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AMENDED
MEMORANDUM OF UNDERSTANDING
BETWEEN
STAFFORD COUNTY AND MOSAIC AQUIA CAPITAL, LLC

This Amended Memorandum of Understanding ("Agreement") made as of this 2nd day of July, 2019, by and among the BOARD OF SUPERVISORS OF STAFFORD COUNTY, VIRGINIA, the governing body of Stafford County, a political subdivision of the Commonwealth of Virginia (the "Board"), the ECONOMIC DEVELOPMENT AUTHORITY OF STAFFORD COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "EDA"), and MOSAIC AQUIA CAPITAL, LLC, a Maryland limited liability company ("Mosaic")(collectively, "the Parties").

RECITALS

1. Whereas, the Parties entered into a Memorandum of Understanding dated September 1, 2015 ("Original MOU"); and

2. Whereas, the Parties desire to enter into this Agreement, which shall supersede the Original MOU in its entirety; and

3. Whereas, Mosaic Aquia Owner LLC, a Virginia limited liability company, is the owner of the property identified in Exhibit A (Tax Map Parcel No. 21-49) to this Agreement (the "Property"), and Mosaic plans to develop at least 160,000 square feet in the commercial portion of the Property known as Town Center at Aquia in the course of time.

4. Whereas, Mosaic requested financial assistance from the Board in the form of a future incremental tax revenue incentive as described in this Agreement, which the Board desires to provide to further assist in the redevelopment, revitalization, and development of the Property; and

5. Whereas, it is projected that the proposed redevelopment of the Property will generate significant tax revenues for the Stafford County, Virginia (the "County"); and

6. Whereas, the EDA desires to support the Board and promote economic development on the Property by making a grant of a portion of the increased future tax revenue to Mosaic in accordance with the terms below.

AMENDED AGREEMENT

The Parties agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated herein as matters of contract and not mere recitals.

2. Property Clean-Up and Maintenance.

- a. Mosaic shall mow all of the grassy areas in front of the currently existing apartment complex and remove all build-up of trash and debris in the area outlined in red in Exhibit B within sixty (60) days of the date first written above ("Execution Date"). Thereafter, Mosaic shall not allow debris to accumulate in the area and if such debris does occur, it shall be removed in no less than two (2) weeks after receipt of written notice from the County. Mosaic shall also maintain grass at an acceptable height, which shall not be any higher than six (6) inches.
- b. Mosaic shall remove completely from the Property the chain-link fence surrounding the grassy area outlined in red in Exhibit B within sixty (60) days of the Execution Date.
- c. Within Ninety (90) days of the Execution Date, Mosaic shall add opaque screening to the fencing in the area outlined in red in Exhibit C or initiate a building permit for this site to meet the terms of this Agreement. If a building permit is issued, Mosaic shall complete construction within 18 months of submission of said permit. Mosaic shall meet all applicable County, state, and federal building requirements, including obtaining necessary demolition and building permits.
- d. Within ninety (90) days of the Execution Date, Mosaic shall completely remove from the Property any and all stockpiles, including but not limited to, stockpiles of asphalt, concrete, stone, and brick.
- e. Within ninety (90) days of the Execution Date, Mosaic shall properly grade, in accordance with applicable County laws, ordinances, and regulations, the southeast portion of the Property outlined in black in Exhibit D to prevent soil erosion, permanently stabilize such area with an approved seed mixture, and mulch such area with straw to ensure germination and uniform stabilization. All work completed in accordance with this subparagraph must be approved by the appropriate County inspector (the "Inspector"). Mosaic and the Inspector shall work together in good faith to remediate any of the Inspector's concerns for which approval is being withheld, if any.
- f. Mosaic shall maintain all stormwater management facilities and engineered or non-engineered drainage conveyance channels on the Property. The County may inspect such facilities at any time and if found not to be compliant with applicable County laws, ordinances and regulations, the County shall inform

Mosaic of such in writing in accordance with the Notice provisions in Paragraph 16. Mosaic shall have ninety (90) days to correct the identified deficiencies. Current deficiencies, as identified in Exhibit E must be addressed and restored to compliance within ninety (90) days of the Execution Date. If any of such identified or current deficiencies remain uncorrected after such ninety (90) days the Board in its sole and absolute discretion may terminate this Agreement and utilize any remaining security funds as described below in and pursuant to Paragraph 3 to correct the identified or current deficiencies.

