

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE (this “**Settlement Agreement**”) is made and entered into this 18th day of December, 2019 (the “**Effective Date**”), by and among **GRADY REDEVELOPMENT, LLC, CAPITOL GATEWAY, LLC, HARRIS REDEVELOPMENT, LLC, and CARVER REDEVELOPMENT, LLC** and **THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA** (each, a “**Party**” and collectively, the “**Parties**”).

WHEREAS, The Housing Authority of the City of Atlanta, Georgia (“**AH**”) entered into four Revitalization Agreements (collectively, “**Revitalization Agreements**”) effective October 4, 1999 with Carver Redevelopment, LLC (“**Carver LLC**”), October 10, 2011 for Harris Redevelopment, LLC (“**Harris LLC**”), October 29, 2002 for Capitol Gateway, LLC (“**Capitol LLC**”) and Grady Redevelopment, LLC (“**Grady LLC**”). Carver LLC, Harris LLC, Capitol LLC, and Grady LLC shall be referred to collectively as the “**Plaintiffs**” or the “**Developer Entities**.”

WHEREAS, the Plaintiffs have completed all of the affordable housing required under the Revitalization Agreements to the satisfaction of the U.S. Department of Housing and Urban Development (“**HUD**”);

WHEREAS, on September 16, 2011, AH and each Developer Entity amended the Revitalization Agreements by entering into an Amended Revitalization Agreement (“**Amendments**”) and an Option to Purchase Real Property (“**Option Agreement**”) with each Developer Entity. The Revitalization Agreements, the Amended Revitalization Agreements and the Options to Purchase Real Property are collectively referred to as the “**Agreements**”. The Amendments and Option Agreements govern the Parties’ rights and obligations with respect to certain properties collectively referred to as “**Further Leverage Properties**” or “**FLP**”, as defined below, that are owned by AH within the City of Atlanta;

WHEREAS, the Further Leverage Properties are defined with legal descriptions in Exhibit A to this Settlement Agreement;

WHEREAS, the Developer Entities notified AH of their intent to exercise their option rights under the Amendments and Option Agreements on November 3, 2016;

WHEREAS, on September 1, 2017, AH filed a declaratory judgment lawsuit styled as *The Housing Authority of the City of Atlanta, Georgia v. Integral Development, LLC, Grady Redevelopment, LLC, Capitol Gateway, LLC, Harris Redevelopment, LLC, and Carver Redevelopment, LLC*, Civil Action No. 2017CV294880 in the Superior Court of Fulton County;

WHEREAS, the Developer Entities filed counterclaims against AH on November 4, 2017;

WHEREAS, AH and the Developer Entities filed motions to dismiss the other parties’ claims;

WHEREAS, on April 30, 2018 the trial court granted the Developer Entities’ motion to dismiss AH’s claims in full, and denied AH’s motion to dismiss in part, and thereafter entered an order realigning the Parties and the Developer Entities filed an amended complaint, such that the

Developer Entities became the Plaintiffs and AH became the Defendant and the case caption now reads: *Grady Redevelopment, LLC; Capitol Gateway, LLC; Harris Redevelopment, LLC; and Carver Redevelopment, LLC, vs. The Housing Authority of the City of Atlanta, Georgia*, Civil Action File No.: 2017CV294880, Superior Court, Fulton County (“the Lawsuit”);

WHEREAS, the Lawsuit involves the Parties’ competing claims concerning the interpretation and enforceability of the Amendments and Option Agreements;

WHEREAS, AH and the Developer Entities met on several separate occasions with numerous follow-up conference calls which resulted in the Parties agreeing to certain business terms memorialized herein;

WHEREAS, the Parties desire to finally resolve, compromise and settle their disputes and all claims in the Lawsuit arising out or related to Lawsuit without admitting wrongdoing or liability as to said disputes;

NOW, THEREFORE, for and in consideration of the mutual covenants and understandings set forth in this Settlement Agreement, the Parties hereby agree to be bound as follows:

1. CONSIDERATION; DISMISSAL; RELEASE; DISCHARGE

a. Within five (5) days of the Initial Conveyance the parties agree that, the Developer Entities agree to execute and file a stipulation of dismissal with the Fulton County Superior Court (“**Stipulation of Dismissal**”) as set forth in Section 9 below, dismissing all claims Plaintiffs asserted against AH in the Lawsuit with prejudice (the “**Dismissal**”).

