## PROPOSED PROFFER FOR APPROVAL OF HUNTING TERRACE PROJECT

Presentation to Stakeholders Group January 18, 2007

The IDI Group Companies

 1. IDI-Kay will file for approval of a project on the Hunting Terrace site consisting of + 400 luxury condominiums in two 5-story buildings located on the front parcel facing Washington Street and two buildings stepping up to 14-stories located on the rear parcel facing the Hunting Creek. (This plan is substantially identical to the one previously submitted except that the 116 workforce units in the 5-story buildings have been replaced by luxury units.)

2. As condition to the approval by City Council of the proposed project on the Terrace site, IDI-Kay commits to acquire Hunting Towers from VDOT as soon as it is offered for sale at a price (the "IDI-Kay Maximum Price") not to exceed the value of Hunting Towers, if preserved as workforce housing, plus \$20,000,000.

• 3. To guarantee its firm commitment to acquire Hunting Towers IDI-Kay will post \$20,000,000 in escrow in the form of an irrevocable letter of credit at the time the Hunting Terrace project is approved.  4. The \$20,000,000 letter of credit will be released to IDI-Kay at closing on Hunting Towers acquisition and become part of the purchase price. 5. If VDOT's selling price is more than the "IDI-Kay Maximum Price," the City will have the option of (1) contributing the difference to reduce the price to the IDI-Kay Maximum Price or (2) permitting IDI-Kay to sell a number of the units not purchased by tenants at market prices to compensate for the acquisition price difference (in no event however will more than 25% of the units be sold at market prices).

 6. As further condition to the Terrace project approval, IDI-Kay commits to repair and restore Hunting Towers and sell the restored units as follows: First to Hunting Towers and Hunting Terrace tenants, who were in residence on December 15, 2005 and remain in residence, at prices that will enable them to purchase their renovated units at a monthly cost (including condo fees) comparable to the market rent for such units. IDI-Kay is also committed to allow elderly long term tenants to continue renting if they so desire;

Second to workforce employed by the City of Alexandria at prices that will enable the majority of them to qualify for 97% financing with low down payments; Third up to 100 units to the city housing corporation or a non-profit entity designated by the City at the same price offered to the City workforce to make available as rental units. Fourth the remaining units, if any, to the general public at prices affordable to the workforce earning between 80% and 90% of median income.  IDI-Kay will cooperate with the City Office of Housing to establish appropriate re-sale criteria in order to ensure continued affordability over time.  7. The City will grandfather all existing conditions at Hunting Towers including parking.  8. The City will expedite the approval process for the Hunting Terrace project as submitted under #1 above. 9. IDI-Kay will file a by- right development plan for the Terrace site consisting of ± 300 luxury condominiums in 5-story buildings in compliance with existing zoning and the City will process such by -right plan concurrently with the plan described in #1.



