

REAL PROPERTY EXCHANGE AGREEMENT

THIS REAL PROPERTY EXCHANGE AGREEMENT (the “Agreement”) is made this 26th day of June 2014 by and between **Lake Anne Development Partners LLC**, a Virginia limited liability company, or its assigns (“LADP”) and the **Reston Association, Inc.**, a Virginia non-stock corporation (“RA”).

RECITALS

WHEREAS, RA is the owner of an unimproved parcel of land located between North Shore Drive, Chimney House Road and the existing parking lots at the Lake Anne Village Center, comprising approximately 1.0141 undeveloped acres referenced by Fairfax County **Tax Parcel 0172 08 0006C**, as depicted on **Exhibit A** to this agreement (the “RA Exchange Property”);

WHEREAS, the zoning of the RA Exchange Property is PRC, which currently designates the use of this parcel as “Open Space”;

WHEREAS, LADP is the designated redeveloper of The Crescent Apartments, pursuant to an Interim Development Agreement between LADP and the Fairfax County Board of Supervisors (the “County”) dated September 10, 2013 (The “Interim Agreement”);

WHEREAS, LADP and RA entered into a Letter of Intent for Proposed Land Exchange dated November 22, 2013 (the “LOI”), the terms, conditions and form of which were approved by vote of the RA Board of Directors on November 21, 2013, after public hearings were held on October 24, 2013 and on November 21, 2013, for which notice was duly provided to the RA Members pursuant to Section IV.2(f)(3) of the First Amendment to the Deed of Amendment to the Deeds of Dedication of Reston (the “Reston Deed”).

WHEREAS, LADP is undertaking a comprehensive zoning and development plan entitlement process to redevelop the RA Exchange Property, the Crescent Apartments land owned by the County and several other properties, which collectively comprise the entirety of Land Units A and D, as described in the County’s adopted Comprehensive Plan (Amendment No. 2007-13) (the “LADP Entitlements”);

WHEREAS, it is anticipated in the Interim Agreement that at the time the LADP Entitlements are approved, LADP and the County will enter into a final, definitive Development and Disposition Agreement for the land comprising the current Crescent Apartments, which comprises approximately 16.4885 acres and is referenced by Fairfax County Tax Parcels 0172 16 0001A and 0172 14 (01) 0002G (the “Crescent Property”); and,

WHEREAS, LADP filed on December 9, 2013 detailed applications, proffer statements, design plans and other customary zoning entitlement related documents (“Entitlement Applications”) in furtherance of obtaining the LADP Entitlements.

WITNESSETH

NOW THEREFORE, for and in consideration of the promises and covenants made herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, and intending to be legally bound, the parties hereto mutually agree that (a) RA shall convey and LADP agrees to accept conveyance of the RA Exchange Property, and (b) LADP agrees to convey and RA agrees to accept as additional common area, conveyance of the LADP Exchange Property, both subject to the terms, conditions, agreements, additional consideration and covenants contained herein.

1. Incorporation of Recitals. The above recitals are true and correct and are hereby incorporated into this agreement by this reference.

2. Land Exchange Consideration. On the Closing Date (hereinafter defined), RA shall convey free and clear title to the RA Exchange Property to LADP or its assignee. In partial consideration of the conveyance of the RA Exchange Property, and in addition to other exchange consideration that LADP agrees to provide to RA (as described hereinafter), LADP shall convey a minimum of 1.1 acres of suitable natural open space land within the Crescent Property to RA, to be added as “Common Area” under the Reston Deed, in the general location and configuration as shown crosshatched on the attached **Exhibit B** (the “LADP Exchange Property”). It is understood that the final metes and bounds description of the LADP Exchange Property will be determined during the approval process of the LADP Entitlements and by mutual agreement of LADP and RA staff; however, at a minimum, the definition of “*suitable natural open space*” shall mean that the number of healthy trees measuring 24” in diameter at breast height within the LADP Exchange Property shall be equal to or greater than the number of healthy trees measuring 24” in diameter at breast height that will be removed from the RA Exchange Property when it is developed. The location of the parking garage to be developed and the undisturbed natural areas on the RA Exchange Property, shall be as generally depicted on **Exhibit C** to this Agreement. The exact location of the parking garage and undisturbed areas shall be determined during the Entitlement Application’s approval process; however, a minimum of 0.3 acres (30%) of the RA Exchange Property shall remain in an undisturbed natural state.

