Holland & Knight

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Norman M. Glasgow, Jr.
202.419.2460
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November 24, 2014

VIA IZIS AND HAND DELIVERY

Zoning Commission
for the District of Columbia
441 4th Street, N.W., Suite 210
Washington, D.C. 20001

Re: **Zoning Commission Case No. 14-08 (Portner Place, LLC)**
Applicant's Revised BAFO Chart and Post-Hearing Submission Materials

Dear Members of the Commission:

On behalf of Portner Place, LLC, as Applicant in the above-referenced case, we hereby submit the following information requested by the Commission at the October 27, 2014 public hearing on this matter:

1. Elevation showing an articulation of the blank wall on the east side of Wing B (Exhibit A);
2. Rooftop plan showing the proposed pool (Exhibit A);
3. Renderings of the U Street and V Street rooftops (Exhibit A); and
4. Tenant Assignment and Development Agreement (Exhibit B).

Also included is the Applicant's revised list of proffers and corresponding conditions for the draft PUD order (Exhibit C), submitted in compliance with the Commission's procedures of 11 DCMR § 2403.15 *et seq.* This document incorporates comments received from the Office of the Attorney General.

Thank you for your attention to this matter.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: Norman M. Glasgow, Jr.

Norman Glasgow, Jr.
Jessica R. Bloomfield*

Enclosures

cc: Advisory Neighborhood Commission 1B (w/ enclosure, via U.S. Mail)
Jennifer Steingasser, Office of Planning (w/ enclosure, via Hand Delivery)
Stephen Gyor, Office of Planning (w/ enclosure, via Hand Delivery)
Jacob D. Ritting, Office of the Attorney General (w/ enclosure via email)

*Admitted to practice in Pennsylvania. Practicing in the District of Columbia pursuant to D.C. Court of Appeals Rule 49(c)(8).

Exhibit A

EAST COURTYARD ELEVATION / SECTION

LEGEND

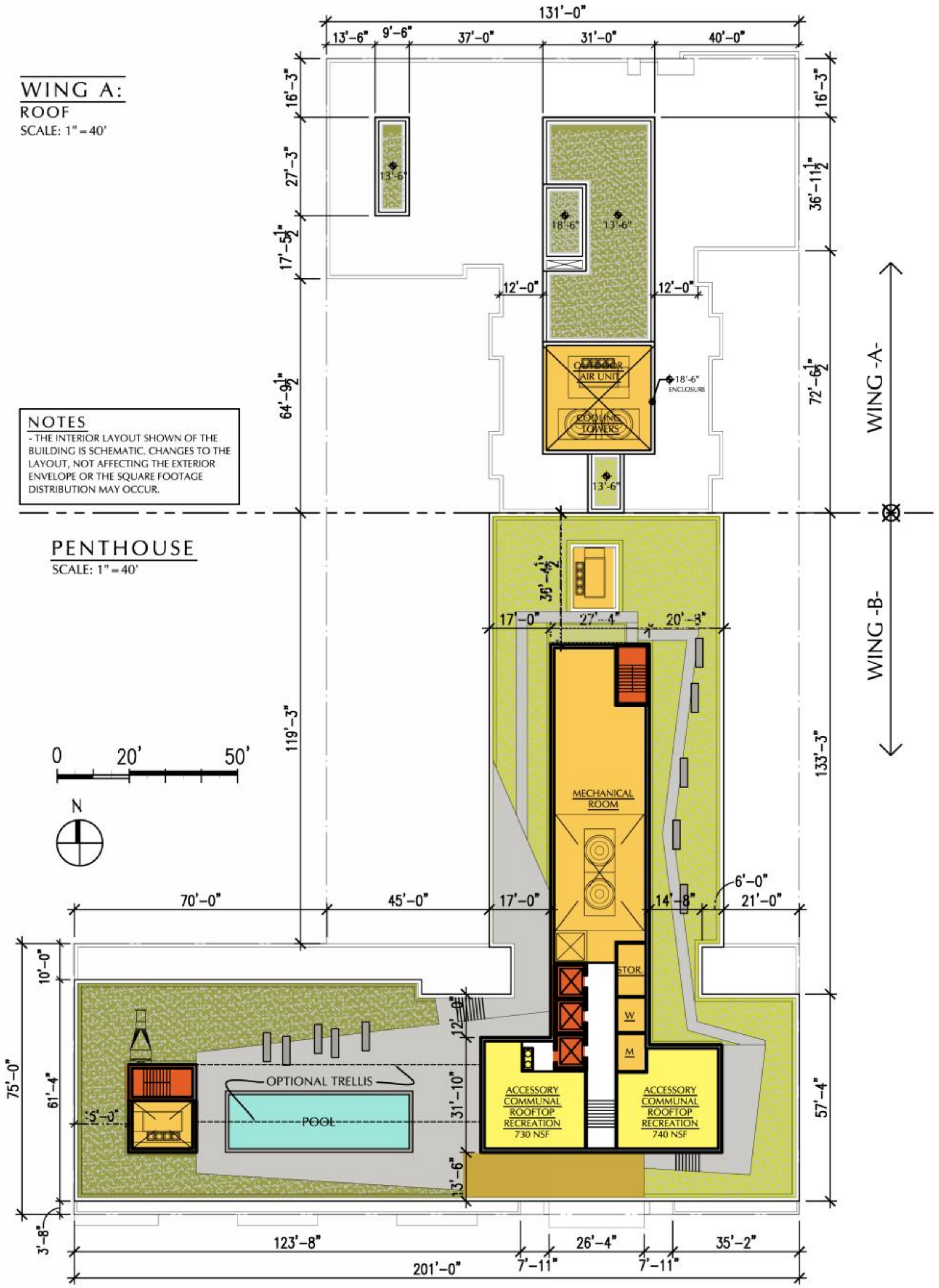
A B

- STUDIO
- 1 BEDROOM
- 1 BEDROOM + DEN
- 2 BEDROOM
- 3 BEDROOM
- CORE
- AMENITY
- SERVICE
- LANDSCAPING
- RETAIL

NOTES
- THE INTERIOR LAYOUT SHOWN OF THE BUILDING IS SCHEMATIC. CHANGES TO THE LAYOUT, NOT AFFECTING THE EXTERIOR ENVELOPE OR THE SQUARE FOOTAGE DISTRIBUTION MAY OCCUR.