b. Within two (2) business days of the approval of this Settlement Agreement by the AH Board of Commissioners, all Parties, through counsel, shall notify the Court that the Parties have executed a Settlement Agreement finally resolving all claims and disputes in the Lawsuit and further advising the Court that the Plaintiffs will file a Stipulation of Dismissal with the Court dismissing all claims in the Lawsuit, with prejudice, within five (5) days of AH's Initial Conveyance (as defined below) of the FLP. The Parties have agreed that the First Disposition Submission (as defined below) will be submitted to HUD no later than sixty (60) days from the execution of this Settlement Agreement.

c. Together with the Dismissal, AH, individually and on behalf of all of its agents, employees, attorneys, officers, board members, departments, insurers, successors and assigns hereby releases Integral Development, LLC, the Developer Entities and their respective agents, employees, attorneys, officers, insurers, assigns, parent companies, subsidiaries, affiliates, successors, predecessors, members, managers, contractors, and any other corporations or persons affiliated with them in any manner from any and all actions, causes of action, suits, proceedings, damages, costs, loss of services, expenses, obligations, claims and demands whatsoever, whether in law or in equity, known or unknown, foreseen or unforeseen from the beginning of time through the effective date of this Settlement Agreement that were asserted or could have been asserted in the Lawsuit, regarding the validity and enforceability of the Agreements and/or the performance or lack of performance under the Agreements. Notwithstanding the foregoing, the Revitalization Agreements, as amended, survive the execution of the Settlement Agreement and, only those

actions, causes of action, suits, proceedings, damages, costs, loss of services, expenses, obligations, claims and demands expressly dismissed in this Agreement are released and AH does not waive actions, causes of action, suits, proceedings, damages, costs, loss of services, expenses, obligations, claims and demands that arise under the Revitalization Agreements, as amended, and Amendments other than the releases described herein.

d. Together with the Dismissal, the Developer Entities and Integral Development, LLC, each of them individually, and on behalf of all of their respective agents, employees, attorneys, officers, board members, departments, insurers, successors and assigns hereby releases AH and their respective agents, past, current and future employees, past current and future commissioners, past, current and future officers, attorneys, insurers, assigns, parent companies, subsidiaries, affiliates, successors, predecessors, members, managers, contractors, any other corporations or persons affiliated with them in any manner from any and all actions, causes of action, suits, proceedings, damages, costs, loss of services, expenses, obligations, claims and demands whatsoever, whether in law or in equity, known or unknown, foreseen or unforeseen from the beginning of time through the effective date of this Settlement Agreement that were asserted or could have been asserted in the Lawsuit regarding the validity and enforceability of the Agreements and/or the performance or lack of performance under the Agreements, including any current pending lawsuits in the which the Developer Entities or Integral Development, LLC or its affiliates or principals are currently involved. This subsection 1(d) does not purport to release any claims Integral Development, LLC or its affiliates or principals may have against third-party individuals or entities associated with current or pending litigation. Notwithstanding the foregoing, the Revitalization Agreements, as amended, and Amendments survive the execution of the Settlement Agreement and, only those actions, causes of action, suits, proceedings, damages, costs, loss of services, expenses, obligations, claims and demands expressly dismissed in this Settlement Agreement are released and Developer Entities do not waive actions, causes of action, suits, proceedings, damages, costs, loss of services, expenses, obligations, claims and demands that arise under the Revitalization Agreements, as amended, and Amendments other than the releases described herein.

e. The Parties agree and acknowledge that they will not seek to file an appeal of any ruling by the Court in the Lawsuit after the filing of the Stipulation of Dismissal.

f. The Parties understand and agree that this Settlement Agreement does not release any rights or claims that may arise after the date of execution of this Settlement Agreement, including any claim for breach or specific performance of the terms in this Settlement Agreement.

2. OPTION PURCHASE PRICES FOR THE FURTHER LEVERAGE PROPERTIES

For each of the FLP, the FLP included land that was part of the original public housing site (“**FLP On-Site Land**”) and land acquired in the neighborhood (“**FLP Off-Site Land**”). Based on the terms of the Agreements and other adjustments subsequently agreed-upon between the Parties and detailed below, the price to be paid by the Holding Companies (as hereinafter defined) to AH for the On-Site Land and Off- Site Land (the “**Base Purchase Price**”) shall be as follows:

a. On-Site Land

• Capitol	5,677,322*
• Carver	4,324,766
• Grady	1,159,141
• Harris	<u>5,036,642</u>
Total On-Site Land	\$16,197,871

b. Off-Site Land	<u>\$ 5,719,608**</u>
	<u>\$ 21,917,479</u>

Total

* Will be adjusted to reflect that portion of Parcel D which is not currently included

