated to the Land Unit. If such multiple owners shall be unable to agree upon their vote upon any subject at any meeting and shall express that disagreement to the Secretary, they shall either designate a third party to cast their collective vote or shall lose their right to vote on such subject, but if all of them shall not be present at a meeting, either in person or by proxy, the collective vote of those that were present shall be the vote of all of the owners of the Land Unit.

(b) All decisions at any meeting of the Unit Owners Association shall require approval by all of the authorized votes of the Unit Owners. **NEED CLIENT TO ADVISE AS TO WHAT THIS PERCENTAGE SHOULD BE**

Section 2.9 Quorum. The presence in person or by proxy of members of the Unit Owners Association having _____ percent (____%) of the total authorized votes of all members of the Unit Owners Association constitutes a quorum at all meetings of the Unit Owners Association. **NEED CLIENT TO ADVISE AS TO WHAT THIS PERCENTAGE SHOULD BE**

Section 2.10 Action Without Meeting. Any action by the Unit Owners Association required or permitted to be taken at any meeting may be taken without a meeting if approved by all of the authorized votes of the Unit Owners. [WE CAN DISCUSS, BUT THERE ARE ONLY TWO UNITS AND SHOULD ONLY BE TWO UNITS. VERY FEW DECISIONS WILL BE MADE BY THE CONDO ASSOCIATION, BUT BOTH PARTIES SHOULD HAVE FULL VOTING RIGHTS. WE SHOULD CONSIDER A DISPUTE RESOLUTION MECHANISM, WHICH WE WILL NEED FOR THE REA ANYWAY AND CAN BE THE SAME.]

Section 2.11 Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Unit Owners Association, each Unit Owner shall be entitled to receive out of the assets of the Unit Owners Association available for distribution to the members thereof an amount equal to its Percentage Interest.

Section 2.12 Liability of the Unit Owners Association; Defense of Claims.

(a) Officers and Owners acting on behalf of the Unit Owners Association shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or gross negligence.

(b) Officers and Owners acting on behalf of the Unit Owners Association shall not be liable for the failure of any service to be obtained or paid for by the Unit Owners Association, or for injury or damage to persons or property caused by the elements or by another Unit Owner or person on the Submitted Land, or resulting from electricity, gas, water, rain, dust or sand which may leak or flow from the outside or from any part of any of the Land Units or Land Unit buildings, or from any of such Land Unit building pipes, drain conduits, appliances, or equipment, or from any other place unless in each such instance such injury or damage has been caused by the willful misconduct or gross negligence of such person acting on behalf of the Unit Owners Association.

(c) Officers and Owners acting on behalf of the Unit Owners Association shall have no personal liability in contract to a Unit Owner or any other person or entity under any agreement, check, contract, deed, lease, mortgage, instrument, or transaction entered into by them on behalf of the Unit Owners Association in the performance of their official duties.

(d) Officers and Owners acting on behalf of the Unit Owners Association shall not be liable to a Unit Owner, or such Unit Owner's tenants, employees, agents, customers or guests, for loss or damage caused by theft of or damage to personal property left by any Unit Owner or its tenants, employees, agents, customers or guests, or in or on the Common Elements, except for such person's own willful misconduct or gross negligence.

(e) Officers and Owners acting on behalf of the Unit Owners Association shall have no personal liability in tort to a Unit Owner or any other person or entity, direct or imputed, by virtue of acts performed by or for them, except for such person's own willful misconduct or gross negligence in the performance of their duties.

(f) Officers and Owners acting on behalf of the Unit Owners Association shall have no personal liability arising out of the use, misuse or condition of any buildings located on the Submitted Land or which might in any other way be assessed against or imputed to such person as a result of or by virtue of their performance of their duties, except for such person's own willful misconduct or gross negligence.

(g) Complaints brought against an Owner acting on behalf of the Unit Owners Association, Officers, or employees or agents thereof in their respective capacities as such, or the Land Condominium as a whole, shall be directed to the Unit Owners Association, which shall promptly give written notice thereof to the Owners and

such complaints shall be defended by the Unit Owners Association. Complaints against one or more but less than all Owners shall be defended by such Owners themselves and, if the complaint relates to the Land Condominium, such Owners shall promptly give written notice of the institution of any such suit to the Unit Owners Association.

Section 2.13 Common or Interested Members of the Unit Owners Association. Owners acting on behalf of the Unit Owners Association shall exercise their powers and duties in good faith and with a view to the interests of the Unit Owners Association and consistent with the purposes set forth in the Declaration and these Bylaws. No contract or other transaction between the Unit Owners Association and one or more Owners, or between the Unit Owners Association and any corporation, firm, entity, or association in which one or more of the members of the Unit Owners Association are directors or officers or are financially or otherwise interested, shall be either void or voidable because such member or members are present at the meeting of the Unit Owners Association which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if such action complies with the provisions of Section 13.1-691 of the Code of Virginia, as amended, or its successor statute.

ARTICLE 3 **OFFICERS**

Section 3.1 Appointment of Officers. The Unit Owners Association shall appoint such Officers of the Unit Owners Association as may be required in accordance with these Bylaws or the Condominium Act by the unanimous consent of all of the Unit Owners of the Unit Owners Association. Any Officers of the Unit Owners Association previously appointed shall continue to serve until the next meeting of the Unit Owners Association at which Officers are appointed.

Section 3.2 Compensation of Officers. No Officer shall receive any compensation from the Unit Owners Association for acting as such (unless otherwise provided by the unanimous consent of all Unit Owners); provided, however, Officers may be reimbursed for reasonable sums which they may expend on behalf of the Unit Owners Association.

ARTICLE 4 **COMMON EXPENSES**

No condominium assessments, fees or other such condominium charges are contemplated to be levied against any Unit Owner. If there are any reasonable administrative or other expenses that may be required to be expended as an expense for the Unit Owners Association, such expenses shall be paid in accordance with the REA.

ARTICLE 5 **MISCELLANEOUS**

Section 5.1 Notices. Unless otherwise provided in the Declaration of Condominium or these Bylaws, all notices hereunder shall be given in accordance with the notice provisions of the Declaration.

Section 5.2 Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 5.3 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 5.4 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5.5 Amendments to Bylaws. Except as otherwise required herein, in the Declaration of Condominium, or in the Condominium Act, these Bylaws may be amended only in accordance with the Condominium Act and with the unanimous consent of all of the Unit Owners of the Unit Owners Association and, if and to the extent required by such loan documents, Eligible Mortgagees of such Owners. The Unit Owners Association shall give notice to all Eligible Mortgagees seven (7) days prior to the date on which the Unit Owners intend to vote to amend these Bylaws.

Section 5.6 Conflicts. In case any part of these Bylaws conflicts with the Declaration of Condominium, the provisions of the Condominium Act and/or Declaration of Condominium shall control.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned parties, collectively, being the Declarant herein, have caused these Bylaws to be duly executed as of this ___ day of _____, 202__.

Central United Methodist Church, a

By: _____
Name: _____
Title: _____

STATE OF _____:
COUNTY OF _____: to-wit

The foregoing instrument was acknowledged before me this ___ day of _____, 202__, by _____, _____ of Central United Methodist.

Notary Public

My commission expires: _____
My Notary Registration Number: _____

EXHIBIT "C"
Common Element Interest Table

Land Unit Description	Par Value	Percentage Interest
Unit ____		
Unit ____		
TOTAL		1

EXHIBIT "D"
Land Condominium Plat and Plan
(attached hereto)

EXHIBIT E-2

Form of REA

[attached]

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT (the “**REA**”) is made as of this _____ day of _____, 202__, by **Central United Methodist Church**, a [REDACTED], (“**CUMC**”) Grantor and Grantee for indexing purposes.

RECITALS

R-1. CUMC subjected certain property it owns in fee simple in Arlington County, Virginia (“**County**”) to a Declaration of Condominium for [REDACTED] Land Condominium (the “**Land Condominium Declaration**”), recorded among the land records of Arlington County, Virginia (“**Land Records**”) immediately prior hereto, creating The [REDACTED] Land Condominium (“**Land Condominium**”), which consists of Land Unit ____ (“**Land Unit A**”) **[THIS IS THE APAH UNIT]**, and Land Unit ____ (“**Land Unit C**”) **[THIS IS THE CUMC UNIT]**.

R-2. Land Unit A and Land Unit C are subject to a certain Site Plan approved by the County Board of Arlington County, Virginia, on _____, 20__, identified as Site Plan #____ (the “**Site Plan**”), as amended, and, pursuant thereto, certain improvements are to be constructed upon Land Unit A and Land Unit C (said improvements are collectively defined as the “**Project**”); the Project includes, but is not limited to, a parking garage to be built on Land Unit A and Land Unit C which shall serve Land Unit A and Land Unit C (the “**Garage**”).

R-3. CUMC desires to subject the Land Condominium to this REA in order to facilitate the orderly development, use and integrated operation of Land Unit A and Land Unit C (collectively defined as the “**Units**”, and each individually defined as a “**Unit**”).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CUMC does hereby grant, declare, create and impose the following easements, covenants and agreements benefitting and burdening the Land Condominium, all Units and the common elements of the Land Condominium, as more particularly described herein, which shall be easements, covenants and agreements running with the land and which shall be binding upon the owners of the Units.

SECTION 1
DEFINED TERMS

The following words and phrases shall be construed as follows: (i) "at any time" shall be construed as "at any time" or "from time to time"; (ii) "any" shall be construed as "any and all"; (iii) "including," "include," and "includes" shall be construed as "including but not limited to" or "includes but is not limited to"; (iv) "will" and "shall" shall each be construed as mandatory; and (v) the word "in" with respect to an easement granted or reserved "in" a particular Unit shall mean, as the context may require, "in," "to," "on," "over," "within," "through," "upon," "across," "under," and any one or more of the foregoing. Except as otherwise specifically indicated, all references to Article, Section and Subsection numbers or letters shall refer to Articles, Sections and Subsections of this REA, and all references to exhibits refer to the exhibits attached to this REA, which exhibits are an integral part of this REA.

Capitalized terms used in this REA and not defined in this Section 1 shall have the meanings otherwise ascribed to them in this REA. As used in this REA the following terms shall have the following meanings:

A. **"Agents"** means, with respect to any Owner, the Owner's employees, agents, contractors, subcontractors, successors and assigns.

B. **"Building(s)"** means the buildings now or hereafter constructed on or as part of the Project, including the foundations, machinery rooms, elevator shafts, elevator lobbies, parking garages, and other core areas situated thereon and the entire structure from the lowest level to and including the roof and any improvements on the roof.

C. **"Common Area"** means those areas located within the Project that are intended to be used in common among the Owners, including those certain cross hatched areas identified on **Exhibit A** attached hereto, which are for the use of all the Owners and their Permittees, together with all fixtures and improvements which are necessary for the use and operation of the Common Area.

D. **"Construction Easements"** means the easements granted pursuant to Section 2A of this REA.

E. **"Emergency"** shall mean a condition that presents imminent danger to person or property.

F. **"Grantee"** means the Owner to whom an easement is granted pursuant to this REA.

G. **“Grantor”** means the Owner granting an easement pursuant to this REA.

H. **“Impositions”** means all taxes, assessments and other governmental charges of any kind whatsoever which may at any time be assessed against a Unit.

I. **“Managing Owner”** means the Owner of Land Unit A or any successor Managing Owner appointed pursuant to the terms of this REA.

J. **“Owner(s)”** means, with respect to any Unit, the owner of record of fee simple title to such Unit. When one or more persons are the Owner, all such persons having a fee simple interest in such Unit shall be deemed to be an Owner and all of such Owners shall be jointly and severally liable for the performance of the obligations of this REA with respect to such Unit. In the event of a ground lease of any Unit, the ground lessee shall be the Owner for purposes of this Declaration. No party having an interest in a Unit merely as security for the performance of an obligation or as a tenant under a lease shall be considered an Owner.

K. **“Permanent Easements”** means the easements granted pursuant to Section 3.A. of this REA.

L. **“Permittees”** means any person or entity entitled to occupy any portion of a Unit, together with their respective officers, directors, employees, agents, partners, contractors, customers, visitors, invitees, licensees and concessionaires.

M. **“Property Manager”** means the property manager selected by the Managing Owner pursuant to the provisions of Section 4A of this REA.

N. **“Shared Maintenance Improvements”** means all improvements in the Common Areas that are maintained and repaired by the Managing Owner, including the Garage, sidewalks, alley, the Shared Trash Room, Shared Loading Area, Shared Facilities and Shared Structural Elements, which are subject to the allocation of Shared Costs as set forth in Section 4 of this REA.

SECTION 2
TEMPORARY EASEMENTS

A. Construction Easements.

(1) Easement for Grading and Access and Construction. Each of the Owners does hereby grant, assign, set over and convey unto the other Owners,

and their respective Agents, temporary easements for grading and temporary easements for construction vehicle access and construction purposes over the Units, for the purposes of establishing a new grade and for construction of improvements on the Units, as contemplated by the Site Plan.

(2) Easement for Excavation. Each of the Owners does hereby grant, assign, set over and convey unto the other Owners, and their respective Agents, a temporary easement over the Units to excavate a building/sheeting and shoring line over portions of the Units, as contemplated by the Site Plan.

(3) Easement for Tiebacks, Sheeting and Shoring and Underpinning. Each of the Owners does hereby grant, assign, set over and convey unto the other Owners, and their respective Agents, a temporary easement over the Units, to install sheeting and shoring below grade of such size and strength as is appropriate to support the earth and all existing improvements and improvements to be constructed thereon, as contemplated by the Site Plan.

(4) Easement for Crane Operation Through Airspace. Each of the Owners does hereby grant, assign, set over and convey unto the other Owners, and their respective Agents, a temporary easement for passage through the existing and unimpeded airspace of the Units, which easement shall be limited solely and exclusively to the movement of overhead cranes during construction.

B. Terms and Conditions. The Construction Easements are subject to the following terms and conditions:

(1) Grantees, and their respective Agents, shall have reasonably full and free use of the Construction Easements for the purposes described herein, and shall have all rights and privileges reasonably necessary to the enjoyment and exercise of the Construction Easements, including the right of reasonable access to and from the easement areas and the right to use adjoining land where necessary, subject to the rights of any third party owners of adjoining land.

(2) Grantees, and their respective Agents, shall have the right to trim, cut and remove trees, shrubbery, fences, structures or other obstructions or facilities in or near the easement areas deemed by them to interfere with the purposes of the Construction Easements.

C. Compliance with Applicable Law. Grantees, and their respective Agents, shall be responsible for complying with all applicable ordinances and laws in connection with the Construction Easements.

D. Duration. The Construction Easements shall be temporary in nature and shall terminate upon completion of the Project as evidenced by the County's issuance of a certificate(s) of occupancy for each of the Units ("**Project**

Construction Completion”); provided, however, it is agreed and acknowledged that all tiebacks installed by Grantees hereunder shall remain embedded below grade.

E. Insurance. In connection with the Construction Easements, each of the Grantees agrees to keep and maintain appropriate insurance during construction of the Project including, but not limited to, comprehensive general public liability insurance, workers’ compensation, builder’s risk and all other commercially reasonable insurance in amounts no less than \$1,000,000.00 per single occurrence and \$2,000,000.00 in the general aggregate, with \$5,000,000.00 million in umbrella coverage. All such policies shall name the Grantor as an additional insured. All such insurance shall not be cancelable without thirty (30) days prior written notice (except for non-payment of premiums, which shall be cancelable only upon ten (10) days prior written notice). **TO BE UPDATED WITH SPECIFICS OF FINAL DEAL**

F. Mechanics’ Liens. Each of the Grantees agrees that no mechanics’ liens shall attach to the Units by virtue of work performed by such Grantee or its respective Agents in connection with the Project. Should such a mechanics’ lien be filed, with or without cause, the responsible Grantee(s) agrees to indemnify, defend and hold the affected Owner(s) harmless for all of its costs relating thereto, including all attorneys’ fees. The responsible Grantee(s) agrees to bond off any such mechanics’ lien within twenty (20) days of its receipt of notice of the lien’s attachment.

G. Cooperation. It is the intent of the Owners that this REA shall grant all construction easements as may be reasonably necessary for construction of the Project pursuant to the Site Plan, and the Owners hereby agree to cooperate in the event that any additional construction easements are reasonably required by any Owner.

SECTION 3

PERMANENT EASEMENTS AND EXCLUSIVE USE AREAS

A. Permanent Easements.

(1) Common Area Access Easements. Each of the Owners hereby grants and conveys to one another, for the benefit of the other Owners and their Permittees, (i) a non-exclusive easement for the purpose of access for pedestrian traffic over portions of the Units as necessary to access the Common Area, (ii) a non-exclusive easement for the purpose of access for vehicular traffic over portions of the Units as necessary to access the Common Area, and (iii) a

non-exclusive easement for sitting, resting and lounging in portions of the Common Area where such facilities are provided.

(2) Garage Easements. Each of the Owners shall have the exclusive right to park in the parking spaces located within each of their respective Units. In connection therewith, each of the Owners hereby grants and conveys to one another, for the benefit of the other Owners and their Permittees, a non-exclusive easement for the purpose of access for pedestrian and vehicular traffic over portions of the Units as necessary to access the Garage, and drive aisles to allow each of the Owners access to their respective parking spaces and Unit access points, storage areas, elevator areas and other portions of the Common Area located within the Garage. **[UPDATE WITH SPECIFICS OF THE DEAL AND BUILDING/GARAGE]**

(3) Permanent Utility and Ventilation Shaft Easements. Each of the Owners hereby grants and conveys to one another, for the benefit of the other Owners and their Permittees, non-exclusive easements for the construction, repair, maintenance and replacement of all utility lines and ventilation shafts located, or to be located, upon and within the Units, including, but not limited to, in connection with the elevator(s) and mechanical room located in the Garage (the “**Utility Lines and Ventilation Shafts**”). **[UPDATE WITH SPECIFICS OF THE DEAL AND BUILDING/GARAGE]** Any use of the easements granted under this Section 3.A.(3) shall be limited in scope (including the work to be performed, as well as the physical space being disrupted) and duration, in each instance to the minimal amount reasonably necessary to perform such construction, repair, maintenance or replacement.

(4) Permanent Structural and Support Easements. Each of the Owners hereby grants and conveys to one another, for the benefit of the Owners of the Units and their respective Permittees, non-exclusive easements over the Units, for lateral and subjacent support for the benefit of each Unit, including: (i) easements for support in and to all structural members, columns, footings and foundations located within any Unit and necessary for the support of a Unit (the “**Structural Elements**”), and (ii) easements for the maintenance, repair and replacement of the Structural Elements; provided, however, that such easements shall not unreasonably interfere with the Grantor’s use and enjoyment of its Unit.

(5) Permanent Shared Loading Areas and Shared Trash Room Easements. **[UPDATE WITH SPECIFICS OF THE DEAL AND BUILDING/GARAGE]** Each of the Owners hereby grants and conveys to one another, for the benefit of the other Owners and their Permittees, non-exclusive easements over the Units (i) for the purpose of access and use of the areas identified as “Shared Trash Room” on Exhibit A attached hereto, and (ii) for the loading and unloading of delivery trucks in the areas identified as “Shared Loading

Area” on **Exhibit A** attached hereto. The Shared Trash Room and Shared Loading Area shall be subject to such reasonable rules and regulations that may be established by the Owners. The Owners agree to work through the Property Manager to schedule use of the Shared Loading Area in order to avoid operational conflicts. In addition, the Owners acknowledge that all Owners shall be permitted to utilize the Shared Trash Room. In the event a single trash removal contract is procured for the Project, such costs shall be Shared Costs.

(6) Easements for Maintenance. The Owners who are responsible for the maintenance of each of the Permanent Easements and their respective Agents and Permittees, shall, with reasonable advance notice to such affected Owner(s), and if the requesting Owner requires access to the interior portion of the affected Owner’s Unit, then with the reasonable advance consent of the affected Owner (which consent shall not be unreasonably withheld, conditioned or delayed), except in the case of an Emergency (in which event no advance notice or consent shall be required but the Owner shall notify the affected Owner as soon thereafter as possible), have the right of entry upon any of the Units in order to construct, maintain, repair and replace the Permanent Easements and the facilities and improvements located therein, as applicable, and shall have all rights reasonably necessary for the exercise of these easement rights, including the right of reasonable access to the Unit of the Grantor. Such easements shall include non-exclusive easements over the Units for ingress and egress as necessary for an Owner, its Agents and Permittees’ maintenance of its Unit. Notwithstanding anything herein to the contrary, the rights and easements granted pursuant to this Section 3.A.(6) (i) shall not unreasonably interfere with the Grantor’s use and enjoyment of their Unit, (ii) shall be narrowly interpreted and limited to only those rights reasonably necessary to carry out the intent of this Section (i.e., such work cannot be reasonably accommodated without resort to the easement created hereby), (iii) shall be limited in duration to only such amount of time as may be required to carry out the intent of this Section, and each such Owner responsible for the maintenance of the Permanent Easements agrees to diligently and promptly perform its duties regarding the same, and (iv) shall be subject to the indemnification and insurance provisions contained herein (including Section 5.B. below).

[POPULATE ABOVE WITH ANY OTHER EASEMENTS NEEDS (E.G. EXCLUSIVE USE AREAS) SPECIFICS OF THE DEAL AND BUILDING/GARAGE]

B. Provisions Application to Permanent Easements.

(1) Right to Use Permanent Easements. The right to use the Permanent Easements granted herein shall be effective at all times following Project Construction Completion.

(2) Restoration. Any Owner exercising rights under the Permanent Easements hereby covenants to restore any areas disturbed by the exercise of its rights herein to substantially the same condition in which it existed immediately prior to use of such areas. In addition, any Owner utilizing the Permanent Easement rights granted herein during the period of entry onto any other Owner's Unit shall, upon request by the Grantor upon whose Unit entry is to occur, provide to such Grantor reasonably satisfactory certificates of insurance naming the Grantor as an additional insured with respect to those types of insurance coverages as are commercially reasonable and customary in connection with the work contemplated by the entry.

(3) Rules and Regulations. Notwithstanding any other provision of this REA, the Permanent Easements established in this REA are subject to the following limitations which may be imposed by a Grantor: (a) a Grantor may establish, by notice to Grantee, such reasonable rules and regulations to minimize disruptions as the Grantor giving the notice may from time to time impose establishing reasonable limits on applicable routes through which, and hours during which, access may be taken (except in the event of an Emergency), provided such rules are designed only to prohibit or prevent loitering, offensive noise levels, or unreasonable interference with the orderly, decorous and secure operation, use and enjoyment of the improvements within the Grantor's Unit; and (b) a Grantor may impose limits to restrict or prohibit access temporarily if reasonably necessary to permit or facilitate, or reduce hazards during, construction or upkeep of any portion of Project for which such Grantor is responsible, or to prevent the possible dedication of or creation of prescriptive rights within any portion of such Grantor's Unit.

C. Maintenance of Permanent Easements.

(1) Maintenance of Common Area. The Managing Owner shall be responsible for performing all maintenance and repair of the Common Area, including the Shared Trash Room and Shared Loading Areas, subject to sharing of Shared Costs (as hereinafter defined) pursuant to the provisions of Section 4 of this REA.

(2) Maintenance of Garage. The Managing Owner shall be responsible for performing all maintenance and repair of all improvements within the Garage, including, within the areas of all parking spaces, the drive aisles and the access points, subject to sharing of Shared Costs pursuant to the provisions of Section 4 of this REA.

(3) Maintenance of Utility Lines and Ventilation Shafts. Utility Lines and Ventilation Shafts exclusively serving one Unit (the "**Single Facilities**") shall be maintained and repaired by the Owner of the Unit exclusively served by such Single Facilities at its sole cost and expense. The Managing Owner shall

maintain and repair all Utility Lines and Ventilation Shafts serving two or more of the Units (the “**Shared Facilities**”), subject to sharing of Shared Costs pursuant to the provisions of Section 4 of this REA.

(4) Maintenance of Structural Elements. Structural Elements exclusively serving one Unit (the “**Single Structural Elements**”) shall be maintained and repaired by the Owner of the Unit served by such Single Structural Elements at its sole cost and expense. The Managing Owner shall maintain and repair all Structural Elements serving two or more of the Units (the “**Shared Structural Elements**”), subject to sharing of Shared Costs pursuant to the provisions of Section 4 of this REA.