3. Other Exchange Consideration. In addition to the aforementioned exchange of land LADP shall provide the following additional compensation::

A. On or before the Closing Date pay the sum of One Hundred Thousand Dollars (\$100,000.00) to RA, or RA’s designee, to be thereafter used by RA, at its sole discretion, for either (i) tree canopy enhancement and reforestation or other environmental enhancements of RA Common Area in Reston, or (ii) to fund the acquisition by RA or its designee, of fee title to or conservation easements over, privately owned property for the purpose of expanding the amount of RA Common Area and/or protected mature tree canopy within Reston.

B. Prior to the Closing Date, trees to be preserved on the RA Exchange Property and on the LADP Exchange Property, shall be assessed jointly by LADP’s arborist and RA’s arborist and a specific set of recommendations ascertained, that shall include root pruning, fertilization, preventative pest treatment, paclobutrizol (a growth auxin that promotes root generation and drought hardiness), and other activities, including those listed below, in order to

improve the trees' ability to survive the construction process. LADP shall implement such recommendations at its sole cost and expense.

- Fertilization to preload trees will be completed using liquid injection techniques. Fertilization will include nitrogen rates and types appropriate to this objective. A bio-stimulant will be included. A preventative systemic pesticide will be applied to reduce the likelihood of any pests increasing the stress associated with root loss due to root pruning.
- Root pruning will be completed using hand tools and air excavation tools at the limits of disturbance. Root pruning will be conducted to sever roots cleanly at the limit of disturbance/limit of excavation. It will be completed in a minimum of two phases. Roots immediately adjacent to the largest trees will be cut using appropriate tools following their exposure using air tools and hand tools. The most severe areas of root pruning will be administered first such that one-half the roots within the areas closest to trees are cut in the first phase and the other half are during the second phase such that half the root pruning is done in the first operation and the remainder is done several months later.
- Four water monitoring stations will be installed to monitor the available moisture in the soil. Gypsum blocks will be installed and used to monitor soil moisture. Two stations will be immediately adjacent to the limits of disturbance and two stations will be placed in the middle of the area. This will help determine the moisture levels associated with dewatering during the excavation and construction process.
- A watering program for the area will be established. The design of the system may consist of temporary on site irrigation, truck delivery and application, or a combination of the two. It will be established such that water can be applied any time the available moisture falls to below 30% of field capacity. A temporary system will be the preferred method of irrigation throughout the development so long as a continuous source of water is available.
- Pruning will consist of crown cleaning to remove deadwood and correct any pre-existing damage and remove diseased limbs that are 2.0" or larger at their point of attachment. Pruning will remove as little living wood and foliage as possible. Pruning for clearance will not be done at this time, but will instead be completed closer to the time of construction activity to give the trees the benefit of all green photosynthesizing foliage for as long as possible.
- The entire area will be mulched with commercial grade shredded hardwood mulch. Mulch will be applied one time throughout the undisturbed area to a depth of three to four inches.
- Trees anticipated for removal in the final development plans that generate a significant level of competition for light and nutrients to adjacent to trees being preserved will be removed prior to construction activity to reduce the level of competition and allow the trees to adapt to the newly created edge over a more gradual time frame.

- During pruning, removal, and mulching operations, exotic and invasive species will be removed from the area. After removal and mulching, they will be monitored for subsequent herbicide treatment in areas where they re-grow heavily. However, use of herbicides will be very limited in this area in favor of repeated mechanical removal in order to reduce the likelihood of any adverse effects or damage to the trees to remain.