** Will be adjusted by carrying costs

3. LAND CONVEYANCE AND DISPOSITION TERMS

The Parties agree that the FLP will be conveyed to the Holding Companies (as herein defined) through the following process:

1. Within sixty (60) days following the joint execution of this Settlement Agreement AH shall submit the required documentation to HUD consistent with this Settlement Agreement to obtain consent to transfer the FLP into the Holding Companies as defined below (the “**First Disposition Submission**”).
2. Within seven (7) business days after approval from HUD and satisfaction of any conditions precedent imposed by HUD, as part of its approval of the First Disposition Submission for each of the FLP, the Developer Entities shall release their Memoranda of Options encumbering the FLP and AH shall convey, and cause its various affiliates to convey, the FLP to the On-Site Owner and the Off-Site Owner, as hereinafter defined (“**Initial Conveyance**”). For purposes of this Settlement Agreement, for each of the four FLP sites, there will be one holding company for the FLP On-Site Land (the “**On-Site Owner**”) and one for the FLP Off-Site Land (the “**Off-Site Owner**”) (collectively the “**Holding Companies**”), which companies shall be limited liability companies comprised of two members, AH or an AH affiliate as one member, and the applicable Developer Entity or their respective affiliates, as the other member. Each member will hold a 50% interest. The applicable Developer Entity or its affiliate will be the managing member. The form of the Operating Agreement is to be revised as set forth in Section 7(b). The Developer Entities hereby acknowledge that HUD may require that the HUD Declarations of Trust remain recorded against some or all of the FLP upon Initial Conveyance by AH to the Holding Companies. Provided AH has submitted a request including all information required by HUD and any supplemental information that may be requested by HUD, and AH has taken all steps necessary to comply with HUD requirements and the terms of this Settlement Agreement, the failure by HUD to grant approval of one more of the disposition requests, or if HUD shall condition

approval or conveyance on terms different than or inconsistent with terms of the Settlement Agreement, the Developer Entities hereby acknowledge that HUD's decisions or actions shall not constitute a default by AH under the Settlement Agreement.

3. AH agrees to provide seller financing for 100% of the Base Purchase Price of the FLP through a 3-year, interest bearing, first priority, secured purchase money loan at a rate of interest to accrue at the greater of: (a) 2.5% or (b) the longest term LIBOR rate, in effect at the date of the execution of each purchase money note, plus 100 basis points. Principal and interest on such loans will be due at the 3rd anniversary date of the closing date (the "**Maturity Date**"). AH has no obligation to extend the maturity date of the purchase money promissory note or subordinate the purchase money deed to secure debt. The Parties agree to explore an organizational structure for the Holding Companies that minimizes real estate taxes and expenses to the Holding Companies provided that any such proposed change to the organization structure of the Holding Company cannot change the member interest, rights, obligations, liabilities that AH shall have under the structure in the Operating Agreement to be revised as set for the herein. Further, AH shall not be required to sign any opinions, agreements, certifications, affidavits or other documents regarding the qualification of the Holding Company as structured as exempt from real estate taxes.
4. Pursuant to the terms of the Agreements, the FLP will remain in its respective Holding Company until the land is conveyed pursuant to a HUD approved disposition application ("**Disposition Application**").

Provided AH has submitted a complete Disposition Application to HUD including all information required by HUD regulations and any supplemental information that may be requested by HUD, and AH has taken all steps necessary to comply with HUD requirements, any failure by HUD to grant approval of one more of the Disposition Applications, or if HUD shall condition approval or conveyance on terms different than or inconsistent with terms of the Settlement Agreement, the Developer Entities hereby acknowledge that any such decision or action by HUD this shall not constitute a default by AH under the Settlement Agreement.

4. **FLP DEVELOPMENT PLANS**

The Parties agree that each phase of the FLP will be redeveloped and owned through several possible development scenarios and economic participation, all as more particularly set forth below.

The land for each of the FLP is divided into phases of development, comprised of residential-only (rental or homeownership), mixed-use (residential and commercial/retail) and commercial/retail-only. Each development phase is based on an analysis of the site development potential that includes current land use, zoning, entitlements, and market conditions. Any changes to these plans will be subject to the process described in the Governance Process Section to be added to the form of the Operating Agreement of the Holding Companies. Under the terms of this Settlement Agreement, the Developer Entities shall develop or ensure the development, across all