(5) Maintenance Obligations and Easements. Except as otherwise provided in this Section 3.C., each Owner shall be obligated to maintain its Unit(s), at each Owner’s sole cost and expense, in a good and commercially sound manner so as to keep all of its Unit(s) at all times in a safe and functional condition, clean, and in good working order and repair.

(6) Replacement of Managing Owner. Any Owner may request the replacement of the current Managing Owner if such Owner reasonably determines that the Managing Owner has failed to fulfill its duties under this REA and, after giving written notice to the Managing Owner of such failure to perform and a 120 day right to cure such failure, such failure is not cured. The Owner who requested the replacement of the Managing Owner shall automatically replace and become the Managing Owner after the expiration of the cure period if such failures are not cured prior thereto.

D. Cooperation. It is the intent of the Owners that this REA shall grant all permanent easements as may be reasonably necessary for ongoing operation and maintenance of the Project pursuant to the Site Plan, and the Owners hereby agree to cooperate in the event that any additional permanent easements are reasonably required by any Owner.

SECTION 4
MAINTENANCE OF SHARED MAINTENANCE IMPROVEMENTS/SHARED COSTS

A. Property Manager. Notwithstanding anything to the contrary set forth in this REA, the Managing Owner shall be permitted to delegate any of its obligations as Managing Owner pursuant to this REA to Property Manager. The Property Manager shall be selected and may be replaced at any time by the Managing Owner with the reasonable approval of the other Owner of such selection. The Property Manager shall at all times be a reputable entity having not less than ten (10) years’ experience in managing mixed-use residential properties

in the Washington D.C. metropolitan area, which entity may be affiliated with the Managing Owner or any Owner.

B. Maintenance Standards. The Managing Owner shall operate, maintain, repair and replace all of the Shared Maintenance Improvements, in a good and commercially sound manner so as to keep all such areas at all times in a safe and functional condition, clean, and in good working order and repair. Any such operations, maintenance, repairs, upkeep, or replacements shall be performed in an efficient and economical manner and any costs and expenses in connection therewith shall be reasonable and competitive with costs and expenses for any comparable services or materials, and shall be repaired or replaced with materials, apparatus, and facilities of quality at least equal to the quality of the materials, apparatus, and facilities repaired or replaced and so as to maintain the architectural and aesthetic harmony and integration of the Project as a whole. The Managing Owner shall cooperate with each Owner so that any and all such repairs, except in an Emergency, shall be made upon reasonable prior notice to the affected Owner. The Managing Owner shall perform such repairs and maintenance in a manner so as to cause as little disturbance in the use of each Unit as is practical under the circumstances, and such work shall be completed as quickly as possible. The Managing Owner shall promptly clean the area and restore the affected portion of the area to a condition at least equal to the condition which existed prior to the commencement of such work. In connection with such operation, maintenance, repair and replacement of the Shared Maintenance Improvements, but not in limitation thereof, the Managing Owner shall perform each of those activities listed in Section 4.C. below.

C. Shared Costs. As used in this REA, the term “**Shared Costs**” means all costs paid or incurred by the Managing Owner in connection with the operation, maintenance, repair and replacement of the Shared Maintenance Improvements, as set forth in Section 4.B., including all costs paid or incurred to:

(1) Pay any Property Manager to operate and maintain the Shared Maintenance Improvements as provided herein;

(2) Pay all utility charges incurred in connection with the operation or maintenance of the Shared Maintenance Improvements, including costs of the operation of the site lighting;

(3) Pay for any private police protection, night watchman, guard and gate services, traffic control officers, if applicable, and any other security systems or services, if any, reasonably determined by the Managing Owner to be necessary, appropriate or desirable for the Shared Maintenance Improvements;

(4) Pay for accounting and legal services and such other consulting services;

(5) Pay premiums and deductibles for casualty, liability and any other form of insurance required pursuant to this REA for the Shared Maintenance Improvements or as required by the Land Condominium Declaration;

(6) Establish and fund any reserve, contingency or sinking fund for major capital repairs, replacements, maintenance and improvements of the Shared Maintenance Improvements;

(7) The cost of implementation of any conditions of the Site Plan or any related approvals as they relate to the Shared Maintenance Improvements or the Project as a whole; and

(8) Pay any and all administrative, overhead and office expenses including such expenses incurred in connection with the assessment and collection of Shared Costs, and the resolution of any dispute relating thereto whether by negotiation, arbitration, litigation or agreement.

Notwithstanding anything to the contrary herein, all Shared Costs shall be set forth in the Annual Budget.

D. Pro Rata Share. As used in this REA, the “**Pro Rata Share**” of each Unit is as follows:

Unit A: _____%
Unit C: _____%

E. Payment of Shared Costs. Shared Costs shall be paid as follows:

(1) Initial Budget. On or before the day that is sixty (60) days prior to the anticipated date of Project Construction Completion, the Managing Owner shall prepare and provide to the Owners an initial budget with respect to the projected Shared Costs (the “**Initial Budget**”) for the calendar year following Project Construction Completion and the balance of the calendar year in which Project Construction Completion occurs (the “**Initial Period**”), together with the computation of each Owner’s Pro Rata Share of the projected Shared Costs for the Initial Period (the “**Initial Budgeted Share**”). Commencing on the date that is thirty (30) days after the Managing Owner provides the Initial Budget to the Owners, each Owner will pay to the Managing Owner on a monthly basis an amount equal to the Owner’s Initial Budgeted Share divided by the number of months remaining in the Initial Period.

(2) Annual Statements and Annual Budgets. On the December 1st immediately prior to the end of the Initial Period, and every December 1st thereafter, the Managing Owner will prepare and provide to all Owners an annual operational statement (the “**Annual Statement**”). The Annual Statement shall

include: (a) the actual to-date Shared Costs for the Initial Period or the current calendar year, as applicable (and each Owner's Pro Rata Share thereof); (b) re-forecasted Shared Costs through year-end for the Initial Period or current calendar year, as applicable (and each Owner's Pro Rata Share thereof); (c) projected Shared Costs for the following calendar year (the "**Annual Budget**"); and (d) the computation of each Owner's Pro Rata Share of projected Shared Costs for the following calendar year (the "**Annual Budgeted Share**"). On January 1st of each calendar year after the expiration of the Initial Period and on the first day of each month thereafter in each such year, each Owner will pay to the Managing Owner on a monthly basis an amount equal to 1/12th of the Owner's Annual Budgeted Share.

(3) Annual Reconciliations. By June 1 of each year, the Managing Owner will prepare and provide to each Owner a reconciliation of actual costs for the prior calendar year against the payments made in connection with the Annual Budget (the "**Budget Payments**"), for the prior calendar year (the "**Annual Reconciliation**"). The Annual Reconciliation will include: (a) the actual Shared Costs for the prior calendar year; (b) the Budget Payments made by each Owner during the prior calendar year; and (c) a reconciliation of the actual Shared Costs for the prior calendar year compared to the Budget Payments made by each Owner during the prior calendar year, with a computation of whether the Budget Payments resulted in an overpayment or underpayment of the Shared Costs for the prior calendar year. Within thirty (30) days after receipt by each Owner of the Annual Reconciliation, each Owner shall make a lump sum payment to the Managing Owner equal to an amount, if any, by which its Budget Payments for the prior year are less than the Owner's Pro Rata Share of the actual Shared Costs for the prior year. If the Annual Reconciliation reveals that an Owner has overpaid its Pro Rata Share of Shared Costs, then the Managing Owner shall credit any such overpayment amount to the next succeeding payments of its Annual Budgeted Share such Owner is required to make during the forthcoming year. The effect of this Section is that each Owner will pay each year its Pro Rata Share of the actual Shared Costs.

(4) Approval and Audit Rights. If the Annual Budget reflects an increase of five percent (5%) or more over the prior year's Annual Budget (or over the Initial Budget, on a prorated basis), then the Annual Budget shall be subject to the prior review and reasonable approval of the Owners. If an Owner fails to respond with their reasonable approval or disapproval within thirty (30) days of receipt of the Annual Budget, Managing Owner shall provide a second written notice (a "**Second Approval Request Notice**") to the other Owner clearly describing the requested approval or disapproval needed. The Second Approval Request Notice shall state on the first page a header in bold and in all capital letters, to the following effect: (a) that this notice is a Second Approval Request Notice pursuant to Section 4.E(4) of the REA, (b) that Owner is required, within

three (3) business days (the “**Second Approval Request Period**”), to either (i) reasonably approve the Annual Budget or (ii) issue a reasonable disapproval of the Annual Budget, and (c) if the Owner fails to respond within the Second Approval Request Period, then Owner will be deemed to have approved the Annual Budget. If an Owner comments on an Annual Budget within thirty (30) days after receipt, and the Owners are unable to agree on the final Annual Budget for any given year prior to the beginning of the calendar year, then the Annual Budget for the prior calendar year shall remain in effect until a new Annual Budget is approved. Each Owner shall have reasonable audit rights with respect to each Annual Reconciliation, and the Managing Owner shall provide reasonable information regarding the applicable Annual Reconciliation to an Owner requesting the same for such audit. Any request for an audit by an Owner shall be raised by a request to the Managing Owner not later than one hundred-eighty (180) days from the date of the Annual Reconciliation, and if not raised within such one hundred-eighty (180) days, the audit right is waived.

(5) Interest on Past Due Amounts. If any Budget Payments or other payments as required pursuant to this Section 4.E. are not paid in full within ten (10) days after receipt or deemed receipt by the delinquent Owner of a notice from the Managing Owner of such delinquent amounts, then a late charge equal to five percent (5%) of the unpaid amount shall be assessed, and the unpaid amount shall bear interest from the due date until such date actually paid at the Interest Rate (defined below). The foregoing provision shall not be construed to extend the date of payment of any sums required to be paid hereunder or relieve any Owner of its obligation to pay all such sums at the times or times herein stipulated.

(6) Lien and Enforcement. If any Budget Payments or other payments as required pursuant to this Section 4.E. are not paid in full within thirty (30) days after receipt or deemed receipt of a notice by the delinquent Owner from the Managing Owner of such delinquent amounts, then the Managing Owner or any other Owner shall have the right to file a lien or notice of lien among the land records for the County. Such lien may be enforced by foreclosure suit, including appointment of a commissioner of sale, in the same manner as a Mortgage or a mechanic’s lien foreclosure, in a manner permitted under Section 55.1-1833 of the Code of Virginia or in such other manner as may be permitted by law. In the event the Managing Owner or any other Owner shall institute proceedings to foreclose such lien, whether or not a final decision is rendered, such Managing Owner or other Owner shall be entitled to recover from the delinquent Owner, in addition to the unpaid amounts or installments thereof, interest, late charges and service fees and all costs and expenses, including reasonable attorney’s fees, incurred in preparation for and in bringing such proceedings, and all such costs and expenses shall be secured by such lien. The Managing Owner or any other Owner may also institute and enforce such other remedies at law or in equity as the Managing

Owner or such other Owner may determine to be necessary or appropriate to collect such amounts as are due. It is understood and agreed that any such lien, once established with notice thereof recorded among the land records of the County, shall be superior to any other lien or encumbrance on the delinquent Owner's Unit as permitted by law and to any other lien or encumbrance created or arising after the date of recording of such notice.

SECTION 5
PAYMENT OF IMPOSITIONS AND INDEMNITY

A. Payment of Impositions. Each Owner shall promptly pay, before delinquency, all Impositions lawfully assessed or levied against its Unit and improvements located thereon. Not later than thirty (30) days after written request by an Owner, the other Owners shall provide the requesting Owner with evidence of the payment of such Imposition or a written statement indicating that such Owner intends to timely contest or is then contesting such Imposition and generally setting forth the grounds upon which such contest is to be or is based. Each Owner, at its sole cost and expense, may contest, in good faith, the validity, rates of assessment, amount, application and/or enforcement of any such Imposition if (i) the contest shall not subject its Unit or any of the other Units or the improvements located therein (or any easement located thereon and granted hereunder to the other Owners) to loss, lien or forfeiture, and (ii) upon final determination (including review or appellate proceedings), the contesting Owner shall comply with any adverse decision, including the payment of any Imposition interest, costs, fines and penalties.

B. Indemnity. Each Owner (the "**Indemnitor**") shall protect, defend, indemnify, save and hold harmless all of the other Owners (the "**Indemnitee**") against and from all claims, liabilities, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature by or in favor of anyone whomsoever, and against and from any and all costs damages and expenses, including reasonable attorneys' fees, resulting from or in connection with loss of life, bodily or personal injury or property damage arising directly or indirectly out of, from or on account of any accident or other occurrence caused by any negligent act or omission of the Indemnitor or its Agents or Permittees, in, upon, at or from any part of the Project, including its Unit, its appurtenances or any Common Area from (i) any accident, injury or damage whatsoever caused to any person, or to the property of any person, and (ii) any breach of this REA by the Indemnitor. The foregoing indemnification (a) shall not apply to the extent any such claims are covered by insurance that is required to be maintained pursuant to this REA provided the proceeds are actually received, and (b) shall not be construed to deny or reduce any other rights or obligations any Owner may have under this REA or

the common law. In the event of a claim against the Indemnitor, the Indemnitee shall, within one hundred thirty (130) days after its actual knowledge of the claim, notify the Indemnitor of its existence (the “**Indemnification Notification**”). The failure of the Indemnitee to timely deliver the Indemnification Notification shall not constitute a waiver by the Indemnitee or the party entitled to indemnification pursuant to this Section 5.B. of its rights to be indemnified by the Indemnitor for such claim, but shall relieve the Indemnitor of paying any damages or other amounts to the extent the failure of the Indemnitee to timely deliver the Indemnification Notification prejudices the Indemnitor’s ability to defend the applicable claim, liability, demand, fine, suit, action, proceeding, order, decree or judgment. The indemnities contained in this Section 5.B. shall include the reasonable costs and expenses (including reasonable attorneys’ fees) incurred by the Indemnitee in enforcing such indemnity obligations.

SECTION 6 NOTICES

All notices, statements, demands or other communications given under or pursuant to this REA, or which a party may wish to give to an Owner, shall be (a) in writing, addressed to the most recent address provided or of record with the Commonwealth of Virginia State Corporation Commission for such Owner, and (b) delivered in person (including by air courier or private delivery service that provides a signed receipt evidencing delivery), or by registered or certified mail, delivery receipt requested, postage prepaid. All notices shall be effective upon being sent in the manner prescribed above; however, the time period in which a response to such notice must be given shall commence to run from the date of receipt by the addressee thereof as shown on the return receipt of the notice or from the date of personal delivery. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of notice as of the date of such rejection, refusal or inability to deliver. An Owner may, by ten (10) days prior notice to all other Owners, designate a different address or addresses to which notices shall be sent. Upon the conveyance or transfer of fee title to any Unit, the grantor shall deliver to the other Owner(s) written notice of such transfer and of the name and address of the transferee.

SECTION 7 DEFAULTS

A. Defaults under REA. If any Owner (including the Managing Owner) fails to perform any of its duties or obligations provided in this REA (such Owner to be referred to hereinafter as the “**Defaulting Owner**”), any other Owner (the “**Non-Defaulting Owner**”) may, at any time, give a written notice to the Defaulting Owner, setting forth its specific failures in complying with this REA (the “**Default Notice**”). The Defaulting Owner will have a period of thirty (30) days after receipt

of the Default Notice to cure the defaults specified in the Default Notice. If such failures are such that, in the reasonable discretion of the Defaulting Owner, they cannot be corrected within such thirty (30)-day period, no default shall occur provided (i) the Defaulting Owner commences the correction of such failures within thirty (30) days after receipt of the Default Notice, (ii) promptly upon determining that the thirty (30) day cure period is inadequate, the Defaulting Owner provides notice to the Non-Defaulting Owner of the steps being taken to cure such default and the amount of time reasonably estimated by the Defaulting Owner to effect such cure, and (iii) thereafter, the Defaulting Owner diligently prosecutes a cure to completion within one hundred twenty (120) days after receipt of the Default Notice. Notwithstanding the foregoing, if such default (A) by its nature cannot be cured, (B) in the reasonable opinion of the Non-Defaulting Owner, constitutes a hazard to the health and/or safety of the Non-Defaulting Owner, or its Permittees, or (C) in the reasonable opinion of the Non-Defaulting Owner, subjects any Owner to the risk of civil or criminal liability, fine, penalty or prosecution, then the Defaulting Owner shall commence such cure immediately upon the Non-Defaulting Owner giving notice to the Defaulting Owner, and the Defaulting Owner's failure to cure the same within three (3) days shall be deemed a default. If, after the expiration of the applicable cure period, the Defaulting Owner shall have failed to cure the defaults specified in the Default Notice, then the Non-Defaulting Owner shall have the right to correct such failures, including the right and easement to enter upon the Unit of the Defaulting Owner to correct such failures. Notwithstanding anything hereinabove contained to the contrary, in the event of an Emergency, the Non-Defaulting Owner may, without the requirement of prior notice, cure any such default pursuant to this Section 7.A. and thereafter shall be entitled to the benefits of Section 7.B. hereof. In the event that the Non-Defaulting Owner takes any action to cure a default pursuant to the immediately preceding sentence, the Non-Defaulting Owner shall notify the Defaulting Owner as soon thereafter as possible. For purposes of clarity, the remedies set forth in this Section 7 shall be in addition to the remedies set forth in Section 4.E. in the event of monetary default.

B. Curing of Defaults. If the Non-Defaulting Owner elects to pay any sum of money or do any acts that require the payment of money by reason of the Defaulting Owner's failure or inability to perform any of the provisions of this REA to be performed by the Defaulting Owner, then the Defaulting Owner shall promptly upon demand reimburse the Non-Defaulting Owner such sums. In the event that such sums are not paid within ten (10) days after demand, then such sums shall bear interest at the rate of the greater of ten percent (10%) per annum or five percent (5%) per annum over the then existing prime rate of interest charged by Bank of America or its successor (but in no event in excess of the maximum rate per annum permitted by Virginia law) (the "**Interest Rate**") from the date of expenditure until the date of such reimbursement.

C. Security Lien. Each Non-Defaulting Owner (the “**Secured Owner**”) is hereby given as security for the payments from any Defaulting Owner of sums due to it under this REA a valid and enforceable lien (the “**Security Lien**”) upon the Defaulting Owner’s right, title and interest in and to its Unit and all improvements at any time, and from time to time, situated thereon. The Secured Owner shall have the right to enforce and foreclose the Security Lien in accordance with applicable Virginia law. It is understood and agreed that the Security Lien, once established with notice thereof recorded among the land records of the County, shall be superior to any other lien or encumbrance on the Defaulting Owner’s Unit as permitted by law and to any other lien or encumbrance created or arising after the date of recording of such notice.

D. Attorneys’ Fees and Costs. In the event any legal action, suit or other proceeding involving this REA is brought, the prevailing Owner(s) in such enforcement action shall be entitled to be reimbursed by the non-prevailing Owner(s) for the amount of all reasonable attorneys’ fees, expert’s fees and other costs incurred by the prevailing Owner(s) in connection with such action, suit or proceeding, and said amount shall be paid by the non-prevailing Owner(s) within thirty (30) days after written notice from the prevailing Owner(s) that the same is payable.

SECTION 8 COOPERATION

Each Owner may construct, reconstruct, repair and/or modify the improvements upon its Unit if permitted by and in strict accordance with the provisions of this REA, the Land Condominium Declaration, and applicable law (referred to herein as “**Unit Development**”), provided that (i) same would not negatively impact the structure of the Building or the Garage of another Unit, (ii) such work would not (once completed) materially modify the physical profile of the Building, Garage or other improvements, and (iii) all such work would be and is prosecuted diligently through completion, and in all respects in a manner necessary to avoid any unreasonable interference with each Owner’s use and enjoyment of its Unit or the Project. Notwithstanding the foregoing, in no event shall any Owner cause or permit any actions with respect to its Unit that would result in any portion of the Project being in violation of applicable zoning laws and subdivision regulations. Any proposed Unit Development that would unreasonably interfere with an Owner’s use and enjoyment of the Project (e.g., parking and other easements granted under this REA) shall be subject to such Owner’s prior approval, in such Owner’s sole discretion. Subject to the provisions of this REA and the Land Condominium Declaration, each Owner shall cooperate, at no cost to such cooperating Owner, with each other Owner in any Unit Development, which is in accordance with the Virginia Condominium Act, this REA, the Land Condominium Declaration and all other applicable laws and regulations. Without

limiting the generality of the foregoing, upon written request by any Owner (the “**Requesting Owner**”), any other Owner (the “**Cooperating Owner**”) shall execute, join in, and in good faith support any and all applications, approvals, permits, easements, right-of-ways, and other instruments of any kind whatsoever as may be deemed necessary or desirable by the Requesting Owner, in its sole discretion, in connection with the Requesting Owner’s Unit Development; provided, however, that (a) the Requesting Owner shall defend, indemnify and hold the Cooperating Owner harmless from (i) any accident, injury or damage whatsoever caused to any person, or to the property of any person, occurring in or about the Cooperating Owner’s Unit, (ii) any accident, injury or damage whatsoever occurring outside the Cooperating Owner’s Unit but within the Project, where such accident, injury or damage results from any act, omission or negligence on the part of the Requesting Owner or its Agents; or (iii) any breach of this REA by the Requesting Owner, (b) such proposed Unit Development of the Requesting Owner shall not be in violation of or otherwise not in conformance with zoning requirements and applicable laws and regulations, and (c) such cooperation shall not materially and adversely interfere with the planned or actual use or operation of the Building, the Garage or other improvement within the Cooperating Owner’s Unit. Any easements or rights-of-way granted pursuant to this subsection shall be granted without consideration.

SECTION 9
MISCELLANEOUS

A. Exhibits. Each reference herein to an Exhibit refers to the applicable Exhibit that is attached to this REA. All such Exhibits constitute a part of this REA and by this Section are expressly made a part hereof.

B. Captions; Pronouns. The captions of this REA are inserted only as a matter of convenience and for reference. They do not define, limit or describe the scope or intent of the provisions of this REA, and they shall not affect the interpretation hereof. Whenever singular, plural, masculine, feminine or neuter pronouns are used herein they shall be construed interchangeably so as to fit the applicable context.

C. Amendments. This REA (including any modifications or changes to **Exhibit A**) may be amended only with the prior written approval of all of the Owners and of any Mortgagee (to the extent required pursuant to the provisions of any such Mortgage).

D. Estoppel Certificate. Within twenty (20) days following any written request from any Owner, any other Owner shall respond with a written certificate stating that (i) that this REA is unmodified and in full force and effect, or, if modified, that this REA is in full force and effect as modified (and listing the modifications);

(ii) to its knowledge, there is no default by any Owner under this REA, or, if in default, specifying the nature of such default; and (iii) such other factual matters concerning the status of this REA as shall be reasonably requested. If the receiving Owner fails to respond within twenty (20) days of receipt of notice, the requesting Owner shall send a second (2nd) written request (the “**Second Estoppel Request**”) to the receiving Owner which shall include instructions in bold, all capitalized letters setting forth this provision of this REA pursuant to which the requesting Owner is sending such notice and further notice that the receiving Owner shall have ten (10) days in which the receiving Owner is required to respond, in substantially the same form as follows:

“THIS COMMUNICATION REQUIRES YOUR PROMPT RESPONSE. PURSUANT TO SECTION 9.D. OF THE REA, YOU HAVE TEN (10) CALENDAR DAYS IN WHICH TO RESPOND TO THIS NOTICE. FAILURE TO RESPOND WITHIN SUCH TEN (10) CALENDAR DAY PERIOD MAY CONSTITUTE A DEEMED ACKNOWLEDGMENT BY YOU OF THE STATEMENT REQUESTED HEREIN.”

If the receiving Owner fails to respond within ten (10) days of receipt of the Second Estoppel Request, the receiving Owner shall be deemed to have responded that no default exists, and such Owner who fails to respond shall be estopped from asserting the existence of any defaults.

E. Severability. If any clause, sentence or portion of this REA shall become invalid or unenforceable or not run with the land, and shall be held so by any court of competent jurisdiction, the remaining portions hereof shall continue in full force and effect.

