SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT dated as of November 1, 2002, between VIRGINIA STATE UNIVERSITY (the "University"), an educational institution, public body and instrumentality of the Commonwealth of Virginia, and the VIRGINIA STATE UNIVERSITY REAL ESTATE FOUNDATION (the "Foundation"), a not-for-profit Virginia nonstock corporation;

WITNESSETH:

WHEREAS, the Industrial Development Authority of Chesterfield County (the "Authority"), has agreed to issue its $17,710,000 Variable Rate Demand Revenue Bonds (Virginia State University Real Estate Foundation Project), Series 2002A, and its $480,000 Taxable Variable Rate Demand Revenue Bonds (Virginia State University Real Estate Foundation Project), Series 2002B (collectively, the "Bonds"), for the benefit of the Foundation, to finance the construction, equipping and furnishing of student housing facilities consisting of 126 units (the "Project"), to be located on an approximately 14.742-acre site in the Village of Ettrick, Chesterfield County, Virginia, on real estate owned by the Foundation; and

WHEREAS, as additional security for the Bonds, the Foundation has requested that Bank of America, N.A. (the "Credit Institution") issue its irrevocable, direct-pay letter of credit (the "Letter of Credit") to the Trustee to secure the payment of the principal and purchase price of and interest on the Bonds, all pursuant to the terms and conditions of a Reimbursement Agreement dated as of November 1, 2002 (the "Reimbursement Agreement"), between the Foundation and the Credit Institution; and

WHEREAS, the Project will provide much needed housing for the students of the University, will offer a housing option not previously available to students, and therefore will promote the University’s educational purposes; and

WHEREAS, to enhance the marketability of the Bonds and to achieve interest savings for the Foundation that will result in lower rental rates for the University’s students, the University has agreed to enter into this Support Agreement;

NOW, THEREFORE, in consideration of the foregoing and in further consideration of the anticipated benefits to the University and its students by virtue of the Project, the University and the Foundation covenant and agree as follows:

Section 1. Project To Be Part of University’s Student Housing Program.

(a) It is the intention of the parties hereto that the Project at all times shall be treated as a part of the University’s student housing program on an equal basis, subject to the provisions of Section 2, with the University’s student housing facilities and the University shall take all such action as may reasonably be required for carrying out this intention of the parties.

(b) As part of the undertaking pursuant to (a) above, the University shall include references to the Project in all information and marketing material regarding student housing that it provides to its students and prospective students. The University shall include Project
information on the University's website and actively promote the Project in conjunction with the University's promotional and recruiting efforts. In addition, subject to Section 2, the University shall direct and assign students to the Project in the same manner that it assigns students to its own student housing facilities and shall have procedures in place to assist students in applying for residence in the Project. The University shall to the extent possible provide to students residing in the Project the same kind of services and amenities that the University generally provides to students in its own housing facilities, including without limitation access to the University's computer network. The University shall provide security comparable to the security provided to students in the University's student housing facilities, subject to filing a petition with the Circuit Court of Chesterfield County, Virginia seeking to expand the jurisdiction of the University's campus police to include the Project.

(c) The University shall together with the manager of the Project, to the extent possible, provide that rent for units in the Project is billed and collected in the same or similar manner as the rent for the University's housing facilities unless otherwise agreed to by the Foundation. The University shall, to the extent possible, impose the same sanctions against students residing in the Project who fail to pay rent as it does against students in its own student housing facilities including, but not limited to, the withholding of official transcripts.

(d) The Foundation shall provide the University with information regarding the Project and take all such other action as may be required to facilitate the performance of this Support Agreement. The Foundation shall in any management contract for the Project with a party other than the University include provisions requiring the manager of the Project to implement appropriate procedures to facilitate the University's undertakings pursuant to this Support Agreement.

(e) As long as the Bonds are outstanding, the University shall operate the Project as part of its own student housing system.

Section 2. Preferential Treatment.

(a) In the event the Debt Service Coverage Ratio (as defined in the Reimbursement Agreement), calculated at the end of any Fiscal Year (as defined in the Reimbursement Agreement), commencing with the Fiscal Year ending June 30, 2003, is less than 1.20 to 1.0, as shown on the certificate referred to in Section 4(a) hereof (the "Annual Certificate"), the University shall assign all of its students in need of housing to the Project (except for students who, because of special needs of other circumstances, including the University's policy that first year students reside in campus housing, as reflected in the University's housing policy, should or must be assigned to other facilities) until at least 95% of the student units therein are occupied and shall continue such preferential assignment until receipt of an Annual Certificate evidencing coverage of at least 1.20 to 1.0 for the most recent Fiscal Year. If the University has more students in need of housing than there are vacancies in the Project, the University may in its sole discretion decide which students should be assigned to the Project. Even if the University has students that can be assigned to vacant student units in the Project to meet the requirements of this subsection (a), the University may instead, in its sole discretion, rent such units to persons other than its students, provided that such persons will pay at least the same rent as the University's students would have paid and the University delivers an opinion of bond counsel to
the Trustee and the Credit Institution to the effect that the use of the Project by such persons will not adversely affect the exemption of interest on any Bonds from gross income for federal income tax purposes.

(b) The University shall not be required to give the Project preference as provided in Section 2(a), if such preferential treatment at any time would cause the University to breach any financial or other covenants or agreements in any pre-existing tax-exempt bonds to which the University is a party or any other instruments under which any indebtedness (including guaranties) has been incurred by the University on or prior to the date hereof.

