

**NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING**

**October 20, 2026
8:30 a.m.
227-27th Street, Newport News**

1. Pledge of Allegiance to the Flag of the United States of America
2. Roll Call
3. Consider approval of minutes of regular meeting, September 15, 2026
4. Communications
5. New Business
 - a. Consider a Resolution Authorizing the Executive Director to Execute a Subordination and Standstill Agreement and Related Documents in Connection with the Refinancing and Rehabilitation of James River Flats
6. Report to the Board
7. **No Closed Session**
8. Any other business to come before the Board
 - Comments from the Public: (*Time limit 5 Minutes*)
9. Adjournment

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 15, 2026**

Having duly given public notice, the Board of Commissioners of the Newport News Redevelopment and Housing Authority met at 227 27th Street, in the City of Newport News, Virginia, at 8:31 a.m. on Tuesday, September 15, 2026.

Pledge of Allegiance Mr. Holloman led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

Roll Call

The meeting was called to order by the Chair, Mr. Holloman, and those present were as follows:

Commissioners present: -

- Thaddeus Holloman
- Alonzo Bell, Jr.
- William Black
- George Knight
- Barbara Holley
- Andrea Diggs
- Dr. Helmuth Trieschmann

Also present:

- Raymond H. Suttle, Jr.
Kaufman & Canoles, P.C.
- Lysandra M. Shaw
Executive Director
- Ronald Jackson
Deputy Executive Director
- Felicia Simmons, Director
Administrative Services
- Kayonia M. Betts
Executive Assistant
- Tricia Wilson
City of Newport News Via Teams
- LaWanda Carter
R.E.D. Academy
- Justin Orie
NNRHA IT Department

**Approval of Minutes
August 18, 2026**

Commissioner Bell moved that the minutes of the regular meeting of the Board of Commissioners held on August 18, 2026, be approved. The motion was seconded by Commissioner Knight and passed with a unanimous vote.

Communications

The following communications were provided to the Board and reviewed by the Executive Director. Ms. Shaw reported that Orcutt Townhomes I received a rating of 24 on its recent HUD NSPIRE inspection, an ongoing appeal regarding fire extinguisher tagging deduction is in process. Ms. Shaw explained that this deficiency significantly impacted the overall score, (approx. 60-point reduction across several units). Marshall Courts Apartments received a 70 rating, improving from the prior year and it was noted that the property may move to a two-year monitoring cycle instead of annual review.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 15, 2026**

New Business

Public Hearing

Mr. Holloman announced a public hearing was being held to receive comments on the proposed Public Housing Agency Plan for Fiscal Year 2027-2031 and submission of HUD Form 50075-ST.

A notice advertising the Public Hearing was posted in the lobby of the Authority at 227 27th Street, Newport News and appeared in the Daily Press on Sunday, July 26, 2026, and the Tidewater Hispanic on August 6, 2026, stating the draft Five-Year Plan was available for public review at the Authority’s office at 227 27th Street, Newport News, VA, Public Housing Management Office.

No public comments or emails were made or received.

Commissioner Bell made a motion to close the Public Hearing. Commissioner Diggs seconded the motion which passed with a unanimous vote.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Authorizing the
submission of HUD
Form 50075-ST, PHA
Plans (Five-Year
Plan and Annual
Plan for FY 2027-
2031 to HUD in
Accordance with
Statutory
Regulations**

The Board was provided copies of a resolution authorizing the submission of HUD Form 50075-ST, PHA Plans (Five-Year Plan and Annual Plan for FY 2027-2031 to HUD in accordance with statutory regulations. Ms. Shaw reported that The Public Housing Agency (PHA) Plan serves as a comprehensive guide outlining the Authority’s policies, programs, client services, and operations aimed at addressing local housing needs. It consists of two components: the Five-Year Plan, which sets forth the Authority’s mission and long-term goals for 2027–2031, and the Annual Plan, which provides a detailed overview of ongoing operations and Capital Fund Program priorities for FY 2027. The Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD) and incorporates updated guidelines for participation in key housing initiatives such as the Rental Assistance Demonstration, Choice Neighborhoods, and Housing Choice Voucher programs.

The final Agency Plan is due to HUD by October 18, 2026—75 days prior to the start of the new fiscal year on January 1, 2027.

Board approval of this resolution is recommended.

Commissioner Bell made a motion to approve the resolution. Commissioner Diggs seconded the motion which passed with a majority vote. The resolution is attached to and made a part of these minutes

Public Hearing

Mr. Holloman announced a public hearing was being held to receive comments on the proposed Capital Fund Program (CFP) for FY 2026- FY 2030 5-Year Plan.

A notice advertising the public hearing was posted in the lobby of the Authority at 227 27th Street, Newport News and appeared in the Daily Press on Sunday, July 26, 2026. The draft plan was made available for public review at the Authority’s office at 227 27th Street, Newport News, VA, Public Housing Management Office.

No public comments or emails were made or received.

Commissioner Bell made a motion to close the Public Hearing. Commissioner Knight seconded the motion which passed with a majority vote.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 15, 2026**

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Authorizing the
submission of the
FY 2026-2030 Capital
Fund Program Five-
Year Plan to HUD in
Accordance with
Statutory
Regulations**

The Board was provided copies of a resolution authorizing the submission of the proposed Capital Fund Program (CFP) for the FY 2026-2030 Five-year plan. Ms. Shaw reported that the Capital Fund Program 5-year Action Plan is a detailed review of all planned PHA capital activities over a 5-year duration. The Capital Fund 5-Year Action Plan includes a comprehensive series of improvements across several housing communities. At Aqueduct, planned enhancements include power washing of buildings, repairs and upgrades to common areas, drywall repair, painting of stairways and exterior doors, replacement of floor tiles and stair treads, and repair or replacement of handrails. Pinecroft improvements focus on exterior building repairs, pressure washing, painting of stucco and trim, sealing and caulking deficiencies, power washing of walkways, and interior preparation and painting of hallways, stairways, and other common areas. At Ashe Manor, work will include pressure washing and repainting of the trash room, sealing cracks, replacement of the trash compactor and chute, and installation of a new building chiller. Marshall Courts Apartments is scheduled for roof improvements, including replacement of the TPO roof overlay, fascia, and gutter repairs, as well as Phase III façade improvements consisting of exterior repairs, chemical cleaning, siding replacement, and painting of siding, trim, stucco, and doors.

NNRHA is seeking the Board's approval of the CFP 5-Year Action Plan for fiscal years 2026-2030 in accordance with NNRHA and the Department of Housing and Urban Development policy. Final approval is also required by HUD.

Board approval of this resolution is recommended.

Commissioner Bell made a motion to approve the resolution. Commissioner Knight seconded the motion which passed with a majority vote. The resolution is attached to and made a part of these minutes.

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Approving the
Adoption and
Implementation of
a Credit Card Policy**

The Board was provided copies of a resolution recommending the adoption and implementation of the Newport News Redevelopment and Housing Authority's credit card policy. Ms. Shaw explained that the policy was developed to support sound financial management practices, strengthen accountability and transparency, and establish effective internal controls for the issuance and use of Authority-issued credit cards. The policy provides standardized procedures governing authorized purchases, cardholder responsibilities, approval and documentation requirements, transaction reconciliation, and prohibited uses. She further noted that adoption of the policy will enhance consistency in the use of Authority funds, improve oversight of credit card transactions, reduce the risk of unauthorized or inappropriate expenditures, and support compliance with applicable federal, state, and local requirements. The policy also clearly defines the roles and responsibilities of cardholders, supervisors, management, and the Finance Department, while establishing documentation and reconciliation standards necessary to support audits, financial reporting, and internal control objectives. Adoption of the policy is expected to ensure that all credit card transactions are properly authorized, documented, reviewed, and reconciled, thereby strengthening the Authority's overall financial accountability and stewardship of public resources.

Board approval of this resolution is recommended.

Commissioner Bell made a motion to approve the resolution. Commissioner Diggs seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 15, 2026**

**The Board of
Commissioners of
the Newport News
Redevelopment and
Housing Authority
Approving the
Adoption and
Implementation of
a Disposition of
Assets Policy**

The Board was provided copies of a resolution recommending the adoption and implementation of the Newport News Redevelopment and Housing Authority's disposition of assets policy. Ms. Shaw reported that the policy was developed to establish standardized procedures for the disposition of Authority-owned personal property that is no longer needed due to age, wear, damage, obsolescence, or replacement. The policy provides guidance for identifying surplus assets, determining fair market value, and documenting the disposal of Authority property. She further advised that adoption of the policy will strengthen the Authority's asset management practices by promoting consistency, transparency, accountability, and compliance with applicable federal, state, and local requirements. The policy also establishes safeguards to protect the Authority's interests, maintain accurate fixed asset records, prevent conflicts of interest, and maximize the value of public assets whenever practical. In addition, the policy defines the responsibilities of management and staff throughout the disposition process and sets forth documentation requirements to support audits and financial reporting. Adoption of the policy is expected to ensure that all asset dispositions are conducted in a fair, consistent, and well-documented manner.

Board approval of this resolution is recommended.

Commissioner Bell made a motion to approve the resolution. Commissioner Knight seconded the motion which passed with a unanimous vote. The resolution is attached to and made a part of these minutes.

**Report to the
Board**

Mr. Jackson reported continued progress across housing affordability, capital improvements, compliance initiatives, and federally funded programs. The FY 2026-2027 Annual Action Plan has been approved by City Council and submitted to HUD for review. Upon HUD approval, implementation and expenditure of Community Development Block Grant (CDBG) and HOME funds will commence.

The Down Payment Assistance (DPA) Program pipeline includes 27 applicants, consisting of 3 completed transactions, 9 approved applicants, 7 currently in underwriting, 7 determined ineligible, and 1 withdrawn application. Residential Rehabilitation Program activity for August included 40 active cases, with 10 projects completed, 28 ongoing, 2 in underwriting, and 9 new applicants received during the month. Year-to-date, numerous applications have been processed, and 15 rehabilitation projects have been completed.

Staff continued resident outreach and engagement efforts, reaching more than 1,000 community members during the Back-to-School Cookout on August 15th. Information was distributed regarding homeownership opportunities, rehabilitation assistance programs, and available housing resources. The event was well attended and supported ongoing efforts to increase community awareness of housing assistance programs.

The Marshall-Ridley Facade Improvement Program also continues to demonstrate strong performance. Across two funding rounds, 163 applications have been received, resulting in 105 completed projects. Program expenditures total nearly \$2.1 million, with approximately \$60,000 remaining available for future activities.

Regarding portfolio repositioning efforts, staff completed the initial review phase and are drafting the repositioning plan. A meeting with AH Forward and Housing Authority staff is being scheduled to review the assessment of capital needs and discuss next steps. Staff anticipate providing the Board with an overview of the repositioning strategy and findings from the capital needs assessment by the end of the year. Compliance efforts at Cypress Terrace continue to show substantial improvement following the management and occupancy review.

Capital improvement projects remain ongoing. The Aqueduct Apartments project is approximately 80 percent complete, with roadway improvement activities awaiting direction and approvals from City Engineering. Additional capital projects are progressing through procurement and implementation phases. At Ashe Manor, equipment delivery remains dependent on vendor production schedules, with delivery anticipated in the near term. Overall, staff reported that multiple capital projects are advancing but will require continued oversight and management to ensure successful completion.

**Minutes of a Meeting of the
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September 15, 2026**

Ms. Lockley reported the NNRHA Controlled Multi-Family Properties Waitlist data as follows: There are 2118 Public Housing applications, 43 of which are approved leaving 2075 pending applications. The Housing Choice Voucher program has 3902 applications, of which 92 were approved with 3789 pending. During the month of August, the Public Housing program housed 7 new applicants. The Housing Choice Voucher Program housed 17 new applicants and MOD-Rehab (SRO) housed 5 new applicants for a total of 29 new applicants housed. The Public Housing program is currently occupied at 96%, and the Housing Choice Voucher program is currently at 85%. The MOD Rehab Program, which includes Warwick SRO, is 95% occupied. All of the apartment affordable housing communities are occupied at 85% on average.

