

Affidavit of William Lansing, Managing Member of Valor Development

The undersigned, being duly sworn according to law, deposes and says:

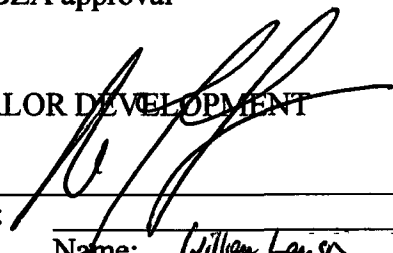
- 1 I am a Managing Member of Valor Development, the developer of property located at 3146 16th Street, NW ("Property").
- 2 As Managing Member, I am responsible for efforts relating to designing, permitting, constructing, financing, and marketing of the residential project anticipated for the Property
3. The Property is owned by the Meridian Hill Baptist Church ("Church") Valor Development established a joint venture with the Church on February 20, 2013, for the redevelopment of the Property as a residential project
4. The Property was the subject of Case No. 18317 before the Board of Zoning Adjustment ("BZA"). The BZA granted rear yard and court relief for the project, effective March 16, 2012.
5. Order No 18317 requires the property owner to file building permit for the project by March 15, 2014, in order to vest the approved entitlements. The expiration of the entitlements comes just 13 months after Valor became involved with the Property.
6. Valor anticipates filing for its building permits by June 2014.
7. Despite only becoming involved with this project 11 months ago, Valor has taken the following actions to bring this project to market as soon as possible
 - engaged a civil engineer and an architect to prepare permit drawings and currently at 95% design development plans;
 - hosted 4 community meetings to inform the community on the development and construction process and our projected timeline,
 - developed a marketing campaign for leasing the units;
 - interviewed 4 property management firms and are currently reviewing final proposals and budgets to select and engage winning firm;
 - interviewed 4 general contractors and have progress bid sets out for pricing from each of them;
 - hired an interior design firm that is at 50% schematic for interiors of the building; and

- received four term sheets from construction lenders and in final negotiations for commitment terms with top two We expect construction loan closing to occur in June 2014.
- 8 In addition to taking affirmative action to effectuate the BZA approval, Valor has moved forward with other aspects of the project.
- It applied for its foundation to grade permit on January 8, 2014.
 - It applied on January 8, 2014 for a raze permit to demolish the western portion of the existing structure.
9. Valor has expended significant time, money, and resources to bring the project to fruition. Namely, it has invested in preparing permit drawings to submit with its building permit application and it has retained the consultants necessary to move the project forward.
10. More specifically, Valor's expenditures are set forth in the chart below:

<u>Cost Category</u>	<u>Amount</u>
Architectural & Engineering	\$350,000
Overhead and carrying costs	\$120,000
Legal fees	\$40,000
Permits and Fees	\$10,000
Total Costs	\$520,000

11. Since becoming involved with the project just 11 months ago, Valor has invested \$520,000 in effectuating the BZA approval

VALOR DEVELOPMENT

By: 

Name: William Lawry

Title: Managing Member

District of Columbia

Subscribed and sworn to before me this 4th day of February 2014.

MAJID CHAABAN
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires January 1, 2015


Notary Public

My Commission expires. 01-01-2015
[Notarial Seal]

MAJID CHAABAN
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires January 1, 2015