- g. The existing "Aquia Town Center" sign located along Jefferson Davis Highway shall be repaired with new sign panels, where missing, within one hundred twenty (120) days of the Execution Date. Any new sign shall be provided and constructed in accordance with applicable County and state laws, ordinances, and regulations.

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3. **Securities.** ~~Within thirty (30) days of the Execution Date,~~ Mosaic shall provide, for review and approval by the County, updated engineering cost estimates for the currently approved site plan. Within thirty (30) days from such approval by the County, Mosaic shall provide to the County securities for such in the form of a letter of credit or cash equivalent or bond reasonably acceptable to the County. All such securities shall be sized and maintained in accordance with applicable County practices, laws, ordinances and regulations. In the event the site plan is amended, modified or revised, the securities shall be adjusted in an equitable manner in accordance with applicable County practices, laws, ordinances and regulations. Notwithstanding anything to the contrary in the foregoing, the securities provided by Mosaic to the County shall at all times include securities in the form of a letter of credit or cash equivalent equal to the estimated costs necessary to restore the current site and improvements to comply with applicable County and state laws, ordinances and regulations. The amount of the security to be included as a letter of credit or cash equivalent shall be determined by the County Staff in coordination with Mosaic's civil engineer by July 18, 2019.

4. **Initiation of Project.** Payment of the ITR Incentive, as defined below in Paragraph 5, will begin upon completion of construction of at least 15,000 square feet of new commercial space on the Property and issuance of a certificate(s) of occupancy for at least 15,000 square feet of newly constructed space.

5. **Incremental Tax Revenue Incentive.** The Board agrees to pay to the EDA certain Incremental Tax Revenues ("ITR") actually received by the County, as calculated in Paragraph 6 below, each year and until the total ITR paid to the EDA equals \$6,250,000 ("Total ITR") as follows. The County will pay to the EDA seventy-five percent (75%) of the ITR until one-half of the Total ITR has been paid under this Agreement (\$3,125,000); thereafter, the County will pay to the EDA fifty percent (50%) of the ITR (collectively, "ITR Incentive") it receives until the earliest of the following occurs:

(a) the Total ITR is paid; or

(b) 15 years has lapsed since the initiation of the Project, as defined in Paragraph 4, above.

The ITR Incentive payments shall be subject to appropriation each year by the Board during the Board's regular annual budgetary process. The County Administrator in his annual budget proposal to the Board shall propose payments to the EDA in an amount equal to the ITR Incentive based on the ITR for the previous calendar year until the incentive has been paid to the EDA, as defined in this Paragraph.

6. Calculating ITR. The ITR shall equal the sum of tax revenue from the regular ad valorem real property tax, sales (the 1% local portion) tax, meals tax, and personal property tax actually collected each calendar year by the County less \$66,024.

7. Payment of ITR. The County shall pay the ITR Incentive to the EDA, by February 1 of each succeeding calendar year. After receipt of each annual payment, the EDA shall make a grant of the same payment in full to Mosaic within thirty (30) days. The first payment of ITR Incentive shall be due in the year following the completion of construction and granting of the occupancy permit(s) for the required area, as described above in Paragraph 4. Mosaic agrees that no additional payments will be requested from the Board or EDA in connection with this Agreement other than the ITR Incentive payments described herein and that Mosaic is entitled to an incentive, as detailed above. The grant from the EDA to Mosaic shall be paid to Mosaic via check at its address below or such other address designated in writing by Mosaic to the Board and EDA, or, alternatively, by wire of immediately available funds to an account designated in writing by Mosaic to the Board and EDA.

8. Limitation of Obligation. The County's obligation to make payments to the EDA of the ITR Incentive is not a general obligation of the County, is payable solely from payments of the ITR received by the County, and is subject to and dependent on appropriations being made from time-to-time of the ITR Incentive by the Board for such purpose. The ITR Incentive payments herein do not constitute a debt or pledge of the full faith and credit of the County.