Section 3. Future Housing Projects.

The University shall develop and abide by a student housing policy that, among other things, takes into account the Project and the need for it to provide for all debt service payments on the Bonds. The University shall promptly provide a copy of such policy and any amendments thereto to the Foundation and the Credit Institution. The University shall not undertake to own and operate or otherwise support any new housing project for its students of the same type and for the same purposes as the Project (an “Additional Project”), and shall not through a foundation or otherwise encourage or support an Additional Project unless the University delivers to the Foundation and the Credit Institution one of the following:

(a) both (1) evidence that the Debt Service Coverage Ratio for the Project, as shown on the Annual Certificate, for each of the two Fiscal Years immediately preceding the year in which the construction of the Additional Project begins, provided that the first of such Fiscal Years shall have ended no earlier than June 30, 2005, was not less than 1.20 to 1.0, and the average annual occupancy for the Project for the same period was not less than 90%, and (2) a certificate of the University’s President and Vice President for Administration and Finance to the effect that such officer, based on internally prepared studies taking into account the operation of the Additional Project, believes that for the two Fiscal Years immediately succeeding the Fiscal Year in which the Additional Project is placed in service (A) revenues projected by the Project will be adequate to provide for all operating costs for the Project and debt service payments on the Bonds and (B) the Debt Service Coverage Ratio for the Project will be not less than 1.20 to 1.0; or

(b) both (1) evidence that the Debt Service Coverage Ratio for the Project, as shown on the Annual Certificate, for the Fiscal Year immediately preceding the year in which the construction of the Additional Project begins, provided that such Fiscal Year shall have ended no earlier than June 30, 2005, was not less than 1.20 to 1.0 and (2) a report of a Consultant (as hereinafter defined) projecting that for each of the two Fiscal Years immediately succeeding the year in which the Additional Project is expected to be placed in service, the Debt Service Coverage Ratio with respect to the Project will be not less than 1.20 to 1.0. No such Consultant’s report may assume preferential treatment by the University if pursuant to Section 2(b) such preferential treatment is not permitted. The Foundation and the University shall cooperate with the Consultant and provide such information reasonably requested by the Consultant.
The Consultant shall, for purposes of this Section, mean an independent consulting firm selected by the University having the skill and experience necessary to render the kind of report required hereunder and reasonably acceptable to the Foundation and the Credit Institution.

Section 4. Information to University.

(a) The Foundation shall furnish to the University the Officer’s Certificate with respect to the Debt Service Coverage Ratio that the Foundation has covenanted to furnish to the Credit Institution pursuant to the Reimbursement Agreement, at the time and in the manner provided therein.

(b) The Foundation shall furnish to the University no later than 20 days after expiration of each fiscal quarter, information as to the monthly occupancy for the Project for such period.

Section 5. Approval of Manager.

Any management contract with respect to the Project shall be subject to approval by the University, which approval shall not be unreasonably withheld, conditioned or delayed. Any management contract with a third party shall provide that all rents with respect to student units in the Project shall be approved by the Foundation. The University shall give recommendations with respect to rents and charges for the Project based on the policies it uses for its own student housing facilities. The University hereby approves the Property Management Agreement dated as of November 1, 2002, by and between the Foundation and JPI Apartment Management, L.P., a Delaware limited partnership.

Section 6. Student Leases

The University shall manage the student leases for the Project. In the event of the University’s breach of any part of this Agreement, any relationship between the parties hereunder whereby the University is the agent of the Foundation may be terminated in whole or part by the Foundation at its discretion.

Section 7. [Reserved].

Section 8. Governing Law.

This Support Agreement shall be governed by the laws of the Commonwealth of Virginia.

Section 9. Severability.

If any provision of this Support Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.
Section 10. Modification and Amendment.

(a) Any modification or amendment of this Support Agreement shall be agreed to in writing and signed by both parties hereto and consented to by the Credit Institution. The parties shall not enter into any modification and agreement that the parties have reason to believe will result in a reduction of the then-current rating of the Bonds by any nationally recognized bond rating agency.

(b) The Foundation shall not, without the written consent of the University, consent to any modification and amendment of the Trust Indenture or the Loan Agreement relating to the Bonds that affect any rights or obligations of the University under this Agreement.

Section 11. Term.

This Support Agreement shall remain in full force and effect as long as any Bonds remain outstanding.

Section 12. Appropriation of Funds.

The University's performance of its obligations under this Support Agreement is subject to the appropriation of any funds by the General Assembly of Virginia necessary to carry out the University's obligations hereunder. The University shall promptly notify the Foundation and the Trustee of any failure of the General Assembly to appropriate funds that would adversely affect the ability of the University to carry out its obligations hereunder.

Section 13. Third-Party Beneficiary.

The University and the Foundation acknowledge and agree that for so long as the Letter of Credit remains outstanding, the Credit Institution shall be a third-party beneficiary of this Support Agreement.

[Signatures appear on following page]
IN WITNESS WHEREOF, the parties hereto have each caused this Support Agreement to be executed in their respective names as of the date first above written.

VIRGINIA STATE UNIVERSITY

By: [Signature]

its: V.P. Administration & Finance

VIRGINIA STATE UNIVERSITY REAL ESTATE FOUNDATION

By: [Signature]

its: President

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