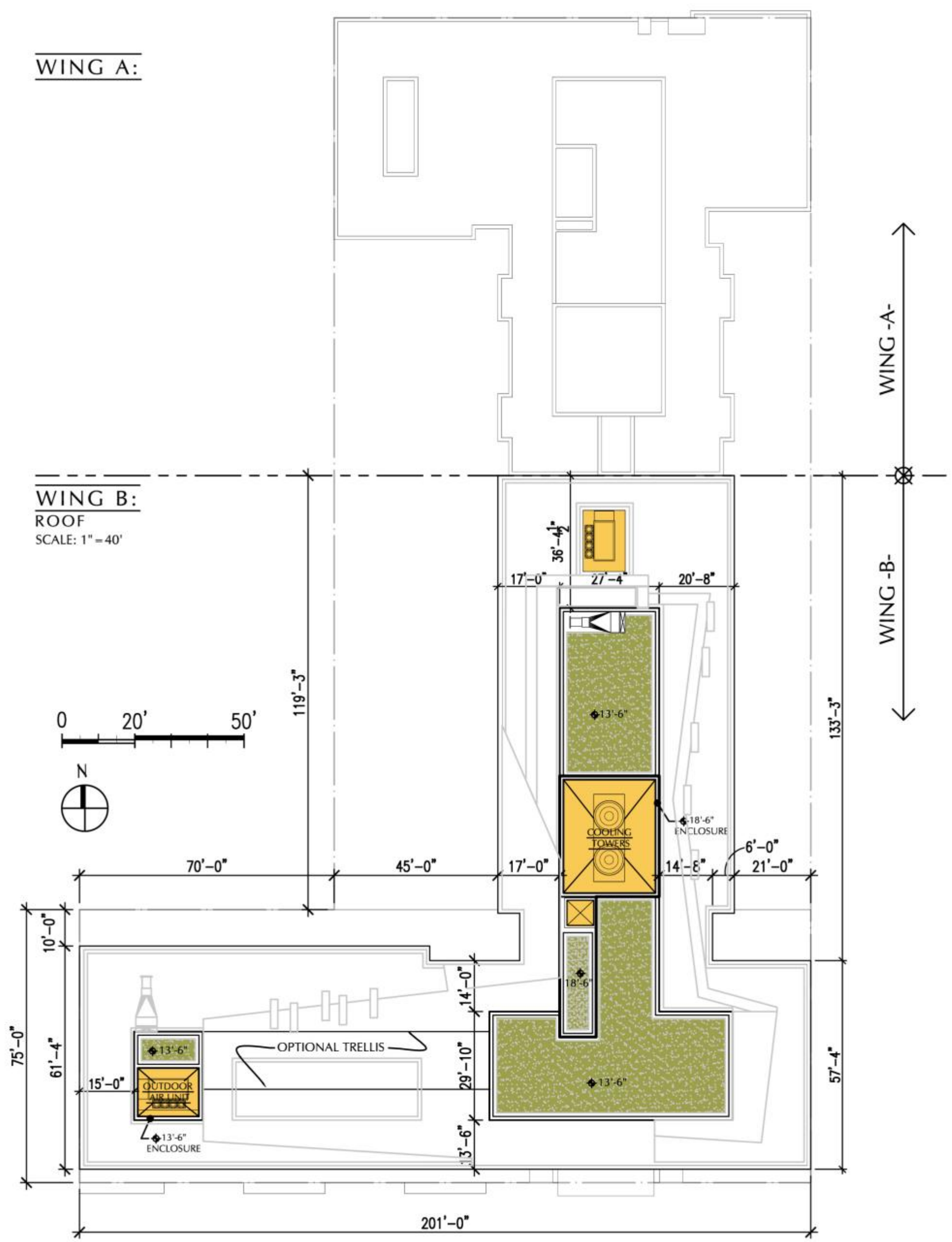
WING A:
ROOF
SCALE: 1" = 40'

PENTHOUSE
SCALE: 1" = 40'



WING A:

WING B:
ROOF
SCALE: 1" = 40'



PENTHOUSE & ROOFTOP PLANS

ERIC COLBERT & ASSOCIATES
717 5TH STREET, N.W. WASHINGTON, D.C. 20001

JONATHAN ROSE COMPANIES
551 FIFTH AVENUE, 23RD FL. NEW YORK, N.Y. 10017

SOMERSET DEVELOPMENT COMPANY
4115 WISCONSIN AVENUE, N.W. SUITE 210 WASHINGTON, D.C. 20016

PORTNER PLACE
WASHINGTON, D.C. 20009

PERSPECTIVE VIEW: U STREET ROOFTOP

PERSPECTIVE VIEW: V STREET ROOFTOP

Tenant Assignment and Development Agreement

Portner Place Apartments

This Tenant Assignment and Development Agreement ("***Agreement***") is entered as of September 16, 2013, by Portner Place, LLC, a District of Columbia limited liability company ("***Purchaser***") and Portner Place Tenants Association, a District of Columbia nonprofit corporation ("***Tenants Association***" and together with the Purchaser, the Parties).

1. Background

This Agreement relates to the property known as Portner Place Apartments located at 1441-1449 U Street, NW and 1440-1450 V Street, NW, Washington, DC (the "***Property***"). On or about June 15, 2012, Portner Place Associates Limited Partnership (the "***Seller***"), the owner of the Property, provided the tenants of the Property an Offer of Sale and Tenant Opportunity to Purchase (the "***Offer***") pursuant to Subtitle IV of the Rental Housing Conversion and Sale Act of 1980, as amended (D.C. Code 42-3404.01 et seq.) ("***TOPA***"). Tenants Association registered as a tenant organization under TOPA, giving it the exclusive right to exercise any rights under TOPA in connection with the Offer. Tenants Association and Somerset Development Company, LLC ("***Somerset***") entered into an Assignment and Binding Letter of Intent (the "***LOI***") dated as of November 30, 2012, pursuant to which the Tenants Association assigned its rights under TOPA in exchange for certain benefits. The LOI contemplates that the agreement of the parties would be more fully set forth in a development agreement. Somerset has assigned all of its rights and obligations under the LOI to Somerset Portner Partners LLC, a District of Columbia limited liability company. Somerset Portner Partners LLC, entered into a Purchase and Sale Contract with Seller dated as of January 31, 2013, to acquire the Property (the "***Purchase Agreement***"). Somerset Portner Partners LLC has assigned all of its rights and obligations under the Purchase Agreement to Purchaser.

