Contract No. DC-RLA-94-23
Lots 822, 824 thru 827
and 331, Square 2684
1473 thru 1511 Meridian
Pl., N. W.

DISTRICT OF COLUMBIA
REDEVELOPMENT LAND AGENCY

TERMS AND CONDITIONS

PART II

OF

CONTRACT

FOR

SALE OF LAND FOR PRIVATE DEVELOPMENT

By and Between the

DISTRICT OF COLUMBIA
REDEVELOPMENT LAND AGENCY

AND

TRINITY HOUSING CORPORATION OF WASHINGTON

(A District of Columbia Non-Profit Corporation)

Instrument No. _______________
Recordation Date _______________

Page 2 - PARCEL 20 PARKING AGREEMENT

Step 1

•On a temporary but experimental basis, Trinity AME Zion Church will post signs on lot 2 permitting unattended public parking between the hours of 10:00 pm and 6:00 am seven (7) days per week. Also, there would be signs requesting the communities's cooperation in maintaining the lots free of debris, etc.

Step 2

• A prominently displayed community bulletin board would be installed in the vicinity of lots 1, 2, 3, and 4 that would announce activities sponsored by the church and the community
as well as stipulations regarding use of the lots.

Step 3

• Trinity AME Zion church will provide designated parking to members in the community on a regular basis between the hours of 10:00 p.m. and 6:00 am the next day. Security gates would be installed and members of the church and the community would be issued access cards.

• On "bad" weather days (particulary in the event of snow), the community members will be allowed parking on the lots at anytime or day of the week.

• Both parties expressed a strong interest in transforming lot 1 into a "greenspace" sometime into the future, but not immediately because of social and economic reasons.

Sincerely yours,

Vivian E. Brown

Vivian E. Brown
ANC Commissioner 1A02

ACCEPTED AND APPROVED:

TRINITY HOUSING CORPORATION OF WASHINGTO

DATED:

October 11, 1993

By: Athel Q. Liggins

Athel Q. Liggins, President

Ethel Henderson

Ethel Henderson, Secretary

ANC

Columbia Heights
Advisory Neighborhood Commission 1A
3511 14th Street, N.W. • Washington, D.C. 20010 • (202) 232-0175

October 8, 1993

Dr. Othel Q. Liggins
Member of the Board
Trinity AME Zion Housing Corporation
3505 16th Street, N. W.
Washington, D. C. 20010

Dear Dr. Liggins:

The following statment should be considered as the first PARKING AGREEMENT BETWEEN CONCERNED CITIZEN OF PARCEL 20 AND TRINITY AME ZION CHURCH:

On Thursday, September 17, 1993, members (Vivian Brown, Sherrill Berger, George Kosovic) of Concerned Citizens for the Development of Parcel 20, ANC 1A02 Neighborhood Commissioner, and members of the Trinity AME Zion Church met to discuss Trinity's proposal to acquire "access rights" to Parcel 20 and to ask for community participation in their attempt to expand their parking facilities. Both groups voiced their positions.

Trinity AME Zion Church's Pastor Brown said the church needed the communities participation in order to obtain "access rights" to Parcel 20 from the Redevelopment Land Development Agency. The community advocates stressed their interest in allowing access to parking on lots 2, 3, and 4 , but to delay access to parking on lot 1 until an impact study could be done to evaluate the traffic, emergency vehicle and pedestrian patterns at Center and Meridien Place, N. W..

Nevertheless, the Redevelopment Land Agency's request for community involvement called for a decision to develop all of Parcel 20; not parts of it as the community had advocated. The Redevelopment Land Agency and Trinity AME Zion Church had already designated the parcel as a parking site and the question was not what the lots should be but how they would be used as parking facilities for the church and the community.

