COMPREHENSIVE AGREEMENT

by and between

THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

and

CHPPENN I, LLC

35 ACRES OF LAND IN MOUNT VERNON, VIRGINIA

FAIRFAX COUNTY, VIRGINIA

PORTION OF TAX PARCEL NUMBER 92-4 ((1)), PARCEL 82(A)

Dated as of [ ], 2019

COMPREHENSIVE AGREEMENT

THIS **COMPREHENSIVE AGREEMENT** (this “**Agreement**”)is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 2019 (the “**Effective Date**”), by and among the **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the “**FCRHA**”), and **CHPPENN I, LLC**, a Virginia limited liability company (“**CHPPENN**,” and together with the FCRHA, collectively, the “**Parties**”).

RECITALS:

1. The FCRHA is the fee simple owner of an approximately 48 acre tract of land in Fairfax County, Virginia, having the Fairfax County Tax Map No. 92-4 ((1)), parcel 82A (the “**Existing County Land**”).
2. The Existing County Land is comprised of (a) the Woodley Hills Estates manufactured home community, which occupies approximately 13 of the 48 acres, and (b) an approximately 35-acre unimproved tract of land known as North Hill and described on **Exhibit A** attached hereto (such 35-acre tract, the “**Property**”).
3. In 2012, the FCRHA received an unsolicited proposal from a developer under the Public Private Education Facilities and Infrastructure Act of 2002, Virginia Code Ann. §§ 56-575.1 et seq. (such law, the “**PPEA**”) proposing to redevelop the Property as a mixed income, affordable housing and market rate housing community comprised of multifamily apartments and townhouses.
4. In accordance with the PPEA and the FCRHA PPEA guidelines, the FCRHA then issued a “Request for Competing Proposals”, RCP number RFCP 2000000000 in 2013 (the “**RCP**”). The RCP included criteria calling for, among other things, development of approximately 350 or more units on a portion of the Property, with the undeveloped balance to be preserved as parkland.
5. CHPPENNsubmitted a response to the RCP which was determined to be the most responsive to the RCP.
6. After negotiations with the FCRHA, CHPPENN proposed the construction of approximately 279 multi-family dwelling units, including approximately 60 senior independent living units, in five separate, high quality, urban designed buildings with parking (the “**Affordable Housing Units**”) on one or more portions of the Property (collectively, the “**Ground Lease Premises**”), as more particularly identified in the various Deeds of Lease to be executed pursuant to this Agreement (collectively, the “**Ground Leases**”).
7. The FCRHA and CHPPENN envision four separate Ground Leases: one intended to be funded in part by nine percent (9%) low-income housing tax credits (“**LIHTC**”) from the Virginia Housing Development Authority (“**VHDA**”) and to be occupied by seniors, one to be funded in part by 9% VHDA LIHTC and to be occupied by eligible households, and two to be funded in part by 4% VHDA LIHTC and to be occupied by eligible households.
8. In connection with the RCP and the overall revitalization of the Property and surrounding area, the FCRHA desires to sell a portion of the Property (the “**Sale Property**”) for development as market-rate townhomes.
9. In connection with the development of the Affordable Housing Units, the FCRHA desires to loan a portion of the proceeds from the sale of the Sale Property, as well as an additional $600,000.00 of Community Development Block Grant funds, to subsidiaries of CHPPENN to fund a portion of the site work costs for the Affordable Housing Units (collectively, the “**FCRHA Funds**”).
10. The Parties also intend that the remainder of the Property be retained, developed, and maintained for use as a public park (the “**Park**”).
11. The development of the market-rate townhomes on the Sale Property, the Affordable Housing Units on the Ground Lease Premises, and the Park is referred to as the “**Project**”.
12. The FCRHA and CHPPENN previously entered into an Interim Agreement regarding the Project (as amended and modified to date, the “**Interim Agreement**”), which, among other things, confirmed the forms of the Ground Leases and certain related documents, each of which is affirmed in this Agreement.
13. The Parties desire to enter into this Agreement to provide, among other things (a) for subsidiaries of CHPPENN to lease the Ground Lease Premises from the FCRHA pursuant to the Ground Leases and to design, develop, construct, and operate the Affordable Housing Units; (b) for the FCRHA to sell the Sale Property to a third party townhouse buyer for the development of market-rate townhomes; and (c) for the FCRHA to loan the FCRHA Funds to subsidiaries of CHPPENN for a portion of the site work costs of the Affordable Housing Units.
14. The Parties have now negotiated a comprehensive agreement consistent with the PPEA, the RCP, and other laws, the terms and conditions of which are set forth in this Agreement.
15. Having considered this Agreement and other information, the FCRHA has determined that the Project be completed pursuant to this Agreement, and that this Agreement and the Project serve a public purpose under the terms of the PPEA, including the criteria of Virginia Code § 56-575.4(C).