9. Approval by Board. Approval of this Agreement by the Board is provided pursuant to Resolution R19-186, approved on June 18, 2019. Any amendment to this Agreement shall require consideration and approval by the Board.

10. Successors and Assigns (Transferability). This Agreement is binding upon, inures to the benefit of, and is enforceable by, the parties and their respective successors and assigns. If Mosaic transfers the Property and the conditions for payment of the ITR Incentive set forth in Paragraph 4 have not yet been met, Mosaic may only retain or assign its rights under this Agreement with prior written consent of the Board, which consent shall be at the Board's sole discretion provided the Board is acting in good faith; otherwise, Mosaic must terminate its rights under this Agreement upon such transfer. The Board shall be deemed to be acting in good faith if it withholds consent when the transfer of the

Property would result in assignment to or retention by an entity which does not own the Property and/or does not control development of the Property. For purposes of this Paragraph 10, the terms "transfer" and "transfers" shall not include: (i) transfers to affiliates of Mosaic; (ii) transfers to entities under common control as Mosaic; or (iii) mortgaging or otherwise procuring financing for the Property.

11. Amendments, Termination and Rescission. Except as expressly stated otherwise in this Agreement, this Agreement may only be amended or modified by a written agreement signed by each of the parties hereto, or their respective successors and assigns. If any party to this Agreement fails to perform as required herein, the non-failing party, in its sole discretion, may provide notice to the failing party of such failure. Upon receipt of such notice, the failing party shall have thirty (30) days to cure such failure. If the failing party fails to cure its failure within the thirty (30) day cure period described in this Paragraph, the non-failing party acting in good faith may, in its sole discretion, terminate this Agreement with thirty (30) days' prior written notice. Except as expressly stated otherwise in this Agreement, this Agreement may not be terminated or rescinded.

12. Term. This Agreement is effective on the Execution Date and shall extend for an initial term of three (3) years ("Initial Term"). If construction of at least 15,000 square feet of new commercial space and the issuance of a certificate(s) of occupancy, as described above in Paragraph 4, are not completed within the Initial Term, this Agreement shall immediately and automatically terminate. If, within the Initial Term, construction of at least 15,000 square feet of new commercial space is completed and a certificate(s) of occupancy has been issued, as described above in Paragraph 4, this Agreement shall continue and automatically terminate on the earlier of the occurrence of the following:

- (a) the Total ITR has been paid by the County and corresponding grant has been made by the EDA to Mosaic; or
- (b) 15 years have lapsed since the completion of construction and the occupancy permit(s) has been issued on the Property, as described in Paragraph 4.

13. Severability. If any clause, provision, section or paragraph of this Agreement is held to be illegal or invalid by any court, the invalidity of the clause, provision, section or paragraph shall not affect any of the remaining clauses, provisions, sections or paragraphs, and this Agreement shall be construed and enforced as if the illegal or invalid clause, provision, section or paragraph had not been contained in it.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

15. Governing Law. This Agreement is governed by the laws of the Commonwealth of Virginia. Any lawsuit, action, or proceeding arising under this Agreement must be brought exclusively in the Stafford County Circuit Court and all parties hereto submit to the jurisdiction of this court.

16. Notices. Any payment, notice, request, or other deliveries required to be given hereunder shall be deemed given if sent by registered or certified mail, or overnight delivery service, postage prepaid, addressed to the following:

USPS Mail

Physical Address

Board: Stafford County Government
ATTN: County Administrator
P.O. Box 339
Stafford, Virginia 22555

Stafford County Government
ATTN: County Administrator
1300 Courthouse Road
Stafford, Virginia 22554

EDA: Stafford County Economic
Development Authority
P.O. Box 339
Stafford, Virginia 22555-0339

Mosaic: Mosaic Realty Partners
ATTN: Isaac Pretter
3307 Labyrinth Road
Baltimore, Maryland 21215

With a copy to: Miles & Stockbridge P.C.
100 Light Street
Baltimore, Maryland 21202
ATTN: M. Ari Storch, Esquire

17. Attorneys' Fees. In the event this Agreement is the subject of litigation, each party is responsible for paying its own attorneys' fees and costs.