FLP, of approximately 2,035 residential units (which for purposes of this commitment may include student housing). Provided AH provides the subsidy for the affordable units as set forth below and notwithstanding the foregoing, the Developer Entities shall develop a minimum of 389 units which shall be affordable (which for purposes of this commitment shall not include student housing) as defined in Section 5 of this Agreement. The Parties acknowledge and agree that the Development Plan contemplates residential units at Capitol Gateway Phase 10 that are not, as of the date hereof, permitted by current Atlanta zoning. The Capitol LLC may elect to apply to rezone such parcel, without being required to subject such parcel to the Governance Process described below. The Developer Entities agree that the rezoning application shall be complete, accurate and shall include all information, and supporting documents required for acceptance and approval. In the event the rezoning Capitol LLC has requested is not obtained and approved, Capitol LLC shall be required to submit a Corrective Action Plan through the Governance Process described below specifying where the lost affordable units will be replaced, but the total number of residential units contemplated by the Development Plan shall be reduced by the total number of units contemplated on the Capitol Gateway parcel (*i.e.*, only the Parcel 10 affordable units will be replaced in the event the parcel is not rezoned) provided that the such lost units shall be included on another parcel of the Capitol FLP land or such other FLP site as shall be acceptable to AH.

The Disposition Application for the Capitol Phase 10 land shall include language seeking HUD’s acknowledgement and approval of a possible reduction in total unit production related to the inability to rezone a portion of Capitol Gateway or inadequate levels of AH funding, as specified in Section 5. The parties agree that overall commitment for affordable units will not be reduced by such unit reduction for Capitol Phase 10. AH’s prior written approval shall be required if the Developer Entities decide to relocate the affordable units planned for Capitol to one or more of the other three developments.

DEVELOPMENT PLAN: RESIDENTIAL-ONLY and MIXED-USE DEVELOPMENT FOR HOPE VI FURTHER LEVERAGE PROPERTIES									
Property	# of Phases	Total Affordable Units %		Total Units	Minimum Affordable: Rental (15%)		Minimum Affordable: Homeownership (30%)		Market
		AH 10%	Other 5%		AH 20%	Other 10%			
Carver Homes (Villages at	3	112	33%	342	36	0	51	25	230
Capitol Homes (Capitol	7	139	16%	867	82	43	9	5	728
Grady Homes (Auburn Pointe)	4	73	15%	486	49	24			413
Harris Homes (CollegeTown)	4	65	19%	340	25	13	18	9	275
Summary of Residential-only Units and Mixed- Use	Total Units	389	19%	2035	192	80	78	39	1646
	Total Rental	272	16%	1646					
	Total Homeownership	117	30%	389					

5. AFFORDABILITY

The Parties agree that the FLP will be developed on a phase-by-phase basis, and the residential development phases will include affordable units as outlined herein (“**Affordability Requirements**”). For the avoidance of doubt, meeting the Affordability Requirements for the rental and homeownership units serving households earning up to 80% of Area Median Income (“AMI”) is conditioned upon AH either contributing direct development subsidy to the project or providing HomeFlex, Down Payment Assistance or ACC, or some combination thereof, in an amount adequate to support said affordability. In the event that AH elects to not provide the amount of subsidy or funding required to support the affordable units AH’s direct subsidy, the percentage of affordability, as contemplated by the Development Plan will decrease accordingly. In the event that AH is unable to provide the amount of subsidy or funding required to support the affordable units due to the limitations on amount of direct subsidy or funding based on imposed by HUD for subsidy payment or utility allowance amounts or HUD total development cost and other regulatory limits, the parties shall work together to identify and obtain alternative funding sources. In such an event, the reduction in Affordability Requirements will not require approval through the Governance Process. Purpose-built student housing on the FLP shall not be subject to the Affordability Requirements provided that such development shall be considered commercial, market rate development and described as such in the Disposition Application.

Provided AH provides the subsidy for the affordable units as set forth above, *Rental phases* of development must include a minimum of 15% of the units will be affordable as follows: (A) 10% affordable units subsidized by AH through its development subsidy or an AH rental subsidy program (HomeFlex or ACC) (“**Subsidized Rental**”) available to households at 80% of AMI or less; and (B) 5% affordable units (“**Other Rental**”) available to households with incomes from 80% AMI to 100% AMI. AH shall provide such subsidy funds for the FLP for the term of affordability, consistent with HUD requirements. If the Other Rental units require a form of subsidy to be affordable as workforce housing, the applicable Developer Entity is obligated to secure the funding from sources other than AH. AH will work in good faith with the Developer Entity to assist in securing the funding for the Other Rental units. In the event such funding cannot be secured, the Other Rental units will convert to Subsidized Rental units if AH provides subsidy per terms as described above.