As used in this Agreement, the term "***Original Tenant***" means an individual or the individuals that is/are the leaseholder of an apartment at the Property on December 1, 2012, as identified on Exhibit A attached hereto. Purchaser will consider in good faith any reasonable evidence that an individual not listed on Exhibit A qualifies as an Original Tenant. The benefits described in this Agreement are on a per-apartment basis, so if there is more than one Original Tenant for an apartment, they will be considered a single Original Tenant and all benefits under this Agreement will be provided to them jointly. Occupants of an apartment that are not leaseholders are not considered Original Tenants. This Agreement does not modify the rights of tenants at the Property under their leases except as expressly set forth below.

2. Redevelopment

a. Purchaser shall pursue the redevelopment of the Property (the "***Redevelopment***"). Purchaser expects to obtain zoning entitlements to allow the demolition of the existing buildings on the Property (the "***Existing Buildings***") and the construction of two new buildings. One building (the "***Subsidized Building***") would front on V Street and would contain Affordable Units (as defined below). The other building (the "***Market Rate Building***") would front on U Street and would contain market-rate residential units and ground floor retail. The Subsidized Building and Market Rate Building may be adjoining and/or share amenities. In the alternative, Purchaser may demolish the Existing buildings and construct a single building containing both Affordable Units and market-rate units (the "***Mixed-Income Building***"), or may renovate the Existing Buildings. In all cases, the Redevelopment will provide a wide array of family-oriented community amenities and community spaces, including a computer lab, secure outdoor playground, exercise room, enhanced onsite security features, new mailboxes, on site or in-unit washer and dryer, beautiful design and quality materials, beautiful new lobby with guest check in, bedroom sizes to accommodate families, new landscaping, energy efficient and green construction and design, and resident services. Balconies will be provided in some units, if possible. Resident services will include well-funded, active, and comprehensive programs, such as after-school, youth programs, health and wellness, job services, all with involvement of tenants in decision-making. Purchaser will present the planned Redevelopment to the Tenants Association and solicit its input, but the final scope of Redevelopment shall be determined by Purchaser in its sole and absolute discretion subject only to the requirements of this Agreement. "***Affordable Units***" means units set aside for and with rents affordable to low- or moderate-income households in accordance with one or more applicable federal and District of Columbia programs.

b. The Tenants Association acknowledges and agrees that in connection with the Redevelopment the Purchaser may cause the Property to be subdivided into two or more lots. Purchaser may enter into one or more contracts to sell (a "***Future Contract***"), and may sell, all or a portion of the Property to another party (the "***Future Developer***") so long as the Future Developer is obligated to develop the Property in accordance with Section 2 and so long as Purchaser and/or the Future Developer remains obligated to provide all remaining benefits described in Sections 3, 4, 5 and 6 of this Agreement.

3. **Affordability**

The Property currently has a Section 8 Housing Assistance Payment Contract (the "***HAP Contract***") covering 48 units. Purchaser shall take the following actions in connection with the HAP Contract:

a. At the time Purchaser acquires the Property, it will assume the HAP Contract.

b. No later than Relocation, Purchaser shall do one of the following:

   i. Obtain HUD's consent to keep the HAP Contract in place during and following Redevelopment, with the expectation that (A) the HAP Contract would attach to the Subsidized Building or Mixed Income Building upon completion of the Redevelopment ("***Completion***"), (B) there would be a temporary "pass through" of the Section 8 subsidy, for the benefit of the tenants, to allow the tenants to temporarily relocate and retain the subsidy until Completion occurs, and (C) the HAP Contract will be extended for a 20-year term; or

   ii. Cause the subsidy under the HAP Contract to be converted to Section 8 housing choice vouchers or tenant protection vouchers by allowing the HAP Contract to expire, with each eligible tenant having the right to a voucher in accordance with HUD guidelines; or

iii. Obtain HUD's consent to split the HAP Contract into two contracts, one of which would be converted to vouchers with vouchers given to eligible tenants who elected not to return to the Property following Redevelopment, and one of which would be kept in place during and following Redevelopment, with the expectation that the HAP Contract would attach to the Subsidized Building or Mixed Income Building upon Completion (and with a temporary "pass through" of the Section 8 subsidy until Completion occurs).

c. Purchaser will actively explore with HUD the option described in Section 3(b)(iii) above. The Tenants Association acknowledges that HUD requirements and financial considerations will be the primary factors used by Purchaser to select one of the options in Section 3(b).

d. The availability of Section 8 assistance during and after Relocation is discussed in greater detail in Sections 5.c and 5.d below.

4. **Option to Return**

a. All tenants at the Property will be required to relocate in order for Purchaser to perform the Redevelopment ("***Relocation***"), as set forth in greater detail in Section 5 below. An Original Tenant will have the option to move back to the Property after Redevelopment, so long as the Original Tenant complies with each and every one of the following conditions:

i. Each Original Tenant must inform the Purchaser in writing whether or not he/she/they elect(s) to return to the Property following Redevelopment within thirty (30) days of delivery of a notice from Purchaser requesting Original Tenant to make such an election. Purchaser will deliver such notice prior to Relocation. If an Original Tenant does not make an election in writing within the thirty (30) day period, the Original Tenant will be deemed to have elected to return. The election, or deemed election to return, is referred to in this Agreement as the "***Return Election.***" An Original Tenant that elects, or is deemed to have elected, to return is referred to in this Agreement as a "***Returning Original Tenant***" and an Original Tenant that elects not to return is referred to in this Agreement as a "***Non-Returning Original Tenant.***"

ii. A Returning Original Tenant must provide all requested information to verify eligibility for the Low Income Housing Tax Credit program and, if applicable, Section 8 project-based assistance, at the time he or she returns to the Property. Ineligibility for the LIHTC program will not negate the Returning Original Tenant's right to return; ineligibility for project-based Section 8 will negate the right to return.