At the conclusion of the three-hour meeting both the Concerned Citizens for the Development of Parcel 20 and Trinity AME Zion Methodist church agreed to the following interim measures:

Exhibit E

AREA COMMUNITY ORGANIZATIONS

RE: Plot 20 Development

Ms. Gracie Rolling, Director
CHANGE, Inc.
1413 Park Road, N.W.
Washington, D.C. 20009
(202)232-8634

Mr. Leroy Hubbard
Neighborhood Reinvestment Alliance
2401 15th Street, N.W.
Washington, D.C. 20009
(202)667-8883

Ms. Mary Treadwell, Chairwoman
Advisory Neighborhood Commission 1-B
519 Florida Avenue, N.W.
Washington, D.C. 20001
(202)234-6830

CHANGE-All Souls Housing Corporation
Columbia Heights Village
2900 14th Street, N.W.
Washington, D.C. 20009
(202)234-9459

Ms. Gayle Bradley, Chairwoman
Board of Directors
Development Corporation of Columbia Heights
3419 14th Street, N.W.
Washington, D.C. 20010
(202)483-4986

Ms. Gail Oliver, President
Columbia Heights Association of
Merchants and Professionals
3419 14th Street, N.W.
Washington, D.C. 20010
(202)462-3663

Ms. Anne Bennett, Coordinator
Girard Street Association
1237 Girard Street, N.W.
Washington, D.C. 20009
(202)667-5868

Mr. Stanley Mayes
14th & U Streets Coalition
1419 V Street, N.W.
Washington, D.C. 20009
(202)328-1368

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN RIGHTS AND MINORITY BUSINESS DEVELOPMENT

MEMORANDUM OF UNDERSTANDING

The Trinity Housing Corporation of Washington (hereinafter referred **to as ("THCW")**, in accordance with D.C. Law 1-95, D.C. Code Section 1-1-1141 et seq. (1987 Ed. as amended), and in consideration of the District of Columbia Government's approval of the plan of development known as Parcel 20, Exclusive Right Agreement for the construction of a parking lot containing sixty-one(61) parking spaces to be located at Meridian Place at Center Street, N.W., Washington, D.C., in Square 2684, Lots 822,824,825,826,827 and 331 in 14th Street, N.W. Urban Renewal Area, (the "ERA"), commits to make a bona fide effort to utilize Minority Business Enterprises certified by the D.C. Minority Business Opportunity Commission ("CMBEs") in order to achieve, at a minimum, the goal of thirty-five percent **(35%)** minority participation (the "35% Goal") in the contracted development costs in connection with the design, development, construction (including, but not limited to, pre-construction activities), maintenance and security for the project to be created as result of the **ERA** (the "Project"), including janitorial, refuse collection, provision of supplies and other similar post-construction activities relating to the Project, in accordance with the following provisions.

A. **THCW** shall utilize the resources of the Department of Human Rights and Minority Business Development ("DHRMBD"), including the Minority Business Opportunity Commission's Directory of Certified Minority Business Enterprises, and periodic updates, as the primary referral sources for CMBEs. The primary contact for such referrals shall be the Director of the Department of Human Rights and Minority Business Development (the "Director").

B. The appropriate representatives of **THCW** who negotiate, sign and are responsible for the implementation of the Memorandum of Understanding with the DHRMBD agree to meet with **THCW** procurement and project officers to explore and develop ways for achieving the 35% Goal.

C. **THCW** agrees to make a continuing bona fide effort to utilize CMBEs for certain goods and services as may be required by **THCW** to conduct its daily operations and understands that such efforts will accrue toward the 35% Goal.

D. Not later than (45) days following issuance of the D.C. Redevelopment Land Agency (**RLA**) written order creating the **ERA**, **THCW** agrees to submit a minority business plan (Attachment A) to DHRMBD for approval, which plan shall be incorporated in and made a part of this Agreement.

E. Not later than thirty (30) days following the filing of an application for a building permit pursuant to the approved **ERA**, **THCW** will submit to DHRMBD a more extensive plan listing all of the projected procurement items, quantities and estimated costs, bid opening and closing dates, and start-up and completion dates. This plan should indicate whether any items will be bid without restriction in the open market, or limited to CMBEs certified by the Minority Business Opportunity Commission.

F. The parties hereto understand and agree that the means of achieving the 35% Goal may vary according to the types of goods and services contracted for and the current availability of Certified MBEs. However, **THCW** agrees to make a bona fide effort to achieve, at a minimum, the 35% Goal over the life of the project.