Provided AH provides the subsidy for the affordable units as set forth above, *Homeownership phases* of development must include a minimum of 30% affordable units as follows: 20% affordable units subsidized by AH’s contribution of development subsidy or down payment assistance through its Down Payment Assistance Program (“**DPA Homeownership**”) available to households at 80% of AMI or less and 10% affordable units (“**Other Homeownership**”) available to households with incomes from 80% to 120% AMI. AH will provide such subsidy funds consistent with HUD requirements. If the Other Homeownership units require a form of subsidy to be affordable as workforce housing, the Developer Entity is obligated to secure the funding from sources other than AH. AH will work in good faith with the Developer Entity to assist in securing the funding. In the event such funding cannot be secured, the Other Homeownership units may convert to DPA Homeownership units if AH provides subsidy per terms above.

6. **DISPOSITION**

Intentionally Deleted.

7. **GOVERNANCE PROCESS**

- a. Once a parcel of FLP is transferred from the Holding Company to a special purpose entity for vertical development (“Owner Entity”), the Parties agree to negotiate an operating agreement, of which AH or an AH affiliate shall have a 50% membership interest and Developer Entities or affiliates thereof shall have a 50% membership interest and shall be the manager. The Manager shall manage the affairs of the Owner Entity, provided however, any limitations on the Manager’s authority by AH or its affiliate that is a member of the Owner Entity shall be applicable if AH has contributed its proportionate share of co-investment funding required by the debt and equity providers for the applicable project.
- b. The Parties agree that the form of Operating Agreement shall be modified to include the following governance process. Prior to developing or selling any parcel of FLP land, the Developer Entities shall notify AH of the Holding Companies’ intended plan to develop, co-develop, or to sell the given FLP parcel for development by a third party. With respect to all parcels of FLP land for which the Developer Entity will be the Manager of the General Partner/Owner Entity, and for which the contemplated development is a residential use (except purpose-built student housing), the Parties have agreed to implement the following “**Governance Process** :”
 1. AH will designate senior level AH staff with whom the Developer Entities will coordinate to ensure AH’s involvement in the planning, design and review of the plans and budgets of each phase of development of the FLP.
 2. The Developer Entities will hold quarterly meetings with AH to review the status of each project, as well as the costs incurred in development to date.
 3. The Developer Entities and AH shall jointly prepare a “**Project Review Package**” which will be presented to the AH Board of Commissioners by the AH Chief Executive Officer or his designee. The Project Review Package, will report on the extent to which the plans comply with:
 - o The Affordability Requirements (conditioned on AH’s ability to provide the financial support necessary to meet the Affordability Requirements);
 - o No sin-uses; and
 - o Commensurate Public Benefits, to the extent required by HUD
 4. In the event of a Material Change (as defined below), the applicable Developer Entity must provide a Corrective Action Plan to AH as part of the Project Review Package that specifically demonstrates:
 - a. How affordable units will be replaced; and/or

- b. How commensurate public benefit will be replaced, if applicable.
5. A “**Material Change**” for these purposes is defined as the reduction of the greater of ten (10) or more units, or ten percent (10%) of the total unit count of the aggregate number of affordable housing units within the FLP for that particular site, and any such Material Change will require that AH review, approve and consent to the Developer Entity’s proposed Corrective Action Plan.
 6. In the event the unit count for any FLP development phase is increased, the affordability requirements with respect to the percentage of affordable homeownership and rental must be maintained.
 7. In no event, however, shall AH’s consent or AH Board’s approval be required if a change in development plans results in a loss of residential units and/or a material reduction in the number of affordable housing units if such change is required solely as a result of AH’s failure or unwillingness to provide the financial support necessary to meet the Affordability Goals or the Capitol LLC’s ability to obtain the rezoning contemplated.
 8. Only such changes to Development Plans that would require submission to HUD of a revised Revitalization Plan will require AH Board approval. If AH Board approval is required under this paragraph, such approval shall not be unreasonably withheld prior to submission to HUD.
 9. For those development phases where an affiliate of the Developer Entity is the managing member, once a development plan and deal progress to the point where investment commitments are being secured, Developer Entity or affiliate thereof shall offer AH the opportunity to invest equity into the deal. AH shall be afforded commercially reasonable time to review the deal, seek appropriate approvals, and elect or decline the offer.
 10. Where a Developer Entity or its affiliate will be the minority member of the general partner owning the phase of the FLP, only numbered items (3), (4), (5), (6) and (8) of the Governance Process above will be applicable.
- c. With respect to phases of FLP development that may be sold to third-party developers in the future for which no Developer Entity affiliate will have an interest, Developer Entity must provide documentation to AH in advance of any such third-party sale evidencing that the third-party developer/purchaser has agreed to be bound by and maintain for the development of the purchased FLP the foregoing agreed-upon Affordability Requirements including unit counts and uses.