iii. A Returning Original Tenant must provide Purchaser with written notice of any change in his or her principal address following Relocation.

iv. Purchaser will notify Returning Original Tenants by regular mail and by certified mail with return receipt when a new unit at the Property is available. If the return receipt is not signed by tenant and received by Purchaser within 7 days of mailing, Purchaser will make best efforts to contact the tenant by other means. No later than the first day of the month that is at least thirty (30) days following delivery of written notice by Purchaser that a new unit at the Property is available, a Returning Original Tenant must enter into a new lease for a unit at the Property (if requested by Purchaser), occupy that unit as a primary residence, and begin making rent payments. (By way of illustration, if notice is delivered on May 5, the Returning Original Tenant would need to enter into a new lease, occupy the unit and begin rent payments no later than July 1.) Purchaser will extend the date to return to the Property if the deadline described above would impose exceptional hardship, such as, by way of example, causing a child to change schools mid-term. Returning Original Tenant will have the opportunity to inspect the unit prior to move-in and to confirm that all work has been completed and that the unit is in move-in condition

b. Purchaser shall offer each Returning Original Tenant that satisfies each of the conditions in Section 4.a. of this Agreement the opportunity to lease an apartment at the Property that has the same number of bedrooms and is of a similar size as the apartment the Returning Original Tenant occupied at the time of Relocation (the "***Original Apartment***"), provided that if the Returning Original Tenant's household size was larger or smaller than was appropriate for the Original Apartment or if the Returning Original Tenant's household size changes following Relocation, the Purchaser may offer a new apartment that is appropriate in size for such a household in accordance with applicable HUD requirements. Attached as <u>Exhibit B</u> is a list of all households members permitted to occupy a unit at the Property as of December 1, 2012. Purchaser will consider in good faith any reasonable evidence that an individual not listed on Exhibit B was a permitted occupant as of December 1, 2012.

5. Relocation and Relocation Payment

a. Each Original Tenant is entitled to a relocation payment ("***Relocation Payment***") in the amount of (a) [redacted] if the Original Tenant is a Returning Original Tenant, or (b) [redacted] if the Original Tenant is a Non-Returning Original Tenant. Purchaser will pay the Relocation Payment in two installments: [redacted] at the time the Purchaser acquires the Property; and the balance at the time the Original Tenant moves from the Property and complies with Section 5.c(v) or 5.d(iii) below, as applicable. As a condition to receipt of the first installment of the Relocation Payment, each Original Tenant must sign a certificate acknowledging receipt of the payment and confirming the leaseholder(s) and other occupants of his or her unit. The second installment of the Relocation Payment will be reduced by the amount of any unpaid rent or other amounts owed to Purchaser by Original Tenant. If the Original Tenant is comprised of more than one person (i.e., if there is more than one leaseholder), Purchaser may make payment to all such persons jointly. The Original Tenants may request that the Relocation Payment be made to another person, but Purchaser will not be required to comply with that request unless the Original Tenants provide documentation and indemnification satisfactory to Purchaser in its sole discretion.

b. In connection with Relocation, Purchaser will pay all reasonable and ordinary moving and relocation expenses of each Original Tenant associated with moving out of the Property and, if applicable, returning to the property following Redevelopment. Purchaser will select and contract with the moving company for all moves.

c. In the event the subsidy under the HAP Contract is not converted to vouchers and there is a temporary "pass through" of all of the Section 8 subsidy, this Section 5.c will apply.

   i. Returning Original Tenants will, subject to the approval of Purchaser under the applicable conditions then imposed by HUD, continue to receive Section 8 rental assistance during the relocation period. Non-Returning Original Tenants will stop receiving Section 8 rental assistance at the time they relocate from the Property (or the date they are required to relocate, if earlier).

   ii. The Purchaser will be responsible for identifying temporary replacement housing, negotiating the terms of the temporary lease with the owner of the temporary replacement housing unit, obtaining HUD approval for such temporary lease, and entering into the temporary lease. At the request of Purchaser, the Returning Original Tenant will enter into a sublease for the temporary replacement housing.

   iii. The temporary replacement housing unit must be decent, safe, and sanitary, as defined and approved by HUD, meet local codes, and be subject to inspection by HUD to ensure it meets these qualifications. Purchaser will consult with Returning Original Tenants to determine the desired characteristics of temporary replacement housing, and to the extent feasible, will identify temporary replacement housing that takes into account schools, jobs, transportation, services, and similar characteristics. Returning Original Tenants will have the opportunity to view the units in person prior to their move-in date.

   iv. The Returning Original Tenant must continue to pay his/her share of the rental payment to the Purchaser and the Purchaser will be responsible for paying the rental payment to the owner of the temporary replacement unit. The Returning Original Tenant must comply with all other terms of the lease for the temporary replacement unit. The Returning Original Tenant must sign a certification of compliance with the House Rules applicable to the temporary replacement unit.

   v. Purchaser will provide each Original Tenants with at least sixty (60) days advance written notice informing him or her that he or she must relocate for the purposes of Redevelopment. At the time an Original Tenant relocates from the Property, and as a condition to receiving the second installment of the Relocation Payment, the following conditions must be met: (a) Non-Returning Original Tenants must agree in writing that his or her tenancy at the Property and all rights in connection with such tenancy are terminated; (b) Original Tenants must agree in writing that the Relocation Payment is accepted as full satisfaction of any and all amounts to which the Original Tenant may be entitled contractually or under Federal or District of Columbia law in connection with Relocation; (c) Returning Original Tenants must agree in writing to terminate his or her tenancy and surrender possession of his or her unit if he or she fails to return to the Property within the time-period set forth in Section 4(a)(iv); and (d) if applicable, a tenant organization representing the Tenants at the property must have waived or assigned to the Purchaser or Future Developer (as defined below) any rights it might have under TOPA with respect to planned transfers of all or a portion of the Property in accordance with Section 7 below.