The Community Resources Department remained active in community engagement and resident services during the month of August. Staff participated in Big Serve Week, providing volunteer services at Spratley House and Ashe Manor. Additional resident support initiatives included a free credit repair workshop, SNAP Employment and Training services, and back-to-school programs conducted at Marshall Courts and Aqueduct Apartments. These activities supported resident self-sufficiency efforts and provided educational and community resources to families served by the Authority.

Mr. Jackson presented a revised format for the monthly Housing Choice and Mainstream Voucher Program Utilization report, incorporating graphical representations to provide the Board with a clearer understanding of program performance and leasing activity. The visual dashboards summarize data previously contained in spreadsheet reports and illustrate monthly lease rates across the Housing Choice Voucher (HCV), Mainstream Voucher, and Emergency Housing Voucher (EHV) programs through August 2026. The updated presentation format was developed to improve transparency and provide a more comprehensive view of program trends and utilization.

Board discussion highlighted the continued high demand for voucher assistance. Staff reported that the Housing Choice Voucher waiting list contained more than 3,000 applicants when it was last opened, resulting in significant wait times that are largely dependent on available funding and voucher availability. Mr. Jackson further explained that applicants may be on waiting lists in multiple jurisdictions simultaneously until assistance is received and that the agency monitors duplicate housing subsidies across jurisdictions to ensure program compliance.

An update was also provided on the Emergency Housing Voucher Program, noting that the program has concluded and is no longer issuing new emergency vouchers. Existing Emergency Housing Voucher participants are expected to transition into the regular Housing Choice Voucher Program. However, implementation of those transfers is currently affected by ongoing funding shortfall considerations. Overall, staff emphasized continued management of voucher utilization, waiting list demand, and funding resources to maximize housing assistance opportunities for eligible families.

Ms. Simmons provided an update on the elevator modernization project, reporting that Metro Elevator completed its required condition survey on August 21st, which was the final assessment needed before work could begin on the passenger elevator renovation project. Staff will continue to monitor project progress and provide updates as milestones are achieved.

Administrative Services and Finance staff also reviewed the Authority's Credit Card Usage Policy, which was developed to strengthen procurement and financial management practices. Ms. Simmons further reviewed the Disposition of NNRHA Property Policy, which establishes formal procedures for the disposal of Authority-owned assets that are obsolete, beyond economical repair, or no longer needed for operational purposes.

An update was also provided regarding a proposed partnership with PCs for People, a nonprofit organization that specializes in technology recycling and refurbishment. Staff are pursuing a Memorandum of Understanding (MOU) to facilitate the disposal and recycling of surplus and obsolete electronic equipment. The partnership will assist the Authority in organizing storage areas, creating additional usable space, improving facility appearance, and supporting sustainability goals. Eligible equipment will be refurbished and made available to community members at reduced costs. The organization will also provide documentation related to ownership transfer, data sanitization, and equipment destruction, ensuring proper management of retired technology assets.

**Minutes of a Meeting of the
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Ms. Simmons reported on several ongoing procurement activities. A Request for Proposals (RFP) for Community Development Block Grant (CDBG) and HOME Investment Partnerships Program administration consulting services was advertised on August 7th and has been extended through September 21st. An RFP for financial operations, internal controls, and risk assessment review was issued on August 26th and is scheduled to close on September 28th. In addition, several capital improvement procurements have been completed or are in progress, including bids for Marshall Courts Phase III painting, Pinecroft hallway and stairway painting, Pinecroft exterior washing and painting, and Marshall Courts roof overlay, fascia, and gutter repairs. She also reported that an Invitation for Bids for pest control services was issued on September 8th and remains open for responses. Overall, procurement activities continue to support the Authority's capital improvement, compliance, and operational objectives.

Ms. Shaw reported that Congress approved an extension for Fiscal Year 2018 Choice Neighborhoods Initiative (CNI) grant recipients, providing NNRHA with an additional one-year extension for expenditure of the original grant funds. In addition, supplemental funding associated with the initiative remains available through 2027 and 2028, allowing the Authority additional time to complete eligible activities and expenditures.

Leasing performance across CNI developments remains strong. The Lift and Rise I on Jefferson is 100% and Lift and Rise II is 90% occupied. One commercial space remains available, and a prospective tenant is currently undergoing the vendor review process. Staff will provide additional details upon completion of that process. Legacy Landing Phase III-R and Phase IV-R also continue to perform well. Phase III-R currently has 71 units, with three vacant units consisting of two market-rate units and one project-based voucher unit. Phase IV-R has six vacant units, including three project-based voucher units and three market-rate units.

Construction activity continues to advance throughout the development phase. Phase IV residential construction has reached 100% completion and is currently in the final punch-list stage. Infrastructure improvements are approximately 96% complete, with remaining work focused primarily on stormwater-related improvements. The Wellness Trail is also approximately 96% complete, while retail space construction has been completed. At the Downtown at 28th and Washington development, vertical construction activities are beginning, with foundation work underway and pile installation scheduled to commence in the coming weeks.

Ms. Shaw provided an update on post-construction sustainability planning, noting that a sustainability plan and endowment trust have been established to ensure continued support for former Ridley Place residents following completion of the CNI grant. The initiative will provide ongoing resident services and support during the sustainability period to help maintain long-term community outcomes.

Regarding future homeownership opportunities, staff reported that design work continues for 24 proposed homeownership lots located along Ivy Avenue adjacent to the Phase II development area. Once preliminary designs are completed, staff plan to engage the Citizens Advisory Committee for review and input before moving forward with implementation.

Finally, it was reported that Urban Strategies continue to provide strong family support services through the CNI program. Currently, 209 families are actively participating in case management services, reflecting continued engagement and support for residents and families within the redevelopment area.

No Closed Session

Other Business

Ms. Shaw expressed appreciation for Mr. Jackson's leadership and commitment to strengthening the Authority's budgeting practices. Mr. Jackson is establishing a more structured and inclusive budget development process for the Authority by taking the lead in implementing a collaborative approach that actively involves property managers, supervisors, and department leadership. This process is designed to ensure that those responsible for operations have meaningful input into budget planning and resource allocation. Ms. Shaw also noted that increased participation in the budget process promotes greater accountability, transparency, and ownership of financial decisions throughout the organization.

**Minutes of a Meeting of the
Newport News Redevelopment and Housing Authority
September 15, 2026**

Adjournment

There being no other business to come before the Board, the Chairman adjourned the meeting at 9:24 a.m.

Secretary-Treasurer

ITEM NUMBER 5

New Business

- a. Consider a Resolution Authorizing the Executive Director to Execute a Subordination and Standstill Agreement and Related Documents in Connection with the Refinancing and Rehabilitation of James River Flats

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

MEMORANDUM

DATE: October 20, 2026

TO: NNRHA Board of Commissioners

FROM: Lysandra M. Shaw, Executive Director 

SUBJECT: James River Flats - Refinancing and Subordination Agreement

This memorandum requests Board approval of the attached resolution authorizing the Executive Director to execute a Subordination and Standstill Agreement and related documents in connection with the refinancing and rehabilitation of James River Flats.

In 2013, the Newport News Redevelopment and Housing Authority issued \$6,725,000 in multifamily housing bonds for James River Flats, a 100-unit development in Newport News. In connection with the bonds, a Declaration of Restrictive Covenants was recorded to establish affordable housing requirements for the property.

The project owner, Standard James River Owner, a Delaware limited partnership, plans to defease and pay the existing bonds in full. The owner will then obtain new financing to fund additional renovations. The new financing will include affordable housing restrictions similar to those in the existing Declaration.

To facilitate the refinancing, the owner has requested that the Authority enter into a Subordination and Standstill Agreement subordinating its interest under the existing Declaration to the new financing. The attached resolution authorizes the Executive Director to execute that agreement and related documents and facilitate the defeasance of the existing bonds.

Approval of the resolution is recommended because it will support the refinancing and rehabilitation of James River Flats while maintaining affordable housing restrictions consistent with the Authority's mission.

**RESOLUTION OF THE
NEWPORT NEWS REDEVELOPMENT
AND HOUSING AUTHORITY**

WHEREAS, the Newport News Redevelopment and Housing Authority (the "Authority") issued certain bonds dated December 1, 2013 in the original principal amount of \$6,725,000 in connection with a multi-family housing development consisting of 100 units known as James River Flats located in the City of Newport News, Virginia (the "Project"); and

WHEREAS, in connection with the bonds (the "Bonds"), a Declaration of Restrictive Covenants dated December 1, 2013 was recorded in the Office of the Clerk for the City of Newport News, Virginia as Instrument No. 130021891 (the "Declaration"); and

WHEREAS, the owner of the Project, Standard James River Owner, a Delaware limited partnership (the "Owner"), is defeasing and refinancing the Bonds, paying the Bonds off in full, and obtaining additional funds to renovate the Project; and

WHEREAS, the new financing being obtained by the Owner will contain similar affordable housing restrictions as contained in the Declaration; and

WHEREAS, Owner, in connection with the refinance of the Bonds and other financing, has requested that the Authority subordinate the Declaration to its new financing and has requested that the Authority execute a Subordination and Standstill Agreement (the "Agreement"); and

WHEREAS, it is in the best interest for the rehabilitation of the Project and in furtherance of the goals and mission of the Authority to enter into the Agreement.

NOW, THEREFORE, on a motion duly made and seconded, the Board of the Authority adopts the following resolutions:

BE IT RESOLVED that the Executive Director is authorized to execute the Agreement and other related documents to subordinate the Authority's interest in the Declaration to the new financing for the Project and facilitate the defeasing of the Bonds for the purchase of U.S. Treasury Securities - State and Local Government Series (SLGS).

ADOPTED this 20th day of October, 2026.

ATTEST: _____
Secretary

Chair

Prepared by, and after recording
return to:

James River Flats

Cassin & Cassin LLP
2900 Westchester Avenue, Suite 402
Purchase, New York 10577
Attention: Recording Department

----- [Space Above This Line For Recording Data] -----

**SUBORDINATION AND STANDSTILL AGREEMENT
(Public Entity) (Regulatory Agreement Only)**

This SUBORDINATION AND STANDSTILL AGREEMENT (this "**Agreement**") dated as of _____, 2026 is executed by and among (i) **BERKELEY POINT CAPITAL LLC**, a Delaware limited liability company, d/b/a **NEWMARK**, its successors and assigns ("**Senior Lender**"), (ii) **NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**, a body politic and political subdivision of the Commonwealth of Virginia ("**Subordinate Party**"), and (iii) **STANDARD JAMES RIVER OWNER**, a Delaware limited partnership ("**Borrower**").

RECITALS:

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Senior Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Senior Loan Agreement**"), Senior Lender has agreed to make a loan to Borrower in the original principal amount of \$_____ (the "**Senior Loan**"), as evidenced by that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to the order of Senior Lender in the amount of the Senior Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Senior Note**").

B. In addition to the Senior Loan Agreement, the Senior Loan and the Senior Note are also secured by a certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt dated as of the date hereof (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Senior Security Instrument**"), encumbering the property described in the Senior Security Instrument as the "**Mortgaged Property**" more particularly described on Exhibit A attached hereto.

C. [Intentionally Deleted.]

D. Borrower or its predecessor in interest has entered into that certain Declaration of Restrictive Covenants dated December 1, 2013 in favor of Subordinate Party, which was recorded among the applicable land records of the City of Newport News, Virginia (the "**Official Records**") as Document No. 130021891 pursuant to which the Mortgaged Property is subject to certain

restrictions, covenants, and/or requirements as further set forth therein (the “**Regulatory Agreement**”).

