

Fort Lincoln/Gateway Village LLC

The Village at Washington Gateway PUD Project -

Summary of Affordable Housing Program

Development Standards

Through their Memorandum of Intent ("MOI"), the National Capital Revitalization Corporation ("NCRC") and the District of Columbia Public Schools ("DCPS") offer a home ownership program targeting DCPS employees. In its Village at Washington Gateway PUD project (Zoning Commission Case No. 06-08), Fort Lincoln/Gateway Village LLC (the "Applicant") intends to utilize this NCRC/DCPS program. As part of its project amenities package, the Applicant proposes to offer 30 residential units to qualified DCPS employees ("Affordable Housing Program").

Unit Types and Distribution:

The 30 workforce housing units offered will be the first and second floor units within the stacked ("2 over 2") townhome condominium buildings. The gross floor area for this unit type is approximately 1,600 square feet and these homes contain three bedrooms and two and a half bathrooms. Each unit has a one car garage and a tandem driveway space.

Construction:

The external design and materials of the affordable units will be indistinguishable from market rate units. Internally, appliances and finishes shall be comparable, but may be of different quality.

Household Standards

Target Income Range:

The sale of the affordable units will be targeted to DCPS employees with annual household incomes (four (4) person family size) between \$54,180 and \$72,240 (60% to 80% of the Washington Metropolitan Area Median Income).

In order to provide a revenue neutral program in which the costs of developing and constructing the units are covered by the purchase price, the sales price of each unit will be approximately \$250,000. Provided that each homebuyer can obtain a Home Purchase Assistance Program ("HPAP") second trust of approximately \$44,000 (the maximum allowable amount for two-person households) and DC Bond financing at a rate of 6.25%, the annual payment inclusive of condominium fees, second trust payments, mortgage insurance premium payments and property taxes will be approximately 30% to 34% of the annual income for individuals earning between 80% and 60% of the area median income levels.

In order to achieve a mortgage payment at a ratio of approximately 30% to 34%, it is necessary for these homebuyers to utilize home buyer assistance programs such as HPAP and/or the Homebuyer Equity Loan Program ("HELP") for downpayment assistance.

Term:

The 30 workforce units will be marketed to DCPS employees for approximately six months. The Applicant reserves the right to reposition any of the potential affordable units not contracted for sale following the six-month period. Such units may be re-offered to the general public at market-rate pricing levels.

At the end of the six-month period described above, the number of affordable units will be established and those units will be required to remain as workforce affordable units for a period of three years, commencing on the date that the building including the affordable units has received a certificate of occupancy. Upon expiration of the three year term, these units may be sold at market rates.

Enforcement:

The Affordable Housing Program will be imposed on the property by a covenant and/or other legal means. The District government shall retain all rights to enforce the provisions of the affordability covenants, according to the provisions of this document or such enforcement mechanisms as the District government may deem appropriate. The District government shall have the right to recapture any enforcement costs.

Amendment:

The substance of any of the above clauses that are included in the terms of the covenant addressing the Affordable Housing Program may not be modified without the consent of both the Applicant and the District government. Administrative, monitoring, and enforcement mechanisms not included in the terms of the covenant placed on the property may be modified at the sole discretion of the District government.

Final Housing Cost:

Shall be determined 60 days prior to the marketing of the affordable units using current information for the same assumptions above.

**Selection of
Buyers:**

The Applicant will provide marketing materials to DCPS employees. These marketing materials will include elevations, floorplans and specifications of the homes via brochures and available web sites. The Applicant will establish a priority list of pre-qualified DCPS employees and schedule appointments to review the specifications of the home and the sales agreement. Provided the homebuyer chooses to move forward and execute a

Purchase and Sale Agreement, the Applicant and the prospective homebuyer will initiate the mortgage and home buyer assistance applications with the designated processor of HPAP and HELP funds.

Restrictions on Sale of Affordable Units:

Resale During Control Period - The affordable units will be restricted through a deed restriction, covenant and/or other legal means in their resale for a period of three years to: (1) income-eligible homebuyers, a list of whom may be obtained from DCPS and/or NCRC; and (2) a maximum purchase price equal to the initial unit price plus the cumulative change in the consumer price index and the cost of permanent improvements to the unit.