vi. Any Returning Original Tenant that makes the Return Election, but then fails to return to the Property within the time-period set forth in Section 4(a)(iv), will stop receiving Section 8 rental assistance, and will be deemed to have surrendered possession of his or her unit at the Property, and will not be entitled to any additional Relocation Payment.

d. In the event the subsidy under the HAP Contract is converted to vouchers, this Section 5.d will apply:

i. Original Tenant's eligibility for vouchers will be determined by the District of Columbia Housing Authority ("***DCHA***") under its applicable guidelines and HUD regulations. Purchaser makes no representation that all Original Tenants will be eligible.

ii. Purchaser will be responsible for identifying temporary replacement housing. The Returning Original Tenant will sign the lease for the temporary replacement housing. The lease and the unit must comply with applicable HUD and DCHA guidelines. The Returning Original Tenant will pay rent in accordance with applicable HUD and DCHA guidelines.

iii. Purchaser will provide each Original Tenants with at least sixty (60) days advance written notice informing him or her that he or she must relocate for the purposes of Redevelopment. At the time an Original Tenant relocates from the Property, and as a condition to receiving the second installment of the Relocation Payment, the following conditions must be met: (a) Original Tenants must agree in writing that his or her tenancy at the Property and all rights in connection with such tenancy are terminated; (b) Original Tenants must agree in writing that the Relocation Payment is accepted as full satisfaction of any and all amounts to which the Returning Original Tenant may be entitled contractually or under Federal or District of Columbia law in connection with Relocation; and (c) if applicable, a tenant organization representing the Tenants at the Property must have waived or assigned to the Purchaser or Future Developer (as defined below) any rights it might have under TOPA with respect to planned transfers of all or a portion of the Property in accordance with Section 7 below. The termination of the tenancy of a Returning Original Tenant pursuant to this Section 5(d)(iii) will not modify such tenant's rights under this Agreement, including without limitation the right to move back to the Property following Redevelopment.

e. For Non-Returning Original Tenants, Purchaser shall have no obligation to identify replacement housing.

f. The Tenants Association acknowledges that receipt of the Relocation Payment by an Original Tenant could impact the Original Tenants' eligibility for public benefits. Without limitation, it could cause a loss of eligibility under Temporary Assistance for Needy Families (TANF) and Social Security Insurance (SSI). In addition, it may cause an increase in the Original Tenant's income and therefore cause a slight increase in his or her share of rent under the Section 8 program.

6. Additional Benefits

a. Following Redevelopment, Purchaser shall make available a total number of free parking spaces equal to one space per two Returning Original Tenants (up to a maximum of 24 free parking spaces) (the "***Reserved Spaces***") for Returning Original Tenants (no more than one parking space per household) that return to the Property following Redevelopment, meet each of the conditions set forth in Section 4.a of this Agreement, and meet the parking policy established by the Purchaser. The Reserved Spaces will be assigned to eligible Returning Original Tenants by lottery, with a preference for Returning Original Tenants who have a parking permit as of the date of this Agreement. When a Reserved Space becomes available following initial assignment, it will be offered to other Returning Original Tenants based on a waiting list established at the time of the initial lottery.

b. At the time of completion of the Redevelopment, Purchaser shall deposit into a resident services fund ("***RSF***") One Hundred Thousand Dollars ($100,000). Within ninety (90) days following the end of each fiscal year beginning with the year in which the Redevelopment is completed, Purchaser shall deposit to the RSF $25,000 from property operations. The RSF shall be held in trust by the Purchaser and be administered in accordance with a resident services plan adopted and supervised by a five-person board (the "***RSB***"). The RSB will be comprised of two representatives appointed by the Tenants Association, or a successor entity representing the interest of tenants of Affordable Units at the Property, two representatives appointed by Purchaser, and a community representative that the tenant appointees and Purchaser mutually agree to appoint. The RSF shall be used to provide funding for, among other things, resident services coordination either through staff or by contract with a qualified provider, who will, at a minimum and as determined by the RSB, (1) seek to raise additional funding from third party sources, (2) coordinate and oversee all resident services and resident common area activities, and (3) work to address the social service needs of individual tenants.

c. Purchaser shall pay to the Tenants Association, or a successor entity representing the interest of the tenants of Affordable Units at the Property, annually all net proceeds from vending machines located at the Subsidized Building to be used in their sole discretion.

d. At the time Purchaser acquires the Property, it will pay to the Tenants Association [redacted] as reimbursement for the expenses of the Tenants Association in connection with the Offer and this Agreement, including without limitation the fees of the Tenants Association's attorney.

7. Assignment of TOPA Rights

The Tenants Association hereby ratifies and affirms that it waives and assigns to Purchaser all rights it has or may have under TOPA related to the Offer. The Tenants Association's waivers and/or assignments pursuant to this Section 7 shall apply to Purchaser's acquisition of the Property under the Purchase Agreement and the subsequent Redevelopment of the Property as contemplated by this Agreement. The Tenants Association will execute such other documents as may be reasonably required by Purchaser, lenders, investors, governmental authorities, or a title company to confirm and/or perfect this waiver and assignment.

If Purchaser enters into a Future Contract and in connection with the Future Contract the Purchaser provides an offer or notice of transfer under TOPA to the tenants at the Property (the "***Future TOPA Notice***"), then, so long as the Future Developer is obligated to develop the Property in accordance with Section 2 and so long as Purchaser and/or the Future Developer remains obligated to provide all remaining benefits described in Sections 3, 4, 5 and 6 of this Agreement, the Tenants Association shall take all steps reasonable and necessary to waive and/or assign to Purchaser or Future Developer all of its rights under TOPA in connection with the Future Contract and Future TOPA Notice for no additional consideration, and if the Tenant Association or any other organization representing or purporting to represent the tenants of the Property registers under TOPA in connection with the Future TOPA Notice and does not promptly waive or assign to Purchaser or Future Developer such rights for no additional consideration, then Purchaser's obligation to make the Relocation Payment or provide any other benefit under this Agreement shall immediately terminate.

8. Tenants Association Cooperation

The Tenants Association shall assist the Purchaser in securing public funding and approvals required for redevelopment of the Property. Such assistance may include, at the request of Purchaser, (a) the attendance and support of the Tenants Association at public hearings and meetings to the extent practical and as requested by Purchaser, and (b) letters of support and efforts to obtain letters of support. The Tenants Association acknowledges that the Purchaser will need accurate information regarding the income and household composition of residents of the Property in order to obtain public funding, and the Tenants Association shall use best efforts to help Purchaser obtain that information.