G. **THCW** further agrees to submit quarterly minority contracting and subcontracting reports to DHRMBD no later than fifteen (15) days after the end of each calendar quarter; the quarterly report periods shall begin on January 1, April 1, July 1, and October 1. The quarterly report shall be submitted on a form provided by DHRMBD (Attachment B). These reports should include detailed documentation of outreach efforts to CMBEs in order to determine bona fide efforts.

H. **THCW** agrees to meet quarterly with DHRMBD staff on a mutually agreeable schedule beginning January 20, 1995.

I. In the event that there are no CMBEs in the District of Columbia which manufacture, construct, distribute, install, or otherwise supply the goods and services required to develop, construct, renovate and/or maintain the Project, **THCW** agrees to make bona fide efforts to achieve the 35% Goal through a broad scale approach to contracts with other minority business enterprises certified by the District.

J. **THCW** further agrees to include in the terms of its contractual agreements with the general/prime contractor and/or construction manager (in any of such events, the "Contractor"), language which puts the Contractor on notice that the Contractor is expected to make a bona fide effort to achieve the 35% Goal in (1) its own contracting with respect to the Project and (2) engaging subcontractors to perform work on the Project.

K. **THCW** will publish, in a timely manner, a public notice in a newspaper of general circulation in the District of Columbia and in one or more other newspapers serving the District of Columbia minority business community, to inform the business community as a whole of the overall project, including a general description of projected phases and anticipated time tables.

L. For purposes of this agreement, it is agreed that bona fide effort means that **THCW** will obtain the following commitments from its General Contractor ("GC"):

1. The GC will publish a public notice in a newspaper of general circulation in the District of Columbia and in one or more other newspapers serving the District of Columbia minority business community, designed to inform the business community as a whole of specific contracting and subcontracting procurement opportunities.

2. The GC will publish public notices in a newspaper of general circulation in the District of Columbia and in one or more other newspapers serving the District of Columbia minority business community, soliciting bids for products or services being sought, and will allow a reasonable time for all bidders to respond to invitations/requests for bids.

3. The GC will contact DHRMBD to obtain a current listing of all CMBEs qualified to bid on major procurements as they arise.

4. The GC will negotiate with all bidders pre-qualified by **THCW** and the GC, including CMBEs, to obtain each pre-qualified bidder's best and final price as understood in the marketplace.

5. The GC will not require that CMBEs provide bonding on contracts with a dollar value less than $100,000, provided that in lieu of bonding the GC may accept a job specific certificate of insurance.

6. The GC will design and include in all contracts and subcontracts a process for dispute settlement. This process shall incorporate an opportunity for the presentation of documentation involving the work performed and invoices regarding requests for payments. Included in the contract shall be a mutually agreed upon mediator or provisions for arbitration in accordance with the rules of the American Arbitration Association.

7. The GC and subcontractors shall strictly adhere to their contractual obligations to pay all subcontractors in accordance with the contractually agreed upon schedule for payments. In the event that there is a delay in payment to the general contractor, he is to immediately notify the subcontractor and advise as to the date on which payment can be expected.

8. The GC commits to pay all subcontractors, including CMBEs, within fifteen (15) days following the GC's receipt of a payment, which includes funds for such subcontractors, from **THCW**. **THCW** agree to require the project manager to establish a procedure for giving notice to the subcontractors of **THCW** payments to the GC.

M. In order to encourage THCW to develop creative, cost competitive ways in which to meet its 35% Goal, DHRMBD will give credit negotiated by the parties for the opening up of opportunities in areas not traditionally provided to CMBEs and/or expansion of opportunities in existing areas.

N. If at the end of the first calendar quarter following the issuance of a building permit, THCW is unable to comply with the proposed minority utilization plan for the Project, representatives of THCW and the Director of DHRMBD shall confer with a view toward adjusting goals and strategies to extend the time of performance based on facts and circumstances.