8. **COMMENSURATE PUBLIC BENEFIT**

Intentionally Deleted.

9. LEGAL FEES, OTHER COSTS, DISMISSAL AND OTHER CONSIDERATION

Within five (5) days of the Initial Conveyance, the parties agree that:

(i) Developers shall file the Stipulation of Dismissal dismissing the Lawsuit, provided AH has received copies of invoices of such legal fees and costs to AH; and

(ii) AH shall pay to Developer Entities the sum of Nine Hundred Thousand and No/100 Dollars (\$900,000.00) which amount represents fifty percent (50%) of the approximately \$1,800,000.00 in legal fees and other costs incurred by the Developer Entities as a result of the Lawsuit, provided AH has received copies of invoices that reflect legal fees and other costs in said amount, by wire transfer to a Developer Entity-designated account. The parties agree that the remainder of the up to \$1,800,000.00 in legal fees and other costs shall be paid by AH and interest accrued at a rate of 2.5% per annum, as a GP Incentive and Asset Management Fee, particularly described below.

The Parties agree that they shall work together in good faith to commence the immediate refinancing of the following properties: Villages at Carver I, II and III and Ashley CollegeTown I (collectively, the “Aging Properties”). Refinancing the Aging Properties is expected to include Rental Assistance Demonstration conversions (“RAD conversions”), but may at AH’s sole discretion, include other sources of capital and operating subsidy available to AH such as HomeFlex assistance and Annual Contributions Contracts (if authorized by HUD). The Aging Properties’ general partners (“GPs”) shall earn a GP Incentive and Asset Management fee of up to \$900,000.00 plus annual interest, expected to be paid from the Authority Reserve Balances, and to be paid upon the earlier to occur of: (A) the refinancing of the applicable Aging Property; and (B) the Maturity Date. AH agrees to refinance the Aging Properties in accordance with the Refinancing Guidelines set forth in Exhibit B attached hereto.

Aging Properties GPs	Authority Reserve Balances
Carver Redevelopment Partnership GP I, LLC	\$379,292.00
Carver Redevelopment Partnership GP II, LLC	\$65,109.00
Carver Redevelopment Partnership GP III, LLC	\$363,301.00
Harris Redevelopment Partnership I GP, LLC	\$206,825.00

In addition, the Parties agree that they shall work together in good faith to commence the immediate refinancing and RAD Conversions of Ashley Cascade I, II and III and Ashley West End.

10. HUD APPROVAL

Intentionally Deleted.

11. NON-DISPARAGEMENT

Following execution of the Settlement Agreement, Atlanta Housing and Integral Development, LLC shall jointly release a written public statement, the language of which shall be agreed upon in advance by the parties and to announce the settlement of the litigation and no disparaging comments shall be made by any party or representative of any party from December 18, 2019 forward.

12. NO ADMISSION OR LIABILITY

This Settlement Agreement represents a final compromise of disputed claims, issues and/or defenses. By entering into this Settlement Agreement no Party admits any liability or wrongdoing of any kind.

13. MISCELLANEOUS

a. *Invalidity.* To the extent that any provision of this Settlement Agreement is determined by a court of competent jurisdiction to be in contradiction of, or in conflict with any law or regulation, the law or regulation will control, and the remainder of the Settlement Agreement shall not be affected thereby and shall remain in full force and effect.

b. *Time of Essence.* Time is of the essence of this Settlement Agreement and each of its terms.

c. *Entire Agreement.* This Settlement Agreement contains the entire agreement of the Parties regarding the settlement and compromise of the claims in the Lawsuit and supersedes any and all other prior and contemporaneous agreements and understandings between the Parties, whether oral or written regarding the settlement of the Lawsuit. The terms of this Settlement Agreement may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into this Settlement Agreement, none of the Parties has relied upon any statement, representation, warranty, or agreement of the other Parties except for those expressly contained in this Settlement Agreement.

d. *Governing Law.* This Settlement Agreement is made under and must be construed in accordance with the laws of the State of Georgia. By executing this Settlement Agreement, the Parties agree to submit to the jurisdiction of the Superior Court of Fulton County, Georgia for all matters arising hereunder.

e. *Authority.* Each of the individuals signing this Settlement Agreement below affirms that he/she is authorized to act for the executing Party subject to Section 14.

f. *Amendment.* This Settlement Agreement may be changed or amended only by written agreement signed by all of the Parties.