C. Upon completion of the aforementioned root pruning and other tree preservation activities, LADP shall continue monitoring for moisture, pests, invasive species, storm damage, and other related issues on a monthly basis until discontinued on agreement by RA and LADP or final bond release for the Lake Anne Village Redevelopment Project, whichever comes first in time. Quarterly reports will be forwarded by email to RA.

D. LADP shall install standard RA approved light fixtures (or a DRB-approved alternate consistent with its overall planning) on all new pathways/trails within the Crescent Property, as well as 10 additional standard RA approved light fixtures along pathways/trails that adjoin the Crescent Property, particularly in the Brown's Chapel and Lake Anne Elementary School areas, as specifically determined mutually by LADP and RA. This shall be done prior to or at the time of the date of issuance of the first new occupancy permit for the Crescent Property.

E. LADP shall pay to RA an amount equal to twenty-five (25) percent of the cost of the Lake Anne dredge. This payment shall be made at such time as RA budgets for the Lake Anne dredge, but no earlier than the first to occur of (i) the date of issuance of the first new occupancy permit for the high-rise residential tower above the proposed community market and office building in the Lake Anne redevelopment, or (ii) December 31, 2025. The Parties agree that LADP shall either proffer or allow Fairfax County to condition the LADP entitlements to include this obligation.

4. No Feasibility Study. RA has adequately studied the LADP Exchange Property and does not require a feasibility period. LADP has adequately studied the RA Exchange Property and does not require a feasibility period. Notwithstanding the foregoing, LADP shall be permitted to enter the RA Exchange Property from time-to-time prior to Closing, to perform certain physical studies in furtherance of its proposed development of the RA Exchange Property and the broader Lake Anne Village Center redevelopment project, including but not limited to boundary, topographic and tree surveys, soil borings, and other similar types of analysis. LADP shall coordinate all such on-site inspections with designated RA staff, and shall indemnify RA against any and all damages and costs, including reasonable attorney's fees and other litigation expenses, that might arise from or out of any such on-site studies, provide appropriate evidence of insurance coverage extending to the RA Exchange Property from LADP and any of its consultants who may enter upon the RA Exchange Property, and shall promptly restore any damages that actually arise from such on-site activities. Such insurance coverage shall name RA as additional insured and be maintained until such time as title to the property is transferred. LADP will provide RA evidence of such insurance (certificate) within 15 days of the commencement of this Agreement.

5. Condition of Exchange Properties. RA represents that the RA Exchange Property is fully compliant with all applicable laws and governmental regulations and that there are no known violations of any environmental or other governmental regulations affecting the RA Exchange Property. RA shall provide LADP with copies of any and all notices of environmental

compliance (or violation) relating to the RA Exchange Property within two (2) business days of receipt. LADP represents that the LADP Exchange Property is fully compliant with all applicable laws and governmental regulations and that there are no known violations of any environmental or other regulations affecting the LADP Exchange Property. LADP shall provide RA with copies of any and all notices of environmental compliance (or violation) relating to the LADP Exchange Property within two (2) business days of receipt.

The LADP Exchange Property shall be conveyed to RA substantially in its undisturbed existing condition, subject to certain channel and drainage stabilization and clean-up to remove invasive species and other undesirable plant life to make the LADP Exchange Property more environmentally valuable and sustainable, which shall be completed by and at the sole cost of LADP, during the process of developing the larger Crescent Property after securing the LADP Entitlements. These shall be completed within five years of conveyance to RA.

LADP will consult with RA's designated environmental resource staff on all aspects of the cleanup, restoration and enhancement of the LADP Exchange Property, including the installation of paths through the LADP Exchange Property, if deemed appropriate and necessary by RA.

6. Conditions Precedent to Closing. The obligation of LADP and RA to proceed to Closing shall be subject to the following conditions (all or any of which may be waived, in whole or in part, by LADP):

A. That title to the RA Exchange Property shall be good of record and in fact marketable and insurable as set forth in paragraph 6 of this Agreement, free from all liens and encumbrances other than those approved by LADP in advance of Closing.