F. Covenants Running with the Land. This REA and the easements granted hereunder shall constitute covenants running with the land and shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, but shall terminate and expire on such date as the Land Condominium terminates.

G. Entire Agreement. The terms, conditions and provisions of this REA constitute the sole and entire agreement between the parties with respect to the subject matter hereof and may only be amended by an instrument in writing, executed by each of the parties hereto (or their successors and assigns).

H. Counterparts. This REA may be executed in counterpart signatures.

I. Governing Law. This REA shall be governed by and construed under the laws of the Commonwealth of Virginia.

J. Right to Enjoin. In the event of any violation or threatened violation of any of the provisions of this REA by an Owner, any other Owner shall have the right to seek from a court of competent jurisdiction an injunction against such violation or threatened violation, and any defense by an Owner that an adequate remedy at law may exist is hereby waived.

K. Remedies Cumulative. The rights and remedies provided in this REA shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which an Owner might otherwise have by virtue of a default hereunder, and the exercise of one such right or remedy shall not impair the standing of an Owner to exercise any other right or remedy.

L. Waiver of Default. Except as otherwise expressly provided herein, a waiver of any default by any Owner must be in writing, and no such waiver shall be implied from any omission to take any action in respect of such default. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any provisions of this REA shall not be deemed to be a waiver of any subsequent default in the performance of the same provision or any other term or provision contained herein. No consent or approval by an Owner to or of any act or request requiring consent or approval pursuant to this REA shall be deemed to waive or render unnecessary the consent of approval to or of any subsequent acts or requests.

M. No Partnership, Joint Venture or Principal Agent Relationship. Neither anything in this REA nor any acts of any Owner shall be deemed to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any parties.

N. Release from Liability. Any Owner shall be bound by this REA only as to the Unit(s) as to which such person or entity is the Owner, and only during the period that such person or entity is the owner of such Unit. Upon transfer of an Owner's entire fee simple interest in its Unit, such Owner shall be automatically released from liability under this REA, except for liability which occurred prior to the date of such transfer.

O. Limitation of Liability. No partner, shareholder, member, trustee, beneficiary, director, officer or employee of an Owner, or any affiliate of an Owner, shall have any personal liability under this REA. In addition, in the event any party obtains a judgment against any Owner in connection with this REA, such party's sole recourse shall be to the estate and interest of such Owner in and to its Unit; provided, however, that the foregoing limitation of liability shall not apply in the event of any fraud, intentional misrepresentation or willful misconduct by such Owner.

P. Mortgagee Notice and Right to Cure. A mortgagee of any Owner's interest in its Unit, during such period of time as such mortgage or deed of trust shall be of record in the County land records (a "**Mortgagee**"), shall be entitled to receive notice of any default by the maker of the mortgage (including, without limitation, notice of a default which would entitle another Owner to exercise self-help), provided that prior to the giving of the notice of default, such Mortgagee shall have delivered to such other Owners a notice substantially as follows:

The undersigned, whose address is [insert mortgagee address] (the "Mortgagee") does hereby certify that it is the holder of a first/second/etc. mortgage (the "Mortgage") upon the tract of land described on Exhibit "A" attached hereto and made a part hereof, such tract being the Unit of [insert name of Owner] (the "Mortgagor"). In the event that any notice shall be given of the default by the Mortgagor upon whose Unit this Mortgage applies, under the REA, a copy thereof shall be delivered to the undersigned at the address set forth herein, and the undersigned shall thereafter have all rights (but not the obligations) of the Mortgagor set forth in the REA to cure a default by the Mortgagor. Failure to deliver a copy of such notice to the undersigned shall in no way affect the validity of the notice of default to the Mortgagor but shall make the same invalid as it respects the interest of the Mortgagee in and to the Unit or Mortgage and such failure shall result in the default not being binding upon the Mortgagee who is in possession of the Unit and who has not received such notice or upon any party who acquired the Unit by foreclosure or deed in lieu of foreclosure.

Any notice to such Mortgagee shall be mailed to the address in the United States referred to in the form of notice set forth above and in the same manner as provided in Section 6 hereof. The giving of or failure to give any notice of default or the failure to deliver a copy to any such Mortgagee shall in no event create any liability on the part of the Owner so declaring or entitled to declare a default. The Mortgagee shall be permitted to cure any such default within thirty (30) days after a copy of the notice of default shall have been sent to such Mortgagee, provided that, in the case of a default which cannot with diligence be remedied within such period of thirty (30) days, if the Mortgagee has notified the other Owners that it is Non-Defaulting the default and if the Mortgagee has promptly commenced within the thirty (30) day period and has proceeded and is proceeding with all due diligence to remedy such default, then such Mortgagee shall have additional reasonable period as may be necessary to remedy such default, not to exceed ninety (90) days.

Q. Prohibited Uses. Notwithstanding anything to the contrary contained in this REA, in no event shall any of the Units or any portion of the Project be used

for any of the following: (i) a store primarily selling or leasing sexually explicit materials such as cassettes, films, books and magazines; (ii) a movie theatre primarily showing "X: rated or other sexually explicit movies; (iii) a massage parlor in which activities of a sexually explicit nature are found; (iv) a so-called "head shop" or store featuring paraphernalia for illegal drug use; (v) a store showing so-called "peep" shows; (vi) a facility featuring "strip tease acts," "nude dancing," or similar activities; (vii) a store primarily selling items concerning sexuality (e.g., a so-called "sex" shop); (viii) a mortuary; (ix) a carnival or fair; (x) a betting agency; (xi) pool hall or gaming parlor; (xii) dry-cleaner (other than those offering only drop-off and pick-up services where all cleaning is performed offsite); (xiii) flea market or pawn shop; (xiv) auto dealership or other car rentals or sales; (xv) a clinic offering abortions as a part of its services, (xvi) gun shop, (xvii) treatment center, rehab facility or similar use, (xviii) payday lender or check-cashing establishment, (xix) any hazardous or illegal use or use that is in violation of any applicable laws or ordinances; (xx) during such time that CUMC is an Owner, and only during such time, the sale of alcohol; (xxi) any use which would materially and adversely interfere with the ability of an Owner or its Permittees to operate its Unit as permitted under applicable law; or (xxii) any use that would unreasonably increase the rate of casualty insurance as required in this REA or the Land Condominium Declaration. In addition, no noxious or offensive activities or events shall be conducted on or upon any portion of the Project, which may constitute an unreasonable annoyance, hazard or nuisance to any Owners or Permittees of the Project in terms of noise, odors or other disruption. All events or activities, including, but not limited to, events or activities at which alcohol will be served, shall be held at reasonable times and shall be adequately monitored and regulated by the Owner of the applicable Unit to ensure compliance with the applicable provisions of this Section.

R. Site Plan Conditions. The Project is subject to those certain Site Plan Conditions approved by the County (i.e. SP #443 Ballston Station) as the same may be amended from time to time ("**Site Plan Conditions**"). Pursuant to and in accordance with Condition No. 17 of the Site Plan Conditions ("**Condition No. 17**"), the Owner of Land Unit A, with the consent of the Owner of Land Unit C, shall restore, place and display the 1930s era Tiffany stained glass window depicting Jesus Christ salvaged from the historic Abbey Mausoleum (the "**Tiffany Window**") on the exterior of the Building located within Land Unit C in the location more particularly described in Condition No. 17. The Owner of Land Unit A shall be responsible, at its sole cost and expense, to restore and place for display the Tiffany Window in accordance with Condition No. 17. Once displayed, the ongoing maintenance of the Tiffany Window in accordance Condition No. 17 shall be performed by the Owner of Land Unit C at its sole cost and expense. The cost for insuring the Tiffany Window in accordance with Condition No. 17 shall be included as a part of the Shared Costs with each Owner responsible for its Pro Rata Share

of such expenses. Each Owner agrees to grant such access easements as required pursuant to Condition No. 17, subject to the terms of this REA.

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[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this REA as of the date first above written.

Central United Methodist Church

By: _____

Name: _____

Title: _____

STATE OF _____:

COUNTY OF _____: to-wit

The foregoing instrument was acknowledged before me this ___ day of _____, 202__, by _____, on behalf of said _____.

Notary Public

My commission expires: _____

My Notary Registration Number: _____

EXHIBIT A
COMMON AREA

12613266.3 042264.00001

EXHIBIT F

List of Leases

- 1.) Agreement with Key Community Church- term has expired
- 2.) Unwritten Agreement with Dr. Dan Bolin

EXHIBIT G

Form of Deed of Release and Termination
[attached]

Prepared by/Return to:
Walsh, Colucci, Lubeley & Walsh, P.C.
2200 Clarendon Blvd., Suite 1300
Arlington, VA 22201
Attn: Antonia E. Miller, VSB #82427

RPC: 14024017

DEED OF RELEASE AND TERMINATION

THIS DEED OF RELEASE AND TERMINATION (this "Deed"), made this ____ day of _____, 202__ (the "Effective Date"), by _____, on behalf of the VIRGINIA ANNUAL CONFERENCE [CONFIRM NAME], Grantor (the "Annual Conference"), the UNITED METHODIST WOMEN [CONFIRM NAME], Grantor (the "UMW"), and JOSEPH EUGENE CROSS, BRIAR ROSE SMITH, MIKE RUGALA, ALEX TIMM, ALI AZIMIPOUR, TRICIA O'HARA AND DAINTY IGNACIO, TRUSTEES FOR CENTRAL UNITED METHODIST CHURCH, Grantor and Grantee (the "Owner").

****WITNESSETH****

WHEREAS, the Owner is the owner of that certain real property and located in Arlington County, Virginia (the "County"), as more particularly described in **Exhibit A** attached hereto (the "Property"); and

WHEREAS, the Property was conveyed to H.L. Creson and H.W.R. Ewing, Trustees for the Methodist Episcopal Church, South, Ballston, Virginia, as the predecessor to the Owner, pursuant to several deeds, including that certain Deed dated June 30, 1922 (the "Vesting Deed") from the Ladies Aid of the Methodist Episcopal Church, South, Ballston, Virginia and H.W.R. Ewing, Trustee for the Ladies Aid of the Methodist Episcopal Church, South, Ballston, Virginia (the "Ladies Aid Society"), and recorded among the land records of the County in Deed Book 184, at Page 48 (the "Land Records"); and **[NOTE: NEED TO ADD INFORMATION REGARDING THE**

**NAME/ENTY CHANGE FROM METHODIST EPISCOPAL CHURCH, SOUTH,
BALLSTON, VIRGINIA TO CENTRAL UNITED METHODIST CHURCH]**

WHEREAS, the Vesting Deed contains certain use covenants and restrictions that bind the Property for the benefit of: (a) the Owner, (b) the Annual Conference, as the regional body of the United Methodist Church with authority in connection with the Property, and (c) the UMW, as the successor organization to the Ladies Aid Society; and

WHEREAS, the Owner, the Annual Conference and the UMW have each agreed, to the extent they have any interest in the use covenants and restrictions set forth in the Vesting Deed, to consent to the release and termination in full the use covenants and restrictions set forth in the Vesting Deed, as of the Effective Date of this Deed, such release and termination being approved by all necessary action of the Owner, the Annual Conference and the UMW.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and sufficiency of which is hereby acknowledged, the Owner, the Annual Conference and the UMW do hereby evidence their consent to the termination in full the use covenants and restrictions, set forth in the Vesting Deed, as of the Effective Date of this Deed.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURES PAGES FOLLOW]

WITNESS the following signatures and seal:

ANNUAL CONFERENCE:

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by _____, _____ of _____.

Notary Public

My commission expires: _____

Notary Registration #: _____

UMW:

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by _____, _____ of _____.

Notary Public

My commission expires: _____

Notary Registration #: _____

OWNER:

Joseph Eugene Cross, Trustee for Central United
Methodist Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Joseph Eugene Cross, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Briar Rose Smith, Trustee for Central United
Methodist Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Briar Rose Smith, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Mike Rugala, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Mike Rugala, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Alex Timm, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Alex Timm, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Ali Azimipour, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Ali Azimipour, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Tricia O'Hara, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Tricia O'Hara, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Dainty Ignacio, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Dainty Ignacio, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Exhibit A

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate, and being in Arlington County, Virginia, being more particularly described as follows:

Parcel One:

All of Lots 38, 39, 40, 41, 42, 43 and 44, in Block numbered Two (2), of James E. Clements Subdivision known as "CENTRE BALLSTON", which said Subdivision is duly recorded in Liber U, No. 4 at page 71, among the Land Records of Arlington County, Virginia.

LESS AND EXCEPT that portion of Lot 44 conveyed the Washington Metropolitan Area Transit Authority by Deed of Bargain and Sale recorded in Deed Book 1940 at page 723, among the aforesaid Land Records.

Parcel Two:

All that part of the "Robert Ball Sr. Graveyard Lot" and Clements Avenue decreed by the Circuit Court of Arlington County, Virginia on October 30, 1922 and recorded in Chancery Order Book 8 at page 76, among the aforesaid Land Records.

EXHIBIT H

Form of Deed of Amendment

[attached]

Prepared by/Return to:
Walsh, Colucci, Lubeley & Walsh, P.C.
2200 Clarendon Blvd., Suite 1300
Arlington, VA 22201
Attn: Antonia E. Miller, VSB #82427

RPC: 14024017

DEED OF CONFIRMATION

THIS DEED OF CONFIRMATION (this "Deed"), made this ____ day of _____, 202__, by _____ on behalf of the VIRGINIA ANNUAL CONFERENCE [CONFIRM NAME], Grantor (the "Annual Conference"), the UNITED METHODIST WOMEN [CONFIRM NAME], Grantor (the "UMW"), and JOSEPH EUGENE CROSS, BRIAR ROSE SMEITH, MIKE RUGALA, ALEX TIMM, ALI AZIMIPOUR, TRICIA O'HARA AND DAINTY IGNACIO, TRUSTEES FOR CENTRAL UNITED METHODIST CHURCH, Grantor and Grantee (the "Owner").

****WITNESSETH****

WHEREAS, the Owner is the owner of that certain real property and located in Arlington County, Virginia (the "County"), as more particularly described in **Exhibit A** attached hereto (the "Property"); and

WHEREAS, the Property was conveyed to H.L. Creson and H.W.R. Ewing, Trustees for the Methodist Episcopal Church, South, Ballston, Virginia, as the predecessor to the Owner, pursuant to several deeds, including that certain Deed dated June 30, 1922 (the "Vesting Deed") from the Ladies Aid of the Methodist Episcopal Church, South, Ballston, Virginia and H.W.R. Ewing, Trustee for the Ladies Aid of the Methodist Episcopal Church, South, Ballston, Virginia (the "Ladies Aid Society"), and recorded among the land records of the County in Deed Book 184, at Page 48 (the "Land Records"); and **[NOTE: NEED TO ADD INFORMATION REGARDING THE**

**NAME/ENTY CHANGE FROM METHODIST EPISCOPAL CHURCH, SOUTH,
BALLSTON, VIRGINIA TO CENTRAL UNITED METHODIST CHURCH]**

WHEREAS, the Vesting Deed contains certain use covenants and restrictions that bind the Property for the benefit of: (a) the Owner, (b) the Annual Conference, as the regional body of the United Methodist Church with authority in connection with the Property, and (c) the UMW, as the successor organization to the Ladies Aid Society; and

WHEREAS, the Owner desires to enter into a ground lease for the Property (the "Ground Lease") with an entity affiliated with Arlington Partnership for Affordable Housing, Inc., a Virginia corporation (the "APAH Entity"), which Ground Lease will be evidenced by that certain Memorandum of Ground Lease to be recorded among the Land Records after this Deed; and

WHEREAS, the Ground Lease contemplates that the APAH Entity will construct that certain mixed-use project on the Property, consisting of at least one unit intended for use by the Owner (the "Church Unit"), as well as affordable housing residential components for use by the APAH Entity (the "Project"); and

WHEREAS, it is the desire of the Annual Conference, the UMW and the Owner to confirm that the Project, to be constructed by the APAH Entity, as contemplated by the Ground Lease, fulfills the requirements of the use covenant and restrictions set forth in the Vesting Deed, regardless of whether, at any time, the Owner does not own, is not in possession of and/or is not using the Church Unit.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt and sufficiency of which is hereby acknowledged, the Annual

Conference, the UMW and the Owner do hereby confirm that the Project, to be constructed by the APAH Entity, as contemplated by the Ground Lease, fulfills the requirements of the use covenant and restrictions set forth in the Vesting Deed, regardless of whether, at any time, the Owner does not own, is not in possession of and/or is not using the Church Unit.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURES PAGES FOLLOW]

WITNESS the following signatures and seal:

ANNUAL CONFERENCE:

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by _____, _____ of _____.

Notary Public

My commission expires: _____

Notary Registration #: _____

UMW:

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by _____, _____ of _____.

Notary Public

My commission expires: _____

Notary Registration #: _____

OWNER:

Joseph Eugene Cross, Trustee for Central United
Methodist Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Joseph Eugene Cross, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Briar Rose Smith, Trustee for Central United
Methodist Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Briar Rose Smith, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Mike Rugala, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Mike Rugala, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Alex Timm, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Alex Timm, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Ali Azimipour, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Ali Azimipour, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Tricia O'Hara, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202_, by Tricia O'Hara, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Dainty Ignacio, Trustee for Central United Methodist
Church

STATE OF _____:

COUNTY OF _____ : to-wit,

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Dainty Ignacio, Trustee for Central United Methodist Church.

Notary Public

My commission expires: _____

Notary Registration #: _____

Exhibit A

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate, and being in Arlington County, Virginia, being more particularly described as follows:

Parcel One:

All of Lots 38, 39, 40, 41, 42, 43 and 44, in Block numbered Two (2), of James E. Clements Subdivision known as "CENTRE BALLSTON", which said Subdivision is duly recorded in Liber U, No. 4 at page 71, among the Land Records of Arlington County, Virginia.

LESS AND EXCEPT that portion of Lot 44 conveyed the Washington Metropolitan Area Transit Authority by Deed of Bargain and Sale recorded in Deed Book 1940 at page 723, among the aforesaid Land Records.

Parcel Two:

All that part of the "Robert Ball Sr. Graveyard Lot" and Clements Avenue decreed by the Circuit Court of Arlington County, Virginia on October 30, 1922 and recorded in Chancery Order Book 8 at page 76, among the aforesaid Land Records.

- [General Information](#)
- **Assessments**
- [Tax Balances](#)
- [Improvements](#)
- [Sales](#)
- [Permits](#)
- [Economic Unit](#)
- [Resubdivision](#)
- [Site Plan/Rezoning](#)
- [Archives - Property Card](#)
- [Assessment Notice](#)
 - No Assessment Notice Available

[Return to Search Results](#)

[New Search](#)

[View Map](#)


[Print](#)

14-024-017

4205 FAIRFAX DR ARLINGTON VA 22203

Assessment History

Effective Date	Change Reason	Land Value	Improvement Value	Total Value
1/1/2021	01- Annual	\$11,672,500	\$1,000	\$11,673,500
1/1/2020	01- Annual	\$11,672,500	\$1,000	\$11,673,500
1/1/2019	01- Annual	\$11,470,800	\$1,473,400	\$12,944,200
1/1/2018	01- Annual	\$11,470,800	\$1,593,100	\$13,063,900
1/1/2017	01- Annual	\$2,484,800	\$1,593,100	\$4,077,900
1/1/2016	01- Annual	\$2,412,400	\$1,666,000	\$4,078,400
1/1/2015	01- Annual	\$2,293,300	\$1,682,900	\$3,976,200
1/1/2014	01- Annual	\$2,084,800	\$1,730,300	\$3,815,100
1/1/2013	01- Annual	\$2,084,800	\$1,773,200	\$3,858,000
1/1/2012	01- Annual	\$2,084,800	\$1,819,500	\$3,904,300

QUESTIONS? Contact the Department of Real Estate Assessments at 703-228-3920 or realog2@arlingtonva.us 

Note: Arlington County does not assess separate city taxes or storm water fees

**ASSIGNMENT AND ASSUMPTION
OF
AGREEMENT TO GROUND LEASE**

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENT TO GROUND LEASE (this "Assignment") is made and entered into as of this 15th day of June, 2021 (the "Effective Date") by and between ARLINGTON PARTNERSHIP FOR AFFORDABLE HOUSING, INC., a Virginia corporation ("Assignor"), and BALLSTON LIMITED PARTNERSHIP, a Virginia limited partnership ("Assignee").

RECITALS:

- A. Assignor and Joseph Eugene Cross, Briar Rose Smith, Mike Rugala, Alex Timm, Ali Azimipour, Tricia O'Hara and Dainty Ignacio, Trustees for Central United Methodist Church entered into that certain Agreement to Ground Lease dated as of October 19, 2020 (as amended, the "Agreement"), in connection with that certain real property and improvements located at 4201 Fairfax Drive, Arlington, Virginia (RPC# 14-024-017).
- B. Assignee qualifies as an "Affiliate" pursuant to Section 16(c) of the Agreement.
- C. Assignor now desires to assign to Assignee all of Assignor's right, title and interest in and to the Agreement, and Assignee desires to accept such assignment and assume the obligations of Assignor thereunder on the terms and conditions set forth therein.

W I T N E S S E T H :


NOW, THEREFORE, in consideration of the mutual promises, payments and agreements herein contained and the above recitals which are incorporated herein by reference and made a part hereof, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Assignor hereby grants, bargains, sells, assigns, transfers, sets over, delivers and conveys to Assignee all of Assignor's right, title and interest in and to the Agreement. Notwithstanding such assignment, Assignor shall not be released from any liability under the Agreement.
- 2. Assignee hereby accepts the foregoing assignment and transfer upon the terms and conditions set forth therein and agree to be bound by the Agreement and assume all of Assignor's liabilities and obligations thereunder.
- 3. Assignor warrants and represents to Assignee that as of the Effective Date of this Assignment Assignor has received no notice of any claimed breach or default on the part of any party to the Agreement and is not aware of any other breach or default thereunder by any party.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed as of the date first written above.

ASSIGNOR:


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

By: 
Name: Nina Janopaul
Title: President

ASSIGNEE:

BALLSTON LIMITED PARTNERSHIP, a Virginia
limited partnership

By: BALLSTON GP, LLC, a Virginia limited
liability company
its general partner

By: 
Name: Nina Janopaul
Title: President

FIRST AMENDMENT TO AGREEMENT TO GROUND LEASE

THIS FIRST AMENDMENT TO AGREEMENT TO GROUND LEASE (this “**Amendment**”) is made and effective as of this 15th day of June, 2021 (the “**First Amendment Effective Date**”), by and between BALLSTON LIMITED PARTNERSHIP, a Virginia limited partnership (“**APAH**”); and Joseph Eugene Cross, Briar Rose Smith, Mike Rugala, Alex Timm, Ali Azimipour, Tricia O’Hara and Dainty Ignacio, Trustees for Central United Methodist Church (“**CUMC**”).

RECITALS:

WHEREAS, CUMC and Arlington Partnership for Affordable Housing, Inc., a Virginia corporation (the “**Original APAH Party**”), entered into that certain Agreement to Ground Lease dated October 19, 2020 (“**Agreement**”), as assigned from the Original APAH Party to APAH pursuant to that certain Assignment and Assumption of Agreement to Ground Lease dated of even date herewith (the “**Assignment**”), in connection with that certain real property and improvements located in Arlington County, Virginia (the “**County**”) at 4201 Fairfax Drive, Arlington, Virginia (RPC# 14-024-017); and

WHEREAS, the parties desire to amend the Agreement, upon the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, APAH and the Post agree as follows:

1. Incorporation. The recitals hereinabove contained are hereby incorporated herein by reference as if more fully set forth herein.