g. *Third Party Beneficiaries.* This Settlement Agreement is not intended, expressly or implicitly, to confer upon any person or entity that is not a signatory to this Settlement Agreement any rights, benefits, remedies, obligations, or liabilities.

h. *Third-party Developers.* As set forth above in Governance Process, Section 7 (c), any third-party that purchases any parcel of the FLP shall be bound to the Affordability Requirements as set forth above.

i. *Headings.* The headings in this Settlement Agreement have been inserted for convenience only and will not affect or control the meaning or construction of any of the provisions of this Settlement Agreement.

j. *Waiver.* The Parties may waive any provision of this Settlement Agreement only by a writing executed by the Party or Parties against whom the waiver is sought to be enforced. No failure or delay in exercising any right or remedy, or in requiring the satisfaction of any condition under this Settlement Agreement, and no act, omission or course of dealing between the Parties will operate as a waiver or estoppel of any right, remedy or condition. A waiver made in writing on one occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver on any future occasion or against any other Party.

k. *Severability.* All provisions of this Settlement Agreement are severable, and the unenforceability or invalidity of any of the provisions will not affect the validity or enforceability of the remaining provisions. The remaining provisions will be construed in such a manner as to carry out the full intention of the Parties.

l. *Counterparts.* The Parties may execute this Settlement Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the Parties need not appear on the same counterpart, and electronic delivery of an executed counterpart signature page by PDF is as effective as executing and delivering this Settlement Agreement in the presence of the other Parties to this Settlement Agreement. No Party will be bound by this Settlement Agreement until all parties have executed it.

m. *Further Cooperation.* The Parties agree to cooperate in good faith with one another to meet the deadlines contained herein and to prepare all documents and obtain all approvals as may be necessary in order to affect the Parties' intent with respect to this Settlement Agreement.

n. *Successors and Assigns.* The terms of this Settlement Agreement shall be binding upon and fully enforceable against the Parties' successors and assigns.

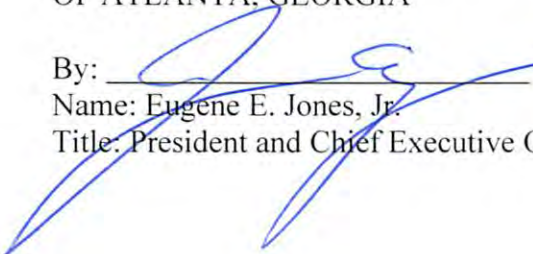
o. *Conflicting Terms.* In the event there are conflicting provisions among the Settlement Agreement, Revitalization Agreements or Amendments, the parties agree that the terms of the Settlement Agreement shall govern the interpretation of such provisions and the conduct of the parties to this Settlement Agreement.

14. AH BOARD APPROVAL

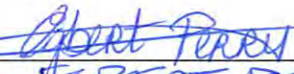
The Parties agree that all terms and conditions contained herein and the enforceability of this entire agreement are subject to AH Board approval and without such approval all terms and conditions contained herein are null and void.

IN WITNESS WHEREOF, the Parties have executed or caused the authorized representatives of each to execute this Settlement Agreement as of the Effective Date.

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA GRADY REDEVELOPMENT LLC


By: 
Name: Eugene E. Jones, Jr.
Title: President and Chief Executive Officer

By: Integral Development LLC
Its: Manager

By: 
Name: ROBERT PERRY
Title: CEO

HARRIS REDEVELOPMENT, LLC

By: Integral Development LLC
Its: Manager

By: 
Name: ROBERT PERRY
Title: CEO


CAPITOL GATEWAY, LLC

By: Integral Development LLC
Its: Manager

By: 
Name: ROBERT PERRY
Title: CEO

CARVER REDEVELOPMENT, LLC

By: Integral Development LLC
Its: Manager

By: 
Name: ROBERT PERRY
Title: CEO

CONSENT

The undersigned to the extent they are owners of parcels of the FLP hereby consent to the foregoing.

940 CUNNINGHAM PLACE, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

WESTSIDE REVITALIZATION
ACQUISITIONS, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

PRYOR ROAD CORRIDOR, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

WESTSIDE DECATUR STREET
ACQUISITIONS, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

WESTSIDE PRYOR COURTS, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

PRYOR ROAD CORRIDOR I, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

303 OAKLAND AVENUE, LLC

By: Westside Revitalization Acquisitions, LLC
Its: Sole Member

By: Westside Affordable Housing, Inc.
Its: Member

By: _____
Name: _____
Title: _____

WESTSIDE AFFORDABLE HOUSING, INC.