9. Termination and Loss of Benefits

a. If Purchaser determines that it will be unable to close on the acquisition of the Property or to redevelop it in accordance with the provisions of this Agreement or the Purchase Agreement, then it may terminate this Agreement by giving Tenants Association no less than thirty (30) days prior notice and, upon written request of the Tenants Association, it shall assign the Purchase Agreement to such party as Tenants Association reasonably requests, provided that such assignment shall occur before the end of the thirty (30) day period and provided further that at the time of assignment Purchaser shall be reimbursed an amount equal to any deposit Purchaser posted pursuant to the Purchase Agreement.

b. An Original Tenant shall have no further rights under this Agreement upon the occurrence of any of the following:
    i. If a court issues a judgment for possession against the Original Tenant in connection with either an apartment at the Property or a temporary relocation apartment;
    ii. If the Original Tenant vacates or abandons either an apartment at the Property or a temporary relocation apartment other than in accordance with this Agreement;
    iii. If the Original Tenant dies (provided that if the Original Tenant is comprised of more than one person, the surviving person shall retain all benefits);
    iv. If the Original Tenant is a Returning Original Tenant and fails to satisfy each of the conditions set forth in Sections 4(a), 5(c)(iv), 5.c(v), and/or 5.d(ii), as applicable; or
    v. If this Agreement is terminated by Purchaser in accordance with Section 9(a) above.

10. Default

In the event of a default by either party under this Agreement, and if such default continues for 30 days after written notice from the non-defaulting party (an "***Event of Default***"), the non-defaulting party shall have the right to pursue its remedies at law or equity.

11. Approval Standards; Right to Review

Except as otherwise specified, the Parties shall act diligently, reasonably and in good faith in their actions, decisions and approvals with respect to each other.

12. Choice of Law

The Agreement will be construed and interpreted under the laws of the District of Columbia.

13. Counterparts

This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. Each counterpart may be delivered by facsimile or electronic transmission. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto.

14. Successors and Assigns; Third Party Beneficiary

This Agreement shall be binding on each party's successors and assigns. Purchaser shall have the right to assign its rights and obligations hereunder. Each Original Tenant shall be deemed a third party beneficiary of this Agreement. The Original Tenants may not assign their rights under this Agreement.

15. Severability

The terms of this Agreement are severable, and if any provision or provisions are deemed invalid, then the remainder of the Agreement shall be read and interpreted to extent possible as if the invalid terms had been stricken.

16. Entire Agreement

This Agreement constitutes the sole agreement of the Parties with respect to its subject matter. It supersedes any prior written or oral agreements or communications between the Parties (including without limitation the LOI). It may not be modified except in writing by the Parties.

17. Notices

Notices to the Parties shall be sent to the following addresses:

If to Purchaser:

Portner Place, LLC
c/o Somerset Development Company
4115 Wisconsin Ave. NW Suite 210
Washington, D.C. 20016
Attn: Jim Campbell

With a copy to:
Klein Hornig LLP
1275 K Street, NW, Suite 1275
Washington, DC 20010
Attn: Aaron O'Toole

If to Tenants Association

Portner Place Tenants Association

1443 U Street NW 102
Washington, DC 20009
Attn: Alfreda White

With a copy to:

Eric M. Rome, Esq.
Eisen & Rome, P.C.
One Thomas Circle N.W. #850
Washington, D.C. 20005

Notices shall be sent by hand delivery, first class mail or overnight delivery. If sent by hand delivery, notices shall be deemed received the day of delivery. If delivered by first class mail, notices shall be deemed received the third business day after being deposited into the mail. If delivered by overnight delivery, notices shall be deemed received the day after being deposited with the delivery service.

[Signatures appear on the following page]

The Parties hereby enter into this Tenant Assignment and Development Agreement as of the date first written above:

PORTNER PLACE TENANTS ASSOCIATION

By: ______________________________
Alfreida White, President

PORTNER PLACE, LLC, a Delaware limited liability company

By: Portner Place Holding, LLC, a Delaware limited liability company, its sole member

By: Portner Development Partners, LLC, a Delaware limited liability company, its managing member

By: ______________________________
Name: James Campbell
Title: Authorized Officer

The undersigned members of the Board of Directors of the Tenant Association acknowledge that this Tenant Assignment and Development Agreement was duly approved by the Board on behalf of the Tenant Association.

Signature: Earlene Haynes
Print Name: EARlene Haynes
Name:
Title: TreASURe
Date: 9/16/13

Signature: Marlene T. Frost
Print Name: Marlene T. Frost
Name:
Title: Treasure
Date: 9-16-13

Signature: Marlyn Galvez
Print Name: Marlyn Galvez
Name:
Title: Secretary
Date: 9/16/13

Signature: Wanda Simms
Print Name: WandaSimms
Name:
Title: Vice PResidenT
Date: 9/16/13

Signature: Alfrieda White
Print Name: Alfrieda White
Name:
Title: President
Date: 9/16/13

ZAID YOHANNES.
Ass. Secretary
9/16/2013

EXHIBIT A
ORIGINAL TENANTS

Intentionally
Excluded

Z.C. Case No. 14-08 (Portner Place, LLC –
Consolidated PUD & Related Map Amendment)