2. Definitions. Initially capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings set forth in the Agreement.

3. Interim Project Budget. APAH and CUMC hereby agree that that the approved Interim Project Budget is attached hereto as **Exhibit A**. As set forth on the approved Interim Project Budget, APAH and CUMC agree to the following updates to the Agreement: (a) the Ground Lease Payment (as defined in the Ground Lease) shall be Ten Million Fifty Thousand and No/100 Dollars (\$10,050,000.00), and the form of Ground Lease attached to the Agreement shall be updated accordingly prior to Closing, (b) the amount of the Existing Materials and Approvals Reimbursement shall be Three Million One Hundred Fifty-Seven Thousand One Hundred Sixty-Sixty and No/100 Dollars (\$3,157,166.00), (c) Section 4(d) of the Agreement and the obligation of CUMC to make a contribution toward environmental remediation costs to be incurred by APAH in connection with the Property shall be deleted in its entirety, and (d) as of the First Amendment Effective Date, based on the approved Interim Project Budget, the estimated amount of the CUMC Construction Costs to be placed into escrow by CUMC at Closing pursuant to the Escrow Agreement is Eleven Million Three Hundred Sixty-Five Thousand Seven Hundred Five and No/100 Dollars (\$11,365,705.00). Notwithstanding the foregoing, APAH and CUMC acknowledge that the amount of the CUMC Construction

Costs to be placed into escrow by CUMC at Closing pursuant to the Escrow Agreement may change prior to Closing, pursuant to the provisions of the Agreement.

4. APAH Conditions Precedent. Section 10(d) of the Agreement is hereby deleted in its entirety and the following is substituted in its place and stead:

“(d) In the event that any one or more of the APAH Conditions Precedent are not satisfied on or prior to the Closing Date (as hereinafter defined), despite each party’s diligent, good faith efforts, then APAH shall have the right to elect, on or before the Closing Date, to: (i) terminate this Agreement by giving written notice to CUMC, in which event the Deposit shall be returned to APAH, unless the Property has been vacated by CUMC and all tenants and occupants pursuant to the provisions of Section 11(f) of this Agreement, in which event the Deposit shall be paid to CUMC, and the parties shall have no further obligations hereunder except for those obligations which specifically survive such termination, or (ii) waive satisfaction of such unsatisfied APAH Conditions Precedent, and proceed to Closing within ten (10) days, or (iii) extend the Closing Date by such period of time as may be necessary to cause the unsatisfied APAH Conditions Precedent to be satisfied, provided that such extension shall not extend beyond December 15, 2021 (the “**APAH Closing Extension Period**”). If APAH elects option (iii) above and the unsatisfied APAH Conditions Precedent are not satisfied by the end of the APAH Closing Extension Period, then APAH shall have the right to elect between options (i) and (ii) above by the date that is ten (10) days after the expiration of the APAH Closing Extension Period. If APAH does not timely make an election pursuant to this Section 10(d), APAH shall be deemed to have elected option (i) above. Nothing in this Section 10(d) shall be deemed to affect APAH’s rights and remedies in the event of a default by CUMC hereunder, as set forth in Section 13(b), or APAH’s rights and remedies as set forth in Section 13(c).”

5. Early Vacation of the Property. Section 11(f) of the Agreement is hereby deleted in its entirety and the following is substituted in its place and stead:

“(f) Early Vacation of the Property. CUMC shall cause the Property to be vacated by CUMC and all tenants and occupants by July 31, 2021. Prior to CUMC’s vacation of the Property, CUMC shall cause all utilities to the Property to be shut off and shall provide APAH with evidence of such utility shut-off. CUMC shall be responsible for paying all fees and charges in connection with utilities to the Property which relate to the period of time prior to CUMC’s vacation of the Property. Upon the vacation of the Property by CUMC and all tenants and occupants, (A) APAH shall pay to CUMC Five Thousand Dollars (\$5,000.00) (the “**Early Vacation Fee**”), (B) the

Deposit shall be non-refundable to APAH except in the event of a default by CUMC pursuant to this Agreement, (C) CUMC shall execute such reasonable access agreements as may be required by APAH or APAH's Lenders in order to allow APAH conduct remediation work on the Property prior to Closing, and (D) APAH shall execute reasonable agreements indemnifying CUMC in connection with any work performed on the Property prior to Closing. Upon payment to CUMC, the Early Vacation Fee shall be non-refundable to APAH except in the event of default by CUMC pursuant to this Agreement, and the Early Vacation Fee shall not be credited against the Ground Lease Payment at Closing."

6. Memorandum of Ground Lease. CUMC and APAH agree that the costs of recording the Memorandum of Ground Lease shall be split equally between CUMC and APAH, as set forth in Section 11(c) of the Agreement, and that Section 18.15 of the form of Ground Lease attached to the Agreement shall be updated accordingly prior to Closing.

7. Assignment. CUMC hereby acknowledges the Assignment, and agrees that from and after the First Amendment Effective Date, all references to "APAH" in the Agreement and any exhibits attached thereto shall be deemed to refer to Ballston Limited Partnership, a Virginia limited partnership. Notwithstanding the foregoing or any provision of the Assignment, Arlington Partnership for Affordable Housing, Inc., a Virginia corporation, shall not be released from any liability under the Agreement and shall be jointly and severally liable with Ballston Limited Partnership, a Virginia limited partnership, pursuant to the Agreement. APAH affirms all of APAH's Representations set forth in the Agreement, as of the First Amendment Effective Date, and in furtherance of the foregoing, the following language is added to APAH's Representation in the first clause of Section 9(a)(i) of the Agreement: "Ballston Limited Partnership is a limited partnership, duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia."

8. Extension of Outside Closing Date. CUMC hereby acknowledges receipt of that certain notice of Extension of Outside Closing Date dated April 26, 2021 (the "**Extension of Outside Closing Date Notice**") extending the April 30, 2021 outside Closing Date as set forth in the Agreement. APAH and CUMC agree that, pursuant to the Extension of Outside Closing Date Notice, the outside Closing Date has been extended by such period of time as may be necessary to cause the unsatisfied APAH Conditions Precedent to be satisfied, subject to a new outside Closing Date of December 15, 2021.

9. The Property. CUMC agrees that CUMC shall cooperate with APAH and the County in connection with: (a) the conveyance from the County to CUMC of that certain real property described on **Exhibit B** attached hereto as "Area Vacated by Prior Court Decree 6,950 S.F." (the "**Conveyance to CUMC**"), and (b) the conveyance from CUMC to the County of that certain real property described on **Exhibit B** as "Area Dedicated by Prior Court Decree 3,433 S.F." (the "**Conveyance to the County**"). CUMC shall execute and deliver such deeds and related documents as may be required by the County to effectuate the Conveyance to CUMC and the Conveyance to the County.

Following the occurrence of the Conveyance to CUMC and the Conveyance to the County, APAH and CUMC agree that all references in the Agreement and any related documents to the "Property" shall be deemed to include the Conveyance to CUMC and to exclude the Conveyance to the County.

10. Ratification. Except as expressly amended by this Amendment, all other terms, conditions and provisions of the Agreement are hereby ratified and confirmed and shall continue in full force and effect.

11. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute one and the same Amendment. Delivery of an executed signature page to this Amendment by facsimile transmission or electronic transmission shall be as effective as delivery of a manually signed counterpart of this Amendment.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned have executed this Amendment under seal as of the dates indicated below.

APAH:

BALLSTON LIMITED PARTNERSHIP, a Virginia limited partnership

By: BALLSTON GP, LLC, a Virginia limited liability company
its general partner

By: 
Name: N. Paul
Title: President

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

CUMC:

Joseph Eugene Cross
Joseph Eugene Cross, Trustee

Briar Rose Smith, Trustee

Mike Rugala, Trustee

Alex Timm, Trustee

Ali Azimipour, Trustee

Tricia O'Hara, Trustee

Dainty Ignacio
VIRGINIA NOTARY ACKNOWLEDGEMENT
Dainty Ignacio, Trustee

Commonwealth of Virginia
County of Arlington

The foregoing instrument was signed before me,

by JOSEPH EUGENE CROSS, JR and Dainty Ignacio this
27th day of May 2021.

Christine Gregory
Christine Gregory

Notary's Registration Number 317772



Christine Gregory
NOTARY PUBLIC
Commonwealth of Virginia
Reg. # 317772
My Commission Expires
May 31, 2024

CUMC:

Joseph Eugene Cross, Trustee

Briar Rose Smith, CUMC Trustee

Briar Rose Smith, Trustee

Mike Rugala, Trustee

Alex Timm, Trustee

Ali Azimipour, Trustee

Tricia O'Hara, Trustee

Dainty Ignacio, Trustee

CUMC:

Joseph Eugene Cross, Trustee

Briar Rose Smith, Trustee



Mike Rugala, Trustee

Alex Timm, Trustee

Ali Azimipour, Trustee

Tricia O'Hara, Trustee

Dainty Ignacio, Trustee

CUMC:

Joseph Eugene Cross, Trustee

Briar Rose Smith, Trustee

Mike Rugala, Trustee



Alex Timm, Trustee

Ali Azimipour, Trustee

Tricia O'Hara, Trustee

Dainty Ignacio, Trustee

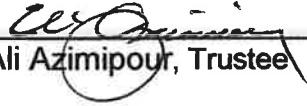
CUMC:

Joseph Eugene Cross, Trustee

Briar Rose Smith, Trustee

Mike Rugala, Trustee

Alex Timm, Trustee


Ali Azimipour, Trustee

Tricia O'Hara, Trustee

Dainty Ignacio, Trustee

CUMC:

Joseph Eugene Cross, Trustee

Briar Rose Smith, Trustee

Mike Rugala, Trustee

Alex Timm, Trustee

Ali Azimipour, Trustee

Tricia O'Hara
Tricia O'Hara, Trustee

Dainty Ignacio, Trustee

EXHIBIT A

Approved Interim Project Budget

[attached]

Sources & Uses

	4% LIHTC	CUMC	Total
Sources of Funds	100.00%	0.1629	
VHDA Taxable	\$ 5,997,190		\$ 5,997,190
VHDA Taxable			
CUMC Sales Proceeds	\$ -	\$ 10,050,000	\$ 10,050,000
SPARC	\$ 4,500,000		\$ 4,500,000
REACH	\$ 2,000,000		\$ 2,000,000
AHIF	\$ 19,065,000		\$ 19,065,000
REACH Grant Proceeds	\$ 8,750,000		\$ 8,750,000
Tax Credit Equity (4%)	\$ 27,611,746		\$ 27,611,746
Deferred Developer Fee	\$ 1,625,000		\$ 1,625,000
VA HTF	\$ 900,000		\$ 900,000
Arl Comm Foundation/ Church Fundraising	\$ -	\$ 4,000,000	\$ 4,000,000
Church Debt (Daycare)	\$ -	\$ -	\$ -
Other Philanthropy (tbd) / Church Dev Fee	\$ -	\$ -	\$ -
Total Sources	\$ 70,448,936	\$ 14,050,000	\$ 84,498,936
Per Unit			
	<i>Over/(Under)</i> \$	<i>(0)</i> \$	<i>0</i> \$
Uses of Funds			
Acquisition Costs			
Site Acquisition/Capitalized Lease Pmt	\$ 10,050,000		\$ 10,050,000
Title & Recording - Permanent	\$ 135,000	\$ 1,312	\$ 136,312
Title & Recording - Construction	\$ 135,000	\$ 1,312	\$ 136,312
Acquisition Subtotal	\$ 10,320,000	\$ 2,623	\$ 10,322,623
Construction Costs			
Superstructure	\$ 13,010,535	\$ 2,531,855	\$ 15,542,391
Church Interiors		\$ 4,894,345	\$ 4,894,345
Residential Interiors	\$ 15,108,843		\$ 15,108,843
Garage	\$ 5,906,801	\$ 1,149,466	\$ 7,056,267
Site Work	\$ 2,989,689	\$ 581,795	\$ 3,571,484
	\$ -	\$ -	\$ -
Builder's Risk from Davis (don't need)	\$ (219,512)	\$ (54,306)	\$ (273,818)
Hard Cost Contingency	\$ 2,640,139	\$ 653,151	\$ 3,293,290
Escalation	\$ 919,909	\$ 227,579	\$ 1,147,488
EarthCraft (Outside contract)	\$ 57,600		\$ 57,600
	\$ -	\$ -	\$ -
Construction Utility Consumption (Outside contract)	\$ 167,420	\$ 32,580	\$ 200,000
Water Submetering Equipment (Outside contract)	\$ 80,000	\$ -	\$ 80,000
Security System (Outside contract)	\$ 125,565	\$ 24,435	\$ 150,000
Exterior Signage (Outside contract)	\$ 41,855	\$ 8,145	\$ 50,000
	\$ -	\$ -	\$ -
Neighbor Landscaping/Improvements	\$ 41,855	\$ 8,145	\$ 50,000
Alley Vacation Payment	\$ 210,885	\$ 41,038	\$ 251,923
FF&E and AV	\$ 200,000	\$ 650,000	\$ 850,000

	\$	-	\$	-	
	\$	250,000	\$	-	\$ 250,000
	\$	-	\$	-	
	\$	-	\$	-	
	\$	-	\$	-	
Construction Subtotal	\$	41,531,584	\$	10,748,229	\$ 52,279,813

Soft Costs

Construction Period Taxes	\$	455,600	\$	109,978	\$ 565,579
Architectural Design	\$	2,218,315	\$	431,685	\$ 2,650,000
Architectural Supervision	\$	292,985	\$	57,015	\$ 350,000
Third Parties and County Fees	\$	1,037,554	\$	195,097	\$ 1,232,651
Marketing/Leaseup	\$	20,928	\$	4,073	\$ 25,000
Market Study	\$	8,000			\$ 8,000
Civil Engineering/Survey	\$	528,744	\$	102,894	\$ 631,638
Tax Credit Prep	\$	22,000	\$	-	\$ 22,000
Additional Consultants	\$	179,977	\$	35,024	\$ 215,000
Construction Management	\$	823,706	\$	160,294	\$ 984,000
Construction Inspections	\$	376,695	\$	73,305	\$ 450,000
Soil Borings + Geotech	\$	10,045	\$	1,955	\$ 12,000
Environmental	\$	154,864	\$	30,137	\$ 185,000
Builder's Risk Insurance	\$	585,970	\$	114,030	\$ 700,000
Interior Design	\$	129,973	\$	200,527	\$ 330,500
Accounting/Cost Cert	\$	70,000			\$ 70,000
Other Church Soft Costs	\$	-	\$	500,000	\$ 500,000
Reimbursables	\$	103,389	\$	20,120	\$ 123,509
Soft Cost Contingency	\$	455,141	\$	149,013	\$ 604,154
Legal	\$	1,253,630	\$	224,497	\$ 1,478,127
Appraisal	\$	22,000			\$ 22,000
General Liability Insurance	\$	117,194	\$	22,806	\$ 140,000
Requity	\$	-	\$	562,317	\$ 562,317
Utility Design and Connection Fees	\$	624,280	\$	121,485	\$ 745,765
HVAC Commissioning	\$	66,968	\$	13,032	\$ 80,000
Soft Cost Subtotal	\$	9,557,958	\$	3,129,282	\$ 12,687,240

Financing Costs

VHDA Perm Loan Fee	\$	374,916			\$ 374,916
Construction Loan Fees	\$	235,729			\$ 235,729
Capitalized Interest (Construction Loan)	\$	951,859	\$	-	\$ 951,859
Arlington IDA Fees	\$	831,986	\$	-	\$ 831,986
Interest Rate Cap (9%) / LOC Fee (4%)	\$	41,599			\$ 41,599
VHDA Out of Balance Fee	\$	-			\$ -
Tax Credit Fees	\$	199,239			\$ 199,239
REACH Allocation Fee	\$	180,000			\$ 180,000
Church Predevelopment Loan interest	\$	519,002	\$	100,998	\$ 620,000
Financing Cost Subtotal	\$	3,334,330	\$	100,998	\$ 3,435,328

<u>Developer Fee and Reserves</u>			
Debt Service & Operating Reserves	\$	959,766	\$ 959,766
Lease Up Reserve	\$	100,000	\$ 100,000
Limited Partner Asset Managment Reserve	\$	75,000	\$ 75,000
Developer Fee	\$	4,000,000	\$ 4,000,000
Bulk Internet Reserve	\$	450,000	\$ 450,000
Working Capital/Leaseup Reserve	\$	120,299	\$ 189,166
<u>Developer Fee and Reserves Subtotal</u>	\$	5,705,065	\$ 68,867 \$ 5,773,932
<u>Total Uses</u>	\$	70,448,936	\$ 14,050,000 \$ 84,498,936

EXHIBIT B

[attached]

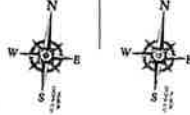
NOTES

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2. THE PROPERTY IS LOCATED IN OTHER AREAS ZONE X (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOOD PLAN) PER MAP ENTITLED "FIRM FLOOD INSURANCE RATE MAP", ARLINGTON COUNTY, VIRGINIA AND INCORPORATED AREAS, PANEL 38 OF 53, COMMUNITY-PANEL NUMBER 61013C0038C, WITH A MAP EFFECTIVE DATE OF AUGUST 19, 2013.
3. COMMITMENT NO. 1501069, WITH AN EFFECTIVE DATE OF FEBRUARY 29, 2016.
4. THESE PROPERTIES ARE SUBJECT TO PROVISIONS AND CONDITIONS SET FORTH IN A DECREE RECORDED IN CIRCUIT COURT OF ARLINGTON, VIRGINIA, ENTERED ON OCTOBER 30, 1922 AND RECORDED IN CHANCERY ORDER BOOK 8 PAGE 76.

PROPERTY CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C4	17.50	22.21	S45°17'41"W	20.15	072°42'51"	12.68
C5	586.29	6.34	S21°59'14"E	6.34	000°37'09"	3.17
C6	171.29	96.19	S06°13'04"E	94.92	032°10'29"	49.42

VACATION CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	17.50	19.27	S50°52'32"W	18.31	063°06'14"	10.75
C2	566.39	6.34	S21°59'14"E	6.34	000°37'09"	3.17

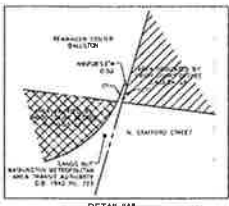
DEDICATION CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C3	171.29	93.96	N05°50'53"W	92.80	031°28'06"	45.20



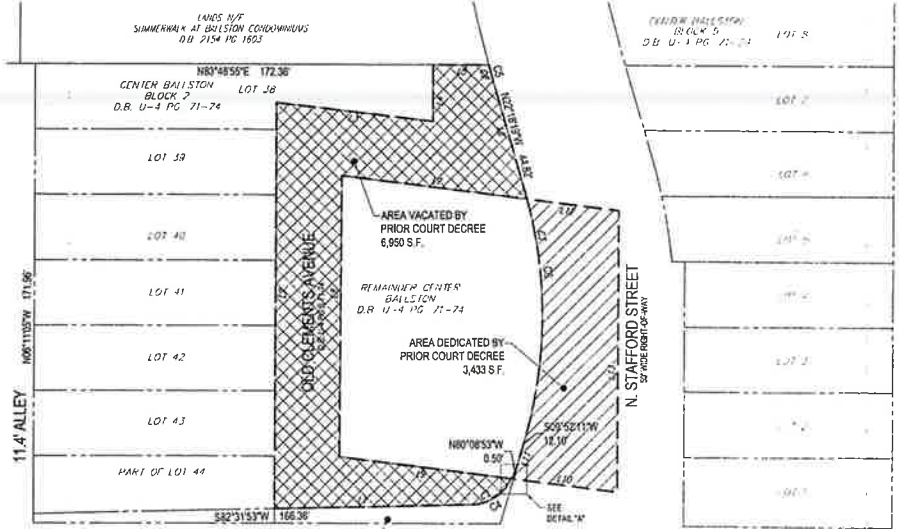
VACATION LINE TABLE			DEDICATION LINE TABLE		
LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	S82°31'52"W	74.75	L10	N89°09'45"W	39.87
L2	N00°11'05"W	160.80	L11	S09°52'11"W	14.87
L3	S89°21'29"E	59.80	L12	S89°09'45"E	30.29
L4	N06°11'05"W	21.70	L13	S06°09'04"E	107.69
L5	N81°48'55"E	21.30			
L6	S27°18'19"E	44.65			
L7	N89°09'45"W	71.19			
L8	S65°59'21"E	107.53			
L9	S89°09'45"E	60.12			



VICINITY MAP
SCALE: 1"=2,000'



DETAIL "A"
SCALE: 1"=10'



AREA TABULATION

16,737 S.F. OR 0.384 AC.	- AREA LOTS 38-43 AND P10 44
11,984 S.F. OR 0.282 AC.	- REMAINDER CENTER BALLSTON
6,950 S.F. OR 0.180 AC.	- VACATED BY PRIOR COURT DECREE
3,433 S.F. OR 0.079 AC.	- DEDICATED BY PRIOR COURT DECREE
31,648 S.F. OR 0.727 AC.	- TOTAL

NORTH FAIRFAX DRIVE - VA RTE. 237
VARIABLE WIDTH RIGHT-OF-WAY



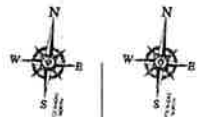
PLAT SHOWING VACATION OF A PORTION OF CLEMENTS AVENUE AND DEDICATION FOR N. STAFFORD STREET ON BALL BUYING GROUND CENTER BALLSTON ARLINGTON COUNTY, VIRGINIA
SCALE: 1"=25' DATE: JANUARY 7, 2017

NO.	REVISION	DATE
2	REVISED PER ATTORNEY COMMENTS	02/01/17
1	REVISED PER ATTORNEY COMMENTS	01/30/17

ARLINGTON COUNTY DEPARTMENT OF ENVIRONMENTAL SERVICES
DIVISION OF TRANSPORTATION

RECOMMENDED FOR APPROVAL _____ APPROVED _____

PLAT EXAMINER _____ SUPERVISOR AND BOARD ADMINISTRATOR _____



BOHLER ENGINEERING

10000 WOODBURN DRIVE, SUITE 200
FALLS CHURCH, VIRGINIA 22034
TEL: 703-441-1111 FAX: 703-441-1112
WWW.BOHLER-ENGINEERING.COM

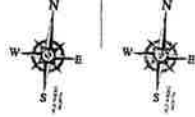
NOTES

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PROPERTY CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	TANGENT	
CA	17.57	22.21'	S46°13'41"W	20.75'	07°42'51"	12.88'
CB	566.27	8.34'	S21°59'14"E	8.34'	000°17'09"	3.17'
CC	171.27	98.19'	S00°13'04"E	94.93'	032°10'29"	49.47'

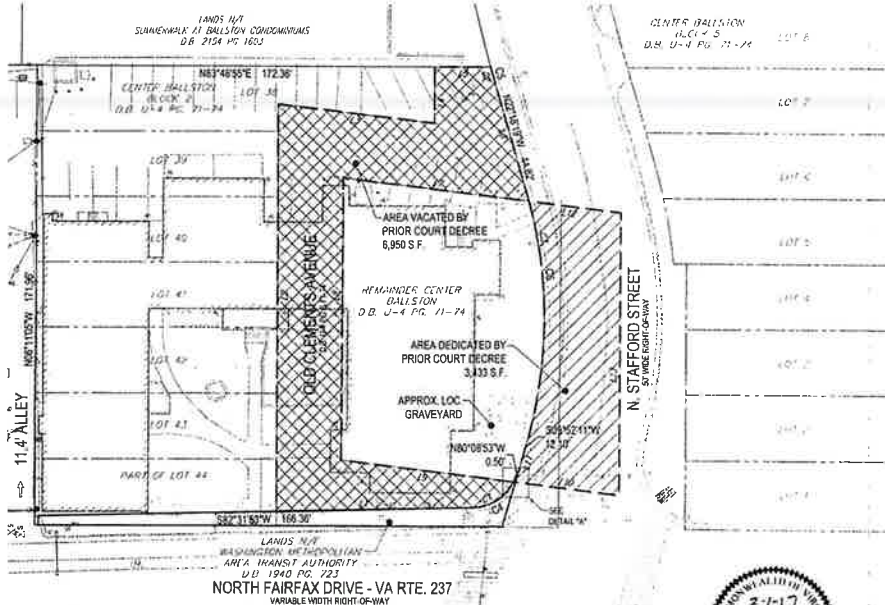
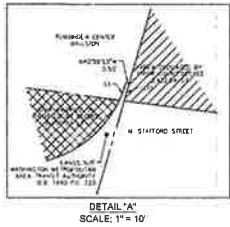
VACATION CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	TANGENT	
C1	17.57	19.27'	S50°52'32"W	18.31'	080°06'14"	10.75'
C2	566.27	8.34'	S21°59'14"E	8.34'	000°17'09"	3.17'