DATE THIS 13th **DAY OF** April, **1995**

DEPARTMENT OF HUMAN RIGHTS/ MINORITY BUSINESS DEVELOPMENT	**THE TRINITY HOUSING CORPORATION OF WASHINGTON**
BY:	**BY:** Athel Q. Liggins
STEVEN JUMPER	**DR. ATHEL Q. LIGGINS**
ACTING DIRECTOR	**PRESIDENT**

0102000513

Trinity A.M.E. Zion Church

3505 - 16th Street, N.W., Washington, D.C. 20010

Dr. Warren M. Brown
Pastor

Bro. Michael McCauley
Chairman, Trustee Board

Bro. Larry Epps
Chairman, Steward Board

Phone
(202) 328-2388
Fax
(202) 483-4318

TO: Area Community Organizations

FROM: Trinity A.M.E. Zion Church Development
Warren M. Brown, President

DATE: October 7, 1993

RE: RLA, Plot 20
Citizen Participation Plan

The Trinity A.M.E. Zion Church plans to develop parcel 20 14th Street, N.W. located on Meridian Street, N.W. for use as a parking lot. It is the intent of the church to involve the community at-large in the development of this property. To this end we solicit your views and suggestions in this matter. Our concept is to share the space in an organized fashion with the immediate community once the development plan is completed.

Trinity A.M.E. Zion Church will schedule community hearings to which you are invited.

EXHIBIT D

ACKNOWLEDGEMENT

United States of America)
) ss.
District of Columbia)

I, MARY LOU GEARY, a Notary Public in and for the said District of Columbia, do hereby certify that Ethel Q. Higgins, who is personally well-known to me (or proved by the oaths of credible witnesses to be) as the person named as in the annexed Contract for Sale of Land, dated the 8th day of March, 1996, personally appeared before me in said District of Columbia as aforesaid, acknowledged the same to be the act and deed of TRINITY HOUSING CORPORATION OF WASHINGTON, one of the parties thereto.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 8th day of March, 1996.

ML Geary

Notary Public
MARY LOU GEARY, NOTARY PUBLIC
WASHINGTON, D.C.

My Commission Expires: NOTARY COMMISSION EXPIRES APRIL 14, 1997

(SEAL)

EMPLOYMENT PLAN

Instructions:

- Submit original to the Department of Employment Services (DOES) with First Source Employment Agreement.
- Upon approval of project by the originating agency, DOES will contact Employer.

NAME OF FIRM Trinity Housing Corporation of Washington

ADDRESS 3505 Fifth St N.W. Wash, D.C.

TELEPHONE NUMBER 202 328 2388 FEDERAL IDENTIFICATION NO.

CONTACT PERSON Dr. C. C. Liggins TITLE President

TYPE OF BUSINESS Church

ORIGINATING DISTRICT AGENCY RLA

TYPE OF PROJECT Land Purchase FUNDING AMOUNT ?

PROJECTED START DATE ? PROJECT DURATION

This project will be contracted and sub contracted out. It is understood that the contractor must comply with (DOES) first source documents.

NEW JOB CREATION PROJECTIONS (Attach additional sheets, as needed.) Please in[c] the new position(s) your firm will create as a result of this project.

	JOB TITLE	# OF JOBS F/T	# OF JOBS P/T	SALARY RANGE	UNION MEMBERSHIP REQUIRED NAME LOCAL#	PROJECTED HIRE DATE
A	Contractor has not been selected, but when					
B	selected, must comply with (DOES) first source					
C	Documents					
D						
E						

CURRENT EMPLOYEES: Please list the names and social security numbers of all current employees including apprentices and trainees who will be employed on the project. Attach additional sheets as needed.

NAME OF EMPLOYEE	SOCIAL SECURITY
None has been selected as of this date.	

Signature: [illegible] Date: 4-15-94

0102600518

Contract No. DC-RLA-94-23
Lots 822, 824 thru 827
and 331, Square 2684
1473 thru 1511 Meridian
Pl., N. W.