Resale After Control Period. Upon the expiration of the three year restricted selling period, the then current owner of the unit may sell the unit without restriction but the sales proceeds shall be allocated as follows:

(i) First, to the seller in the amount of their original sales price plus the cumulative change in the consumer price index, the cost of permanent improvements to the unit, the closing costs paid by the seller at their closing and a reasonable sales commission; and

(ii) The remainder shall be split equally between the seller and a District of Columbia government fund dedicated to the provision of affordable housing.

Monitoring and Enforcement:

The District government shall retain all rights to enforce the provisions of the affordability covenants, according to the provisions of this document or such enforcement mechanisms as the District government may deem appropriate. The District government shall have the right to recapture any enforcement costs.

Changes to Procedure After Initial Sale of Units:

The substance of any of the above clauses that are included in deed restriction terms may not be modified without the consent of both the unit owner(s) and the District government. Administrative, monitoring and enforcement mechanisms not included in deed restrictions may be modified at the sole discretion of the District government.

Community Amenities Package The Village at Washington Gateway

November 28, 2006

Thurgood Marshall School/Playground Construction – The Applicant will design and construct a playground facility at the Thurgood Marshall School located within the Fort Lincoln community. As a second phase to the pre-school playground, which is being constructed by Fort Lincoln New Town Corporation and The Concordia Group, the Applicant will work with the school administration to design a playground on the land area which is now occupied by an obsolete cycling facility. The cost of this playground is approximately \$50,000.

Scoreboard for the Baseball Field within Fort Lincoln – The Applicant will contribute approximately \$25,000 for the purchase and installation of an electric scoreboard for the baseball field located within the park at Fort Lincoln.

Landscaping Package along Fort Lincoln Drive – The Applicant will contribute approximately \$20,000 for planting and maintenance of a landscaping plan for the medians located along Fort Lincoln Drive and 31st Place, NE adjacent to the Village at Washington Gateway property. The Applicant will also provide for enhanced landscaping and maintenance of the area at the corner of Fort Lincoln Drive and 33rd Place.

Additional Community Amenities – The Applicant, the ANC 5A Single Member District Commissioner for the area, and representatives of the Fort Lincoln community continue to work on additional projects that will provide targeted and tangible benefits to the community. For example, the Applicant will make a financial contribution for the renovation of space within the Theodore Hagans Cultural Center located within the Fort Lincoln community. At the present time, details of this contribution are being finalized.

TOTAL VALUE OF COMMUNITY AMENITIES PACKAGE - \$180,000

All of the above referenced contributions shall be funded and the capital projects will be completed within one year from the delivery of the first certificate of occupancy at the Village at Washington Gateway.

DEVELOPMENT AND CONSTRUCTION MANAGEMENT PLAN

Fort Lincoln/Gateway Village LLC (the “Applicant”) seeks to mitigate any adverse impact on the surrounding neighborhood resulting from construction activity related to the Applicant’s plans to construct a planned unit development consisting of approximately 357 residential units on the 23 acre property bound by Fort Lincoln Drive and Commodore Barry Drive, NE (the “Project”).

1. Communication.

a. Applicant’s Representative. The Applicant shall designate a representative to be the key contact during the period of construction of the Project for the interaction with Advisory Neighborhood Commission 5A and residents within 200 feet of the development site.

The Representative will have a local office and will be accessible during all business hours. At any time construction activity is occurring on the Applicant’s property, the Representative or his/her designee shall be available on-site or by telephone to receive complaints or other communications from the surrounding community. The name and work telephone number of the Representative or his/her appointed designee shall be conspicuously posted on the Applicant’s property and shall be readily available to members of the community. In addition, a name and telephone number of a person designated by Applicant to contact in case of emergency during hours in which no construction activity is occurring shall be readily available to members of the community.

b. Duties of the Applicant’s Representative. The Representative and his/her designee will be able to answer questions and receive comments about the site activities, address any concerns members of the community might have throughout the construction process, and have authority to remedy promptly violations of this Development and Construction Management Plan and enforce its provisions. The Representative, designee and emergency contact shall:

- (i) receive notice of violations of this Development and Construction Management Plan;
- (ii) respond as soon as possible, to the person who has reported the violation, and to the Contact Person (described below);
- (iii) act to remedy the violation as soon as possible; and
- (iv) contact ANC 5A and residents within 200 feet of the development site and relate the complaint, remedy and time frame for resolution of the problem.

c. Resume Bank. The Applicant and the Applicant’s Representative will maintain a resume bank on-site for members of the community to submit resumes for potential employment on this Project and future projects of the Applicant in the District of Columbia and surrounding jurisdictions.