E. As a condition to making the Senior Loan, Senior Lender requires that Subordinate Party (1) subordinate the Regulatory Agreement to the Senior Loan, subject to the conditions contained in this Agreement, and (2) agree to the standstill provisions set forth in this Agreement.

AGREEMENTS:

NOW, THEREFORE, in order to induce Senior Lender to make the Senior Loan and permit the Regulatory Agreement against the Mortgaged Property, and in consideration thereof, Senior Lender, Subordinate Party and Borrower agree as follows:

1. Recitals.

The recitals set forth above are incorporated herein by reference.

2. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

“**Borrower**” means, individually (and jointly and severally if more than one), the Person identified as “Borrower” in the first paragraph of this Agreement, any successor or assign of Borrower, including, a receiver, trustee or debtor-in-possession and any other Person (other than Senior Lender or its designees, nominees, successors or assigns) who acquires title to the Mortgaged Property after the date of this Agreement.

“**Borrower Affiliate**” means:

(a) any Person that owns any direct ownership interest in Borrower, [“Guarantor” or “Key Principal”] (as such terms are defined in the Senior Loan Agreement);

(b) any Person that indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in Borrower, Guarantor or Key Principal;

(c) any Person Controlled by, under common Control with, or which Controls, Borrower;

(d) any entity in which Borrower, Guarantor or Key Principal directly or indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in such entity; or

(e) any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower, Guarantor or Key Principal.

“Business Day” means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which Senior Lender is not open for business, or (d) a day on which the Federal Reserve Bank of New York is not open for business.

“Condemnation Action” means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

“Control” (including with correlative meanings, the terms “Controlling,” “Controlled by” and “under common Control with”), as applied to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or operations of such entity, whether through the ownership of voting securities, ownership interests or by contract or otherwise.

“Default Notice” means: (a) a copy of any written notice from Senior Lender to Borrower and Subordinate Party stating that a Senior Loan Default has occurred under the Senior Loan Documents; or (b) a copy of the written notice from Subordinate Party to Borrower and Senior Lender stating that a Subordinate Document Default has occurred under the Subordinate Documents. Each Default Notice shall specify the default upon which such Default Notice is based.

“Foreclosure Event” means, as the context requires:

- (a) foreclosure under the Senior Security Instrument;
- (b) any other exercise by Senior Lender of its rights and remedies (whether under the Senior Security Instrument or under applicable law, including bankruptcy, insolvency and similar laws) as holder of the Senior Loan and/or the Senior Security Instrument, as a result of which Senior Lender (or its designees or nominees) or a third party purchaser becomes owner of the Mortgaged Property;
- (c) delivery by Borrower to Senior Lender (or its designees or nominees) of a deed or other conveyance of Borrower’s interest in the Mortgaged Property in lieu of any of the foregoing; or

“Person” means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

“Prior Owner Obligations” has the meaning set forth in Section 7(c)(2)(B)(ii).

“Prohibited Rights and Remedies” means any rights or remedies available to Subordinate Party other than specific performance and/or injunctive relief solely to enforce rent, income, occupancy, and/or social services restrictions applicable to Borrower and the Mortgaged Property under the Subordinate Documents. For the avoidance of doubt, whether arising under the Subordinate Documents or otherwise at law or in equity, Prohibited Rights and Remedies include enforcement of any action to enforce, or obtain specific performance of, any covenant other than such rent,

income, occupancy and/or social services restrictions, including covenants relating to payment of indemnities, and any claim for indirect, special, punitive, consequential, or liquidated damages, penalties, or acceleration of fees.

“Property Jurisdiction” has the meaning set forth in the Senior Security Instrument.

“Protective Advances” means, individually and collectively, all advances heretofore made or which may hereafter be made in accordance with the Senior Loan Documents or as provided herein for the purposes of (a) protecting or further securing against the Mortgaged Property the lien of the Senior Security Instrument and the lien priority of Senior Lender under the Senior Loan Documents, (b) curing defaults by Borrower under the Senior Loan Documents (including any Subordinate Document Default) or under the Subordinate Documents, or (c) for any other purpose expressly permitted by the Senior Loan Documents.

“Senior Lender” means the Person identified as “Senior Lender” in the first paragraph of this Agreement, its transferees, successors and assigns, and any subsequent holder of the Senior Note.

“Senior Loan Default” means the occurrence of an “Event of Default” as that term is defined in the Senior Loan Documents.

“Senior Loan Documents” means the Senior Security Instrument, the Senior Note, the Senior Loan Agreement, and all other “Loan Documents” as that term is defined in the Senior Loan Agreement.

“Senior Loan Maturity Date” means the “Maturity Date” as defined in the Senior Loan Agreement.

“Subordinate Document Default” means a default by Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Documents for curing the default.

“Subordinate Documents” means the Regulatory Agreement and all other documents evidencing, securing or otherwise executed and delivered in connection with the Regulatory Agreement.

“Subordinate Party” means the Person identified as “Subordinate Party” in the first paragraph of this Agreement, its transferees, successors or assigns, including any receiver, trustee or debtor-in-possession.

“Subordinate Party Standstill Period” has the meaning set forth in Section 6(b).

“Successor Owner” means Senior Lender, its designee, nominee transferee, successor or assign pursuant to a Foreclosure Event and the first transferee that acquires title to the Mortgaged Property from any of them following a Foreclosure Event.

“Surplus Cash” means, with respect to any period, any revenues of Borrower derived from regular operation of the Mortgaged Property remaining after paying, or setting aside funds to pay, all of the following:

- (a) All sums due or currently required to be paid under the Senior Loan Documents, including any Imposition Deposits.
- (b) All deposits to any replacement reserve, repair reserve or other reserve or escrow required by the Senior Loan Documents that are due or currently payable.
- (c) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees or asset management fees payable with respect to the Mortgaged Property).
- (d) Other third-party subordinate loan payments.

3. Subordinate Documents.

Borrower hereby represents and warrants to Senior Lender that pursuant to the Regulatory Agreement, the Mortgaged Property is subject to certain restrictions, covenants, and/or requirements. Notwithstanding the prohibition against inferior liens on the Mortgaged Property contained in the Senior Loan Documents and subject to the provisions of this Agreement, Senior Lender agrees to permit the Regulatory Agreement and other recordable Subordinate Documents to be recorded or remain recorded (as applicable) against the Mortgaged Property.

4. Terms of Subordination.

(a) Agreement to Subordinate.

Subordinate Party hereby acknowledges the terms of and consents to the Senior Loan and Senior Loan Documents. Senior Lender and Subordinate Party each agree that (1) the liens, terms, covenants and conditions of the Regulatory Agreement (including all Prohibited Rights and Remedies and all obligations of Borrower to share revenues, pay disposition or transfer fees, or make any payment to Subordinate Party other than regularly scheduled compliance monitoring fees approved by Senior Lender) and the other Subordinate Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Security Instrument and the other Senior Loan Documents, including Protective Advances made by Senior Lender, and (2) if any Successor Owner acquires title to the Mortgaged Property, the Regulatory Agreement and the other Subordinate Documents including all Prohibited Rights and Remedies shall automatically terminate subject to the provisions of Section 7(c) unless otherwise directed by Senior Lender in writing upon such acquisition of title.

(b) Subordinate Document Terms.

(1) [Intentionally Deleted.]

(2) Notwithstanding anything in the Subordinate Documents to the contrary, by execution of this Agreement Subordinate Party and Borrower agree that the following terms and conditions shall apply to the Subordinate Documents for so long as the Senior Loan is outstanding:

(A) Subordinate Party will not exercise any consent rights as to any debt incurred by Borrower and secured by the Mortgaged Property.

(B) [Intentionally Deleted.]

(C) [Intentionally Deleted.]

(D) [Intentionally Deleted.]

(E) Any indemnification (including indemnification of Prior Owner Obligations) of or benefitting Subordinate Party or other Persons under the Subordinate Documents shall (i) be subordinate in all respects to the Senior Loan Documents and (ii) be personal to Borrower.

(F) Transfers to any Successor Owner shall not require Subordinate Party's consent.

(G) [Intentionally Deleted.]

(H) The Subordinate Documents shall not be cross-defaulted with any subordinate loan or other secured or unsecured loan, or any grant that is subject to recapture by grantor.

(I) The Subordinate Documents shall not survive any termination or expiration of any tax exemption that is related to the Subordinate Documents.

(J) There shall be no limitations on distributions of excess income, Surplus Cash or similar net available cash flow except as provided in this Agreement.

(K) Subordinate Party will not exercise any right of reverter or other reversionary interest, right of first refusal, option right or other preemptive right.

(L) (i) Any obligation of Borrower to fund a replacement reserve account will be (1) credited to the extent Borrower funds a replacement reserve account required by Senior Lender under the Senior Loan Documents, and (2) suspended after the occurrence and during the continuance of an "Event of

Default" (as such term is defined in the Senior Loan Documents) under the Senior Loan Documents; (ii) Subordinate Party's right to the replacement reserve funds held by Senior Lender shall be subject to Sections 4(a) and 6(b) hereof; and (iii) its consent to disbursements from the replacement reserve held by Senior Lender is not required.

(M) If Senior Lender has approved an alteration, improvement or modification to the Mortgaged Property or the Improvements located thereon, Subordinate Party agrees that its consent to such alteration, improvement or modification shall be deemed given.

(N) Subordinate Party and Borrower shall not modify a rent, income, occupancy and/or social services restriction in the Subordinate Documents without Senior Lender's prior written consent.

(O) [Intentionally Deleted.]

(P) [Intentionally Deleted.]

(Q) Insurance proceeds or proceeds resulting from a Condemnation Action shall be applied in accordance with Section 9(b) of this Agreement.

(c) Subordinate Party and Senior Lender not a Borrower Affiliate.

Borrower and Subordinate Party each represents and warrants that Subordinate Party is not a Borrower Affiliate. Borrower further represents and warrants that Senior Lender is not a Borrower Affiliate.

(d) Consent to Recordation of Subordinate Documents.

Senior Lender agrees that, upon recordation of this Agreement, the Regulatory Agreement and other recordable Subordinate Documents recorded or to be recorded against the Mortgaged Property to secure Borrower's obligation under the Subordinate Documents are hereby approved as "Permitted Encumbrances" in accordance with the terms of the Senior Security Instrument.

(e) Subordination of Subrogation Rights.

Subordinate Party agrees that if (in its capacity as Subordinate Party only) it acquires by right of subrogation or otherwise a lien on the Mortgaged Property, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Documents, which (but for this subsection) would be senior to the lien of the Senior Security Instrument (any such lien being hereinafter referred to as a "**Subrogation Lien**"), then, in such event, such lien shall be subject and subordinate to the lien of the Senior Security Instrument. For the avoidance of doubt, nothing in this Section 4(e) shall be construed to subordinate any lien of any municipality obtained through any of its municipal rights.

(f) [Intentionally Deleted.]

(g) [Intentionally Deleted.]

5. Deliveries.

Borrower shall submit the following items to Senior Lender on or before the effective date of the Senior Loan Documents:

(a) a policy of title insurance insuring the lien of the Senior Security Instrument which insures that (1) there are no liens or other encumbrances affecting the Mortgaged Property, other than "Permitted Encumbrances" (as defined in the Senior Security Instrument), which "Permitted Encumbrances" may include the Regulatory Agreement and other Subordinate Documents filed or recorded against the Mortgaged Property, (2) the Regulatory Agreement are subordinate to the lien of the Senior Security Instrument, and (3) this Agreement has been recorded in the Official Records; and

(b) a complete set of the fully executed Subordinate Documents.