DISTRICT OF COLUMBIA
REDEVELOPMENT LAND AGENCY

TERMS AND CONDITIONS

PART II

OF

CONTRACT

FOR

SALE OF LAND FOR PRIVATE DEVELOPMENT

By and Between the

DISTRICT OF COLUMBIA
REDEVELOPMENT LAND AGENCY

AND

TRINITY HOUSING CORPORATION OF WASHINGTON

(A District of Columbia Non-Profit Corporation)

Instrument No. ________________
Recordation Date________________

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Lots 822, 824 thru 827
and 331, Square 2684
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DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

CONTRACT OF SALE OF LAND
FOR PRIVATE DEVELOPMENT

PART II

This CONTRACT (consisting of Parts I and II) duly made and entered into this 11th day of March, 1996, by and between the District of Columbia, a municipal corporation acting by and through the Department of Housing and Community Development (hereinafter referred to as the "DEPARTMENT") and the TRINITY HOUSING CORPORATION OF WASHINGTON (the party named and described as such in Part I of this CONTRACT).

WITNESSETH THAT:

In consideration of the premises and the mutual obligations of the parties hereto, each of the parties hereto covenants and agrees that:

ARTICLE I. CONDITION OF PROPERTY; WAIVER OF CLAIMS; PUBLIC PROPERTY IMPROVEMENTS

SECTION 101 CONDITION OF THE PROPERTY

A. Soil Characteristics.

The soil on the PROPERTY has been described by the Soil Conservation Service of the United States Department of Agriculture as follows:

Urban land-Sassafras-Chillum association: Urban land and deep, nearly level to steep, well drained soils that are underlain by sandy and gravelly sediment; on uplands; and/or

Urban land-Beltsville-Chillum association: Urban land and deep, nearly level to steep, well drained and moderately well drained soils that are underlain by sandy or gravelly deposits; on uplands that have broad ridgetops.

B. No Warranties.

The DEPARTMENT shall convey the PROPERTY to the REDEVELOPER in "As Is" condition unless otherwise specified in this CONTRACT for reasons of pre-existing soil contaminants. The DEPARTMENT shall have no responsibility to prepare the PROPERTY for redevelopment at any time unless otherwise specified in this CONTRACT for the aforementioned situation, and makes no representation or warranties, either expressed or implied, as to the condition of the PROPERTY.

SECTION 102 REDEVELOPER'S WAIVER OF CLAIMS AND JOINING IN PETITIONS.

The REDEVELOPER, hereby waives (as the purchaser of the PROPERTY under this CONTRACT and as the owner after the conveyance of the PROPERTY provided for in the DEED) any and all claims to or awards of damages, if any, to compensate for the closing, vacating, or change of grade of any street, alley, or other public right-of-way within or fronting or abutting on, or adjacent to, the PROPERTY which in connection with the redevelopment contemplated hereby is to be closed or vacated, or the grade of which is to be changed, and shall upon the request of the DEPARTMENT subscribe to, and join with, the DEPARTMENT in any petition or proceeding required for such vacating, dedication, change of grade and, to the extent necessary, rezoning, and execute any waiver or other document in respect thereof; Provided, however, that such closing or vacating of any street, alley or other public right-of-way shall not deprive REDEVELOPER, of its sole means of egress and ingress to the IMPROVEMENTS.

Notwithstanding the foregoing, the REDEVELOPER does not waive any claims to or awards of damages related to the closing, vacating or change in grade of streets or alleys occurring after the issuance of the certificate of completion for the PROPERTY.

SECTION 103 PUBLIC PROPERTY IMPROVEMENTS.

The REDEVELOPER shall repair any damage to public sidewalks and curbs caused by the REDEVELOPER or its Contractor(s).

SECTION 104 SITE PREPARATION.

The REDEVELOPER, at its sole expense, shall be responsible for all preparation of the PROPERTY for redevelopment including costs associated with demolition, construction of site improvements, utility abandonment, relocation and rearrangement of water and sewer lines and hook-ups, and construction or repair of alley ways on the PROPERTY and abutting public property necessary for the IMPROVEMENTS, unless otherwise provided for in this CONTRACT for reason of pre-existing soil contaminants.

All such work including but not limited to excavation, backfill, and upgrading of the lighting and drainage, shall be performed under proper public space permits and in accordance with all appropriate D.C. Government agency approvals and District of Columbia government standards, laws and regulations

ARTICLE II. RIGHTS OF ACCESS TO PROPERTY

SECTION 201 RIGHT OF ENTRY.