PROFFER	CONDITION
Urban Design, Architecture, and Open Space (*11 DCMR § 2403.9(a)*) - The PUD implements a number of urban design and architectural best practices, which will contribute to the ongoing development of U Street as a major mixed-use corridor with higher-density residential uses, including affordable housing, and high-quality retail uses. The project's frontage on U Street will activate the corridor and will relate to and respect the adjacent existing buildings. By providing a mix of uses and streetscape improvements, the PUD will support the revitalization of this portion of the U Street/14th Street neighborhood into more vibrant, mixed-use, and multi-modal area. The PUD exemplifies the principles of transit-oriented development, being located in close proximity to the U Street Metrorail station and numerous Metrobus lines. The PUD is also extremely efficient with respect to its sharing of parking and loading facilities and its economical utilization of land. A roof level playground will be incorporated into the project design. Two and three-bedroom units will also be provided in the affordable component of the project, as requested by current residents. Use of high-quality materials in a unique mid-block through-lot location results in a design that relates well to both the U and V Street frontages of the project, as approved by the HPRB.	A.1. The PUD shall be developed in accordance with the architectural plans and elevations (the "Plans"), dated October 7, 2014 (Exhibit 28A), and as modified by the guidelines, conditions and standards of this Order. A.2-3. In accordance with the Plans, the PUD shall be a mixed-use project consisting of approximately 321,929 square feet of gross floor area and 6.82 FAR. The PUD shall be divided into two sections: Wing A shall have an FAR of 4.725 and shall include approximately 91,012 square feet of gross floor area. Wing A shall be comprised entirely of affordable dwelling units, with all of the 96 affordable units (plus or minus ten percent) devoted to households earning 60 percent or less of the area medium income ("AMI"), of which not less than 15 percent will be devoted to households earning 50 percent or less of the AMI. Wing B shall have an FAR of 8.27 and shall include approximately 270 market rate dwelling units (plus or minus ten percent). Wing B shall have approximately 230,917 square feet of gross floor area comprised of approximately 221,197 square feet of gross floor area devoted to residential uses, approximately 9,720 square feet of gross floor area devoted to retail uses on the ground floor, plus the potential for an additional 4,900 square feet of retail uses in the P2 level.
Housing and Affordable Housing (*11 DCMR § 2403.9(f)*) - The single greatest benefit to the area, and to the city as a whole, is the creation of new housing consistent with the goals of the Zoning Regulations, the Comprehensive Plan, and the Mayor's housing initiative. The proposed PUD includes approximately 312,209 square feet of residential gross floor area, approximately 30 percent of which (or 91,012 square feet of	A.1. The PUD shall be developed in accordance with the architectural plans and elevations (the "Plans"), dated October 7, 2014 (Exhibit 28A), and as modified by the guidelines, conditions and standards of this Order. A.2-3. In accordance with the Plans, the PUD shall be a mixed-use project consisting of approximately 321,929 square feet of gross

gross floor area) will be designated as affordable for households earning 60 percent or less of the AMI, of which not less than 15 percent will be devoted to households earning 50 percent or less of the AMI. This substantially exceeds the amount of affordable housing that would be developed on the PUD Site as a matter-of-right development, and at a significantly deeper subsidy level. Pursuant to Section 2603.2 of the Zoning Regulations, the Applicant is required to provide a minimum of eight percent of the proposed residential gross floor area in the PUD for affordable housing units. Under the PUD, if the Applicant were developing the property pursuant to Chapter 26, the Applicant would only be required to provide 24,977 square feet of affordable housing (eight percent of 312,209 square feet). The proposed PUD provides 91,012 square feet of gross floor area to be devoted to affordable housing, which is an increase of 66,035 square feet of gross floor area over what would otherwise be constructed (more than three times the requirement). Significantly, the affordable housing is provided at 50 to 60 percent AMI level or below, which is a substantial increase in the affordability level. The Applicant will finance Wing A with Low Income Housing Tax Credits ("LIHTCs"), which require a 40 year affordability commitment. During the construction phase of development, the existing 47 families that currently reside in Portner Place will be located off-site as near to the vicinity of the neighborhood of the project as practicable. The Applicant will be responsible for identifying 47 units of temporary housing, covering relocation costs, and signing a master lease with a new landlord(s). Temporary relocation units will adhere to HUD guidelines for Section 8 pass-through contracts and will be subject to HUD inspections. All residents will continue to	floor area and 6.82 FAR. The PUD shall be divided into two sections: Wing A shall have an FAR of 4.725 and shall include approximately 91,012 square feet of gross floor area. Wing A shall be comprised entirely of affordable dwelling units, with all of the 96 affordable units (plus or minus ten percent) devoted to households earning 60 percent or less of the AMI, of which not less than 15 percent will be devoted to households earning 50 percent or less of the AMI. Wing B shall have an FAR of 8.27 and shall include approximately 270 market rate dwelling units (plus or minus ten percent). Wing B shall have approximately 230,917 square feet of gross floor area comprised of approximately 221,197 square feet of gross floor area devoted to residential uses, approximately 9,720 square feet of gross floor area devoted to retail uses on the ground floor, plus the potential for an additional 4,900 square feet of retail uses in the P2 level. B.1. The Applicant shall set aside a minimum of 91,012 square feet of gross floor area for affordable housing units, which equates to a total of approximately 96 affordable units (plus or minus ten percent), all of which will be located in Wing A. For so long as the project exists, eight percent of the total residential gross floor area of the building will be set aside as Inclusionary Zoning units consistent with Chapter 26 of the Zoning Regulations. This equates to approximately 24,977 square feet of gross floor area of the 91,012 gross square feet devoted to IZ units in Wing A. During the first 40 years of the project, commencing with the issuance of the first certificate of occupancy, the Applicant shall set aside the remaining floor area devoted to affordable units to households earning 60 percent or less of the AMI, with 15 percent of those units devoted to households earning 50 percent or less of the AMI. ~~During the first 40 years of the project, the Applicant shall set aside no less than 96 units~~