6. Default Under Subordinate Documents.

(a) Notice of Subordinate Document Default.

Subordinate Party shall deliver to Senior Lender a copy of each notice sent to Borrower of a default under any Subordinate Document within five (5) Business Days after delivery of such notice to Borrower. Subordinate Party shall deliver to Senior Lender a Default Notice of each Subordinate Document Default within five (5) Business Days after delivery of such Default Notice to Borrower. Failure of Subordinate Party to send a Default Notice to Senior Lender shall not prevent the exercise of Subordinate Party's rights and remedies under the Subordinate Documents; provided, however, that in no event shall Subordinate Party exercise any rights or remedies under the Subordinate Documents (other than specific performance and/or injunctive relief solely to enforce rent, income, occupancy, and/or social services restrictions) without first complying with the standstill requirements set forth in Section 6(b).

(b) Standstill.

Following a Subordinate Document Default, Subordinate Party shall not, without Senior Lender's prior written consent, exercise any Prohibited Rights and Remedies until the expiration of the Subordinate Party Standstill Period. The "**Subordinate Party Standstill Period**" means the period commencing on the date of the Subordinate Document Default and ending on the date that is sixty (60) days following Senior Lender's receipt from Subordinate Party of a Default Notice documenting such Subordinate Document Default; provided, that if Subordinate Party fails to deliver a Default Notice to Senior Lender documenting such Subordinate Document Default, the Subordinate Party Standstill Period shall be deemed to commence on the date of the Subordinate Document Default and shall not expire until the date that is sixty (60) days after Subordinate Party delivers such Default Notice to Senior Lender. The Subordinate Party Standstill Period shall be

automatically extended for such period of time as Senior Lender is pursuing a cure (for any Subordinate Document Default susceptible to cure) or pursuing remedies under the Senior Loan Documents. During the Subordinate Party Standstill Period; provided, however, Subordinate Party shall be entitled to pursue specific performance and/or injunctive relief to enforce the rent, income, occupancy and/or social services restrictions in accordance with the Subordinate Documents and/or under applicable laws.

(c) Senior Lender Cure Rights.

Senior Lender shall have the right, but not the obligation, to cure any Subordinate Document Default at any time. Borrower and Subordinate Party agree that all amounts advanced, expended or otherwise paid by Senior Lender in accordance with the Senior Loan Documents to cure a Subordinate Document Default shall be deemed to be Protective Advances advanced by Senior Lender pursuant to, and shall be secured by, the Senior Loan Agreement and the Senior Security Instrument.

(d) [Intentionally Deleted.]

(e) Cross Default.

Borrower agrees that it shall comply with all Subordinate Documents, and Borrower and Subordinate Party agree that a Subordinate Document Default shall constitute a Senior Loan Default under the Senior Loan Documents. In the event a Subordinate Document Default occurs, Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents in the same manner as in the case of any other Senior Loan Default. If Subordinate Party notifies Senior Lender in writing that any Subordinate Document Default of which Senior Lender has received a Default Notice has been cured or waived, as determined by Subordinate Party in its sole discretion, provided no other default exists under the Senior Loan Documents and Borrower performs and satisfies all obligations required to reinstate the Senior Loan to the satisfaction of Senior Lender, any Senior Loan Default under the Senior Loan Documents arising solely from such Subordinate Document Default shall be deemed cured, and the Senior Loan shall be reinstated.

7. Default Under Senior Loan Documents and Cure Rights.

(a) Notice of Senior Loan Default.

Senior Lender shall deliver a Default Notice of each Senior Loan Default to Subordinate Party within five (5) Business Days after delivery of such Default Notice to Borrower. Failure of Senior Lender to send a Default Notice to Subordinate Party shall not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents, including Senior Lender's right to terminate the Subordinate Documents, subject to the provisions of this Section 7(a), nor shall such failure constitute a default by Senior Lender under this Agreement. Subordinate Party shall have the right, but not the obligation, to cure any such Senior Loan Default as follows:

(1) for any monetary default, within sixty (60) days following the date of such Default Notice; provided, however, that Senior Lender shall be entitled at all times to continue to pursue all rights and remedies available under the Senior Loan Documents without the need for consent or approval from Subordinate Party; or

(2) for any non-monetary default, within ninety (90) days following the date of such Default Notice so long as (A) there is no monetary default at the time of such Default Notice, and (B) during such ninety (90) day period Subordinate Party keeps current all payments required by the Senior Loan Documents. During such ninety (90) day period and provided the conditions in (A) and (B) are satisfied, Senior Lender shall standstill and may not exercise its rights and remedies available under the Senior Loan Documents unless such a non-monetary default creates an unacceptable level of risk relative to the Mortgaged Property or Senior Lender's secured position, as determined by Senior Lender in its sole discretion, in which case Senior Lender may exercise all rights and remedies available under the Senior Loan Documents without the need for consent or approval from Subordinate Party.

(b) Cross Default.

If a Senior Loan Default constitutes a Subordinate Document Default in accordance with the terms of the Subordinate Documents, Subordinate Party agrees that, notwithstanding any contrary provision contained in the Subordinate Documents, such Senior Loan Default shall not constitute a Subordinate Document Default (if no other default has separately occurred under the Subordinate Documents) until either (1) Senior Lender has accelerated the Senior Loan Maturity Date, or (2) Senior Lender has taken affirmative action to exercise its rights under the Senior Loan Documents to collect rent, to appoint (or seek the appointment of) a receiver, or to otherwise commence any proceedings or actions in furtherance or anticipation of a Foreclosure Event in accordance with the Senior Loan Documents. At any time after a Senior Loan Default is determined to constitute a Subordinate Document Default, Subordinate Party shall be permitted to pursue its remedies for default under the Subordinate Documents, subject to the restrictions and limitations of this Agreement. If at any time Borrower cures any Senior Loan Default to the satisfaction of Senior Lender in its sole discretion, as evidenced by written notice from Senior Lender to Subordinate Party, any Subordinate Document Default arising solely from such Senior Loan Default shall be deemed cured.

(c) Subordinate Party Remedies Following a Foreclosure Event.

(1) If any Successor Owner acquires title to the Mortgaged Property pursuant to a Foreclosure Event or similar event and any Successor Owner has not exercised its right to terminate any or all of the Subordinate Documents (or if any provision of a Subordinate Document survives a Foreclosure Event through operation of law or court order), Subordinate Party's sole remedy for a breach of rent, income, occupancy and/or social services restrictions applicable to Borrower and the Mortgaged Property in the Subordinate Documents and/or under applicable laws shall be limited to specific performance and/or injunctive relief to enforce such rent, income, occupancy and/or social services restrictions.

For the avoidance of doubt, Subordinate Party shall not exercise any Prohibited Rights and Remedies for so long as Senior Lender or any Successor Owner is the owner of the Mortgaged Property. Neither Senior Lender nor any Successor Owner shall be obligated to cure any default (whether monetary or non-monetary), pay any damages or penalties, or pay any indemnification obligation to Subordinate Party that was incurred or has accrued prior to the date Senior Lender obtains control and possession of the Mortgaged Property.

(2) After a Foreclosure Event and regardless of whether the Regulatory Agreement remains in effect:

(A) Insurance proceeds or proceeds resulting from a Condemnation Action shall be applied in accordance with Section 9(b) of this Agreement.

(B) No Successor Owner will be liable for, assume or take title to the Mortgaged Property subject to:

(i) any failure of any prior owner of the Mortgaged Property to perform or observe any representation or warranty, affirmative or negative covenant or other agreement or undertaking under the Regulatory Agreement or any other Subordinate Documents; and

(ii) the payment of any sums due and owing under the Regulatory Agreement or other Subordinate Documents, including any indemnification obligations, or any accrued unpaid fees, costs, expenses, financial penalties, financial remedies, monetary damages, liquidated damages, indirect, special, punitive, or consequential damages, fines or other financial obligations that were incurred or accrued prior to the date Senior Lender obtained control and possession of the Mortgaged Property (the "**Prior Owner Obligations**").

(3) Notwithstanding the provisions of Section 16(g) or any provision herein to the contrary, the provisions of this Section 7(c) shall survive any Foreclosure Event or any other termination of this Agreement and shall remain in full force and effect.

8. Conflict.

Borrower, Senior Lender and Subordinate Party each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Senior Lender and Subordinate Party in the Mortgaged Property; (b) the timing of the exercise of remedies by Senior Lender and Subordinate Party under the Senior Loan Documents and the Subordinate Documents, respectively; (c) solely as between Senior Lender and Subordinate Party, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and Subordinate Party have agreed to as expressly provided in this Agreement; and (d) all terms and provisions described in

Section 4(b)(2) of this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to extend Borrower's time to cure any Senior Loan Default or Subordinate Document Default, as the case may be, or create any other right or benefit for Borrower as against Senior Lender or Subordinate Party.

9. Rights and Obligations of Subordinate Party Under this Agreement.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Documents covering the same subject matter:

(a) **[Intentionally Deleted.]**

(b) **Condemnation or Casualty.**

Notwithstanding anything in the Subordinate Documents to the contrary, following the occurrence of (x) a Condemnation Action, or (y) a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (a "**Casualty**"):

(1) Subordinate Party hereby agrees that its rights (under the Subordinate Documents or otherwise) to participate in any proceeding or action relating to a Condemnation Action or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation Action or a Casualty shall be and remain subject and subordinate in all respects to Senior Lender's rights under the Senior Loan Documents, and Subordinate Party shall be bound by any settlement or adjustment of a claim resulting from a Condemnation Action or a Casualty made by Senior Lender; provided, however, neither this subsection nor anything contained in this Agreement shall limit the rights of Subordinate Party to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Condemnation Action or Casualty;

(2) all proceeds received or to be received on account of a Condemnation Action or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the Senior Loan) in the manner determined by Senior Lender in its sole discretion; provided, however:

(A) if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Loan shall be paid to, and may be applied by, Subordinate Party in accordance with the applicable provisions of the Subordinate Documents;

(B) Senior Lender agrees to consult with Subordinate Party in determining the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, shall prevail; and

(C) in the event of any disagreement between Senior Lender and Subordinate Party over the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, shall prevail; and

(3) Subordinate Party agrees to execute and deliver within fifteen (15) Business Days of Senior Lender's request, at no expense to Senior Lender, all documents, instruments, agreements or further assurances required to effectuate the provisions of this subsection.

(c) Insurance.

Subordinate Party agrees that all original policies of insurance required pursuant to the Senior Security Instrument shall be held by Senior Lender. The preceding sentence shall not preclude Subordinate Party from requiring that it be named as a loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of the proceeds of property damage insurance under the Senior Security Instrument, nor that Subordinate Party be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(d) No Substantive Modification or Termination of Subordinate Documents.

Borrower and Subordinate Party each agree that the Subordinate Documents may not be amended, modified, or terminated without the prior written consent of Senior Lender. Any amendment of the Subordinate Documents or assignment of Subordinate Party's interest in the Subordinate Documents without Senior Lender's consent shall be void ab initio and of no effect whatsoever. Borrower agrees to deliver to Senior Lender fully executed copies of any amendment or modification to the Subordinate Documents within five (5) Business Days after execution thereof.

10. Bankruptcy Provisions.

Subordinate Party shall not commence, solicit any Person to commence, or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings against or with respect to Borrower without Senior Lender's prior written consent.