DEDICATION CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	TANGENT	
CI	171.27	93.98'	N05°50'53"W	92.87'	031°28'06"	48.20'



VACATION LINE TABLE		
LINE	BEARING	DISTANCE
L1	S82°31'57"W	74.75'
L2	N44°11'05"W	53.80'
L3	S89°21'29"E	59.60'
L4	N06°11'05"W	21.70'
L5	N83°48'58"E	21.30'
L6	S22°18'18"E	44.65'
L7	N89°09'45"W	73.18'
L8	S65°59'21"E	107.63'
L9	S89°09'45"E	66.12'

DEDICATION LINE TABLE		
LINE	BEARING	DISTANCE
L10	N89°09'45"W	24.92'
L11	S59°52'11"W	14.81'
L12	S69°09'45"E	30.28'
L13	S06°08'04"E	167.84'



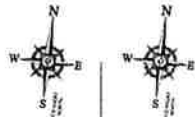
AREA TABULATION

16,737 S.F. OR 0.384 AC - AREA LOTS 38-42 AND PG. 44
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8,950 S.F. OR 0.206 AC - VACATED BY PRIOR COURT DECREE
3,433 S.F. OR 0.079 AC - DEDICATED BY PRIOR COURT DECREE
31,648 S.F. OR 0.727 AC - TOTAL

ARLINGTON COUNTY DEPARTMENT OF ENVIRONMENTAL SERVICES
DIVISION OF TRANSPORTATION

RECOMMENDED FOR APPROVAL: _____ APPROVED: _____

PLAT EXAMINER: _____ SUBDIVISION AND BONDING ADMINISTRATOR: _____



PLAT SHOWING
VACATION
OF A PORTION OF
CLEMENTS AVENUE
AND
DEDICATION FOR
N. STAFFORD STREET
ON
BALL BURVING GROUND
CENTER BALLSTON
DEED BOOK U-4 PAGES 71-74
ARLINGTON COUNTY, VIRGINIA
SCALE: 1"=25' DATE: JANUARY 7, 2017

NO.	REVISION	DATE
2	REVISED PER ATTORNEY COMMENTS	02/01/17
1	REVISED PER ATTORNEY COMMENTS	01/30/17



EXHIBIT A

Approved Interim Project Budget

[attached]

Sources & Uses

	4% LIHTC	CUMC	Total
Sources of Funds	100.00%	0.1629	
VHDA Taxable	\$ 5,997,190		\$ 5,997,190
VHDA Taxable			
CUMC Sales Proceeds	\$ -	\$ 10,050,000	\$ 10,050,000
SPARC	\$ 4,500,000		\$ 4,500,000
REACH	\$ 2,000,000		\$ 2,000,000
AHIF	\$ 19,065,000		\$ 19,065,000
REACH Grant Proceeds	\$ 8,750,000		\$ 8,750,000
Tax Credit Equity (4%)	\$ 27,611,746		\$ 27,611,746
Deferred Developer Fee	\$ 1,625,000		\$ 1,625,000
VA HTF	\$ 900,000		\$ 900,000
Arl Comm Foundation/ Church Fundraising	\$ -	\$ 4,000,000	\$ 4,000,000
Church Debt (Daycare)	\$ -	\$ -	\$ -
Other Philanthropy (tbd) / Church Dev Fee	\$ -	\$ -	\$ -
Total Sources	\$ 70,448,936	\$ 14,050,000	\$ 84,498,936
Per Unit			
	Over/(Under) \$	(0) \$	0 \$
Uses of Funds			
Acquisition Costs			
Site Acquisition/Capitalized Lease Pmt	\$ 10,050,000		\$ 10,050,000
Title & Recording - Permanent	\$ 135,000	\$ 1,312	\$ 136,312
Title & Recording - Construction	\$ 135,000	\$ 1,312	\$ 136,312
Acquisition Subtotal	\$ 10,320,000	\$ 2,623	\$ 10,322,623
Construction Costs			
Superstructure	\$ 13,010,535	\$ 2,531,855	\$ 15,542,391
Church Interiors		\$ 4,894,345	\$ 4,894,345
Residential Interiors	\$ 15,108,843		\$ 15,108,843
Garage	\$ 5,906,801	\$ 1,149,466	\$ 7,056,267
Site Work	\$ 2,989,689	\$ 581,795	\$ 3,571,484
	\$ -	\$ -	\$ -
Builder's Risk from Davis (don't need)	\$ (219,512)	\$ (54,306)	\$ (273,818)
Hard Cost Contingency	\$ 2,640,139	\$ 653,151	\$ 3,293,290
Escalation	\$ 919,909	\$ 227,579	\$ 1,147,488
EarthCraft (Outside contract)	\$ 57,600		\$ 57,600
	\$ -	\$ -	
Construction Utility Consumption (Outside contract)	\$ 167,420	\$ 32,580	\$ 200,000
Water Submetering Equipment (Outside contract)	\$ 80,000	\$ -	\$ 80,000
Security System (Outside contract)	\$ 125,565	\$ 24,435	\$ 150,000
Exterior Signage (Outside contract)	\$ 41,855	\$ 8,145	\$ 50,000
	\$ -	\$ -	\$ -
Neighbor Landscaping/Improvements	\$ 41,855	\$ 8,145	\$ 50,000
Alley Vacation Payment	\$ 210,885	\$ 41,038	\$ 251,923
FF&E and AV	\$ 200,000	\$ 650,000	\$ 850,000

	\$ -	\$ -	
BCC Development Payment	\$ 250,000	\$ -	\$ 250,000
	\$ -	\$ -	
	\$ -	\$ -	

Construction Subtotal \$ **41,531,584** \$ **10,748,229** \$ 52,279,813

Soft Costs

Construction Period Taxes	\$ 455,600	\$ 109,978	\$ 565,579
Architectural Design	\$ 2,218,315	\$ 431,685	\$ 2,650,000
Architectural Supervision	\$ 292,985	\$ 57,015	\$ 350,000
Third Parties and County Fees	\$ 1,037,554	\$ 195,097	\$ 1,232,651
Marketing/Leaseup	\$ 20,928	\$ 4,073	\$ 25,000
Market Study	\$ 8,000		\$ 8,000
Civil Engineering/Survey	\$ 528,744	\$ 102,894	\$ 631,638
Tax Credit Prep	\$ 22,000	\$ -	\$ 22,000
Additional Consultants	\$ 179,977	\$ 35,024	\$ 215,000
Construction Management	\$ 823,706	\$ 160,294	\$ 984,000
Construction Inspections	\$ 376,695	\$ 73,305	\$ 450,000
Soil Borings + Geotech	\$ 10,045	\$ 1,955	\$ 12,000
Environmental	\$ 154,864	\$ 30,137	\$ 185,000
Builder's Risk Insurance	\$ 585,970	\$ 114,030	\$ 700,000
Interior Design	\$ 129,973	\$ 200,527	\$ 330,500
Accounting/Cost Cert	\$ 70,000		\$ 70,000
Other Church Soft Costs	\$ -	\$ 500,000	\$ 500,000
Reimbursables	\$ 103,389	\$ 20,120	\$ 123,509
Soft Cost Contingency	\$ 455,141	\$ 149,013	\$ 604,154
Legal	\$ 1,253,630	\$ 224,497	\$ 1,478,127
Appraisal	\$ 22,000		\$ 22,000
General Liability Insurance	\$ 117,194	\$ 22,806	\$ 140,000
Requity	\$ -	\$ 562,317	\$ 562,317
Utility Design and Connection Fees	\$ 624,280	\$ 121,485	\$ 745,765
HVAC Commissioning	\$ 66,968	\$ 13,032	\$ 80,000

Soft Cost Subtotal \$ **9,557,958** \$ **3,129,282** \$ 12,687,240

Financing Costs

VHDA Perm Loan Fee	\$ 374,916		\$ 374,916
Construction Loan Fees	\$ 235,729		\$ 235,729
Capitalized Interest (Construction Loan)	\$ 951,859	\$ -	\$ 951,859
Arlington IDA Fees	\$ 831,986	\$ -	\$ 831,986
Interest Rate Cap (9%) / LOC Fee (4%)	\$ 41,599		\$ 41,599
VHDA Out of Balance Fee	\$ -		\$ -
Tax Credit Fees	\$ 199,239		\$ 199,239
REACH Allocation Fee	\$ 180,000		\$ 180,000
Church Predevelopment Loan interest	\$ 519,002	\$ 100,998	\$ 620,000

Financing Cost Subtotal \$ **3,334,330** \$ **100,998** \$ 3,435,328

Developer Fee and Reserves

Debt Service & Operating Reserves	\$	959,766		\$	959,766	
Lease Up Reserve	\$	100,000		\$	100,000	
Limited Partner Asset Managment Reserve	\$	75,000		\$	75,000	
Developer Fee	\$	4,000,000		\$	4,000,000	
Bulk Internet Reserve	\$	450,000		\$	450,000	
Working Capital/Leaseup Reserve	\$	120,299	\$	68,867	\$	189,166
Developer Fee and Reserves Subtotal	\$	5,705,065	\$	68,867	\$	5,773,932
Total Uses	\$	70,448,936	\$	14,050,000	\$	84,498,936

EXHIBIT B

[attached]

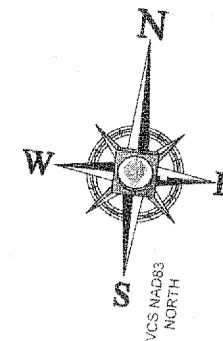
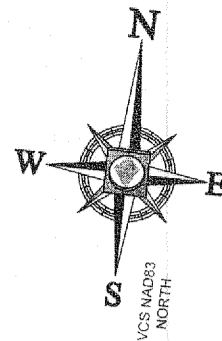
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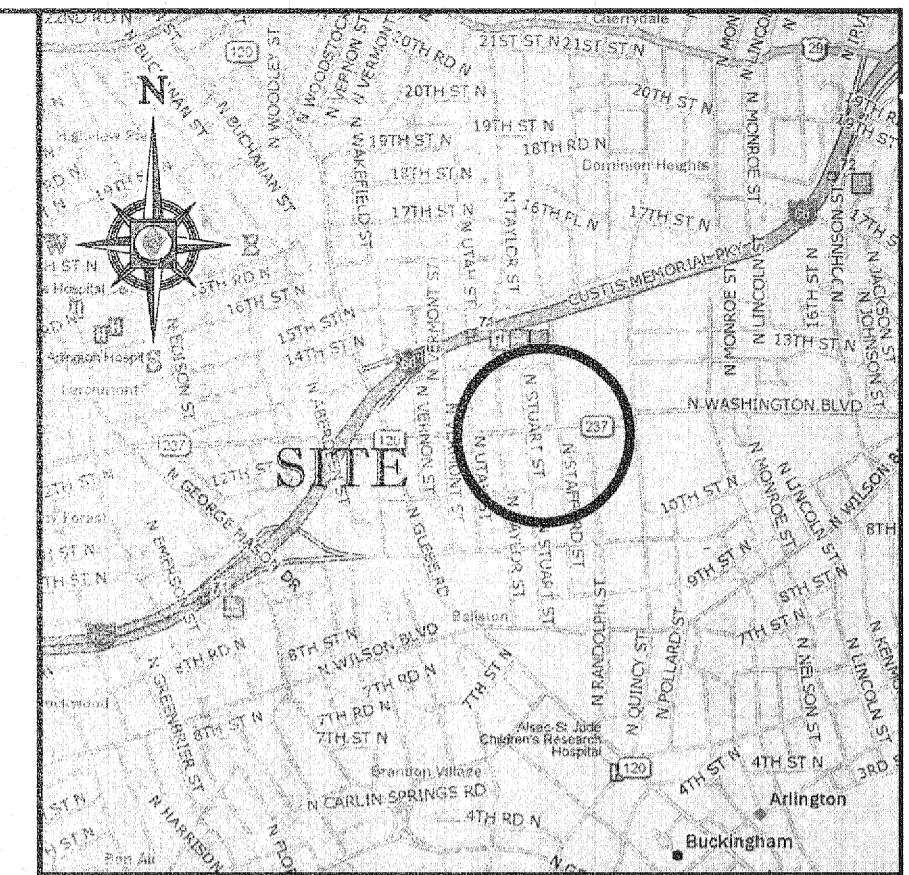
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DEDICATION CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
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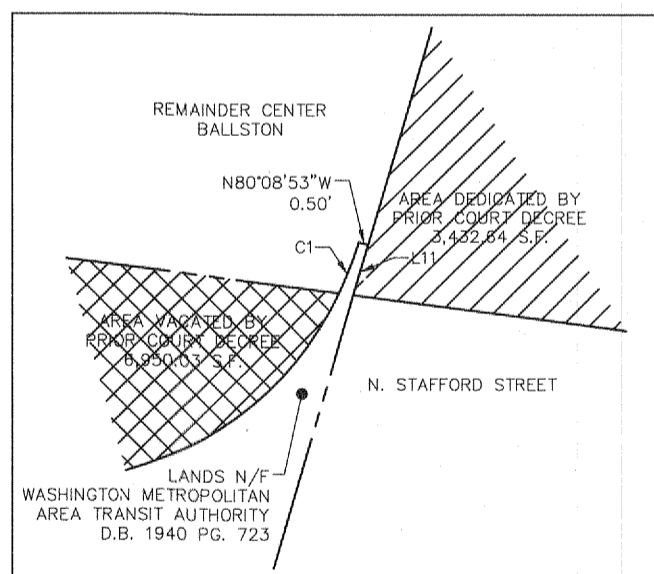
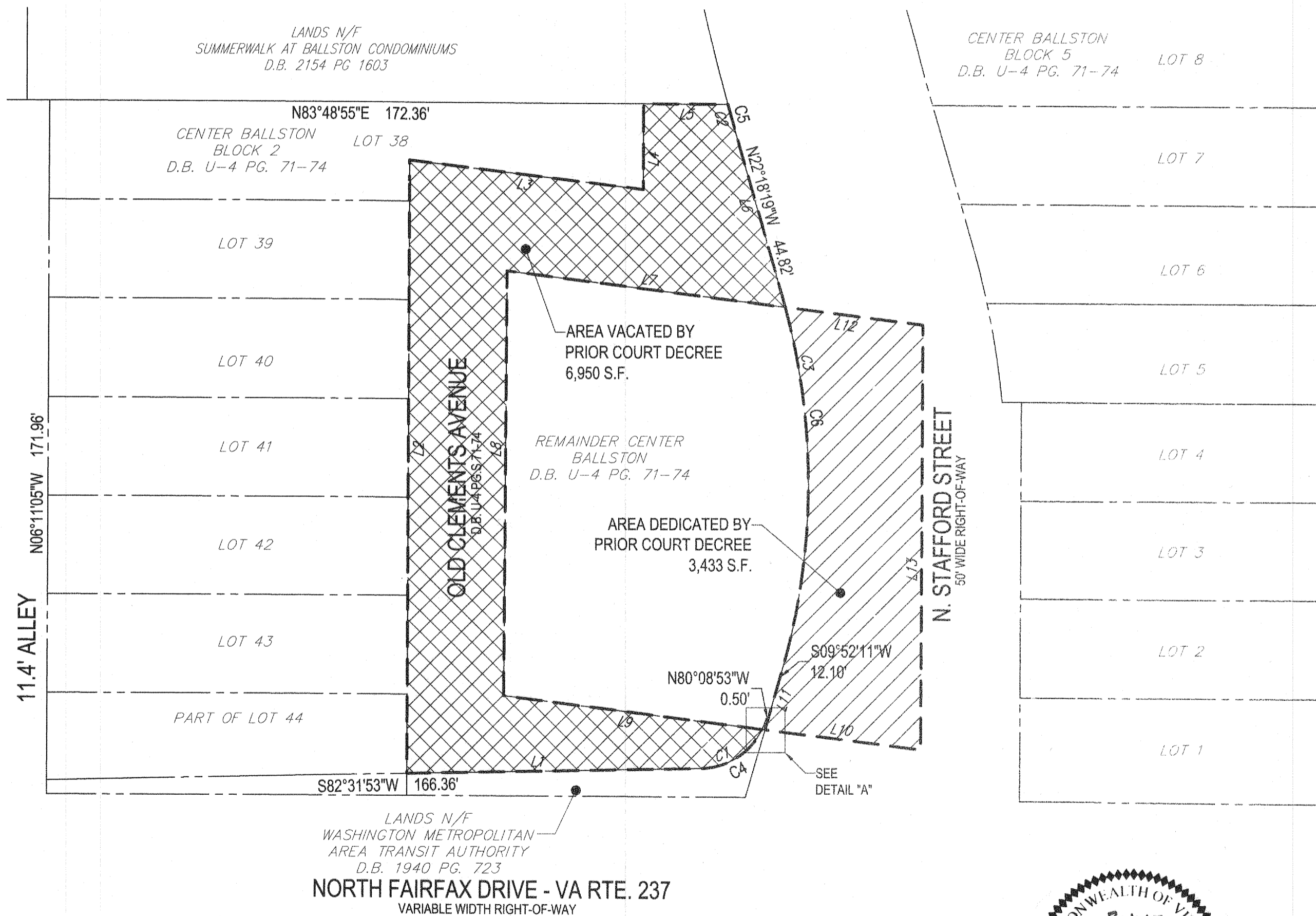


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L7	N89°09'45"W	71.19'
L8	S05°59'21"E	107.63'
L9	S89°09'45"E	66.12'

DEDICATION LINE TABLE		
LINE	BEARING	DISTANCE
L10	N89°09'45"W	39.89'
L11	S09°52'11"W	14.87'
L12	S89°09'45"E	35.29'
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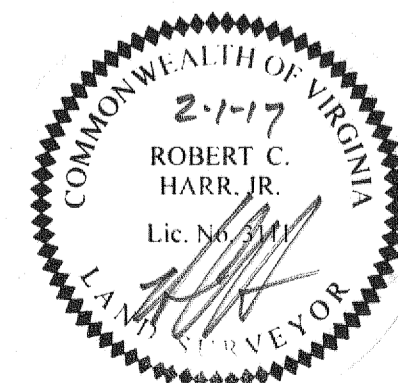
VICINITY MAP
SCALE: 1"=2,000'



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SCALE: 1" = 10'

AREA TABULATION

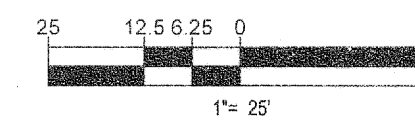
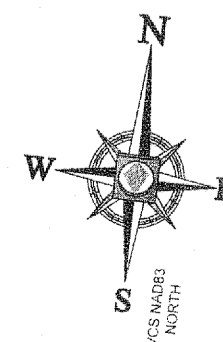
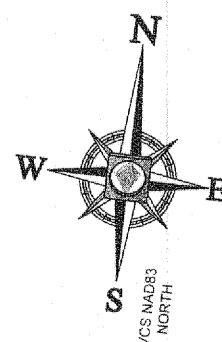
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ARLINGTON COUNTY DEPARTMENT OF ENVIRONMENTAL SERVICES DIVISION OF TRANSPORTATION	
RECOMMENDED FOR APPROVAL: _____	APPROVED: _____
PLAT EXAMINER	SUBDIVISION AND BONDS ADMINISTRATOR



SRW152044VAC0.dwg

BOHLER ENGINEERING
 22636 DAVIS DRIVE, SUITE 250
 STERLING, VIRGINIA 20164
 703.709.9500 • 703.709.9501 FAX
 www.bohlerengineering.com

■ UPRATE NEW YORK ■ BOSTON, MA ■ NEW YORK METRO ■ WARREN, NJ ■ PHILADELPHIA/SOUTHERN NJ ■ LEHIGH VALLEY, PA ■ SOUTHEASTERN PA
 ■ BALTIMORE, MD ■ SOUTHERN MARYLAND ■ NORTHERN VIRGINIA ■ WASHINGTON, DC ■ CENTRAL VIRGINIA ■ CHARLOTTE, NC ■ RALEIGH, NC

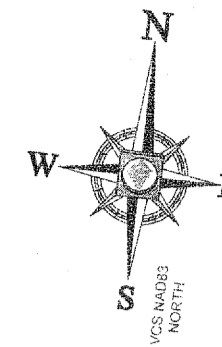
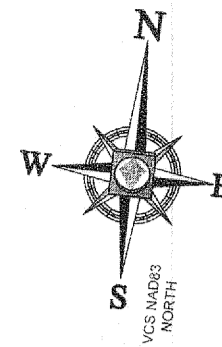
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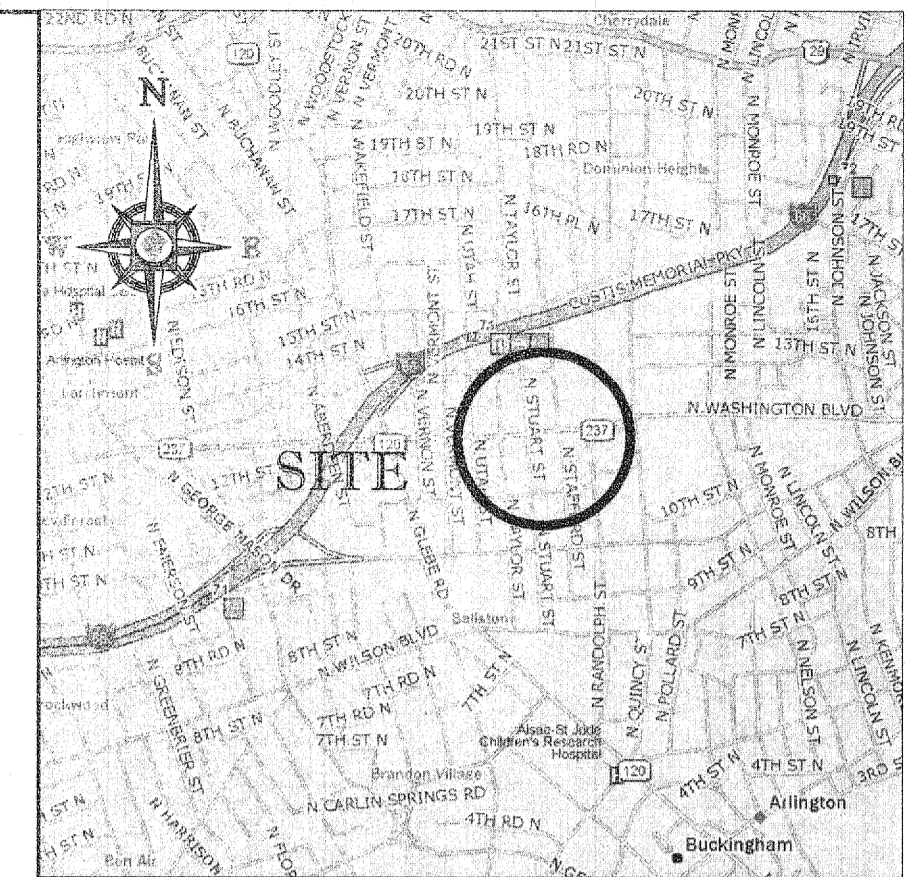
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CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	17.50'	19.27'	S50°55'32"W	18.31'	063°06'14"	10.75'
C2	586.39'	6.34'	S21°59'14"E	6.34'	000°37'09"	3.17'

DEDICATION CURVE TABLE						
CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C3	171.29'	93.98'	N05°50'53"W	92.80'	031°26'06"	48.20'