The Applicant will post all Requests for Applications and employment opportunities with the Fort Lincoln Community Association.

The Applicant encourages the submission of resumes of marketing, public relations, community relations, and real estate professionals, in addition to applications for tradespersons and construction workers.

The Applicant encourages the submission of resumes of architects, project managers, and other real estate professionals, in addition to resumes of tradesmen and construction workers.

d. Neighborhood Contact Person. The Applicant will work with representatives of Advisory Neighborhood Commission 5A, the ANC 5A Single Member District Representative, and residents within 200 feet of the development site to designate a single contact person ("Contact Person"), who may change from time to time, to represent the surrounding community. The initial Contact Person will be determined prior to the start of construction activity on the Applicant's property. The Contact Person will receive and disseminate information from the Applicant to the community. The Applicant shall provide to the Contact Person, and keep updated, the names of and pertinent information about the Representative, the designee and emergency contact, including their home phone numbers and beeper numbers, as appropriate.

2. Construction. The Applicant shall require that all their personnel and vendors, including supply and service vendors, will comply with all applicable District of Columbia Municipal Regulations applicable to hours of work, noise, dirt, trash, and public health and safety. The following is a discussion of construction-related issues and shall be binding on the Applicant, its subcontractors and any successors and/or assigns of the Applicant.

a. Permits. The Applicant will secure all permits that are required to complete the Project. All plans and permits will be on-site as required under the DC Construction Code.

b. Site Management.

- (i) The Applicant will erect and maintain construction fencing and barricades in order to screen and secure the site during the construction process. The Applicant and its contractors will work with community members and the Department of Consumer and Regulatory Affairs to maintain temporary storm water management systems throughout the Project's construction until such time as the permanent facilities are constructed, approved and functioning such that there shall be no adverse water impacts on the adjacent neighborhood.
- (ii) A minimum amount of lighting, directed away from residential properties, will be provided at the Applicant's property at night. These lights will be sufficient to provide necessary security and to comply with federal and municipal safety standards.
- (iii) Subject to District of Columbia approval, the Applicant will attempt to locate the construction trailer on the Applicant's property so as to

minimize impacts on adjacent neighbors. If such approval is not granted, such trailer(s) will be located to minimize neighborhood impacts.

c. Cleanliness. The Applicant will remove rubbish and construction debris continuously during the construction period during the normal construction workday and during periods of weekend construction work. In addition, the Applicant will monitor and police the construction site daily or more often as required to ensure cleanliness. The Applicant will also undertake a program of pest control to ensure that no increase in pest activity occurs during the construction period. All excavation or back fill trucks will be covered before proceeding from the Applicant's property onto city streets. Dust and debris will be removed from the Applicant's property on an as needed basis. Portable latrines will be located on the Applicant's property to minimize impacts upon adjacent properties.

d. Work Hours.

- (i) The normal construction work week will be Monday through Friday from 7:00 a.m. until 7:00 p.m., and Saturday from 8:00 a.m. until 4:00 p.m. All trucks for delivery of materials, construction or otherwise, will arrive, depart and operate on the Applicant's property only during the foregoing hours. There will be no queuing of construction related vehicles or arrival of workers prior to stated work hours.
- (ii) The Applicant will make good faith efforts to limit work that is likely to disturb the residents of the adjacent neighborhoods to weekdays, except where limitations on work during the week require work on Saturdays to meet the requirements of construction teams for a 40 hour work week.
- (iii) The Applicant will not permit any activity on the Applicant's property that requires the movement of heavy vehicle traffic or other significant traffic, to or from, the Applicant's property or which generates sound levels in excess of sixty decibels (60 db) or otherwise is likely to significantly disturb the residents of the adjacent neighborhoods prior to 7:00 AM or after 6:30 PM on weekdays and prior to 9:00 AM or after 4:00 PM on weekends.

e. Contractors and Subcontractors. The Applicant will require that all contractors and subcontractors be contractually required to follow the terms of, and comply with, the policies set forth in this Development and Construction Management Plan. The Applicant will also require that all contractors and subcontractors use only licensed vehicles and drivers and that they comply with all DC traffic laws and regulations.

f. Traffic, Loading, and Parking. Truck queuing and routing will be worked out with the DC Department of Transportation and adjacent property owners.