B. That there shall be no violations of law or regulation relating to the RA Exchange Property, of which RA has notice, including any environmental regulation;

C. That the LADP Entitlements are approved in such a way as to permit the construction of a vehicle parking structure and appurtenant uses on the RA Exchange Property; and,

D. That RA has provided evidence acceptable to the LADP that RA has the right to execute this contract and to convey the RA Exchange Property.

The obligation of RA and LADP to proceed to Closing shall also be subject to the following additional conditions, which may only be waived by the mutual consent of both parties:

E. That the zoning, planning and permitting approvals contemplated in Paragraph 9 of this Agreement have been fully approved by Fairfax County to enable the re-development of the Crescent Property;

F. That the improvements that are contemplated to be built on the RA Exchange Property have been approved by Fairfax County and the Reston Association DRB to the satisfaction of LADP; and,

G. That LADP and the County have entered into a definitive Development and Disposition Agreement permitting, among other things, conveyance of the LADP Exchange Property, either directly from the County to RA, or subsequent to an initial conveyance from the County to LADP, to RA.

7. Condition of Title. Title in and to the RA Exchange Property and the LADP Exchange Property shall be marketable and good of record. At the Closing Date, title to the RA Exchange Property and the LADP Exchange Property shall be free from any encumbrances, other than easements of record that exist as of the date of this Agreement or which are otherwise necessary in order to facilitate the proposed redevelopment of the RA Exchange Property or the broader Lake Anne Village Center and approved by LADP.

It is specifically contemplated that this exchange is contingent on the zoning and RA use restriction to open space being amended to allow both open space and a vehicle parking structure with appurtenant uses on the RA Exchange Property.

From and after the Effective Date hereof, neither RA nor LADP shall grant any easements, rights-of-way or further encumber the RA Exchange Property or the LADP Exchange Property, without each other's prior written consent.

8. Closing. Provided that all conditions precedent contained in paragraph 6 of this Agreement have been satisfied or waived, the parties agree that closing shall occur on a date selected by LADP (the "Closing Date") that is in no event later than the earlier of (a) thirty (30) days after the date LADP receives final Fairfax County approval of a site development plan that includes the RA Parcel (provided that at such time there is a binding agreement between LADP and the County to require the conveyance of the LADP Exchange Property to RA), or (b) the date on which the LADP Exchange Property is conveyed to RA. LADP shall endeavor to provide in the definitive Development and Disposition Agreement with the County a provision to convey the LADP Exchange Property directly to RA at the time it acquires the first portion of the Crescent Property from the County.

RA agrees to convey the RA Exchange Property by Special Warranty Deed, and to pay the grantor's tax thereon. LADP shall pay all state and local recording taxes and fees in connection with the deed of conveyance and the recording costs related to any financing or deed of trust. The examination of the title, title insurance, escrow fees and survey fees (if any) shall be at the sole cost of LADP. Each party shall be responsible for the fees and expenses of their own counsel and other consultants.

LADP agrees to convey the LADP Exchange Property by Special Warranty Deed on the Closing Date, and to pay the grantor's tax thereon. LADP shall pay also all state and local recording taxes and fees in connection with the deed of conveyance, but not any recording costs related to any financing or deed of trust placed by RA at or after the Closing Date. The examination of the title, title insurance, escrow fees and survey fees (if any) shall be at the cost of the RA. Each party shall be responsible for the fees and expenses of their own counsel and other consultants.

Real estate taxes (if any) shall be prorated at settlement between LADP and RA, and shall be paid by the grantor of the respective RA Exchange Property and the LADP Exchange Property on the Closing Date. The RISK OF LOSS shall remain with RA until the Closing Date. After the Closing Date, LADP shall be responsible for all costs associated with the RA Exchange Property, and RA shall be responsible for all costs associated with the LADP Exchange Property, except as otherwise outlined in this Agreement, including Section 4. Above.