11. Modification of Senior Loan Documents.

Notwithstanding anything to the contrary in the Subordinate Documents, Senior Lender may waive, postpone, extend, reduce, or otherwise modify any provisions of the Senior Loan Documents without obtaining Subordinate Party's consent, including any provision requiring the payment of money. Notwithstanding the foregoing, Borrower and Senior Lender each agree that, except as permitted in the Senior Loan Documents or as specifically set forth in Section 7(a) of this Agreement, it will not, without the prior written consent of Subordinate Party in each instance

(solely to the extent Subordinate Party consent is required in the Subordinate Documents for any of the following), (a) increase the principal amount of the Senior Loan, (b) increase the required payments due under the Senior Loan, (c) decrease the term of the Senior Loan or extend the Senior Loan Maturity Date, or (d) increase the interest rate on the Senior Loan, except for increases in the principal amount of the Senior Loan or required payments of the Senior Loan that result from Protective Advances made by Senior Lender.

12. Refinancing of Senior Loan.

Subordinate Party agrees that (a) the subordination hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan (including reasonable and necessary costs associated with the closing and/or the refinancing and any Protective Advances); (b) all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and (c) all references to the Senior Loan, the Senior Note, the Senior Loan Agreement, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the refinance loan, the refinance note, the loan agreement, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

13. Default by Subordinate Party or Senior Lender.

If Subordinate Party or Senior Lender defaults in performing or observing any of the terms, covenants, or conditions to be performed or observed by it under this Agreement, the other, non-defaulting lender shall have the right to all available legal and equitable relief.

14. [Intentionally Deleted.]

15. Notices.

(a) Process of Serving Notice.

All notices under this Agreement shall be:

- (1) in writing and shall be:
 - (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;
- (2) addressed to the intended recipient at the address(es) below the signature block, as applicable; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or any express courier service.

(b) Change of Address.

Any party to this Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified in this Agreement.

(c) Receipt of Notices.

Senior Lender, Subordinate Party or Borrower shall not refuse or reject delivery of any notice given in accordance with this Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

16. General.

(a) Assignment/Successors.

This Agreement shall be binding upon (and shall inure to the benefit of the respective legal successors, transferees and assigns of) Borrower, Senior Lender, and Subordinate Party. Borrower and Subordinate Party shall not assign any of their respective rights and obligations under this Agreement without the prior written consent of Senior Lender.

(b) No Partnership, Joint Venture or Fiduciary Responsibilities.

Senior Lender's consent to the Subordinate Documents does not constitute Senior Lender as a joint venturer or partner of or a fiduciary for Subordinate Party. Neither party hereto shall hold itself out as a partner, agent or affiliate of the other party hereto.

(c) Further Assurances.

Subordinate Party, Senior Lender and Borrower each agrees, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Regulatory Agreement and other Subordinate Documents are subordinate to the lien, covenants and conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement.

(d) Governing Law.

The validity, enforceability, interpretation, and performance of this Agreement shall be governed by State (as defined in the Senior Security Instrument) law without giving effect to any

conflict of law or choice of law rules that would result in the application of the laws of another jurisdiction.

(e) Venue; Consent to Jurisdiction.

In the administration or litigation of a controversy arising under or in relation to this Agreement or the security for the Senior Loan, Senior Lender, Subordinate Party and Borrower each consent to the exercise of personal jurisdiction by State (as defined in the Senior Security Instrument) court or federal court in such State. Senior Lender, Subordinate Party and Borrower each agree that the State courts have subject matter jurisdiction over such controversies. If Senior Lender elects to sue in State court, Subordinate Party and Borrower each waives any right to remove to federal court or to contest the State court's jurisdiction. Subordinate Party and Borrower waive any objection to venue in any State court or federal court in such State, and covenant and agree not to assert any objection to venue, whether based on inconvenience, domicile, habitual residence, or other ground.

(f) Severability; Entire Agreement; Amendments.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. This Agreement contains the complete and entire agreement among the parties as to the matters covered, rights granted, and the obligations assumed in this Agreement. This Agreement may not be amended or modified except by written agreement signed by the parties hereto.

(g) Term; Survival.

Subject to the provisions of Section 7(c), the term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (1) the payment in full of the principal of, interest on and other amounts payable under the Senior Loan Documents; (2) termination or expiration of the Regulatory Agreement; (3) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a Foreclosure Event; or (4) the acquisition by Subordinate Party of title to the Mortgaged Property pursuant to a Foreclosure Event in accordance with the Subordinate Documents, but only if such acquisition of title does not violate any of the terms of this Agreement.

(h) Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall constitute one and the same instrument.

(i) Sale of the Senior Loan.

Nothing in this Agreement shall limit Senior Lender's (including any assignee or transferee of Senior Lender) right to sell or transfer the Senior Loan, or any interest in the Senior Loan. The

Senior Loan or a partial interest in the Senior Loan (together with this Agreement and the other Senior Loan Documents) may be sold one or more times without prior notice to Subordinate Party or Borrower.

(j) Construction.

(1) The captions and headings of the sections of this Agreement are for convenience only and shall be disregarded in construing this Agreement.

(2) Any reference in this Agreement to an "Exhibit" or "Schedule" or a "Section" or an "Article" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Agreement or to a Section or Article of this Agreement. All exhibits and schedules attached to or referred to in this Agreement, if any, are incorporated by reference into this Agreement.

(3) Any reference in this Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(4) Use of the singular in this Agreement includes the plural and use of the plural includes the singular.

(5) As used in this Agreement, the term "including" means "including, but not limited to" or "including, without limitation," and is for example only and not a limitation.

(6) Whenever Subordinate Party's or Borrower's knowledge is implicated in this Agreement or the phrase "to Subordinate Party's knowledge" or "to Borrower's knowledge" or a similar phrase is used in this Agreement, Subordinate Party's knowledge, Borrower's knowledge or such phrase(s) shall be interpreted to mean to the best of Subordinate Party's knowledge or Borrower's knowledge (as applicable) after reasonable and diligent inquiry and investigation.

(7) Unless otherwise provided in this Agreement, if Senior Lender's or Subordinate Party's consent, approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such consent, approval, designation, determination, selection, estimate, action or decision shall be made in Senior Lender's or Subordinate Party's sole and absolute discretion, as applicable.

(8) All references in this Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(9) "Senior Lender may" or "Subordinate Party may" shall mean at Senior Lender's or Subordinate Party's discretion, as the case may be, but shall not be an obligation.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower, Senior Lender and Subordinate Party have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by a duly authorized representative. Where applicable law so provides, Borrower, Senior Lender and Subordinate Party intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

SENIOR LENDER:

BERKELEY POINT CAPITAL LLC d/b/a NEWMARK

By: _____ (SEAL)

Name:

Title:

Address: 1420 Springhill Road, Suite 600
McClean, Virginia 22102

With a copy to:
Fannie Mae
Attention: Multifamily Asset Management
Drawer AM
1100 15th Street, NW
Washington, DC 20005

STATE OF _____)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____, 2026
by _____ (Name of Signatory) as
_____ (Title of Signatory) of **BERKELEY POINT**
CAPITAL LLC, a Delaware limited liability company, d/b/a **NEWMARK**, on behalf of the
limited liability company.

Notary Public

Printed Name: _____

My Commission Expires: _____

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

Title: Executive Director

Address: 227 27th Street
Newport News, Virginia 23607

COMMONWEALTH OF VIRGINIA)
) ss.:
CITY OF NEWPORT NEWS)

The foregoing instrument was acknowledged before me this _____, 2026 by Lysandra M. Shaw (*Name of Signatory*) as _____ (*Title of Signatory*) of **NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY**, on its behalf.

My Commission Expires: _____

BORROWER:

STANDARD JAMES RIVER OWNER, a Delaware limited liability company

By: _____ (SEAL)

Name:

Title:

Address: _____

COMMONWEALTH OF VIRGINIA)

): ss.:

CITY OF NEWPORT NEWS)

The foregoing instrument was acknowledged before me this _____, 2026
by _____ (Name of Signatory) as
_____ (Title of Signatory) of _____, a
_____, on behalf of the limited liability company.

Notary Public

Printed Name: _____

My Commission Expires: _____

EXHIBIT A
LEGAL DESCRIPTION



REPORT TO THE BOARD

NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY

October 2026

The mission of the Newport News Redevelopment & Housing Authority (NNRHA) is to create affordable housing, viable neighborhoods, and opportunities for self-sufficiency that enhance the quality of life for all citizens of Newport News.

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Felicia Simmons, Director of Administrative Services

COMMUNITY DEVELOPMENT

The 2026–2027 Annual Action Plan (AAP) review and approval process has been completed by the U.S. Department of Housing and Urban Development (HUD). With HUD’s review and acceptance completed, the next step is to obtain the required signatures from the Newport News Redevelopment and Housing Authority (NNRHA) Executive Director and City Manager on the applicable agreements. Once the agreements are fully executed, the City and NNRHA can proceed with the implementation and administration of the approved Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) activities for the 2026–2027 program year.

In addition, the Community Development (CD) staff is currently working to gather and compile the necessary program, financial, and project information for the Consolidated Annual Performance and Evaluation Report (CAPER). The team is coordinating with internal departments and program partners to collect updates on accomplishments, expenditures, beneficiaries served, and the overall progress of funded activities during the reporting period. This information will be reviewed and compiled to ensure the CAPER accurately reflects the City's progress in meeting its annual goals and objectives and complies with HUD reporting requirements.

Sponsoring Partnerships & Revitalizing Communities (SPARC) and Down Payment Assistance (DPA)

The SPARC Program provides eligible homebuyers using Virginia Housing loan products with a 1% mortgage interest rate reduction to support affordable homeownership. NNRHA successfully achieved the objectives of its FY2025 SPARC grant, fully expended all awarded funds, and the grant has been officially closed.

Virginia Housing plans to release the FY2026 SPARC application this fall to continue strengthening the program and expanding homeownership opportunities across the Commonwealth. NNRHA appreciates its partnership with Virginia Housing and looks forward to participating in the next funding cycle.

Redevelopment & Homeownership

The Newport News Redevelopment and Housing Authority (NNRHA) administers the Citywide Down Payment Assistance (DPA) Program for first-time homebuyers through the HOME Investment Partnerships Program (HOME), providing financial support for home purchases within Newport News. For calendar year 2026, 27 applications were received, there were no new applications for September. Of the applications received this year, 3 projects have been completed, 9 were determined ineligible, 9 have been approved, 4 are in underwriting, and 2 have withdrawn. These efforts resulted in financial assistance being provided to support multiple first-time homebuyers in achieving homeownership within the city.

Down Payment Assistance (DPA)				
Calendar Year: January 1, 2026 – December 31, 2026				
Completed	Denied	Approved	Underwriting	Withdrew
3	9	9	4	2

New DPA Applications September 2026	Total DPA Applications Received for January 1, 2026 – December 31, 2026
0	27

Residential Rehabilitation Program

September 2026 Housing Rehabilitation Activity:

Total Housing Rehabilitation Activity for September 2026	
Residential Repair Program	Cases
Projects Completed	13
Projects in Underwriting (includes pending approval)	22
Projects Ongoing	11
Projects Ineligible	25
Total	71

New Housing Rehabilitation Applications for September 2026	4
---	---

Calendar Year 2026 (January 1, 2026 – December 31, 2026):

New Housing Rehabilitation Applications Received	Total New Housing Rehabilitation Completed
60	15

Community Outreach and Resident Engagement

NNRHA personnel participated in the “Unlocking Home Ownership: VA Grant and Assistance Panel” on October 1, 2026, at the Mayara E. Oberndorf Central Library in Virginia Beach. The event brought together housing leaders from the seven cities of Hampton Roads to educate prospective homebuyers about available homeownership resources, including Down Payment Assistance (DPA) programs.

NNRHA staff highlighted its DPA program and provide information on available assistance that can help eligible individuals and families overcome upfront homebuying costs. Participation in this regional outreach event helped increase awareness of NNRHA’s homeownership resources, connected prospective buyers with available assistance, and strengthened partnerships with housing organizations throughout Hampton Roads. This effort supports NNRHA’s continued commitment to expanding access to affordable and sustainable homeownership opportunities.