18. Good Faith. All parties agree to act in good faith in fulfilling and acting upon any and all of their respective rights and responsibilities under this Agreement. Mosaic acknowledges that, pursuant to the terms of this Agreement, noncompliance with the terms of this Agreement can, in certain situations, result in the termination of this Agreement and/or withholding of the ITR Incentive and subsequent grant by EDA to Mosaic. The County acknowledges state and county legal requirements which prescribe timelines for the County and its employees with regards to reviewing, denying, and approving all building and development permits, and enforcing code and building regulations, and the County expressly commits to following said requirements, including observance and adherence to all procedural requirements for notification, processing, and/or appealing any alleged noncompliance or violation of provisions of the codes of the Commonwealth of Virginia or Stafford County enforceable by the County. This Agreement cannot and shall not stay or cause to be delayed any enforcement action by the County as permitted by the Commonwealth of Virginia or Stafford County codes.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS the following signatures.

BOARD OF SUPERVISORS OF STAFFORD COUNTY,
VIRGINIA

By: Thomas C Foley
Name: Thomas Foley
Title: County Administrator

ECONOMIC DEVELOPMENT AUTHORITY OF STAFFORD
COUNTY, VIRGINIA

By: [Signature]
Name: BOB GUFFIN
Title: CHAIRMAN

MOSAIC AQUIA CAPITAL LLC, a Maryland limited liability
company

By: [Signature]
Name: Isaac Pretter
Title: Authorized Person

Approved as to form:

By: Ryshede M. Millender
Stafford County Attorney's Office

Exhibit A

PROPERTY DESCRIPTION

Legal Description

All that certain lot or parcel of land situate, lying and being in Aquia Magisterial District, Stafford County, Virginia known and described as Parcel 49 - Revised -- as shown on plat entitled "Plat Showing Subdivision of the Property of Ramco Virginia Properties, L.L.C. at The Town Center at Aquia" dated November 11, 2014, as revised, and recorded April 30, 2015 among the Land Records of Stafford County, Virginia as PM #15000049.

LESS AND EXCEPT Land Unit I Particularly described as follows:

Beginning at a point in the southerly line of Washington Drive, Private Street and being the northwest corner of New Parcel 49;

Thence running with said southerly line of Washington Drive, South $72^{\circ} 37' 54''$ East 270.83 feet to a point;

Thence running through New Parcel 49, South $17^{\circ} 22' 06''$ West 164.50 feet to the true point of beginning;

Thence continuing through New Parcel 49 the following courses and distances: South $72^{\circ} 37' 54''$ East 116.01 feet to a point, South $70^{\circ} 37' 42''$ East 55.94 feet to a point, South $72^{\circ} 37' 54''$ East 32.75 feet to a point, South $17^{\circ} 22' 06''$ West 155.32 feet to a point, thence, with the arc of curve deflecting to the right having a radius 287.50 feet and whose chord bearing and distance North $74^{\circ} 32' 40''$ West 19.19 feet for an arc distance of 19.20 feet, to a point; thence, North $72^{\circ} 37' 54''$ West 185.48 feet to a point; thence North $17^{\circ} 22' 06''$ East 157.92 feet to the true point of beginning.

Containing 24.96158 acres of land, more or less.

Tax Map 21 Parcel 49

Exhibit B



April 18, 2019

- Parcels
- Structures
- Fire & Rescue Stations

- Election Districts
- Aquia
- Falmouth

- Garrisonville
- George Washington

- Griffis-Widewater
- Hartwood

- Rock Hill
- Quantico Roads

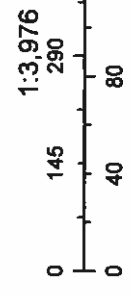


Exhibit C



April 18, 2019

- Parcels
- Structures
- Fire & Rescue Stations

- Election Districts
- Aquia
- Falmouth

- Garrisonville
- George Washington

- Griffs-Widewater
- Hartwood

- Rock Hill
- Quantico Roads

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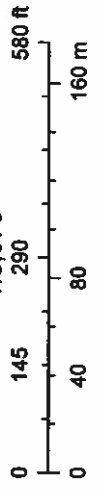