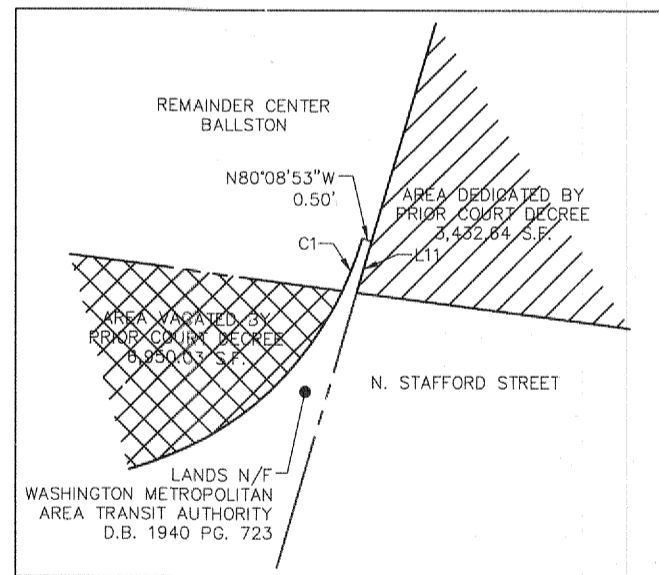
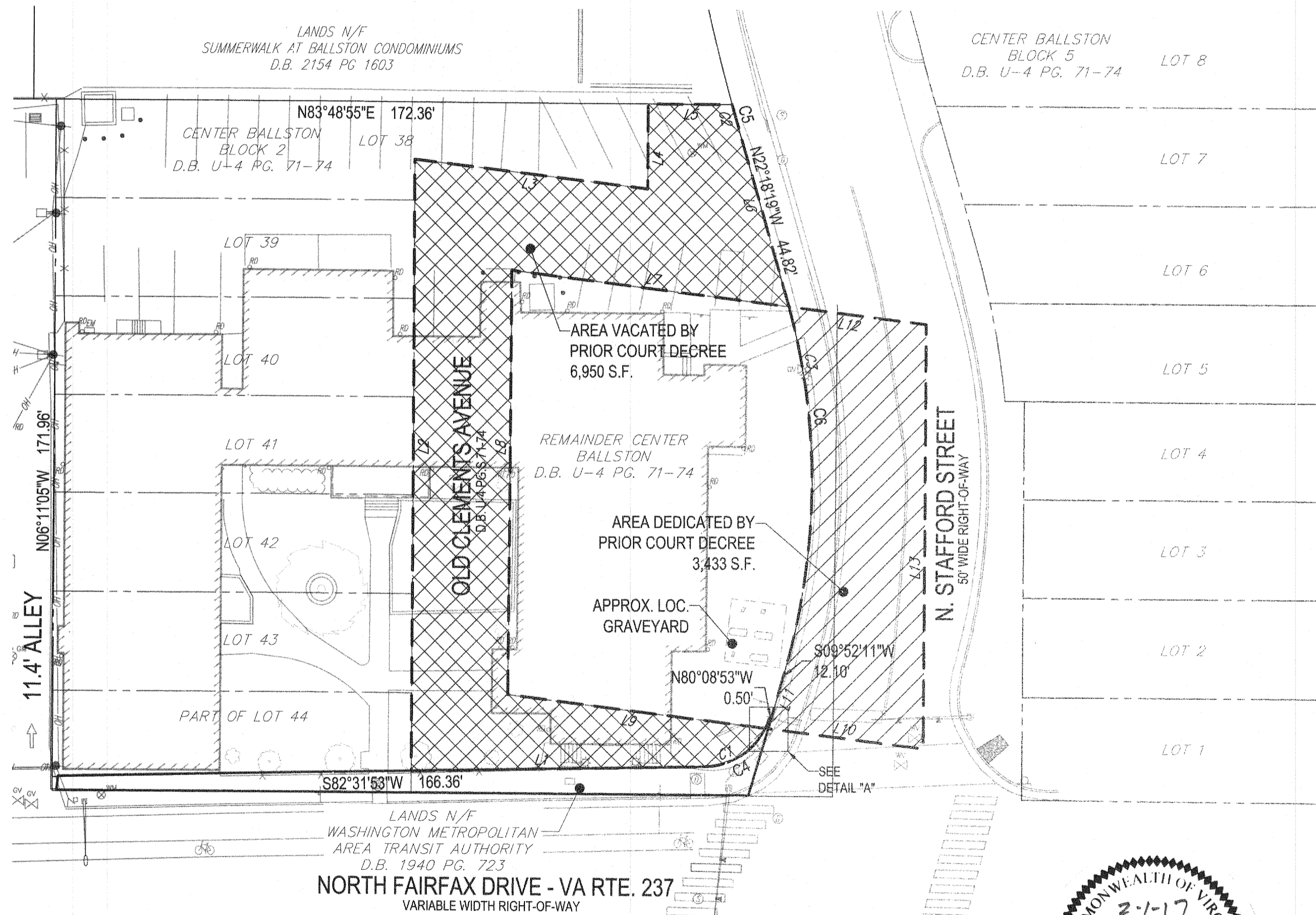


VACATION LINE TABLE		
LINE	BEARING	DISTANCE
L1	S82°31'53"W	74.75'
L2	N06°11'05"W	100.90'
L3	S89°21'29"E	59.80'
L4	N06°11'05"W	21.70'
L5	N83°48'55"E	21.36'
L6	S22°18'19"E	44.65'
L7	N89°09'45"W	71.19'
L8	S05°59'21"E	107.63'
L9	S89°09'45"E	66.12'

DEDICATION LINE TABLE		
LINE	BEARING	DISTANCE
L10	N89°09'45"W	39.89'
L11	S09°52'11"W	14.87'
L12	S89°09'45"E	35.29'
L13	S08°08'04"E	107.66'



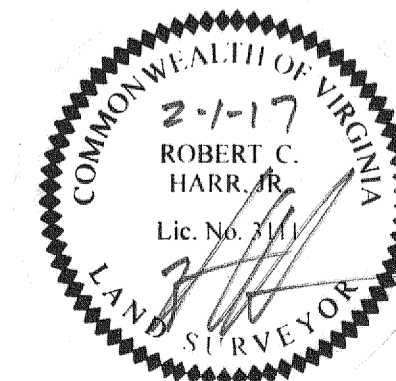
VICINITY MAP
SCALE: 1"=2,000'



DETAIL "A"
SCALE: 1" = 10'

AREA TABULATION

16,737 S.F. OR 0.384 AC. - AREA LOTS 38-43 AND P/O 44
 11,394 S.F. OR 0.262 AC. - REMAINDER CENTER BALLSTON
 6,950 S.F. OR 0.160 AC. - VACATED BY PRIOR COURT DECREE
 3,433 S.F. OR 0.079 AC. - DEDICATED BY PRIOR COURT DECREE
 31,648 S.F. OR 0.727 AC. - TOTAL



PLAT SHOWING
 VACATION
 OF A PORTION OF
 CLEMENTS AVENUE
 AND
 DEDICATION FOR
 N. STAFFORD STREET
 ON
 BALL BURYING GROUND
 CENTER BALLSTON
 DEED BOOK U-4 PAGES 71-74
 ARLINGTON COUNTY, VIRGINIA
 SCALE: 1"=25' DATE: JANUARY 7, 2017

NO.	REVISION	DATE
2	REVISED PER ATTORNEY COMMENTS	02/01/17
1	REVISED PER ATTORNEY COMMENTS	01/30/17

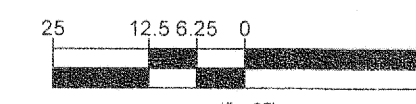
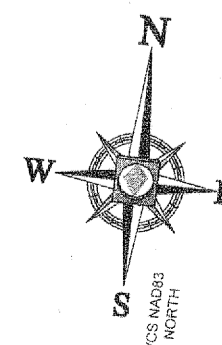
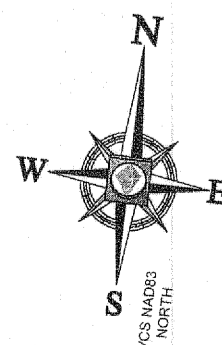
ARLINGTON COUNTY DEPARTMENT OF ENVIRONMENTAL SERVICES
 DIVISION OF TRANSPORTATION

RECOMMENDED FOR APPROVAL:

APPROVED:

PLAT EXAMINER

SUBDIVISION AND BONDS ADMINISTRATOR



1"= 25'

SRW152044VAC0.dwg

BOHLER ENGINEERING
 22636 DAVIS DRIVE, SUITE 250
 STERLING, VIRGINIA 20164
 703.779.9500 - 703.779.9501 FAX
 www.bohlerengineering.com

■ UPRSTATE NEW YORK ■ BOSTON, MA ■ NEW YORK METRO ■ WARREN, NJ ■ PHILADELPHIA/SOUTHERN NJ ■ LEHIGH VALLEY, PA ■ SOUTHEASTERN PA
 ■ BALTIMORE, MD ■ SOUTHERN MARYLAND ■ NORTHERN VIRGINIA ■ WASHINGTON, DC ■ CENTRAL VIRGINIA ■ CHARLOTTE, NC ■ RALEIGH, NC

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

X 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.

TRUE Earthcraft Certification - The development's design meets the criteria to obtain Viridian's EarthCraft Multifamily program Gold certification or higher

FALSE LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

FALSE Enterprise Green Communities - The developmen's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

***Please Note Raters must have completed 500+ ratings in order to certify this form

Signed: [Signature]

Date: 4/6/21

Printed Name: Stacey Smith

Resnet Provider Agency
Viridian

RESNET Rater
[Signature]

Provider Contact and Phone/Email Sean Evensen-Shanley (804)212-1934 /sean.shanley@viridian.org

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: Zdm6Q0jv

HERS® Index Score:

62

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

\$510

*Relative to an average U.S. home

Home:
4201 North Fairfax Drive
Arlington, VA 22203

Builder:

This home meets or exceeds the criteria of the following:

ENERGY STAR v3.1

Rating Completed by:

Energy Rater: Katy Maher
RESNET ID: 2430236

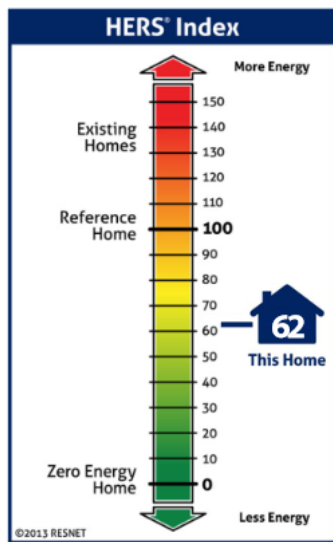
Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Katy Maher

Katy Maher, Certified Energy Rater
Digitally signed: 3/26/21 at 12:19 PM



Home Feature Summary:

Home Type: Apartment, inside unit
Model: 1BR - 1B-A Top fl
Community: Ballston
Conditioned Floor Area: 603 ft²
Number of Bedrooms: 1
Primary Heating System: Furnace • Natural Gas • 0.81 Adjusted Efficiency
Primary Cooling System: Air Source Heat Pump • Electric • 14.5 SEER
Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
House Tightness: 5 ACH50
Ventilation: 40 CFM • 21.05 Watts
Duct Leakage to Outside: 24.12 CFM @ 25Pa (4 / 100 s.f.)
Above Grade Walls: R-36
Ceiling: Vaulted Roof, R-30
Window Type: U-Value: 0.32, SHGC: 0.27
Foundation Walls: N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: gdqNe07v

HERS® Index Score:

62

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

\$556

*Relative to an average U.S. home

Home:
4201 North Fairfax Drive
Arlington, VA 22203

Builder:

This home meets or exceeds the criteria of the following:

ENERGY STAR v3.1

Rating Completed by:

Energy Rater: Katy Maher
RESNET ID: 2430236

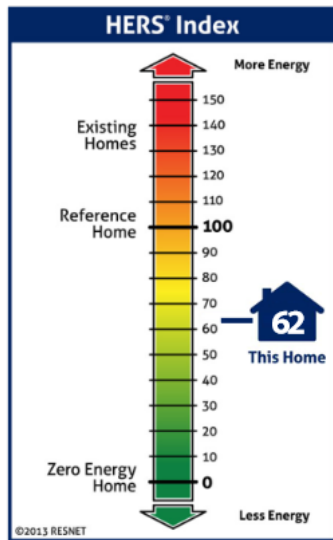
Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Katy Maher

Katy Maher, Certified Energy Rater
Digitally signed: 3/26/21 at 1:14 PM



Home Feature Summary:

Home Type: Apartment, inside unit
Model: 1BR - 1B-A Top fl
Community: Ballston
Conditioned Floor Area: 775 ft²
Number of Bedrooms: 1
Primary Heating System: Furnace • Natural Gas • 0.81 Adjusted Efficiency
Primary Cooling System: Air Source Heat Pump • Electric • 14.5 SEER
Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
House Tightness: 5 ACH50
Ventilation: 40 CFM • 21.05 Watts
Duct Leakage to Outside: 24.12 CFM @ 25Pa (3.11 / 100 s.f.)
Above Grade Walls: R-36
Ceiling: Vaulted Roof, R-30
Window Type: U-Value: 0.32, SHGC: 0.27
Foundation Walls: N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: B26mbnov

HERS® Index Score:

65

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

\$705

*Relative to an average U.S. home

Home:
4201 North Fairfax Drive
Arlington, VA 22203

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher
RESNET ID: 2430236

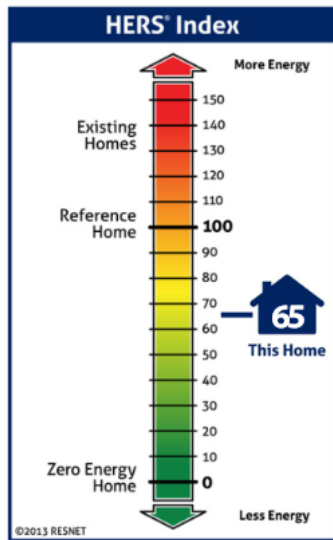
Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Katy Maher

Katy Maher, Certified Energy Rater
Digitally signed: 3/26/21 at 12:20 PM



Home Feature Summary:

Home Type: Apartment, end unit
Model: 2BR - 2B-A Top fl
Community: Ballston
Conditioned Floor Area: 1,044 ft²
Number of Bedrooms: 2
Primary Heating System: Air Source Heat Pump • Electric • 9 HSPF
Primary Cooling System: Air Source Heat Pump • Electric • 16 SEER
Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
House Tightness: 5 ACH50
Ventilation: 60 CFM • 31 Watts
Duct Leakage to Outside: 4 CFM25 / 100 ft²
Above Grade Walls: R-23
Ceiling: Vaulted Roof, R-30
Window Type: U-Value: 0.32, SHGC: 0.27
Foundation Walls: N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: wdkRDbEL

HERS® Index Score:

65

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

\$657

*Relative to an average U.S. home

Home:
4201 North Fairfax Drive
Arlington, VA 22203

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher
RESNET ID: 2430236

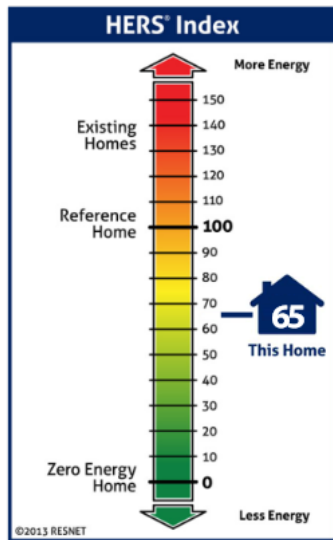
Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Katy Maher

Katy Maher, Certified Energy Rater
Digitally signed: 3/26/21 at 12:19 PM



Home Feature Summary:

Home Type: Apartment, end unit
Model: 2BR - 2B-A Top fl
Community: Ballston
Conditioned Floor Area: 895 ft²
Number of Bedrooms: 2
Primary Heating System: Air Source Heat Pump • Electric • 9 HSPF
Primary Cooling System: Air Source Heat Pump • Electric • 16 SEER
Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
House Tightness: 5 ACH50
Ventilation: 60 CFM • 31 Watts
Duct Leakage to Outside: 4 CFM25 / 100 ft²
Above Grade Walls: R-23
Ceiling: Vaulted Roof, R-30
Window Type: U-Value: 0.32, SHGC: 0.27
Foundation Walls: N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: zvwDWIG2

HERS® Index Score:

59

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

\$816

*Relative to an average U.S. home

Home:
4201 North Fairfax Drive
Arlington, VA 22203

Builder:

This home meets or exceeds the criteria of the following:

ENERGY STAR v3.1

Rating Completed by:

Energy Rater: Katy Maher
RESNET ID: 2430236

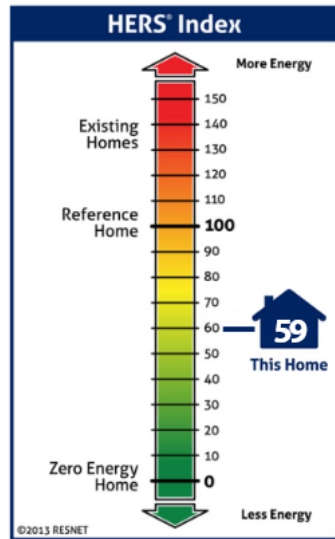
Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220



Katy Maher

Katy Maher, Certified Energy Rater
Digitally signed: 3/26/21 at 12:11 PM



Home Feature Summary:

Home Type: Apartment, end unit
Model: 3BR
Community: Ballston
Conditioned Floor Area: 1,109 ft²
Number of Bedrooms: 3
Primary Heating System: Air Source Heat Pump • Electric • 9 HSPF
Primary Cooling System: Air Source Heat Pump • Electric • 16 SEER
Primary Water Heating: Water Heater • Electric • 0.95 Energy Factor
House Tightness: 5 ACH50
Ventilation: 75 CFM • 38.86 Watts
Duct Leakage to Outside: 4 CFM25 / 100 ft²
Above Grade Walls: R-36
Ceiling: Vaulted Roof, R-30
Window Type: U-Value: 0.32, SHGC: 0.27
Foundation Walls: N/A

G

Zoning Certification Letter
(MANDATORY)

Zoning Certification

DATE:

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Attention: JD Bondurant

RE: ZONING CERTIFICATION

Name of Development: Ballston Station
Name of Owner/Applicant: Ballston Limited Partnership
Name of Seller/Current Owner: Trustees for Central United Methodist Church

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: 4201 Fairfax Dr, Arlington, Virginia also known as RPC #14-024-017

Legal Description: See legal description attached as Exhibit "A-1"

Proposed Improvements:

New Construction: (X)	# Units: <u>144</u>	# Buildings: <u>1</u>	Approx. Total Floor Area Sq. Ft.: <u>170433.04</u>
Adaptive Reuse:	# Units:	# Buildings:	Approx. Total Floor Area Sq. Ft.:
Rehabilitation:	# Units:	# Buildings:	Approx. Total Floor Area Sq. Ft.:

Zoning Certification, cont'd

Current Zoning: R-C allowing a density of ___ units per acre, and the following other applicable conditions:

Other Descriptive Information:

The development will redevelop the site of Central United Methodist Church across from the entrance to the Ballston Metro stop. The mix of uses includes affordable housing that will include community facilities (on-site leasing/property management/resident services offices, community rooms, central laundry and one-level of underground parking. There will be a mix of 1,2,and 3 bedroom units, all of which will be affordable.

LOCAL CERTIFICATION:

Check one of the following as appropriate:

(X) 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.

Signature:  _____

Printed Name: Michael O'Hara

Title of Local Official or Civil Engineer: Principal

Phone: 202-524-5700

Date: 08/06/2021

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.

H

Attorney's Opinion
(MANDATORY)

June 21, 2021

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

RE: 2021 Tax Credit Reservation Request

Name of Development: Ballston Station
Name of Owner: Ballston 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 (of which this opinion is a part) dated June 21, 2021 (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.

745457
013119-0028

Virginia Housing Development Authority

June 21, 2021

Page 2

3. The appropriate type(s) of allocation(s) have been requested in the Reservation Request Information section in 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.
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 organizations' 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.

GALLAGHER

GALLAGHER EVELIUS & JONES
ATTORNEYS AT LAW

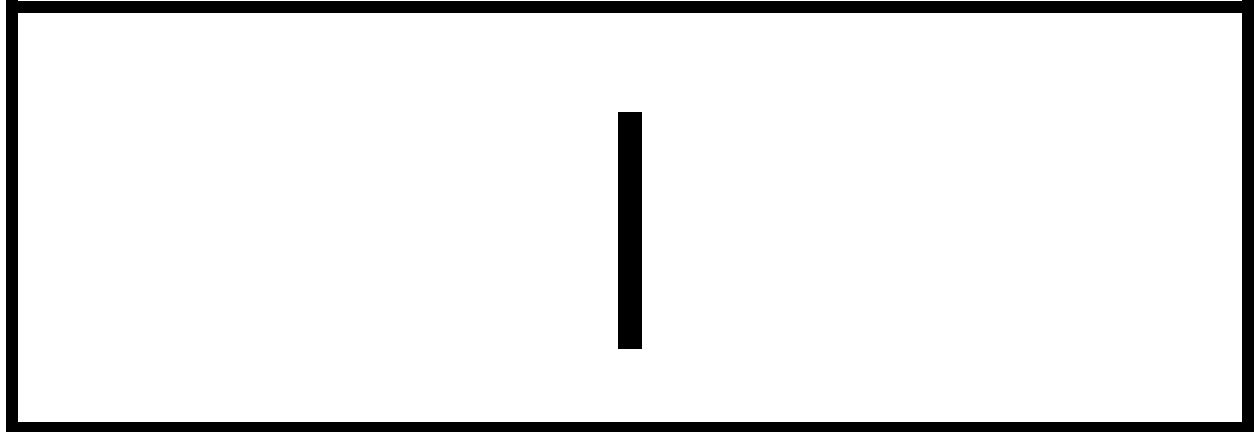
Virginia Housing Development Authority
June 21, 2021
Page 3

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

A handwritten signature in blue ink, appearing to read 'JW', with a long horizontal flourish extending to the right.

By: Jessica Weston, 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

- Name of development: _____
 - Name of owner/applicant: _____
 - Name of non-profit entity: _____
 - Address of principal place of business of non-profit entity:

 - Tax exempt status: 501(c)(3) 501(c)(4) 501(a)
 - Date of legal formation of non-profit (must be prior to application deadline); _____
evidenced by the following documentation:

 - Date of IRS 501(c)(3) or 501(c)(4) determination letter (must be prior to application deadline and copy must be attached):

 - Describe exempt purposes (must include the fostering of low-income housing in its articles of incorporation):

 - 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:

Non-profit Questionnaire, cont'd

- Does the non-profit share staff with any other entity besides a related non-profit described above?

Yes No If yes, explain in detail: _____

- 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

- List all directors of the non-profit, their occupations, their length of service on the board, and their residential addresses:

2. Non-profit Formation

- If this is your first Non-profit Questionnaire in Virginia please explain in detail the genesis of the formation of the non-profit; otherwise please skip this question:

- 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:

- 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:

- Does any for-profit organization or local housing authority have the right to make such appointments?

Yes No If yes, explain:

Non-profit Questionnaire, cont'd

- 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: _____

- 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

- Explain any experience you are seeking to claim as a related or subsidiary non-profit.

3. Non-profit Involvement

- 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:

- (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

- 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?

Non-profit Questionnaire, cont'd

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:

- 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 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 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:

- 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.

- 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.

- Will the non-profit or the Owner (as identified in the application) pay a joint venture partner or consultant fee for providing development services? Yes No If yes, explain the amount and source of the funds for such payments.

Non-profit Questionnaire, cont'd

- 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.

- 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:

- 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:

- 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:

Non-profit Questionnaire, cont'd

4. Virginia and Community Activity

- Has the Virginia State Corporation Commission authorized the non-profit to do business in Virginia? Yes No

- Define the non-profit's geographic target area or population to be served:

- 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:

- 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:

- 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

- 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:

- 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 general discussion points:

- 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
 - (ii) elected representatives of low-income neighborhood organizations? Yes No

Non-profit Questionnaire, cont'd

- 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
- 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:

- 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
- 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:

- 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:

- 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).

- 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).

- To the best of your knowledge, has this development, or a similar development on the same site, ever received tax credits before? Yes No

- 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:

Non-profit Questionnaire, cont'd

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.

6/17/2021

Date

Ballston Limited Partnership

Owner/Applicant

By: Ballston GP, LLC

Its: General Partner

Title

Arlington Partnership for Affordable

Non-profit

6/17/2021

Date

By: *Susanne Bell*
Board Chairman *SUSAN Ingraham Bell*

By: *Mina Jaropant*
Executive Director
Mina Jaropant

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

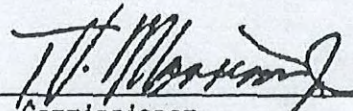
CERTIFICATE OF INCORPORATION

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

Person to Contact: Jim Joseph

Telephone Number: (202) 566-3893

Refer Reply to: E:EO:R:1-1

Date: DEC 18 1990

Arlington Partnership for
Affordable Housing, Inc.
1802 N. Wakefield Street
Arlington, VA 22207

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 22207 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

Arlington Partnership For Affordable Housing, Inc.