MARSHALL-RIDLEY RESIDENTIAL FACADE PROGRAM

The Marshall-Ridley Residential Facade Program received 113 applications in Round One, resulting in 76 completed projects and 37 deemed ineligible. In Round Two (launched July 21, 2025), 50 applications were submitted, with 29 completed for finance review, 36 inspections, 30 undergoing codes review, 1 pending contract, and 0 contracts. So far, 29 projects have been completed, and 11 applications were found ineligible.

To date, the program has expended \$2,052,521.70 of the \$2.1M granted by the City of Newport News, with \$40,253.30 remaining to support continued façade improvements within the Marshall-Ridley community.

Marshall-Ridley Residential Facade Program Activity Tracker

	First Round Completed	Second Round (7/21/26)	Total
Total Applicants	113	50	163
Administrative Review	0	0	0
Finance Review	0	43	44
Inspected	0	36	37
Codes Review	0	30	30
Contract Pending	0	1	1
Contracts	0	0	0
Completed	76	29	105
Ineligible	37	11	48

CAPITAL ACTIVITY

Asset Repositioning Strategic Plan for Public Housing Portfolio

Staff held a virtual meeting with AH Forward September 28th to discuss their recommendations regarding the Strategic Repositioning Plan. AH Forward stated that NNRHA's 711-unit, four-property portfolio requires approximately \$50 million in modernization, while the traditional Public Housing model does not provide sufficient funding or financing flexibility to meet those needs. With that in mind, AH Forward recommended transitioning the portfolio to long-term Section 8 Project-Based Vouchers through the Rental Assistance Demonstration (RAD), Section 18, or a combination of the two programs. At a high level, this approach could preserve affordable housing, strengthen long-term funding, reduce administrative burdens, and provide access to additional financing. The consultants will present the financial projections, conversion options, and associated considerations to the Board in greater detail at an upcoming (not yet scheduled) in-person presentation.

AH Forward has also drafted an RFP for a Capital Needs Assessment (CNA). The CNA will supply the verified physical-condition, cost, environmental, and HUD-compliance information needed to refine financial projections, structure financing, and sequence the conversions. The Procurement staff and AH Forward are working to refine the RFP and determine a time frame for its release soon.

RAD Properties Management, Operations, and Fiscal Pre-MOR Review

Cypress Terrace has made substantial progress toward restoring HUD compliance. All recertifications are now current, move-ins have resumed, the FY2020 rent adjustment has been submitted to HUD, and utility allowance and tenant-file compliance work are progressing. The principal outstanding issue is restoration of HAP vouchers. Du & Associates is working toward 90% TRACS compliance and completion of the applicable rent adjustments before submitting the outstanding vouchers.

Marshall Courts – Phase VII Demolition (88 Units)

The City has approved the contractor's curb and gutter plan, and the concrete crew is scheduled to be on site mid-October. The pavement crew is also being scheduled for mid-October. Once the work is completed, the City's Inspector will conduct a final inspection, which will mark the completion of this project. The former demolition site will remain as green space until future development plans are identified. In the interim, the site will continue to be maintained as a green space for the enjoyment and benefit of the community.

On Tuesday, September 8, 2026, a bid opening was held for the Marshall Courts Phase III façade project. This project will continue the façade improvements completed during Phases I and II, further enhancing the appearance and condition of the property. A pre-construction meeting was held on Wednesday, September 23, 2026, and the Notice to Proceed has been issued. The project is scheduled for completion by January 23, 2027.

On Friday, September 18, 2026, a bid opening was held for the roof overlay, fascia, and gutter repair project. The pre-construction meeting is scheduled for Monday, October 5, 2026. Following the issuance of the Notice to Proceed, the project will have a scheduled completion date of March 19, 2027.

Collectively, these improvements will help extend the useful life of the Marshall Courts complex, address necessary site and building maintenance needs, and preserve the property while future development opportunities and long-term plans are evaluated. Until those plans are determined, these investments will help ensure the complex remains safe, well-maintained, and functional for residents and the surrounding community.

Aqueduct Apartments

Roughly 90% of the health and safety improvement project at Aqueduct Apartments is complete with two remaining corridors to receive improvements. The project addresses common area improvements, including replacement of floor tile and stair treads, building washing, painting, and other necessary repairs. These upgrades are designed to improve the overall condition and appearance of the property while enhancing safety and comfort for residents.

Upon completion, the improvements will provide a more welcoming and well-maintained environment while supporting NNRHA's continued commitment to preserving and improving its affordable housing communities.

Ashe Manor Apartments

Currently, the contractor is awaiting the delivery of the trash compactor, the bins, and the chiller. These items are due for delivery starting as early as the middle of October 2026. Once everything is installed, there will be greater trash flow control as well as an increase in building climate control capabilities and system reliability. This will greatly maximize building performance and provide a more comfortable environment for residents, staff, and visitors.

Pinecroft Apartments

Two capital improvement projects for Pinecroft Apartments have been awarded. On Wednesday, September 9, 2026, a bid opening was held for the Pinecroft Hallways and Stairways painting project. The pre-construction meeting was held on Wednesday, September 23, 2026, and was given a completion timeline of January 23, 2027.

On Friday, September 18, 2026, a bid opening was held for the Pinecroft Exterior Washing and Painting Project. The pre-construction meeting was held on Monday, October 5, 2026. The Notice to Proceed has been issued and work has begun. The project will have a scheduled completion date of January 5, 2027.

Together, these improvements will enhance the overall appearance and condition of Pinecroft Apartments, address identified maintenance needs and provide a more welcoming environment for residents and the surrounding community. These investments will also help preserve the property while future development needs and long-term plans are evaluated.

PUBLIC AND ASSISTED HOUSING OCCUPANCY REPORT

Total Waiting List Applications	
Public Housing	2202
Approved/Eligible	62
Pending	1960
Housing Choice Voucher	3870
Approved/Eligible	106
Pending	3764

The pending application numbers for the Public Housing Program (1960) and the Housing Choice Voucher Program (3870) represent the total number of applications being processed for eligibility for housing assistance. Some of these families will be determined ineligible based on income, landlord references or criminal activity. Therefore, these numbers will fluctuate each month.

New Applicants Housed	
Public Housing Program	7
Housing Choice Voucher	6
Mod-Rehab (SRO)	0
Total	13
Occupancy Statistics:	
Public Housing Program	96%
Housing Choice Voucher Program	88%
Mod-Rehab Program (Warwick SRO)	98%
Mod-Rehab (Warwick SRO)	86
Avg. # Leasing Days (PH)	22
Avg. Rent for Move-Ins (PH)	\$414
New Mod-Rehab (SRO) participants	\$0
Total Public Housing	799
Housing Choice Vouchers	2,984
Lease Rate – September 2026	88%

Average Family Rent Contribution for Move-ins Last Month:	
Public Housing	\$414
Housing Choice Voucher	\$156
Warwick SRO	\$0
Cumulative Percentage of HCV Budget Authority Utilized September 2026	132.3%

HOMEOWNERSHIP PROGRAM

Since the Inception of the Program
204 Housing Choice Voucher and Public
Housing clients have completed their goal of
homeownership as follows:

FSS		
Program	Number of Families	Total Cost of Homes Purchased
HCV Families	70	\$6,946,738
PH Families	56	\$5,852,540
HCV-V Home- ownership	78	\$13,550,102

In this chart the number of HCV and PH families represent past participants.

HCV-V numbers reflect current program participants.

**Other NNRHA Controlled Multi-Family Properties
Waiting Lists as of September 2026**

Property	Occupancy Rate	Approved/Eligible	Pending	Total
Orcutt Townhomes I (Lease Up)	97%	0	357	357
Orcutt Townhomes III	97%	0	0	0
Cypress Terrace	85%	211	0	211
Oyster Point/Brighton	79%	97	159	256
Great Oak	94%	110	226	336
Lofts on Jefferson	93%	0	0	0
Jefferson Brookville	94%	1	10	11
Lassiter Courts	93%	4	196	200
Spratley	88%	0	65	65

FAMILY SELF-SUFFICIENCY (FSS)

The following is a current breakdown of the status of FSS participants in the Public Housing and Housing Choice Voucher Programs for the month of September 2026.

Participants	Public Housing	Housing Choice Voucher	TOTAL
Total number in FSS Program	42	82	124
Employed	24	62	86
Currently not working	15	16	31
Attending Virginia Peninsula Comm. College	0	0	0
Attending Christopher Newport Univ.	0	0	0
Enrolled in NNRHA Computer Training/GED	1	0	1
Enrolled in other Training Programs	1	2	3
Employed and going to school	1	2	3
Total Number of participants with escrow accounts	21	50	71

COMMUNITY RESOURCES

COMMUNITY RESOURCES

Community Resources • Resident Relations • Senior Residents

Adult Computer Training Program – Marshall Courts

NNRHA Community Resources partnered with Peninsula Regional Education Program (PREP) to offer an Adult Computer Training Program at the Marshall Courts Recreation Center. The five-week program began September 14 and was scheduled through October 14, with classes held every Monday and Wednesday. To provide participants with additional instructional time, the program was extended through October 21, 2026.

The training provides adult residents with opportunities to strengthen their computer and digital literacy skills. These skills support greater self-sufficiency by helping residents build confidence using technology and improve skills applicable to employment, education, communication, and accessing online resources.

The program supports resident self-sufficiency by connecting participants with educational resources and practical skill-building opportunities that can contribute to increased independence and future economic advancement.



Marshall Courts Bingo

On September 28, 2026, NNRHA hosted a bingo activity at the Marshall Courts Recreational Center, providing residents with an enjoyable opportunity to socialize and strengthen community connections. The event supported the ROSS Program's goals of promoting resident engagement, social well-being, and increased participation in community activities and supportive services. NNRHA extends its sincere appreciation to Chrystal Feathers of A Peace of Mind Benefits for hosting the event and contributing her time and generosity to engage with residents. Overall, the activity fostered meaningful resident interaction and reinforced the sense of community within Marshall Courts.



Marshall Courts Movie Day

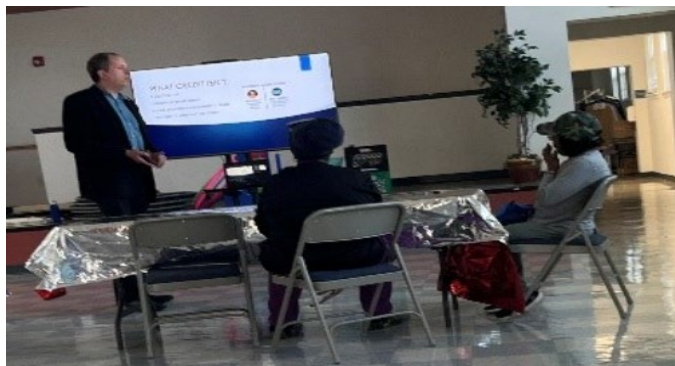
On September 30, 2026, NNRHA hosted a Movie Day at Marshall Courts featuring the film *Michael*, providing residents with an opportunity to gather in a positive and welcoming environment while enjoying recreational time together. The event supported the HUD ROSS Program's goals of promoting resident engagement and strengthening connections to supportive services and community activities that encourage stability and self-sufficiency. NNRHA Community Resources extends special appreciation to Odyssey Community Services, Inc. for supporting the event by providing hot dogs, buns, popcorn, and candy for residents to enjoy.



HRCAP-Money Skills for Everyday Life Financial Literacy Workshop

On September 9, 2026, HRCAP's Mr. Thomas Sentz provided NNRHA residents of Marshall Courts with a Money Skills for Everyday Life Financial Literacy Workshop covering budgeting, saving, debt reduction, credit improvement, emergency planning, housing tips, and family financial protection.