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receive Section 8 rental assistance during the relocation period. In the ~~unlikely~~ event that HUD does not approve a pass-through contract, which will allow the Applicant to transfer the current Section 8 contract off-site during the two-year construction period, every current family at the PUD Site will be issued a voucher. All residents will be encouraged to return to the new building on the PUD Site, and the Applicant will be responsible for identifying temporary housing for each returning family with a voucher and will cover relocation costs. Voucher holders will contract individually with their new landlord. The Applicant will identify 47 units in one of three ways or some combination thereof: 1. Within the apartment complexes that the development team owns and operates in the Washington, D.C. area (Somerset has approximately 894 units of affordable housing nearby) which could be available and eligible for the relocating families; 2. With the assistance of the Transitional Housing Corporation ("THC") and/or another agency and/or broker with similar experience in identifying and relocating low income families; 3. Purchasing a new building to house some or all 47 families during the two year relocation period. The Applicant will contract with THC or a similar agency to provide supportive services to current residents, assist families in the relocation process, and implement programs and services once the families return to the PUD Site. The Applicant will do more to help the community than simply provide new market-	~~(plus or minus ten percent) to be devoted to households earning 60 percent or less of the AMI, with 15 percent of those units devoted to households earning 50 percent or less of the AMI. The affordable units shall be located entirely in Wing A.~~ ~~During the life of the project, the Applicant shall set aside a minimum of eight percent of total residential gross floor area to be devoted to affordable housing and consistent with the Inclusionary Zoning Regulations.~~ B.3. ~~The Applicant intends to finance Wing A with LIHTCs, which require a 40 year affordability commitment. During the construction phase of development, the Applicant shall relocate~~ Prior to the issuance of the first certificate of occupancy, the Applicant shall provide evidence to the Zoning Administrator that it has relocated the existing 47 families that currently reside in Portner Place to off-site locations as near to the vicinity of the neighborhood of the project as practicable. The Applicant shall be responsible for identifying 47 units of temporary housing, covering relocation costs, and signing a master lease with a new landlord(s). The Applicant shall ensure that temporary relocation units will adhere to HUD guidelines for Section 8 pass-through contracts and will be subject to HUD inspections. Subject to HUD approvals, the Applicant shall ensure that all residents will continue to receive Section 8 rental assistance during the relocation period. B.4. In the ~~unlikely~~ event that HUD does not approve a pass-through contract, which will allow the Applicant to transfer the current Section 8 contract off-site during the two-year construction period, then prior to the issuance of the first certificate of occupancy, the Applicant shall provide evidence to the Zoning Administrator that it has ensured ~~the Applicant shall ensure~~ that every current family at the PUD Site ~~is~~ has been issued a

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rate and affordable housing. For example, the Applicant will help current residents stay in their community. The Applicant is preserving existing affordable housing within a new residential development, in addition to creating new affordable housing for District residents. The Applicant will offer resident services, such as financial management, career counseling, employment skills training, referrals and other assistance in job searches, health and nutrition information, after-school programs, computer training, computer access, and other services. These services demonstrate the Applicant's commitment to improving the surrounding community and desire to provide high quality affordable housing within a program that is designed to help residents, many of whom have lived in this location for decades and prosper in an urban lifestyle.	voucher or ~~is~~ was otherwise provided with rental assistance. The Applicant shall encourage all residents who desire to return to the new building on the PUD Site, and the Applicant shall be responsible for identifying temporary housing for each returning family with a voucher and shall cover relocation costs. Voucher holders will contract individually with their new landlord. The Applicant shall identify 47 units in one of three ways or some combination thereof: 1. Within the apartment complexes that the development team owns and operates in the Washington, D.C. area (Somerset has approximately 894 units of affordable housing nearby) which could be available and eligible for the relocating families; 2. With the assistance of THC and/or another agency and/or broker with similar experience in identifying and relocating low income families; 3. Purchasing a new building to house some or all 47 families during the two year relocation period. The Applicant shall contract with THC or a similar agency to provide supportive services to current residents, assist families in the relocation process, and implement programs and services once the families return to the PUD Site. B.5. The Applicant is helping current residents stay in their community by preserving existing affordable housing within a new residential development and creating new affordable housing for District residents. The Applicant shall offer resident services, such as financial management, career counseling, employment skills training referrals and other assistance in job searches, health and nutrition information, after-school

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	programs, computer training, computer access, and other services.
<u>Environmental Benefits (*11 DCMR § 2403.9(h)*)</u> – The Applicant is fully committed to providing high-quality housing that is sensitive to the natural environment in the District of Columbia. Through the development of the project, the Applicant will expand its commitment by ensuring the environmental, economic, and social sustainability of the residents through the implementation of sustainable design features. The Applicant will implement a number of strategies to enhance the inherently sustainable nature of the PUD Site's infill, transit-rich location and to promote a healthy, desirable, and comfortable lifestyle that will fully benefit the project's residents while minimizing the impact on the environment. The PUD will provide environmental benefits, including street tree planting and maintenance, landscaping, efficient energy sources, methods to reduce stormwater runoff, and green engineering practices. The roof contains space for trees and a green roof in compliance with the Green Area Ratio ("GAR") regulations, and an extensive re-planting and irrigation system is provided in public space, which far exceeds that required by DDOT regulations. In addition, bicycle parking is provided substantially in excess of that required by the Zoning Regulations, with space for close to 200 bicycles. The PUD will be designed to meet rigorous energy and environmental design standards using the LEED 2009 for New Construction and Major Renovations rating system as a guide and performance metric, and the building will not be designed or constructed below the LEED Silver rating equivalent (*see* Conceptual LEED scorecard included on page A-8 of the Plans dated October 7, 2014	<u>A.1.</u> The PUD shall be developed in accordance with the architectural plans and elevations (the "Plans"), dated October 7, 2014 (Exhibit 28A), and as modified by the guidelines, conditions and standards of this Order. <u>B.6.</u> <u>LEED Equivalent</u>: <u>Prior to the issuance of the first certificate of occupancy, the Applicant shall provide evidence to the Zoning Administrator that it has designed</u> Wing A ~~shall be designed~~ to comply with the equivalent of Enterprise Green Community Standards <u>and has designed</u> ~~.~~ Wing B ~~shall be designed~~ to include no fewer than the minimum number of points necessary to be the equivalent of a LEED Silver designation. The Applicant shall not be required to register or to obtain the certification from the United States Green Building Council.

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(Exhibit 28A). Wing A will comply with Enterprise Green Standards.	
Employment Benefits (*11 DCMR § 2403.9(j)*) – The Applicant will enter into a First Source Employment Agreement with the Department of Employment Services ("DOES"), whereby the Applicant will use DOES as its first source for recruitment, referral, and placement of new hires for construction employees whose jobs are created by the PUD.	B.7. Prior to the issuance of a certificate of occupancy for the PUD, the Applicant shall enter into a First Source Employment Agreement with DOES, whereby the Applicant shall use DOES as its first source for recruitment, referral, and placement of new hires for construction employees whose jobs are created by the PUD.

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