Date

November 6, 1989

Officer or trustee having authority to sign

Signature ▶

Thomas P. Leckey, President

District Director

Date

1-24-90

By ▶

For Paperwork Reduction Act Notice, see page 1 of the Form 1023 instructions.

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).

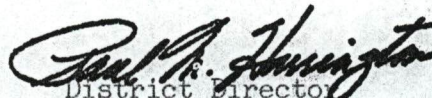
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the 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

2021

Susan Ingraham Bell, Chair

Independent Planning Consultant; Former Director of Community Planning, Housing and Development, Arlington County Government

Matthew Birenbaum, Vice Chair

CIO, AvalonBay Communities, Inc.

Rich Jordan, Treasurer

Managing Director, Potomac Investment Properties

Kevin Yam, Secretary

Managing Director, Iron Point Partners

Nina Janopaul, President

President/CEO, APAH

John Milliken

Senior Fellow in Residence, GMU

Nancy Rase

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

Keiva Dennis

Vice President, Community Development Lending, PNC Bank

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

Kathie Panfil

Ind. Education Management Professional; Former Arlington Public Schools Principal

Alicia Plerhoples

Professor of Law and Director, Social Enterprise and Nonprofit Law Clinic, Georgetown University Law School

Buzz Roberts

President/CEO, National Association of Affordable Housing Lenders

LaTasha Rowe

General Counsel and Chief Compliance Officer, NFM Inc.

Bobby Rozen

Washington Council (retired), Ernst & Young

Michael Spotts

President, Neighborhood Fundamentals, LLC

Yolonda Stradford

Senior Vice President, Senior Relationship Manager, Bank of America Merrill Lynch

Andy VanHorn

Executive Vice President, JBG Smith

John Ziegenhein

President/CEO, The Chevy Chase Land Company



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.1

Revitalization Area
Certification



HOPE HALLECK
CLERK TO THE
COUNTY BOARD

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE COUNTY BOARD

2100 CLARENDON BOULEVARD, SUITE 300
ARLINGTON, VIRGINIA 22201-5406
(703) 228-3130 • FAX (703) 228-7430
E-MAIL: countyboard@arlingtonva.us



MEMBERS
KATIE CRISTOL
CHAIR
CHRISTIAN DORSEY
VICE CHAIR

ERIK GUTSHALL
LIBBY GARVEY
JOHN VIHSTADT

CERTIFICATION

I hereby certify that at its February 24, 2018 Regular Meeting, on a consent motion by Christian Dorsey, seconded by Libby Garvey and carried by a vote of 5 to 0, the voting recorded as follows: Katie Cristol - Aye, Christian Dorsey - Aye, Libby Garvey - Aye, Erik Gutshall - Aye, and John Vihstadt - Aye, the County Board of Arlington, Virginia, approved the C.M. RECOMMENDATIONS in the attached County Manager's reports dated February 16, 2018 "SUBJECT: Adoption of Revitalization Area Resolution for the Central United Methodist Church site located at 4201 N. Fairfax Drive per Virginia Code Section 36-55.30:2.A for the purpose of a Low Income Housing Tax Credit application."

Given under my hand this 28th day of February 2018.



Hope L. Halleck, Clerk
Arlington County Board

[SEAL]



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of February 24, 2018

DATE: February 16, 2018

SUBJECT: Adoption of Revitalization Area Resolution for the Central United Methodist Church site located at 4201 N. Fairfax Drive per Virginia Code Section 36-55.30:2.A for the purpose of a Low Income Housing Tax Credit application.

C. M. RECOMMENDATION:

Adopt the attached resolution (Attachment 1) to designate the Central United Methodist Church site as a "Revitalization Area."

ISSUES: This is a request to adopt a resolution per Virginia Code Section 36-55.30:2.A for the Central United Methodist Church site for the purpose of a Low Income Housing Tax Credit application. There are no known issues at this time.

SUMMARY: In February 2017, the County Board allocated \$3,082,319 to Ballston Station Housing Corporation ("BSHC"), a non-profit affordable housing development corporation, for acquisition of land and construction of a new mixed-income housing development. BSHC applied for a competitive 9% Low Income Housing Tax Credit ("LIHTC") allocation in March of 2017 but did not score high enough to receive an award.

BSHC will reapply in March 2018 with a different financing structure and affordability mix. The proposed attached resolution will designate the church's redevelopment site as a Revitalization Area, per Virginia Code, thereby allowing BSHC to seek the Revitalization Area points in their tax credit application.

BACKGROUND: On February 28, 2017, the County Board approved a site plan and a \$3,082,319 AHIF allocation for the redevelopment of the Central United Methodist Church property. Central United Methodist Church and BSHC have executed a development services agreement with Bozzuto Development Company (Bozzuto) that permits joint redevelopment of a mixed-use/mixed-income project at the site. Upon completion, the site will include mixed-income multifamily housing units, an associated parking garage and new church space. The development will also include a new and expanded day care facility, preservation of the

County Manager: *mg/s/dwb*

County Attorney: *AKM* *RBJ*

Staff: Sarah Pizzo, DCPHD, Housing Division

20.

Robert Ball Sr. family burial ground, and community space for continuing the on-going homeless support services that are currently offered at the church. The multifamily apartments and a portion of the underground garage serving the apartments will be owned solely by BSHC. The new church, day care, homeless services/community space, and portion of the underground garage serving these uses will be owned solely by the church.

In March 2017, BSHC applied for competitive 9% LIHTC for its proposed 48 affordable units within the 119-unit complex. The project did not score high enough to receive a tax credit award. In June 2017, three projects were awarded allocations from the Northern Virginia tax credit pools: two projects in Fairfax County and The Berkeley redevelopment in Arlington. BSHC and Bozzuto have spent the past few months determining ways to structure a new, more competitive tax credit application for 2018.

DISCUSSION: BSHC will reapply in March 2018 for competitive 9% LIHTC under a more competitive financing structure and a different affordability mix, including:

- More than 20 additional affordable units, from 48 to 71.
- Utilizing a hybrid tax credit structure with a 9% LIHTC project and a 4% LIHTC project.

BSHC is not requesting any additional AHIF funds for the 9% project. However, if BSHC is successful in obtaining a 9% LIHTC award, it anticipates requesting an AHIF allocation for the 4% project this fall. At that time, staff would consider an AHIF application for the request. BSHC anticipates requesting a total AHIF amount that would be no more than \$70,000 per affordable unit, or approximately \$2 million for the 4% request.

Applying for tax credits is a highly competitive process, with points awarded to projects that meet specific criteria. In the 2016 competition, five points separated the two top-scoring projects in the Northern Virginia New Construction pool. A project is eligible for 10 “Revitalization Area” points if it is located in a “Revitalization Area” that meets the definition set forth in Virginia Code § 36-55.30:2. “Housing Revitalization Areas” as defined in the Code of Virginia, and the associated local resolutions creating the areas, are solely for the purpose of VHDA providing financing. In March 2017, the County Board approved a Revitalization Area Resolution for the Berkeley Apartments site, also for the purpose of obtaining the tax credit application points.

Because of the deteriorating condition of the existing buildings, the church property meets the definition which cites “dilapidated conditions, obsolescence, overcrowding, inadequate ventilation, light or sanitation, or faulty or otherwise inadequate design, quality or condition.” To receive the 10 points, a County Board resolution is needed citing the specific statutory criteria. The proposed resolution, Attachment 1, will allow the affordable housing development located in the area to receive these Revitalization Area points, thereby making the project’s LIHTC application more competitive. If there are future tax credit projects located outside of the Central United Methodist Church Revitalization Area that would seek Revitalization Area points on their applications, another resolution would be needed at that time. The proposed resolution does not preclude tax credit projects within County-identified revitalization areas outside of the Central United Methodist Church Revitalization Area from obtaining these points in future tax credit rounds.

PUBLIC ENGAGEMENT: The Housing Commission has discussed this project several times. In advance of the February 2017 County Board meeting, the Commission voted to support the \$3,082,319 AHIF allocation to BSHC. In January 2018, the Commission was updated on the BSHC's plans to reapply for 2018 tax credits and to request a Revitalization Area Resolution. At its February 15, 2018 meeting, the Housing Commission considered the Revitalization Resolution and voted to recommend that the County Board support the staff recommendation. The Housing Commission will send a letter to the County Board.

FISCAL IMPACT: There is no fiscal impact to the current recommendation. However, if BSHC is successful in obtaining a 9% LIHTC award, it anticipates requesting an AHIF allocation for the 4% project this fall. At that time, staff would consider an AHIF application for the request. BSHC anticipates requesting a total AHIF amount that would be no more than \$70,000 per affordable unit, or approximately \$2 million for the 4% request. At this time, there is sufficient fund balance to support the 4% request.

ATTACHMENT 1

**RESOLUTION OF THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA
DESIGNATING THE CENTRAL UNITED METHODIST CHURCH SITE A
REVITALIZATION AREA PURSUANT TO VIRGINIA CODE § 36-55.30:2**

WHEREAS, pursuant to Section 36-55.30:2 of the Code of Virginia of 1950, as amended, the County Board of Arlington County desires to designate the site of the Central United Methodist Church, located at 4201 N. Fairfax Drive (the "Area") and shown on Exhibit A hereto, as a revitalization area;

WHEREAS, the proposed redevelopment of the Central United Methodist Church is planned to correct and replace dilapidated and deteriorating interior and exterior conditions including water damage, plumbing, roofing and HVAC issues, among others;

WHEREAS, the affordable housing development proposed in this Area will provide a critical source of affordable housing for current and future low and moderate income residents whose tenancy and local employment is essential to implementing the goals of the County's Affordable Housing Master Plan and to the Area's future economic development and sustainability;

NOW, THEREFORE BE IT HEREBY DETERMINED as follows:

The proposed Revitalization Area is blighted, deteriorated, deteriorating or, if not rehabilitated, likely to deteriorate by reason that the buildings, improvements or other facilities in such area are subject to one or more of the following conditions – dilapidation, obsolescence, overcrowding, inadequate ventilation, light or sanitation, excessive land coverage, deleterious land use, or faulty or otherwise inadequate design, quality or condition and 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.

EXHIBIT A

Map of Central United Methodist Church/Ballston Station Apartments Site



K.2

Location Map

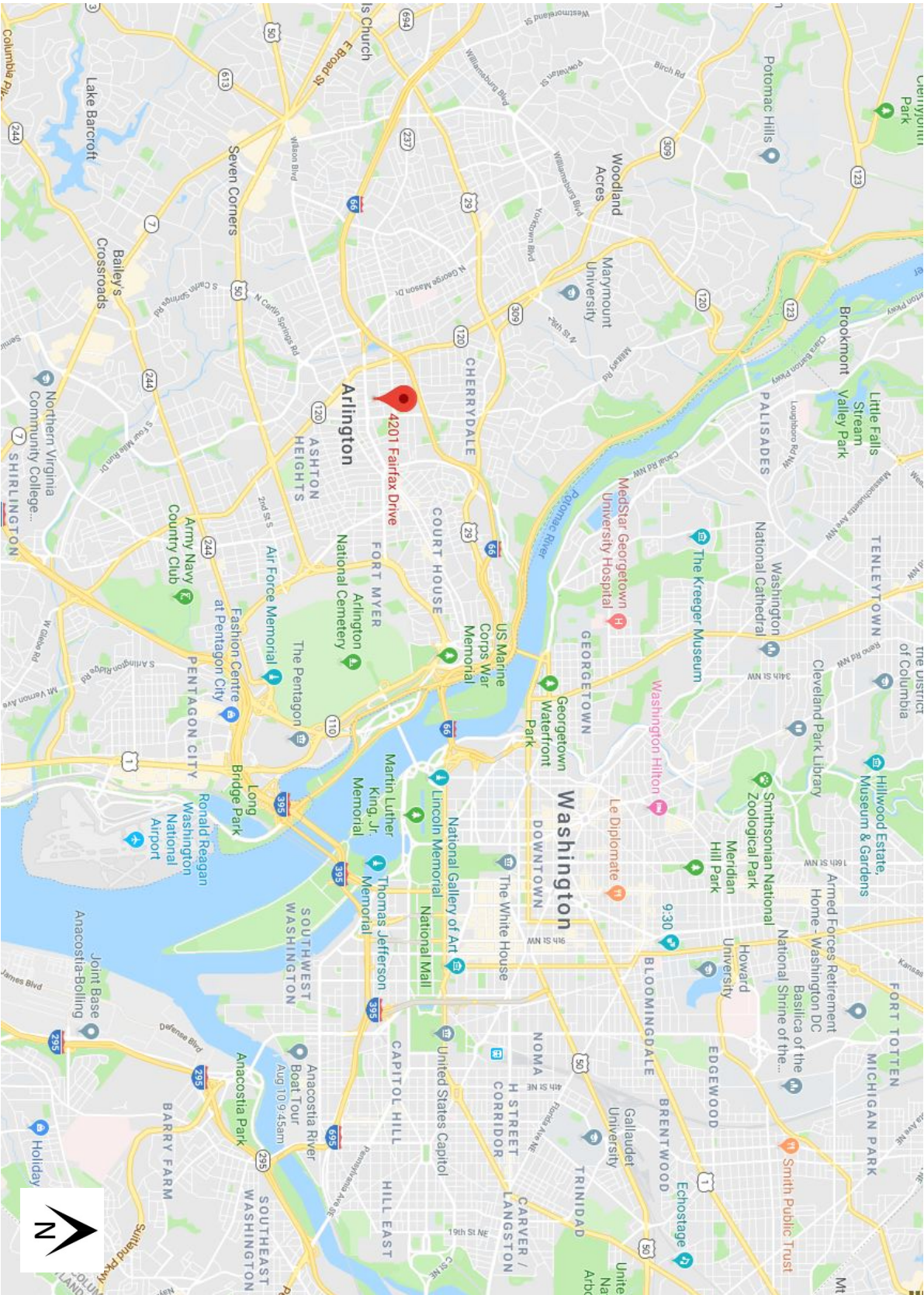


Figure 1: Site Location



Top map from Google. Bottom map from 7/13/2019 Arlington County Board Report. North arrows added.

Site Address: 4201 N Fairfax Drive, Arlington, VA 22203

Subjects

Project: Ballston Station

Owner: Ballston Limited Partnership

K.3

Surveyor's Certification of
Proximity to Public
Transportation

Surveyor's Certification of Proximity to Transportation

DATE: April 30, 2021

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

RE: 2019 Tax Credit Reservation Request

Name of Development: Ballston Station

Name of Owner: Ballston 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 ½ mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or ¼ mile of the nearest access point to an existing public bus stop.



Bohler DC, LLC

Firm Name

By:

Its: Principal

Title



L

PHA/Section 8 Notification
Letter

This deal does not require
information behind this tab.

M

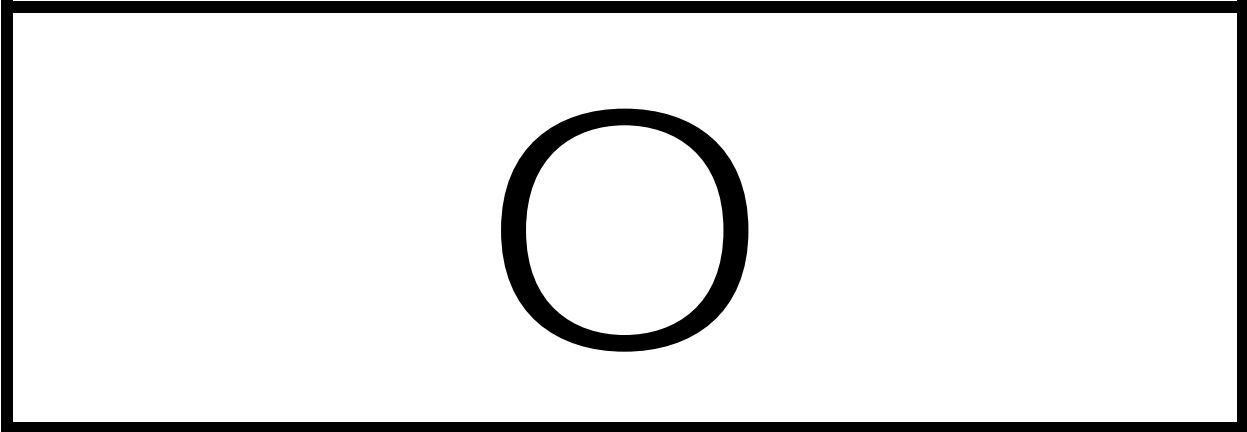
Locality CEO Response
Letter

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:

1/20/2021

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.	30 Fitch, Hollis M.	58 Melton, Melvin B.
2 Arista, Roberto	31 Fore, Richard L.	59 Midura, Ronald J.
3 Asarch, Chad	32 Franklin, Wendell C.	60 Mirmelstein, George
4 Ayd, Tom	33 Friedman, Mitchell M.	61 Nelson, IV, John M.
5 Barnhart, Richard K.	34 Gardner, Mark E.	62 Orth, Kevin
6 Baron, Richard	35 Gunderman, Timothy L.	63 Page, David
7 Bennett, Vincent R.	36 Haskins, Robert G.	64 Parent, Brian
8 Burns, Laura P.	37 Heatwole, F. Andrew	65 Park, Richard A.
9 Chapman, Tim	38 Honeycutt, Thomas W.	66 Park, William N.
10 Cohen, Howard Earl	39 Hunt, Michael C.	67 Pasquesi, R.J.
11 Connelly, T. Kevin	40 Iglesias, Adrian	68 Pedigo, Gerald K.
12 Connors, Cathy	41 Jaeger, Jeffrey	69 Poulin, Brian M.
13 Copeland, M. Scott	42 Jester, M. David	70 Queener, Brad
14 Copeland, Robert O.	43 Johnston, Thomas M.	71 Rappin, Steve
15 Copeland, Todd A.	44 Jones Kirkland, Janice	72 Ripley, F. Scott
16 Cordingley, Bruce A.	45 Kirkland, Milton L.	73 Ripley, Ronald C.
17 Counselman, Richard	46 Kittle, Jeffery L.	74 Ross, Stephen M.
18 Crosland, Jr., John	47 Koogler, David M.	75 Salazar, Tony
19 Curtis, Lawrence H.	48 Koogler, David Mark	76 Sari, Lisa A.
20 Daigle, Marc	49 Lancaster, Dale	77 Sinito, Frank T.
21 Dambly, Mark H.	50 Lawson, Phillip O.	78 Stockmaster, Adam J.
22 Deutch, David O.	51 Lawson, Steve	79 Stoffregen, Phillip J.
23 Dischinger, Chris	52 Leon, Miles B.	80 Surber, Jen
24 Douglas, David D.	53 Lewis, David R.	81 Valey, Ernst
25 Edmondson, Jim	54 Levitt, Michael	82 Uram, David
26 Edson, Rick	55 Margolis, Robert B.	83 Wilson, Stephen
27 Eichler, Moshe	56 McCormack, Kevin	84 Woda, Jeffrey J.
28 Ellis, Gary D.	57 McNamara, Michael L.	85 Wohl, Michael D.
29 Fekas, William L.		86 Wolfson, III, Louis

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 LEDIC Realty Company, LLC
- 16 Newport News RHA
- 17 NHT Communities
- 18 Norfolk Redevelopment Housing Authority
- 19 People Incorporated
- 20 Piedmont Housing Alliance
- 21 Preserving US, Inc.
- 22 Portsmouth RHA
- 23 RHA/Housing, Inc.
- 24 Rush Homes
- 25 The Community Builders
- 26 Virginia Supportive Housing
- 27 Virginia United Methodist Housing Development Corporation
- 28 Wesley Housing Development Corporation

Q

Documentation of
Rental Assistance, Tax
Abatement and/or
Existing HUD/RD

This deal does not require
information behind this tab.

R

Documentation of
Operating Budget
and Utility Allowance

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$1,200
2. Office Salaries			\$135,500
3. Office Supplies			\$7,200
4. Office/Model Apartment	(type _____)		\$0
5. Management Fee			\$72,797
<u>3.50%</u> of EGI	<u>\$505.54</u>	Per Unit	
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$5,000
9. Auditing			\$27,000
10. Bookkeeping/Accounting Fees			\$0
11. Telephone & Answering Service			\$9,920
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$36,720
Total Administrative			\$295,337

Utilities

14. Fuel Oil			\$0
15. Electricity			\$63,500
16. Water			\$39,900
17. Gas			\$28,000
18. Sewer			\$78,850
Total Utility			\$210,250

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$3,500
21. Janitor/Cleaning Contract			\$42,000
22. Exterminating			\$10,200
23. Trash Removal			\$15,600
24. Security Payroll/Contract			\$0
25. Grounds Payroll			\$0
26. Grounds Supplies			\$10,000
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$102,268
29. Repairs/Material			\$8,400
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$23,000
32. Heating/Cooling Repairs & Maintenance			\$8,000
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$1,500
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$2,040
37. Miscellaneous			\$55,938
Totals Operating & Maintenance			\$282,446

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$259,629
39. Payroll Taxes	\$10,366
40. Miscellaneous Taxes/Licenses/Permits	\$25,000
41. Property & Liability Insurance	\$61,700
42. Fidelity Bond	\$0
43. Workman's Compensation	\$3,600
44. Health Insurance & Employee Benefits	\$22,332
45. Other Insurance	\$10,140
Total Taxes & Insurance	\$392,767

Total Operating Expense	\$1,180,800
--------------------------------	--------------------

Total Operating Expenses Per Unit	\$8,200	C. Total Operating Expenses as % of EGI	56.77%
--	---------	--	--------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$43,200
---	----------

Total Expenses	\$1,224,000
-----------------------	--------------------

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



February 24, 2021

Charles Sims
 Arlington Partnership for Affordable Housing
 4318 N Carlin Springs Rd,
 Arlington, VA 22203
 csims@apah.org

RE: Preliminary Utility Allowance for Ballston Station

Dear Mr. Sims,

Please see the following Preliminary Utility Allowance (UA) for Ballston Station located in Arlington, Virginia. Projections were generated with the applicable rates, fees, and taxes of following providers:

Electricity:	Dominion Energy	Gas:	N/A
Water:	Arlington County	Trash:	N/A
Sewer:	Arlington County		

The utility rates used to produce this UA are no older than the rates in place 60 days prior to the date of this letter. Below is a table depicting the highest monthly UA by each bedroom type. Should you have any questions do not hesitate to contact me.

EARTH CRAFT PRELIMINARY UA*			ALLOWANCES BY BEDROOM SIZE				
Utilities	Utility Type	Paid by	Studio	1-bdr	2-bdr	3-bdr	4-bdr
Heating	Electric	Tenant	N/A	\$ 13.51	\$ 16.36	\$ 19.21	N/A
Air Conditioning	Electric	Tenant	N/A	\$ 6.30	\$ 7.63	\$ 8.96	N/A
Cooking	Electric	Tenant	N/A	\$ 5.40	\$ 6.54	\$ 7.68	N/A
Lighting	Electric	Tenant	N/A	\$ 21.61	\$ 26.17	\$ 30.73	N/A
Hot Water	Electric	Tenant	N/A	\$ 12.61	\$ 15.27	\$ 17.93	N/A
Water	-	Tenant	N/A	\$ 10.36	\$ 15.54	\$ 20.72	N/A
Sewer	-	Tenant	N/A	\$ 19.60	\$ 29.40	\$ 39.21	N/A
Trash	-	Owner	N/A	\$ -	\$ -	\$ -	N/A
Total UA costs paid by tenant			\$ -	\$ 89.40	\$ 116.91	\$ 144.45	\$ -

**Allowances only for Ballston Station as an ENERGY STAR and EarthCraft Gold project. The water and sewer projections were produced using water fixtures with flow rates of 1.28 gpf toilets, 2.0 gpm showerheads, 2.2 gpm kitchen faucets, and 1.5 gpm lavatory faucets. Due to rounding, the amounts for the UA components may not add up to the Total UA amount.*

Sincerely,

Rob McRaney

Rob McRaney
 Business Relations Manager

S

Supportive Housing
Certification

This deal does not require
information behind this tab.