9. Development Planning. In furtherance of obtaining the LADP Entitlements, RA has previously provided a letter of authorization permitting the inclusion of the RA Exchange Property in LADP's Entitlement Applications, as an active participant in the LADP Entitlements process. RA shall continue to join in any additional applications, including proffer statements, or otherwise provide a letter of authorization to LADP to permit LADP to advance such applications, efforts after consultation and coordination with RA staff.

10. Miscellaneous Provisions

A. Brokerage. Both LADP and RA warrant that no brokers, agents or finders were involved in this transaction, and each party indemnifies and holds harmless the other party against any broker, agent or finder claiming a commission as a result of the conduct of said party.

B. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties involved hereto and their respective successors and assigns. At Closing, but not before, this Agreement shall be recorded among the Land Records of Fairfax County. Each party shall be responsible for the performance of obligations arising hereunder while it owns or has an equitable interest in its respective property and shall be released from such responsibility on the sale or other conveyance of its property, but only if the acquiring owner expressly assumes in a recorded document all obligations contained in this Agreement.

C. Governing Law. This agreement shall be governed by and construed under the laws of the Commonwealth of Virginia.

D. Survival. This Agreement shall survive Closing hereunder.

E. Time. Time shall be of the essence.

F. Effective Date. The Effective Date of this Agreement shall be the date that a fully ratified original of this Agreement is executed and delivered to LADP.

G. Quality of Work. In fulfilling obligations under this Agreement, each party shall perform in a prompt, good and workman-like manner with due diligence and in conformance with all applicable governmental and quasi-governmental laws, ordinances and regulations, including all design guidelines and covenants of Reston.

H. Term. This Agreement shall continue in effect until such time as the parties execute and record, or cause to be recorded among the land records, a termination and release of this Agreement.

I. Enforcement and Remedies. This Agreement may be enforced only by and against the parties hereto, their successors and assigns. It shall not be construed so as to confer any rights on anyone else or to render any party a third party beneficiary of this Agreement. The failure to enforce any requirement, term, restriction or obligation herein, shall not be deemed a waiver of the right to do thereafter, or in other situations, nor of the right to enforce any other term, condition or restriction contained herein.

J. No Relationship of Principal and Agent, Partnership or Joint Venture. Neither anything contained within this Agreement nor any acts of the parties pursuant to this Agreement shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture or any other association between or among the parties.

K. Authority. Each party represents and warrants to the other that they have the full and unrestricted power and authority to execute and deliver this Agreement and all other documents required or contemplated by the terms of this Agreement and to consummate the transactions and activities contemplated herein, without the necessity of joinder by any other party.

11. Default. If LADP fails to achieve the Development Approvals, or to close on the RA Exchange Property in accordance with the terms and provisions of this Agreement, RA shall be permitted to terminate this Agreement, whereupon LADP shall be relieved from all further liability hereunder. In the event that RA or LADP defaults hereunder, the other party shall have all legal and equitable remedies, including the right of specific performance.

12. Use and Restrictions. It is the intent of both LADP and RA that the use of the RA Exchange Property shall be limited by zoning and covenant to provide access to, and the construction of, a two level parking facility that will be available to the general public in support of the existing and future commercial businesses, the Farmer's Market, and other public uses at the Lake Anne Village Center, and to provide other public amenities (including, but not limited to, urban parks, landscaped or natural area open space, paths, drainage, environmental enhancements, and landscaped bio-retention drainage facilities). To the extent feasible, LADP will locate the improvements in such a way as to minimize the impact to and to protect and preserve certain existing trees, and to maintain the existing trees closest to the existing Washington Plaza and Chimney House buildings, as shown on **Exhibit C**. None of the parking spaces to be built on the RA Exchange Property shall be used to satisfy residential uses anticipated within the proposed redevelopment, or otherwise designated for those residents. LADP shall prohibit overnight parking in the RA Exchange Property. The Development Agreement shall contemplate the right for LADP to install elevated or natural surface pathways through the undisturbed portions of the RA Exchange Property, to connect the Crescent redevelopment to the Lake Anne Plaza extension, at the northern end of the RA Exchange Property. LADP shall work closely with the RA Design Review Board (the "DRB") to ensure the proposed parking facility achieves excellence in design that is compatible with the surrounding architecture, both current and future. LADP shall work closely with RA staff and the DRB to ensure the proposed parking facility and elevated or natural surface pathways further minimizes adverse impacts on the environment (land, water, and air) and environmentally sensitive areas are protected to the greatest extent practical.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by a duly authorized officer.