Educational materials and resources were provided to support informed financial decision-making. Participants gained practical money-management strategies and resources to help improve financial stability, strengthen credit, reduce debt, increase savings, and work toward greater self-sufficiency.



Snap E &T Employment Services



On September 23, 2026, the Family Investment Center hosted a SNAP E&T Employment Services Workshop for Aqueduct residents, providing information on employment, training, education, certifications, tuition assistance, childcare, transportation, and career coaching. Five residents participated and were encouraged to connect with FIC Job Placement Services for employment referrals, training opportunities, and supportive services.

Legal Aid Society Comes to Pinecroft



On September 30, 2026, NNRHA's Community Resources Department partnered with Peninsula Agency on Aging and Legal Aid of Southeastern Virginia to host a Life Planning Documents presentation at Pinecroft Apartments. Taequan Kates, Esq., educated residents on the importance of having a simple will, durable power of attorney, and medical directive. Of the 12 residents who attended, 10 expressed interests in obtaining these documents through Legal Aid's free services for qualifying individuals. Peninsula Agency on Aging staff will conduct eligibility screenings, and Mr. Kates will return in November to finalize the documents.

Newport News Public Library Kicks Off Fall Outreach Services

For the past three years, the Newport News Public Library Outreach Department has been a dedicated partner to NNRHA's senior communities, providing enriching activities, access to library materials, and inclusive programming for residents of all abilities. During this reporting period, outreach staff engaged residents at Ashe Manor, Spratley House, and Pinecroft Apartments through puzzle activities that promoted social interaction and mental stimulation. NNRHA extends its sincere appreciation to the Newport News Public Library for its continued commitment and support.



Other September Happenings.....

Serve the City – Monthly programs at Ashe Manor Apartments and Spratley House

Benefit Plan Services – Medicare Question & Answer Sessions and Bingo at Great Oak Apartments

InnovAge PACE – Lunch & Learn at Pinecroft



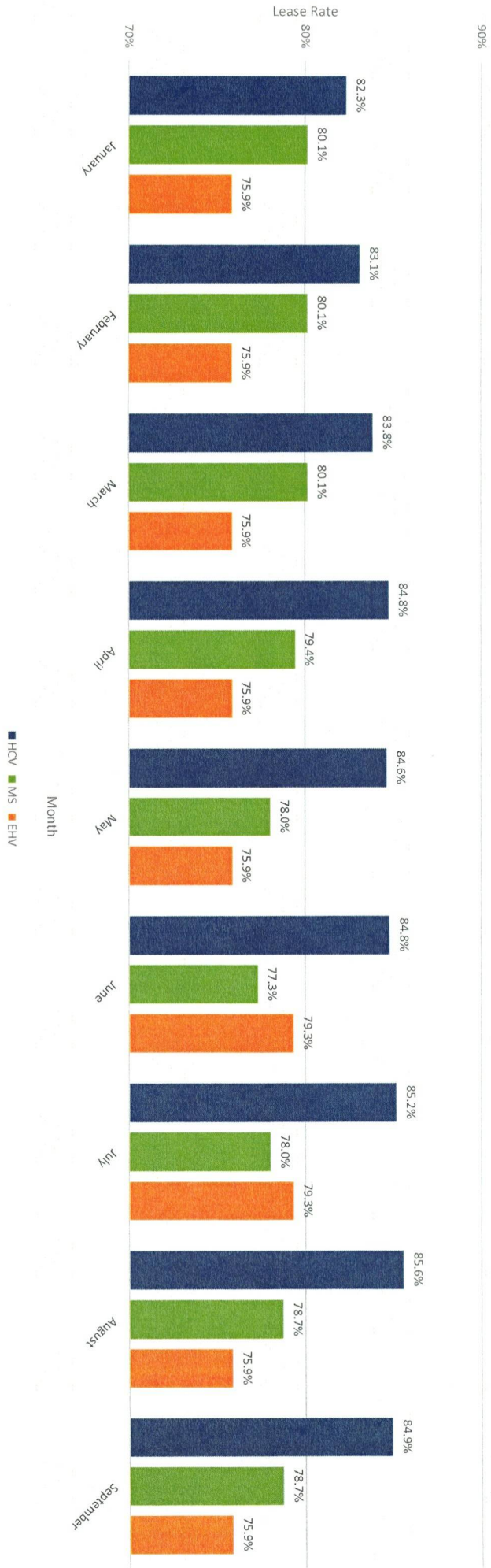
FINANCE

For the Year Ending December 31, 2026
As of September 30, 2026

		Final 99.5% prioritization
CY Housing Choice 2026 Annual Budget Authority	\$ 28,432,110	
Housing Choice Voucher Funding	<u>\$ 28,432,110</u>	
Mainstream Voucher Program Funding	\$ 1,298,558	Final - 100%
Emergency Housing Voucher Program Funding	\$ 347,689	Final - 100%
HCV Units	2507	
VASH units	54	
CN1 tenant protection	247	
Marshall tenant protection	88	
Warwick SRO - RAD2	88	
Baseline HCV count	2984	
Mainstream Vouchers	141	
Emergency Housing Vouchers	29	
Total Vouchers	3154	

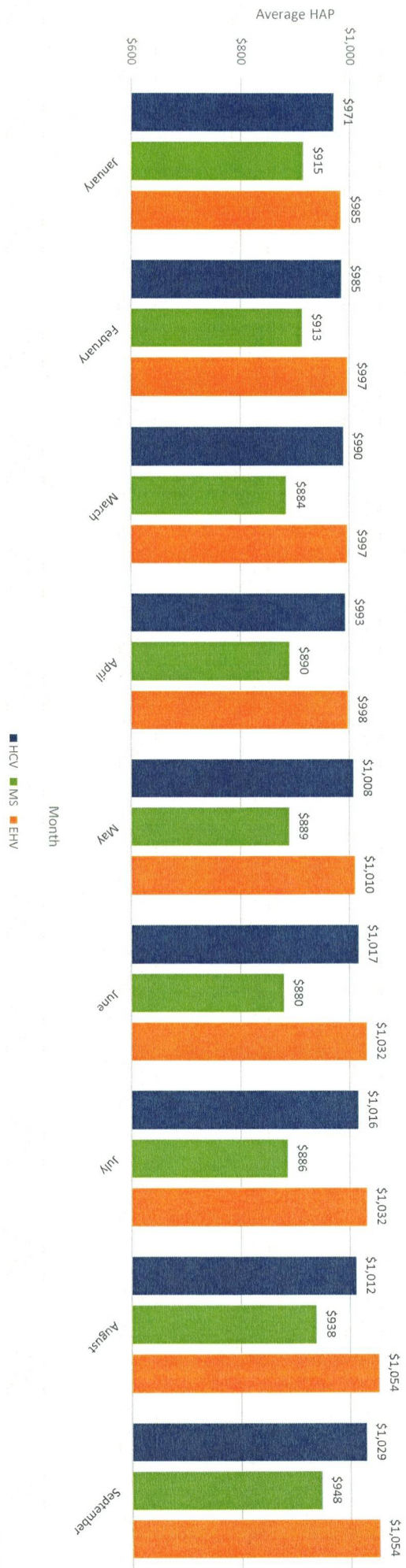
	# of Vouchers Utilized	Lease Rate	HAP Payments to Landlords	Avg HAP	Monthly +/- Dollar Utilization	Monthly Amount of Funding Utilized	Year to Date Amount of Funding Utilized	Funding From HUD	Fraud Recovery	Other Sources Of Funds	NNRHA Held Reserve Balance	HUD Held Reserve Balance
Month												
January	HCV MS EHV	2457 113 22	\$82.3% \$80.1% \$75.9%	\$2,385,632.00 \$103,417.00 \$21,666.00	\$970.95 \$915.19 \$984.82	(\$150,731.00) \$(4,952.00) \$(12,610.00)	94.1% 95.4% 63.2%	\$2,536,363.00 \$108,369.00 \$34,276.00			\$804,474.00 \$(9,963.00) \$77,189.00	\$2,038,907.00 \$35,218.50 \$96,293.75
February	HCV MS EHV	2480 113 22	\$83.1% \$80.1% \$75.9%	\$2,443,772.00 \$103,218.00 \$21,939.00	\$965.39 \$913.43 \$997.23	\$(58,044.00) \$(5,151.00) \$(12,337.00)	97.7% 95.2% 64.0%	\$2,501,816.00 \$108,369.00 \$34,276.00			\$862,518.00 \$(4,812.00) \$89,526.00	\$1,909,646.00 \$29,818.50 \$90,308.33
March	HCV MS EHV	2502 113 22	\$83.8% \$80.1% \$75.9%	\$2,476,521.00 \$99,919.00 \$21,936.00	\$989.82 \$884.24 \$997.09	\$(47,014.00) \$(9,435.00) \$21,936.00	98.1% 94.0% 91.4%	\$2,523,535.00 \$109,354.00 -			\$909,532.00 \$4,623.00 \$67,590.00	\$1,758,668.00 \$23,433.50 \$118,598.92
April	HCV MS EHV	2529 112 22	\$84.8% \$79.4% \$75.9%	\$2,510,641.00 \$98,709.00 \$21,956.00	\$992.74 \$890.26 \$998.00	\$(184,464.00) \$99,709.00 \$21,956.00	97.7% 	\$2,695,105.00 	\$232.50		\$1,044,544.00	\$2,123,169.42
May	HCV MS EHV	2525 110 22	\$84.6% \$78.0% \$75.9%	\$2,544,228.00 \$97,800.00 \$22,230.00	\$1,007.62 \$889.09 \$1,010.45	\$(80,504.00) \$97,800.00 \$22,230.00	101.5% 	\$2,624,732.00 		\$	\$1,005,018.00	\$1,975,758.42
June	HCV MS EHV	2530 109 23	\$84.8% \$77.3% \$79.3%	\$2,571,986.00 \$95,870.00 \$23,729.00	\$1,016.60 \$879.54 \$1,031.70	\$529,197.00 \$95,870.00 \$23,729.00	131.8% 	\$2,042,789.00 		\$	\$356,222.00	\$2,107,039.17
July	HCV MS EHV	2541 110 23	\$85.2% \$78.0% \$79.3%	\$2,581,438.00 \$97,453.00 \$23,729.00	\$1,015.91 \$885.94 \$1,031.70	\$(193,129.00) \$97,453.00 \$23,729.00	132.3% 	\$2,774,568.00 		\$	\$428,169.00	\$1,705,026.00
August	HCV MS EHV	2553 111 22	\$85.6% \$78.7% \$75.9%	\$2,582,515.00 \$104,142.00 \$23,178.00	\$1,011.56 \$938.22 \$1,053.55	\$(206,830.00) \$104,142.00 \$23,178.00	92.6% 	\$2,789,345.00 		\$	\$507,679.00	\$1,829,541.75
September	HCV MS EHV	2534 111 22	\$84.9% \$78.7% \$75.9%	\$2,608,520.00 \$105,182.00 \$23,178.00	\$1,029.41 \$947.59 \$1,053.55	\$(119,039.00) \$105,182.00 \$23,178.00	95.6% 	\$2,727,559.00 		\$	\$498,358.00	\$1,802,188.50
				\$23,815,505.00				\$23,610,456.00	\$	-	\$	-