T

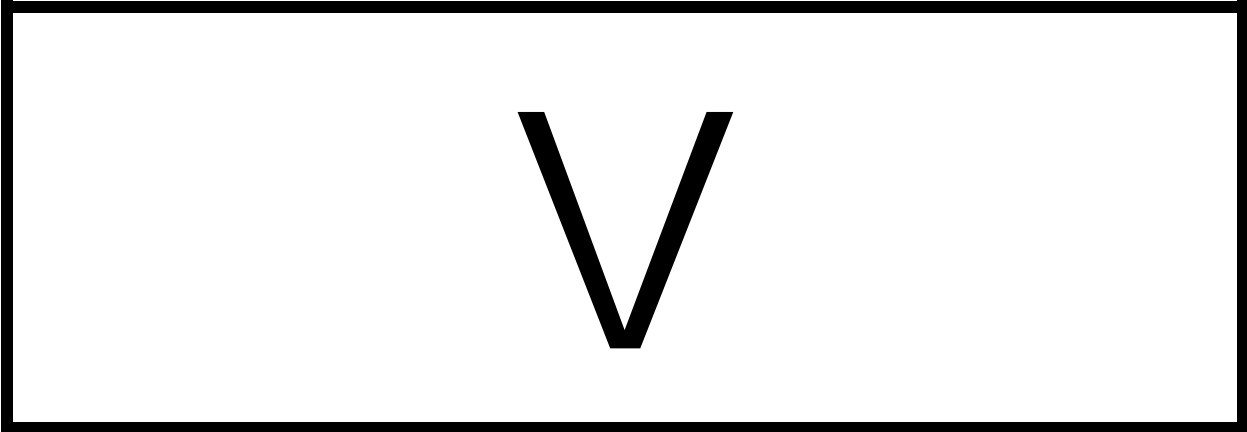
Funding Documentation

This deal does not require
information behind this tab.

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 (BALLSTON)

THIS RIGHT OF FIRST REFUSAL AGREEMENT (this "**Agreement**"), dated and effective as of the 15th day of June, 2021 is made by and between **Ballston 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 one hundred forty-four (144) unit residential project located in Arlington, Virginia (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 Trustees of Central United Methodist Church (the "**Lessor**"). The Lessor shall subject the Land to a land condominium regime (the "**Condominium**"), which will consist of (i) one or more land condominium units, 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 "**LIHTC Units**"), and (ii) the CUMC Units (as hereinafter defined). Immediately upon creating the Condominium, the Lessor shall ground lease the LIHTC Units and the CUMC Units to the Partnership pursuant to the Ground Lease. The Partnership will construct the Project upon the LIHTC Units and construct the CUMC Improvements (as hereinafter defined) upon the CUMC Units. Upon substantial completion of the CUMC Improvements, the Ground Lease shall terminate with respect to the CUMC Units.

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 (terms not defined in this Agreement shall have the meaning set forth in the Partnership Agreement):

Code: The Internal Revenue Code of 1986, as amended (or any corresponding provision of succeeding law).

Record and Return To:

Compliance Period: The entire period during which the "compliance period" described in Section 42(i)(1) of the Code shall be applicable to any building in the Project.

CUMC Improvements: The improvements to be constructed by the Partnership upon the CUMC Units and conveyed to the Lessor upon termination of the Ground Lease with respect to the CUMC Units.

CUMC Units: The one or more land condominium units in the Condominium to be identified in the final plans with respect to the Condominium as to be ultimately owned by the Lessor, which units will be initially leased by the Partnership pursuant to the Ground Lease until termination of the Ground Lease with respect to the CUMC Units, and thereafter owned by the Lessor, consisting of the land more fully described on Attachment C.

Ground Lease: The ground lease to be entered into by and between the Lessor, as lessor, and the Partnership, as lessee, initially with respect to the LIHTC Units and CUMC Units, and, after termination of the Ground Lease with respect to the CUMC Units, the LIHTC Units.

Partnership Agreement: The Amended and Restated Agreement of Limited Partnership of the Partnership, as amended from time to time.

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 leasehold interest in the LIHTC Units and in the improvements comprising a project known as Ballston Station, which will contain one hundred forty-four (144) residential units in a building located on the LIHTC Units.

State: The Commonwealth of Virginia.

2. **Right of First Refusal.** Beginning on the first day following 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, if applicable, its Permitted Assignee as defined below) (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 in the case of a sale to the tenants), plus (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners or members of any Limited Partner of the Partnership, plus (iii) all amounts due and owing to the Limited Partners of the Partnership under the Partnership Agreement, including, without limitation, any unpaid Tax Benefit Shortfall Payments. 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. If the Purchaser elects to purchase the Partnership Property on the terms set forth above, then the Partnership authorizes its general partner to execute all documents necessary to effectuate the sale of the Partnership Property subject to the terms and conditions of this Agreement.

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 notwithstanding state statutory, court-interpreted or common law to the contrary. 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 and/or the partnership interests in the Partnership at the Buyout Price without adversely affecting the Investor 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, then this Agreement shall be automatically amended to provide such option(s) in lieu of the contemplated right of first refusal. Further, in the event that Section 42(i)(7) of the Code is amended to permit the owner of a qualified low-income project to grant a right of first refusal or an option thereunder to purchase the project together with all other assets of such owner without adversely affecting the Investor 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, then this Agreement shall be automatically amended to provide that the right of first refusal described in the preceding paragraph shall include the purchase of the Project and all other assets of the Partnership for the price described in the preceding paragraph.

3. Conditions Precedents; Termination.

A. Notwithstanding anything in this Agreement to the contrary, the Buyout granted hereunder shall be contingent upon the Purchaser (or, if applicable, its Permitted Assignee) being tenants of the Property (in cooperative form or otherwise), a resident management corporation of the Property, a governmental agency, or "qualified nonprofit organization" as defined in Section 42(h)(5)(C) of the Code. If such condition precedent is not satisfied, the Buyout shall not be exercisable unless or until the Purchaser (or, if applicable, its Permitted Assignee) satisfies such condition.

B. This Agreement shall automatically terminate upon the occurrence of any of the following events and, if terminated, shall not be reinstated unless such reinstatement is agreed to in a writing signed by the Partnership and its Limited Partners:

- (i) the transfer of the Partnership Property to a lender in total or partial satisfaction of any loan, whether by foreclosure or deed-in-lieu of foreclosure; or
- (ii) the removal (subject to all applicable notice and cure periods under the Partnership Agreement) or withdrawal or retirement in violation of the

Partnership Agreement of the General Partner (or its affiliate) as a General Partner of the Partnership, whether voluntarily or involuntarily or by operation of law; or

(iii) the Project ceases to be a “qualified low-income housing project” within the meaning of Section 42 of the Code.

4. **Conveyance.** The Partnership’s right, title and interest in the Partnership Property shall be conveyed subject to such liens, encumbrances and parties in possession as shall exist as of the date of closing. The Purchaser shall accept the Partnership Property “**AS IS, WHERE IS**” and “**WITH ALL FAULTS AND DEFECTS,**” latent or otherwise, without any warranty or representation as to the condition thereof whatsoever, including without limitation, without any warranty as to fitness for a particular purpose, habitability, or otherwise and no indemnity for hazardous waste or other conditions with respect to the Partnership Property will be provided. It is a condition to closing that all amounts due to the Partnership and its Limited Partners from the proceeds of the Buyout Price be paid in full in cash or immediately available funds contemporaneously with closing.

5. **Permitted Assignees.** The Purchaser may assign all of its rights under this Agreement to tenants of the Property (in cooperative form or otherwise), a resident management corporation of the Property, a governmental agency, or a “qualified nonprofit organization” as defined in Section 42(h)(5)(C) of the Code (each, a “*Permitted Assignee*”), provided, however, that any such assignee shall be subject to all of the terms and conditions of this Agreement including, without limitation, the conditions precedent to the exercise of the Buyout set forth herein. Any Permitted Assignee that is not an affiliate of the Purchaser shall require the prior written consent of the Partnership and its Limited Partners if the assignment is made prior to the expiration of the Compliance Period. A Permitted Assignee must, as a condition to such assignment, enter into a written agreement accepting the assignment of all of the Purchaser’s rights and assuming all of the Purchaser’s obligations under this Agreement. Except as specifically permitted herein, the Purchaser’s rights hereunder shall not be assignable.

6. **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.

7. **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.

8. **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.

9. **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.

10. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

11. **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.

12. **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.

13. **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.

14. **Subordination.** This Agreement is subordinate in all respects to any regulatory agreements and to the terms and conditions of the Mortgage Loans encumbering the Project.

[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:

Ballston Limited Partnership

By: Ballston GP, 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 Ballston GP, LLC, the General Partner of Ballston Limited Partnership, as of this 17th day of June, 2021.

[AFFIX SEAL]

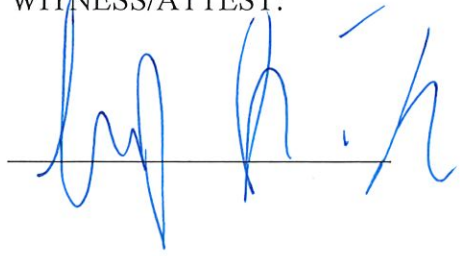
Notary Public

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

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 17th day of June, 2021.

[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 (Ballston Station)]

ATTACHMENT A

DESCRIPTION OF LAND

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate, and being in Arlington County, Virginia, being more particularly described as follows:

Parcel One:

All of Lots 38, 39, 40, 41, 42, 43 and 44, in Block numbered Two (2), of James E. Clements Subdivision known as "CENTRE BALLSTON", which said Subdivision is duly recorded in Liber U, No. 4 at page 71, among the Land Records of Arlington County, Virginia.

LESS AND EXCEPT that portion of Lot 44 conveyed the Washington Metropolitan Area Transit Authority by Deed of Bargain and Sale recorded in Deed Book 1940 at page 723, among the aforesaid Land Records.

Parcel Two:

All that part of the "Robert Ball Sr. Graveyard Lot" and Clements Avenue decreed by the Circuit Court of Arlington County, Virginia on October 30, 1922 and recorded in Chancery Order Book 8 at page 76, among the aforesaid Land Records.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

RPC No. 14-024-017

ATTACHMENT B

LIHTC Units

[Legal Descriptions of LIHTC Units to be Attached When Available at Project Closing]

ATTACHMENT C

CUMC Units

[Legal Description for the CUMC Units 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 Ballston Station

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 Ballston Station must agree to and follow the acceptable use policy when using the Ballston Station network.

1. All Ballston Station Residents must adhere to all federal and state laws when using Ballston Station's network, services and/or internet access.
2. Spam may not be distributed using mail servers connected to the Ballston Station network. Any computer on the Ballston Station 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 Ballston Station network at the discretion of Ballston Station.
3. Viruses, malware, or other malicious code may not be distributed using computers connected to the Ballston Station network. Any computer on the Ballston Station 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 Ballston Station.
4. Illegal file sharing is not allowed, and computers engaged in such activity may not be connected to the Ballston Station network. Any computer on the Ballston Station 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 Ballston Station network at the discretion of Ballston Station.
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. Ballston Station may disconnect Residents who use the service for activities deemed to exceed typical residential use.
6. You agree to allow personnel of Ballston Station and its partners reasonable access to your unit for proper maintenance of equipment.
7. The Access Points being distributed **are property of Ballston Station** and may not be removed from the premises. Should your time at Ballston Station 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. Ballston Station Staff will **not** have access to browsing data, however Ballston Station **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. Ballston Station'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 Ballston Station and you have been walked through the following materials:
 - a. Ballston Station'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 Ballston Station. You do **not** own this Access Point. Should your time at Ballston Station 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 Ballston Station 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



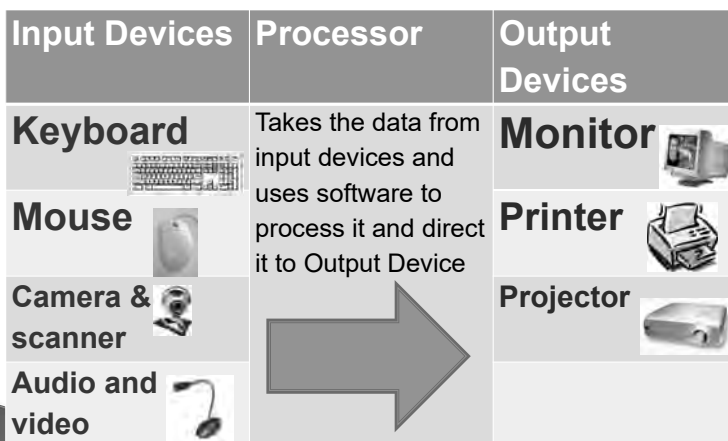
3

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

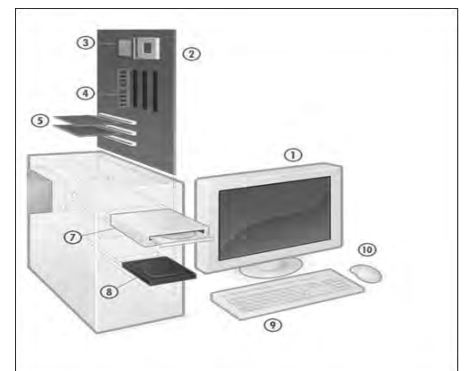
How A Computer Works



5

Hardware

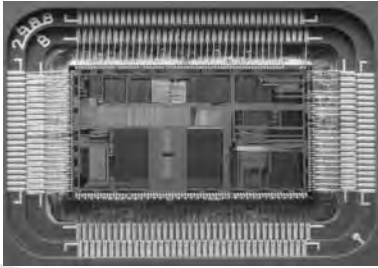
- The Hardware Parts*
- Output Device**
 1. Monitor (Screen)
 - Processing**
 2. Mother Board
 3. Central Processing Unit (CPU)
 - Storage**
 4. Memory Cards – RAM
 5. Circuit Board
 7. CD Rom Drive
 8. Hard Drive
 - Input Devices**
 9. Keyboard
 10. Mouse



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



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;

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

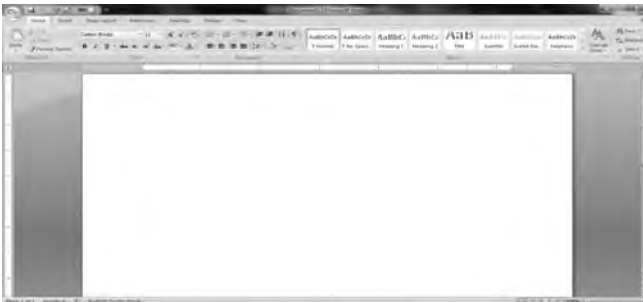
Opening a Program

- Use the Start button to access “All Programs”
- Then select the program that you want to open



Windows and MS Word

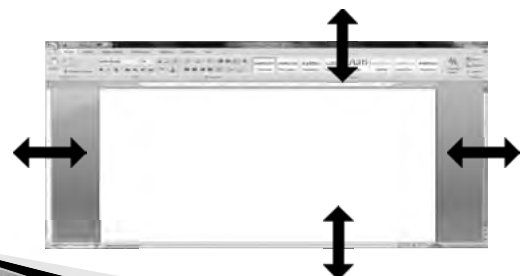
- ▶ Open program → Microsoft Word



5

Windows

- ▶ Exercises:
 - Minimize, Maximize, Close button
 - Resize window to tall and thin
 - Resize window to short and wide

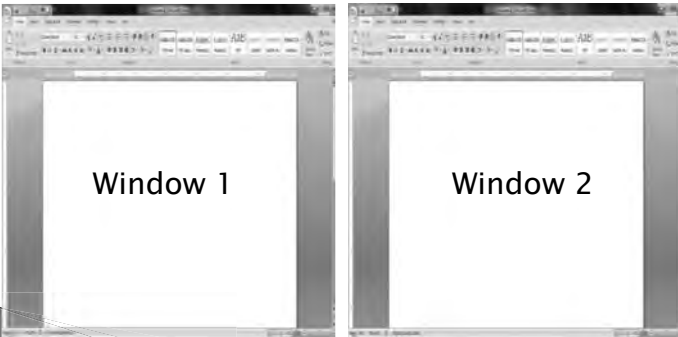


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Windows

- ▶ 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

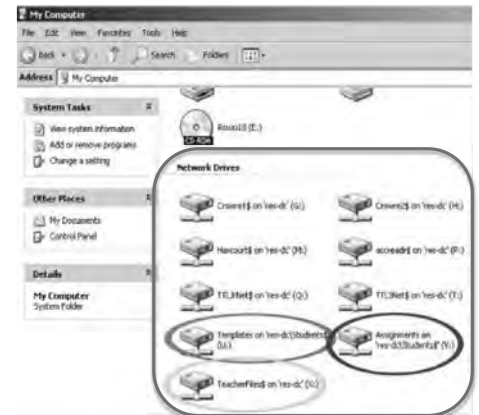


Memory

- ▶ 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

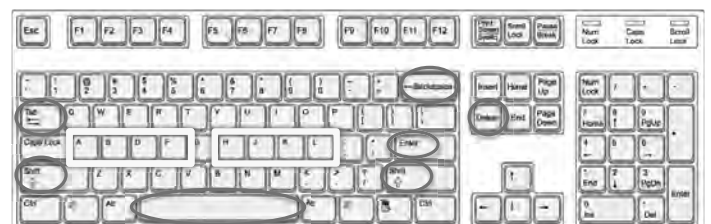


File Exercises

- ▶ 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

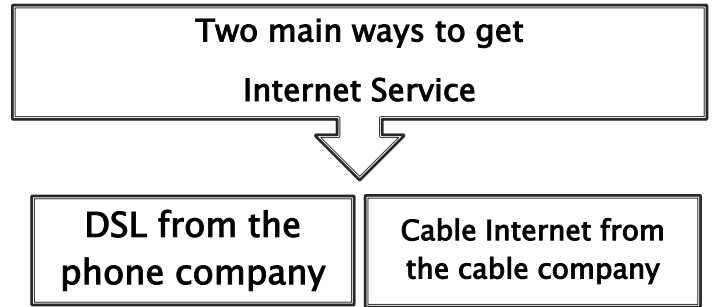
To do this	What to use
▶ View Websites	▶ Browsers: Firefox, Chrome, Safari, Opera
▶ Send & receive messages & documents	▶ Gmail, Outlook, Yahoo
▶ Send and receive short text messages	▶ Cell phone carriers
▶ Locate places on a map & get directions	▶ Google maps, Mapquest, Rand McNally

12

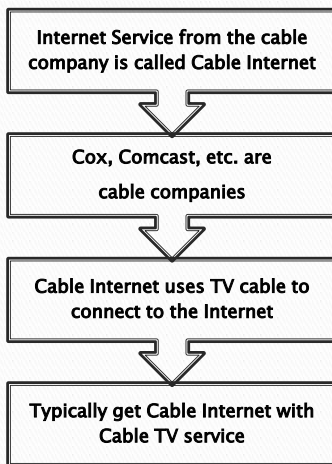
Internet Vocabulary

- ▶ 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

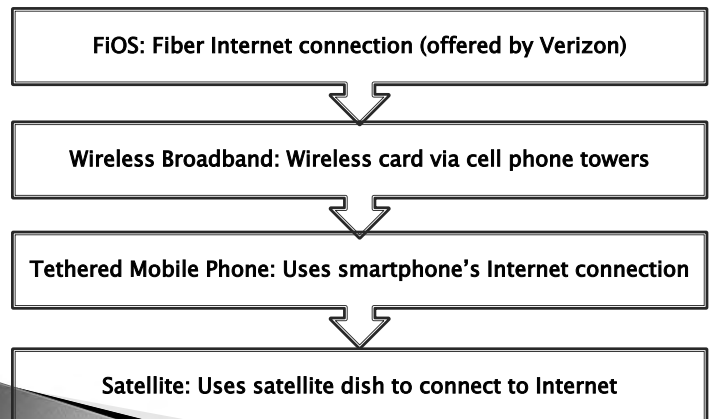
How Do I Get Internet Service?



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

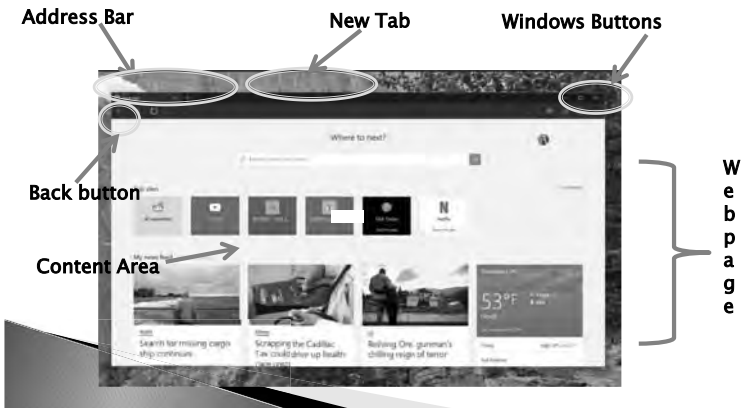
Web Browsers

- ▶ 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.

20

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)

21

SEARCHING on the Internet

Question: Over 10 billion websites, how do I find the right one?

Answer: Use a search engine & key words.

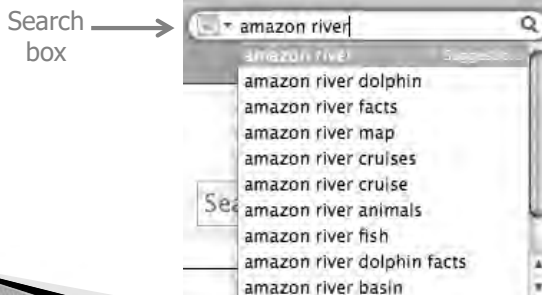


22

SEARCHING the Internet (cont'd)

▶ For example, find information about the Amazon River in South America.

▶ In the search box, key in Amazon River.



23

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



24

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>

25

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

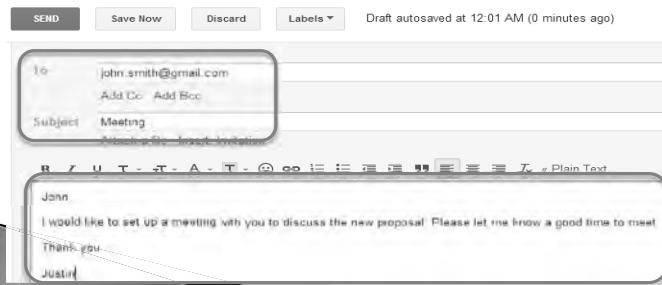
- ▶ At least 10 characters with lower case, upper case, and special characters !@#\$\$%&
- ▶ Can create a unique phrase or sentence that no one knows or is published.
- ▶ No birthdates, 12345, ABCDE, social security #.
- ▶ Write down each password and place somewhere safe.

31

Compose an Email

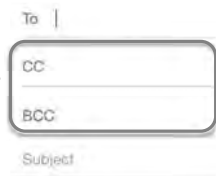
- ▶ Click on the Compose button 

- ▶ 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**.



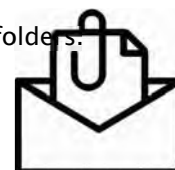
Exercise

- ▶ 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.



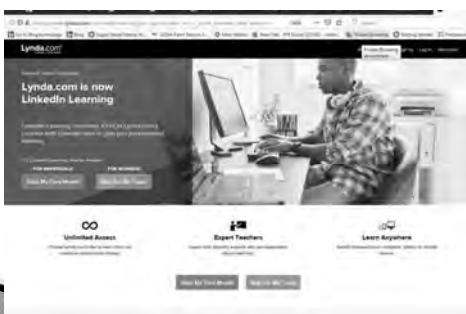
Arlington Library "Lynda" Website

- ▶ 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:



13

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/>



14

Applying online for jobs

- ▶ **Linked In,**
- ▶ **USA.gov**
- ▶ **Indeed.com**
- ▶ **Careerbuilder.com**
- ▶ **Monster.com**



15

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!!!

16

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.

17

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!

18

Turning Off your Computer





X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

This deal does not require
information behind this tab.

Y

Inducement Resolution

For tax exempt bonds

Inducement resolution will
be available in July 2021.