**NOW**, **THEREFORE,** in consideration of the mutual promises of the Parties and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. The foregoing recitals are hereby incorporated by this reference as if fully set forth herein.
2. The Parties agree that the Project shall be constructed, operated, maintained, managed, leased (as applicable), and owned (as applicable) pursuant to, among other things, written agreements to be executed by one or more of the FCRHA, CHPPENN, a third party townhouse developer, or their respective permitted subsidiaries and affiliates, as applicable, including, without limitation, the following written agreements, each substantially in the same form as attached to this Agreement, and any amendments to those agreements:
3. Four (4) Contracts to Ground Lease, by and between the FCRHA and CHPPENN, the forms of each of which are attached hereto as **Exhibits B-1 through B-4**, previously executed in connection with the Interim Agreement (collectively, the “**Contracts to Ground Lease**”);
4. Four (4) Amendments to Contract to Ground Lease, by and between the FCRHA and subsidiaries or affiliates of CHPPENN, the forms of each of which are attached hereto as **Exhibits B-1-A through B-4-A**, previously executed in connection with the Interim Agreement (collectively, the **Contract to Ground Lease Amendments**”);
5. Four (4) Deeds of Lease, by and between the FCRHA, as landlord, and CHPPENN, or a subsidiary or affiliate of CHPPENN, as tenant, the forms of each of which are attached hereto as **Exhibits C-1 through C-4** (collectively, the “**Ground Leases**”);
6. Four (4) Options to Lease, by and between the FCRHA and CHPPENN, the forms of each of which are attached hereto as **Exhibit D-1 through D-4**, previously executed in connection with the Interim Agreement (collectively, the “**Options**”);
7. Four (4) Amendments to Option to Lease, by and between the FCRHA and subsidiaries or affiliates of CHPPENN, the forms of each of which are attached hereto as **Exhibits D-1-A through D-4-A**, previously executed in connection with the Interim Agreement (collectively, the “**Option Amendments**”);
8. Agreement of Purchase and Sale, by and between the FCRHA and K. Hovnanian Homes of Virginia, Inc., a Virginia corporation (“**KHOV**”), the form of which is attached hereto as **Exhibit E**, previously executed in connection with the Interim Agreement (the “**Purchase Agreement**”);
9. The Amendment of Agreement of Purchase and Sale, by and between the FCRHA and KHOV, the form of which is attached hereto as **Exhibit E-1**, previously executed in connection with the Interim Agreement;
10. Four (4) Development and Loan Agreements, by and between the FCRHA and subsidiaries or affiliates of CHPPENN, the forms of each of which are attached hereto as **Exhibits F-1 through F-4**, to be executed concurrently with this Agreement (collectively, the “**DLAs**”); and
11. Four (4) term sheets setting forth additional terms of the loans of the FCRHA Funds to subsidiaries of CHPPENN, attached hereto as **Exhibits F-1-A through F-4-A**, to be implemented through FCRHA notes and deeds of trust in connection with the consummation of the conveyances contemplated by the Purchase Agreement, the Contracts to Ground Lease, and the Options.
12. Provisions Regarding Purchase Agreement:
13. The FCRHA shall not amend the Purchase Agreement without the prior written consent of CHPPENN, which consent shall not be unreasonably withheld, conditioned or delayed.
14. The FCRHA shall, prior to exercising any right it may have to terminate the Purchase Agreement, first discuss the facts or events giving rise to such termination right with CHPPENN; provided, however, that the foregoing shall not adversely impact the FCRHA’s rights to terminate the Purchase Agreement in its sole discretion pursuant to the terms and provisions thereof.
15. If, after its execution, the Purchase Agreement is terminated, CHPPENN shall use commercially reasonable efforts to identify a replacement purchaser for the Sale Property (a “**New Purchaser**”). The FCRHA shall have the right to approve the New Purchaser, and such approval will not be unreasonably withheld, conditioned or delayed. Any contract with a New Purchaser (the “**New Contract**”) shall be on substantially the same terms and conditions and in a form substantially similar to that of the Purchase Agreement and reasonably acceptable to the FCRHA, except that the new purchase price for the Sale Property (i) shall reflect the then fair market value of the Sale Property, as determined by an appraisal to be obtained by the FCRHA and (ii) shall in no event be less than the purchase price of the original Purchase Agreement (the “**Original Purchase Price**”), minus the amount of the deposit, if any (the “**Deposit**”), indefeasibly paid to the FCRHA or its designee in connection with the termination of the Purchase Agreement (the “**New Purchase Price**”). If CHPPENN has identified a New Purchaser acceptable to the FCRHA who is willing to enter into a New Contract in accordance with this Section 3(c) before the Expiration Date (as such term is defined in the Options and Contracts to Ground Lease), then the FCRHA shall enter into such New Contract.
16. If the sum of the New Purchase Price and the Deposit exceeds the Original Purchase Price, then following the closing under the New Contract, the FCRHA’s receipt of the New Purchase Price, and closing under the Ground Leases, the FCRHA shall pay or cause to be paid to CHPPENN (or if directed by CHPPENN, to its subsidiaries or affiliates) one-half (1/2) of the amount of the Deposit that, when added to the New Purchase Price, exceeds the Original Purchase Price, as reimbursement of a portion of CHPPENN’s predevelopment costs in connection with the development of the Affordable Housing Units on the Ground Lease Premises.
17. If after using its commercially reasonable efforts CHPPENN is unable to identify a New Purchaser who is willing to enter into a New Contract subject to the terms and conditions of Section 3(c), then the FCRHA shall pay or cause to be paid to CHPPENN one-half (1/2) of the Deposit, if any, indefeasibly paid to the FCRHA or its designee in connection with a termination of the Purchase Agreement as reimbursement of a portion of CHPPENN’s predevelopment costs in connection with the development of the Affordable Housing Units on the Ground Lease Premises.
18. Notwithstanding anything herein to the contrary, the FCRHA shall have no obligation to pay any amounts to CHPPENN under Sections 3(d) or 3(e) unless and until (i) the FCRHA either (A) receives approval from the U.S. Department of Housing and Urban Development of such payment, as it concerns laws, rules, or regulations pertaining to Community Development Block Grant program income or (B) elects, in its sole discretion, to make funds available from another funding source (other than the Deposit) to pay any amount owed under Section 3(d) or 3(e), and (ii) CHPPENN delivers all plans, drawings, files, reports, and other materials created or obtained by CHPPENN in furtherance of the Project, together with approvals reasonably necessary to use the same, to the FCRHA.
19. Miscellaneous:

### Good Faith. Each Party shall act in good faith and use commercially reasonable efforts to comply with its obligations under this Agreement in all material respects.

### Entire Agreement, Waiver, Modification. This Agreement, together with the attached Exhibits, all of which are incorporated by reference, is the entire agreement between the parties. No waiver of any breach of this Agreement will be deemed a waiver of any preceding or succeeding breach under this Agreement or any other agreement. No extension of time for the performance of any obligation or act will be deemed an extension of time for the performance of any other obligation or act. The terms of this Agreement may be amended or otherwise modified only by a written instrument duly executed by the parties.

### 

### Governing Law and Venue. This Agreement and any dispute, controversy or proceeding arising out of or relating to this Agreement (whether in contract, tort, common or statutory law, equity or otherwise) will be governed by Virginia law, without regard to conflict of law principles of Virginia or of any other jurisdiction that would result in the application of laws of any jurisdiction other than those of Virginia. All claims and litigation arising out of or related to this Agreement must be brought and resolved in the courts of the Commonwealth of Virginia located in the County of Fairfax, Virginia or U.S. District Court for the Eastern District of Virginia, Alexandria Division.

### Headings. The captions of this Agreement are for reference only and do not describe the intent of this Agreement or otherwise alter the terms of this Agreement.

### Partial Invalidity. If any provision of this Agreement or its application to any party or circumstances is determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected, and each provision of this Agreement will be valid and will be enforced to the fullest extent permitted by law.

### Delivery; Counterparts. This Agreement may be executed and delivered in any number of counterparts, in the original or by electronic transmission, each of which so executed and delivered will be deemed to be an original and all of which will constitute one and the same instrument.

(*Remainder of Page Blank; Signatures Follow*)

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

|  |  |  |
| --- | --- | --- |
|  |  | **FCRHA:**  **FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**, a political subdivision of the Commonwealth of Virginia,  By:  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |
|  |  | **CHPPENN**:  **CHPPENN I, LLC**  a Virginia limited liability company  By: Pennrose Properties, LLC  a Pennsylvania limited liability company,  its Manager  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  And by: Community Housing Partners Corporation  a Virginia nonstock corporation,  its Manager  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
|  |  |