Exhibit D



Date: 4/23/2019

Author:

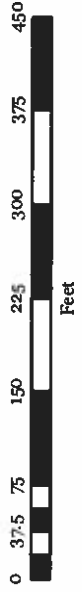


Exhibit E

Inspection Report

Stormwater Facility Inspection Punchlist

Aquia Town Center Cases 1000041; SWTR17137581; SWTR17137582

Inspection 4/5/2019

This inspection is a point-in-time visual condition assessment of the stormwater management facilities. By no means should this inspection be considered a warranty on the operating condition or structural integrity of the facility. Any advice offered by County staff does not replace your responsibility (if necessary) to seek guidance from a qualified, insured and bonded professional engineer or contractor.

This inspection cites conditions found at the time of inspection, and must be addressed in accordance with standard practices found in the most recent versions of the Virginia Erosion & Sediment Control Handbook, the Virginia Stormwater Management Handbook, and the Stafford County Stormwater Management Design Manual.

Detention: XP25 -Pond A – West (front) Pond

- Sides and bottom heavily overgrown and wooded.
- Side corrugated metal inlet is failed with no bottom and sediment deposit in front of pipe.
- Large sediment accumulation on bottom.
- Debris on and possibly damaged trash rack.
- Large accumulation of trash.
- Trees, vines and brush at riser and emergency spillway.
- Embankment wooded.
- Outlet collapsed and outlet protection stone is disrupted. At least five foot drop of outlet protection stone, Outfall is fully displaced with loss of integrity to existing ground and rip rap and fabric.
- Large erosion occurrence in stream channel below outfall.
- Outlet pipe tilts down into collapsing outfall. Voids visible on each side of pipe in blown out area. Interior of pipe shows probable displacement of one or more pipe sections.
- Integrity of outlet pipe from riser to outfall is unknown.

Detention: XP24 –Pond B – Middle Pond

- Sides are heavily wooded with sprouted trees and have no stabilization.
- Curb inlet above center of pond has sinkhole behind the curb inlet and sinkhole sized approximately 5' x 7' x 3' deep about 15 feet down the slope. Damaged corrugated metal pipe is exposed at the sinkhole on the slope.
- Significant inflow to pond in eastern side near the eastern corrugated metal/concrete inlet structure. The flow enters under large rip rap and appears to be approximately located at the base of the paved ditch shown on original site plans. Area has large blow out adjacent to the area of water outflow. The flow appears to bypass the inlet structure and flows to the riser.
- Eastern inlet structure is missing manhole cover and appears non-functional.
- Western inlet structure manhole ring is not attached. Structure appears non-functional.

- Riser low flow trash rack is damaged.
- Bottom has significant sediment deposit, trees and brush and floatable trash.
- Embankment unmowed with trees and brush on the slopes.
- Outlet pipe is corrugated metal and integrity of pipe is unknown. Pipe appears either somewhat compressed or sediment filled on bottom.
- Spillway overgrown with trees and brush.
- Outlet woody growth over outlet pipe.

Detention: XP23 –Pond A – East (rear) Pond

- Stone inlet channel below inlet pipes is collapsed and eroded. Erosion under rip rap, trees in channel, gully erosion at rip rap sides. Geotextile not keyed-in. Extensive rebuild necessary. Approximately five foot drop near top and widening of channel near bottom due to erosion.
- Willow trees in pond at and below inlet.
- Erosion at edges of rip rap inlet channel behind riser structure. Textile is not keyed in, trees in rip rap.
- Side slopes treed and unmowed. Soil on sides not stabilized on both sides. Erosion gullies on sides and extensive unstabilized soil.
- Debris at higher of the two low flow orifices.
- Lower low flow blocked and standing water in facility.
- Woody growth over the outfall co-located near outfall of Pond B (XP24).