2026 Voucher Lease Rate by Month and Program

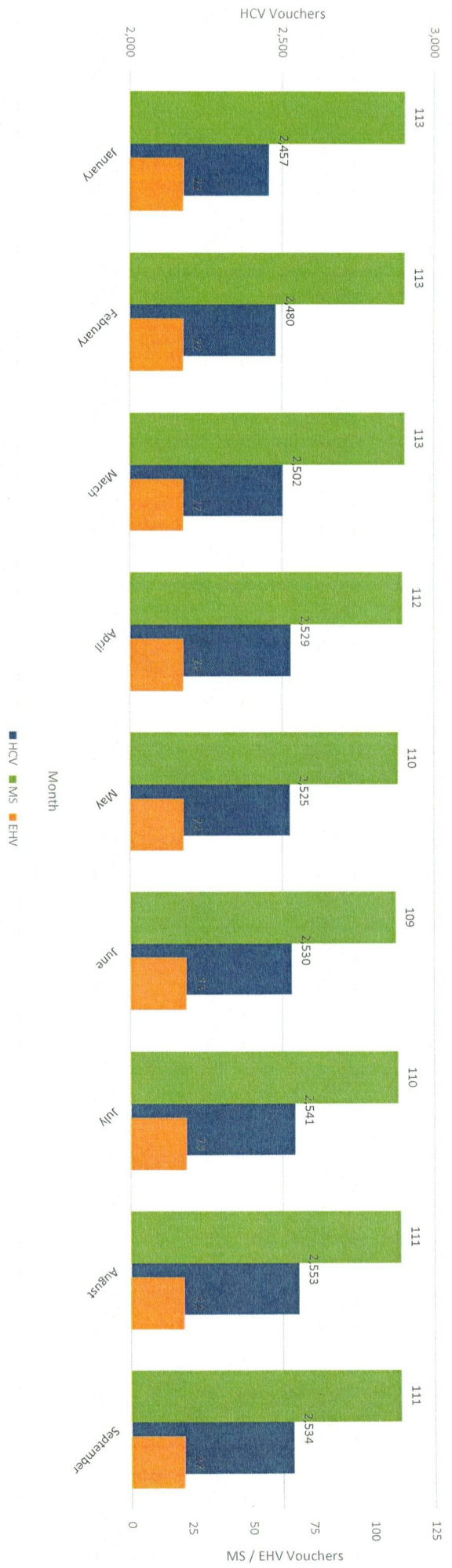


\$1,200

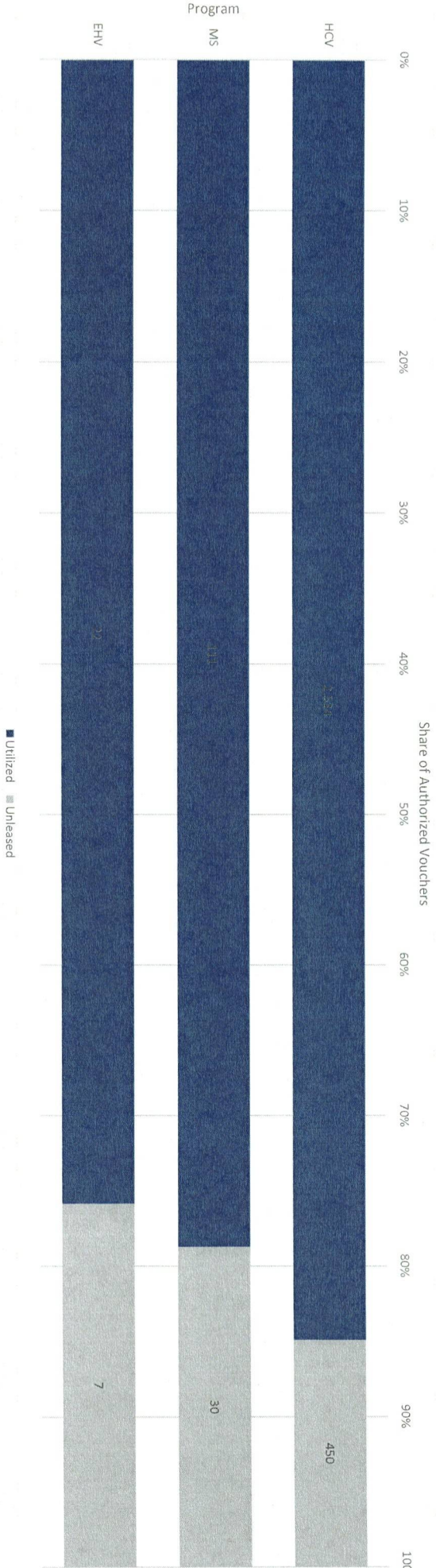
2026 Average HAP per Month by Program



2026 Vouchers Utilized by Month and Program



September 2026 Voucher Capacity: Utilized vs Unleased



BOARD CHART OVERVIEW

January–September 2026 | Interpretation of the four voucher performance charts

Chart		CHART INTERPRETATION	
What it shows		Takeaway	
Voucher Lease Rate by Month and Program	Monthly share of authorized vouchers leased for HCV, Mainstream, and EHV.	HCV moved from 82.3% to 84.9% (+2.6%). Mainstream moved from 80.1% to 78.7% (-1.4%), while EHV ended at 75.9%.	
Average HAP by Month and Program	Average monthly Housing Assistance Payment per utilized voucher for each program.	September Average HAP was \$1,029.41 for HCV, \$947.59 for Mainstream, and \$1,053.55 for EHV. Since January, changes were \$58.45, \$32.39, and \$68.73, respectively.	
Vouchers Utilized by Month and Program	Monthly utilized voucher counts. HCV uses the primary axis; Mainstream and EHV use the secondary axis because of their smaller scale.	HCV utilization changed by +77 vouchers to 2,534. Mainstream changed by -2 to 111, while EHV ended at 22.	
September Voucher Capacity Utilization	September utilized and unleased capacity as a percentage of authorized vouchers for each program.	Overall utilization was 84.6%. 2,667 vouchers utilized and 487 unleased. HCV represented 450 of the unleased vouchers. Mainstream utilization was 78.7%.	

BUDGET CONTEXT: Jan–Sep HAP annualized at the current run rate: HCV \$30,273,672 vs \$28,432,110 authority (106.5%), a projected shortfall of \$1,841,562. September reserves total \$2,300,547; if available for HAP, they cover the projected shortfall with approximately \$458,985 remaining. Mainstream annualizes at \$1,208,947 vs \$1,288,558; EHV at \$271,388 vs \$347,689.

FOCUS: Prioritize leasing within available funding—not capacity alone. HCV has 450 unleased vouchers, but its current HAP run rate exceeds annual authority. Mainstream and EHV have more budget room; continue monitoring lease-up and per-voucher costs.

Data limitation: October–December activity is not populated. Annualized figures extend the January–September average HAP expense for three months and are directional run rates, not forecasts; they exclude future funding adjustments and other funding sources.

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES

Pinecroft Elevator Services

NNRHA has selected Elevated Technologies, Inc. dba Metro Elevators to complete the Pinecroft elevator modernization project. The project is currently on schedule with an estimated completion date of December 2026. Metro Elevators has verified weight tolerances and has begun procuring the necessary materials while other project components are progressing through the engineering and design phases. The Authority will continue to monitor the project's progress and provide updates as key milestones are achieved.

Electronic Contract Repository

The Administrative Services Department has developed an electronic contract repository using Microsoft SharePoint to centralize and organize NNRHA's contracts and related procurement documentation. The repository will provide authorized staff with secure, read-only access to finalized contracts and supporting documentation, including solicitation materials, evaluation and scoring documents, reference and debarment checks, insurance certificates, successful and unsuccessful bids, and other related records. This centralized system will improve accessibility and organization, reduce reliance on paper files, strengthen document retention and recordkeeping, and provide a consistent filing structure for contract information. The SharePoint repository will also enhance transparency, improve continuity when staff responsibilities change, and allow authorized departments to quickly locate current and historical contract documentation while maintaining appropriate access controls.

Invitation To Bid (ITB)/Request for Proposal (RFP)

The Invitation to Bid for Marshall Courts Phase 3 Façade Repairs & Painting was posted on August 7, 2026, and closed on September 8, 2026. The contract was awarded to Stuart's Contracting LLC with an amount of \$360,000 with an estimated completion date of January 23, 2027.

The Invitation to Bid for Pinecroft Hallways & Stairways Painting was posted on August 7, 2026, and closed on September 8, 2026. The contract was awarded to Stuart's Contracting LLC with an amount of \$98,900 with an estimated completion date of January 23, 2027.

The Invitation to Bid for Pinecroft Apartment Exterior Wash & Painting was posted on August 14, 2026, and closed on September 18, 2026. The contract was awarded to Stuart's Contracting LLC with an amount of \$224,500 with an estimated completion date of January 5, 2027.

The Invitation to Bid for Marshall Courts TP Roof Overlay, Fascia & Gutter Repair was posted on August 14, 2026, and closed on September 18, 2026. The contract was awarded to Centennial Contractors Enterprises with an amount of \$998,321 with an estimated completion date of March 19, 2027.

The Invitation to Bid for Cleaning Vacant Apartments was posted on February 27, 2026, and closed on March 30, 2026. On October 1, 2026, the contract was awarded to A Touch of Hope Spring Cleaning LLC, Cutler's Janitorial LLC and Q & AC Cleaning Service for a total of one year with 4 optional years terms.

The Invitation to Bid for Pest Control Services was posted on September 8, 2026, and closed on October 9, 2026.

The Request for Proposal for Consulting Services for the Community Development Block Grant and HOME Investment Partnerships Program Administration was posted on August 7, 2026, and closed on September 21, 2026. Five bid packages are currently being reviewed for completion, scoring and follow-up.

The Request for Proposal for Financial Operations, Internal Controls & Risk Assessment Review was posted on August 26, 2026, and closed on September 28, 2026. Packages will be reviewed for completion, scoring and follow-up. On October 12, 2026, the contract was awarded to BDO USA with an amount of \$66,200.

CHOICE NEIGHBORHOOD INITIATIVE (CNI)

CNI – Board Report October 2026

Lift and Rise on Jefferson

Leasing Activity:

Lift and Rise on Jefferson continues to show strong progress. Lift and Rise I is 100% occupied, while Lift and Rise II is 94% occupied. Both properties continue to demonstrate strong leasing performance and remain on track toward full occupancy.

Legacy Landing -Phases – III-R and IV-R

Leasing Activity:

As of October 2026, Legacy Landing continues to demonstrate strong leasing performance and is nearing full occupancy. Under Pennrose’s property management oversight, Phase III-R is 92.9% occupied, while Phase IV-R is 97.6% occupied. Both phases continue to show steady leasing progress as the development approaches full occupancy.

Construction Updates:

- **CNI IV-R:** 100% complete and currently in the final punch list phase.
- **Infrastructure:** 99% complete, with remaining work nearing completion.
- **Wellness Trail:** 100% complete and progressing through final finishing activities.
- **Retail:** 100% complete with construction fully finalized.
-

Phase V - Downtown Phase (28th Street and Washington Avenue)

During this reporting period, Harkins continued to monitor site development activities. Additional Geopier pre-drilling was completed on September 3, 2026, allowing the project to advance into the foundation phase.

The Geopier contractor has mobilized and is currently performing ground improvement activities in preparation for footing installation. Utility installation is also progressing, with sanitary sewer installation complete and domestic waterline installation underway.

The project remains on schedule for the current phase, with no impact to the critical path during this reporting period. Harkins currently projects substantial completion for October 18, 2027.



USI – Urban Strategies

For October 2026, the Marshall-Ridley Family Supportive Services Program continues to demonstrate consistent resident engagement. Urban Strategies, Inc. (USI) Newport News reports that 209 families are actively participating in intensive case management and supportive services.

On September 22, 2026, USI convened a Partners Meeting with participation from several CNI partners. Presentations were provided by the Newport News Department of Human Services (DHS), Newport News Opportunity Center, and Newport News Public Schools (NNPS). The meeting provided an opportunity to share program updates, coordinate available resources, and strengthen collaboration among service providers supporting Marshall-Ridley residents.

ITEM NO. 7

No Closed Session

ITEM NO. 8

Other Business