A. Utility Service.

The DEPARTMENT reserves for itself, the DISTRICT, and any public utility company as may be appropriate, the right to enter upon the PROPERTY at all reasonable times for the purpose of reconstructing, maintaining, repairing, or servicing the public utilities located within the PROPERTY boundary lines and provided for in easements described in the PROPOSAL or described or referred to elsewhere in this CONTRACT or Exhibits hereto.

B. Inspection of Construction.

The DEPARTMENT reserves for itself and the DISTRICT, the right to enter the PROPERTY as may be reasonable and necessary for the purpose of performing routine inspections in connection with the construction of the IMPROVEMENTS. The REDEVELOPER understands that the DEPARTMENT or its representative will enter the PROPERTY from time to time for the sole purpose of undertaking the inspection of the IMPROVEMENTS to determine conformance to the FINAL DRAWINGS

Further, the REDEVELOPER waives any claim that it may have against the DEPARTMENT arising out of entry upon the PROPERTY resulting from causes other than negligence or willful misconduct of the DEPARTMENT, its employees or agents, and hereby agrees to save the DEPARTMENT harmless from all liability that might arise out of, or stem from, the DEPARTMENT's representative entering said premises, except acts resulting from the DEPARTMENT's, or its employees' or agents' negligence.

SECTION 202 REDEVELOPER NOT TO CONSTRUCT OVER UTILITY EASEMENTS.

The REDEVELOPER, shall not construct any building or other structure or improvement on, over, or within the boundary lines of any easement for public utilities described in the PROPOSAL or described or referred to elsewhere in this CONTRACT, unless such construction is provided for in the PROPOSAL and has been approved by the District Government. If approval for such construction is requested by REDEVELOPER, the DEPARTMENT shall use its best efforts to assure that such approval shall not be withheld or delayed unreasonably.

SECTION 203 ACCESS TO PROPERTY.

Prior to the conveyance of the PROPERTY by the DEPARTMENT to the REDEVELOPER, the DEPARTMENT shall permit representatives of the REDEVELOPER to have access to any part of the PROPERTY to which the DEPARTMENT holds title at all reasonable times for the purpose of obtaining data and making various tests concerning the PROPERTY necessary to carry out this CONTRACT: Provided, that the REDEVELOPER shall save the DEPARTMENT harmless from all liability arising therefrom, abide by any terms and conditions imposed by the DEPARTMENT on the right of entry and restore the PROPERTY to the condition existing prior to REDEVELOPER's entry on the PROPERTY or such lesser action as the DEPARTMENT may direct.

ARTICLE III. PREPARATION OF PLANS, CONSTRUCTION OF IMPROVEMENTS AND CERTIFICATE OF COMPLETION

SECTION 301 SUBMISSION OF DETAILED SITE PLAN.

The REDEVELOPER, at its sole cost and expense, shall prepare or cause to be prepared, and submit to the DEPARTMENT, a detailed site plan, working drawings, and contract specifications for the IMPROVEMENTS. The architectural design, site planning, material and aesthetic qualities of the drawings and specifications shall be subject to approval of the DEPARTMENT and shall be in conformity with the provisions, objectives, restrictions, standards and controls of the PLAN, all other applicable laws and regulations of the DISTRICT and all provisions of this CONTRACT. The drawings and specifications shall be submitted and reviewed in accordance with the procedures set forth in this CONTRACT. The DEPARTMENT acknowledges that the foregoing submissions have been submitted and approved.

SECTION 302 PROCEDURE FOR APPROVAL OF FINAL DRAWINGS.

A. Submission of Final Drawings.

At the time specified in Part I, Section 7C of this CONTRACT, the REDEVELOPER, at its sole cost and expense, shall submit to the DEPARTMENT FINAL DRAWINGS and outline specifications for the IMPROVEMENTS including a site plan, elevations, and typical floor plans.

Such FINAL DRAWINGS shall be in sufficiently complete and detailed form to enable the DEPARTMENT to determine whether they conform to the plans and provisions, objectives, restrictions, standards, and controls of the PROPOSAL and this CONTRACT, and to enable the DEPARTMENT to evaluate and to determine the architectural design and aesthetic qualities.