Witness:

Lake Anne Development Partners LLC

Printed Name:_____

By: David L. Peter
Title: Manager

Date of Execution by LADP

STATE/Commonwealth of:_____

CITY/COUNTY OF:_____

Subscribed and sworn to before me, a Notary Public in and for the jurisdiction aforesaid, by David L. Peter, Manager Lake Anne Development Partners LLC this _____ day of _____ 2014.

Notary Public

My commission expires:_____
ID # _____

Notice Address:

11401 North Shore Drive
Reston, VA 20190
Attn: David L. Peter

Witness:

RESTON ASSOCIATION, INC.

Printed Name: _____

Name: _____

Title: _____

Date of Execution by RA

STATE/Commonwealth of: _____

CITY/COUNTY OF: _____

Subscribed and sworn to before me, a Notary Public in and for the jurisdiction aforesaid,
by _____, the _____ of Reston Association, Inc., this
_____ day of _____ 2014.

Notary Public

My commission expires: _____

ID # _____

Notice Address:

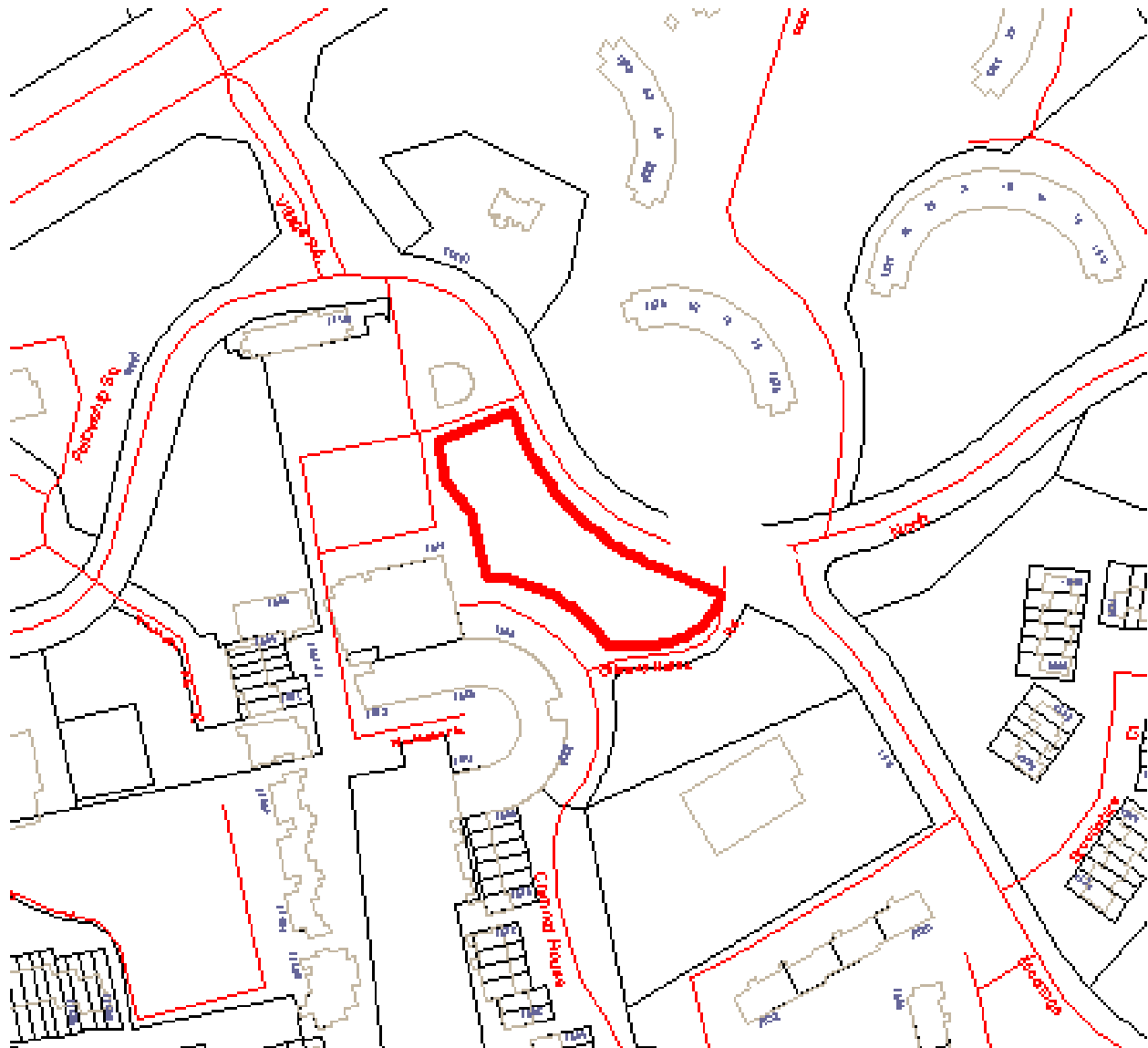
12001 Sunrise Valley Drive
Reston, Virginia 20191
Attn: Cate Fulkerson, CEO