By: _____
Name: _____
Title: _____

HARRIS HOLDINGS I, LLC

By: Westside Affordable Housing, Inc.
Its: Sole Member and Manager

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF FLP

All those properties described in the Legal Descriptions attached to the Option Agreements (i) less and except the parcel to be conveyed to Truly Living Well, (ii) less and except the Antoine Graves Annex parcels, (iii) together with that parcel at Capitol Homes commonly known as Parcel D, and (iv) together with the Carver Homeownership parcels.

EXHIBIT B

GENERAL GUIDELINES FOR REFINANCING

Ground Lease:

The term of the ground lease shall be at least 57 years at \$10 per annum. At the end of the ground lease term, the building and improvements will revert to AH. At the time of reversion, AH shall assume all indebtedness, guarantees and other obligations.

AH Loan Amount:

The AH loan will be limited to an appropriate amount to satisfy the proposed financing structure but it will constitute the dollars that are part of the existing permanent loans. AH will forgive the accrued interest under the existing loan based on the appraised value of the existing property, its ability to retire the aggregate level of existing debt, and the target Debt Service Coverage Ratio of the new proposed financing structure.

AH Loan Term:

The loan term shall be at least 57 years, with a construction period of 24 months, and a permanent period of approximately 55 years or more. The ultimate term of the permanent period will be based on the new debt amortization schedule.

AH Loan Interest Rate:

One-half percent (0.5%) simple interest per annum at refinancing. Preceding the contemplated refinancing(s), each transaction with interest rates based on AFR will convert the interest to .5% and immediately recalculate and reset the accrued interest accordingly.

AH Loan Purpose:

This loan will be used for the construction phase and thereafter as a permanent mortgage for the ongoing operation.

AH Debt Service:

The construction period interest will be prepaid at closing. The loan will be a cash flow dependent note. Cash flow shall be defined as Net Operating Income minus the 1st mortgage debt service payment, Asset Management Fees, and Deferred Developer Fee repayment, if any. Additionally, debt service payments shall conform to all applicable HUD and FHA guidelines.

Co-Management and Asset Management Services Fee:

The total Property Management Fee will be 6.5% of gross rental income (GRI). IPM will earn a property management fee equal to 5.5% of GRI. AH will earn a co-management fee equal to .5% of GRI above the line. Further, AH will earn an additional .5% of GRI, which will be paid below the line as an Asset Management fee, subject to distributable cashflow. (NOTE: HUD caps allowable management fee at 6%. Therefore, only .5% of the AH fee can be classified and documented as co-(property) management fee.)

Pre-Development Loan:

AHA will make a predevelopment loan to the Owner Entity(ies). The pre-development loan will be repaid at construction loan closing. A \$10,000 loan origination fee will be required for such pre-development loan. The size of the loan will be equivalent to 75% of the projected predevelopment expenses.

Fees and Interest Expense:

The Borrower will pay fees and expenses to reimburse AHA for its cost of completing the transaction in an amount to be determined by the following guidelines:

- AH Underwriting Fee of \$25,000
- Inspection Fee of \$14,000 (based on a 14-month construction period at \$1,000/month)

Anti-Displacement:

Current residents shall be granted first-priority for (re)admission to the rehabilitated units, appropriately sized for the household. The PH residents will not have the right to move into their original units. Further, the current residents of subject property will be given preferential status for external relocations, either permanent or temporary, into other Signature Properties.

Authority Operating Subsidy:

AH to provide HomeFlex, or equivalent operating subsidy vouchers. The funding level shall increase annually with appropriate escalations over the term of the ground lease. The initial rents for the Development shall be based on 60% AMI rents. The Initial Term of the HomeFlex Assistance Agreement will be a minimum of 20 years. AH shall provide ongoing subsidy on vacant units throughout the rehabilitation for up to 90 days.

Other Considerations:

Incrementally, if RAD is employed in the repositioning(s), the following shall apply:

- Transition to RAD may simply be a subsidy conversion, in lieu of a full-blown recapitalization.
- RAD rents to be based on 60% AMI rents.
- The existing Authority Reserve Escrows shall be released at conversion, provided that the Transformation language contained in the R&O survives the RAD conversion.
- Current MTW-enabled provisions, including but not limited to Site-Based Waiting Lists and Work Requirements, shall survive the conversion to RAD.
- AH will finance the transaction costs of the RAD conversions via predevelopment loans. The costs of the RAD conversion shall include items such as legal fees, project capital needs assessments, appraisals. AH will contribute the capital needs or project reserve escrow for the PH units, etc. if required.