If the DEPARTMENT rejects the FINAL DRAWINGS, the DEPARTMENT shall advise the REDEVELOPER in writing as to the specific reasons for the rejection. In the event of rejection, the REDEVELOPER shall resubmit revised plans pursuant to subsection B. hereof. The FINAL DRAWINGS shall be deemed approved unless, within thirty (30) days after receipt of the FINAL DRAWINGS by the DEPARTMENT, the DEPARTMENT mails the REDEVELOPER a written notice of their rejection. The DEPARTMENT hereby acknowledges that the Schematic and Preliminary Drawings have been reviewed and approved in accordance with this section.

B. Procedure if Final Drawings are Rejected.

If the DEPARTMENT gives the REDEVELOPER required notice of its rejection of the FINAL DRAWINGS submitted in accordance with this Section, the REDEVELOPER shall submit revised FINAL DRAWINGS within thirty (30) days after receipt of such notice; the provisions of this Section with respect to approval, rejection, and resubmission of revised FINAL DRAWINGS hereinabove provided shall continue to apply, and the REDEVELOPER shall in good faith continue to resubmit corrected FINAL DRAWINGS until approved by the DEPARTMENT.

SECTION 303 CHANGES IN FINAL DRAWINGS

If the REDEVELOPER desires to make any SIGNIFICANT CHANGES in the FINAL DRAWINGS after their approval by the DEPARTMENT, the REDEVELOPER shall submit the proposed change(s) to the DEPARTMENT for its approval.

If the FINAL DRAWINGS, as modified by the proposed change(s), conform to the requirements of Article III Section 2 above with respect to such previous approval of FINAL DRAWINGS, the DEPARTMENT shall approve the proposed change(s) and notify the REDEVELOPER in writing of its approval.

Such change(s) in the FINAL DRAWINGS shall, in any event, be deemed approved by the DEPARTMENT unless rejection thereof, in whole or in part, shall be made within fifteen (15) days by written notice thereof by the DEPARTMENT to the REDEVELOPER, setting forth in detail the reasons therefore, in which event the procedures of Article III Section 2 above with respect to approval, rejection and resubmission of the FINAL DRAWINGS shall apply; provided, however that such change(s) shall be deemed approved unless within the above-specified period, the REDEVELOPER receives written notice of rejection from the DEPARTMENT pursuant to this subsection.

SECTION 304 COMMENCEMENT AND COMPLETION OF CONSTRUCTION OF IMPROVEMENTS

The REDEVELOPER agrees for itself, its successors and assigns, and every successor in interest to the PROPERTY, or any part thereof, and the DEED shall contain covenants on the part of the REDEVELOPER, and such successors and assigns that the REDEVELOPER and such successors and assigns shall promptly begin and diligently prosecute to completion the redevelopment of the PROPERTY by the construction of the IMPROVEMENTS thereon, in accordance with the FINAL DRAWINGS.

Such construction shall in any event begin and end within the period specified in Part I, Section 3 hereof. It is intended and agreed, and the DEED shall so expressly provide, that such agreements and covenants shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the CONTRACT itself, be to the fullest extent permitted by law and equity, binding for the benefit of the community and the DEPARTMENT and enforceable by the DEPARTMENT against the REDEVELOPER.

SECTION 305 PROGRESS REPORTS

Subsequent to conveyance of the PROPERTY, or any part thereof, to the REDEVELOPER, and until issuance of the CERTIFICATE OF COMPLETION as provided in Section 306 below, the REDEVELOPER shall make reports as to the progress of construction in such detail and at such times as may reasonably be requested by the DEPARTMENT.

SECTION 306 CERTIFICATE OF COMPLETION

A. Promptly after completion of the IMPROVEMENTS in accordance with those provisions of the CONTRACT relating solely to the obligations of the REDEVELOPER to construct the IMPROVEMENTS, (including the dates for beginning and completion thereof) the DEPARTMENT will furnish the REDEVELOPER with an appropriate instrument (hereinafter sometimes referred to as the "CERTIFICATE OF COMPLETION").