EXHIBIT A

MAP #: 0172 08 0006C

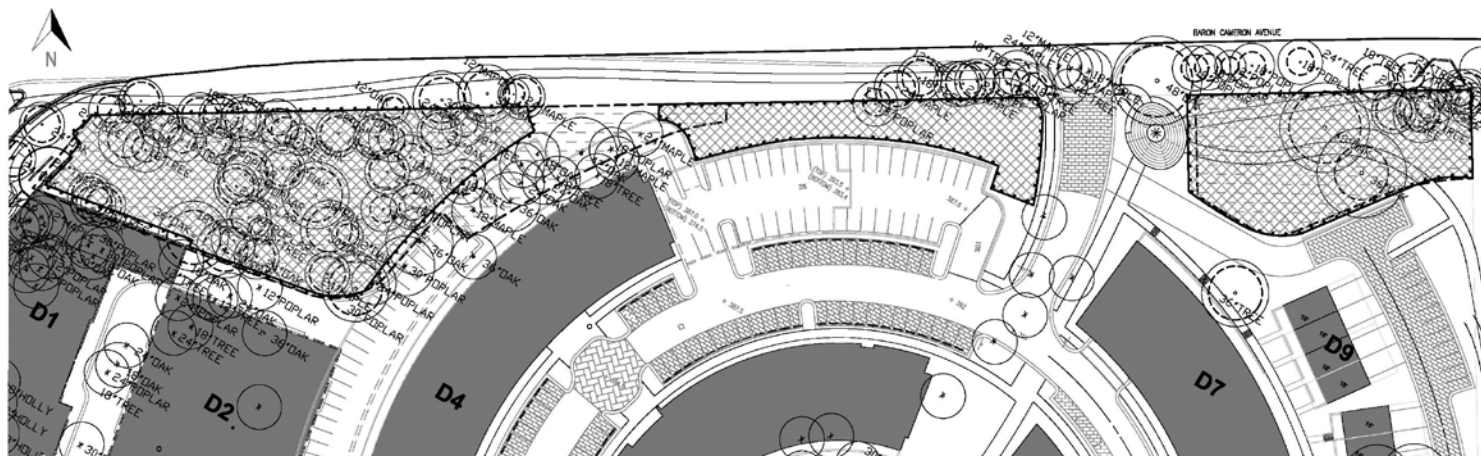
RESTON HOME OWNERS ASSN

N/A



RA Exchange Property

Exhibit B



General Location of the LADP Exchange Parcel

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