Such CERTIFICATE OF COMPLETION shall constitute a conclusive and incontestable determination (and it shall be so provided in such certificate and in the DEED) that all of the terms, covenants, agreements, conditions and provisions of this CONTRACT, and in the DEED, obligating the REDEVELOPER with respect to the construction of said IMPROVEMENTS, including the times for the commencement and completion of the construction of the IMPROVEMENTS, have been fully satisfied and terminated, and that the REDEVELOPER and its successors and assigns shall have no further obligations whatsoever with respect to the commencement and completion of the construction of those IMPROVEMENTS and that any rights and remedies with respect to re-entry, repossession, reversion and forfeiture, as provided for in Article VII, Section 704 hereof and in the DEED, which the DEPARTMENT may have with respect to the PROPERTY are extinguished and shall not thereafter apply; and that the REDEVELOPER is thereafter free to transfer the PROPERTY or interest therein, without any prior written approval of the DEPARTMENT. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of the obligations of the REDEVELOPER to the individual MORTGAGEE.

B. With respect to such individual parts of the PROPERTY, i.e., individual improved lots which the REDEVELOPER may sell as the residential improvements to be constructed thereon are completed, the DEPARTMENT will also upon proper completion of all the IMPROVEMENTS relating to any such part (i.e., individual improved lots) certify to the REDEVELOPER that such IMPROVEMENTS have been made in accordance with the provisions of this CONTRACT.

Such certification shall mean and provide, and the DEED may so state, (1) that any party purchasing such individual part pursuant to the authorization herein contained shall not incur any obligation with respect to the construction of the IMPROVEMENTS relating to such part or to any other part of the PROPERTY; and (2) that neither the DEPARTMENT nor any other party shall thereafter have or be entitled to exercise any rights to the PROPERTY as a result of a default in or breach of any provisions of the CONTRACT or the DEED by the REDEVELOPER and any successor in interest or assign, unless (i) such default or breach be by the purchaser, or any successor in interest to or assignee of such individual part with respect to the covenants contained and referred to in Article IV Section 401 hereof, and (ii) the right, remedy, or control relates to such default or breach.

C. Each certification provided for in this Section shall be in such form as will enable it to be recorded in the Office of the Recorder of Deeds of the District of Columbia.

If the DEPARTMENT shall refuse or fail to provide any certification in accordance with the provision of this Section, the DEPARTMENT shall, within fifteen (15) days after written request by the REDEVELOPER, provide the REDEVELOPER with a written statement, indicating in adequate detail in what respects the REDEVELOPER has failed to complete the IMPROVEMENTS or any part or parcel thereof in accordance with the provisions of this CONTRACT, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the DEPARTMENT, for the REDEVELOPER to take or perform in order to obtain such certification.

SECTION 307. CHANGES TO COMPLETED IMPROVEMENTS.

After completion of the IMPROVEMENTS, the REDEVELOPER shall not reconstruct, demolish, subtract therefrom or make any additions or extensions to the exterior of the IMPROVEMENTS or the PROPERTY without the prior written approval of the DEPARTMENT, such approval not to be unreasonably withheld.

SECTION 308. DELAY OF CONVEYANCE OF PROPERTY.

Notwithstanding any other provision in this CONTRACT, the DEPARTMENT may, in its sole discretion, delay sale of the PROPERTY until the REDEVELOPER has submitted evidence satisfactory to the DEPARTMENT that it has a construction contract and the necessary equity capital, mortgage financing, or other refinancing to assure the completion of the IMPROVEMENTS as required by Article VI Section 601 B hereof.

SECTION 309. RETENTION OF PLANS, WORKING DRAWINGS AND SPECIFICATIONS.

For a period of five (5) years from the date upon which FINAL DRAWINGS are approved by the DEPARTMENT, the REDEVELOPER shall retain in its records a copy of all design materials including plans, working drawings, and contract specifications prepared by it for, or as a basis for, the submission of SCHEMATIC, PRELIMINARY and FINAL DRAWINGS or otherwise used by the REDEVELOPER for the construction of the IMPROVEMENTS. Copies of such material shall be available to the DEPARTMENT upon its request during that period.

ARTICLE IV. RESTRICTIONS UPON USE OF PROPERTY

SECTION 401. RESTRICTIONS ON USE.

The REDEVELOPER agrees for itself, and its successors and assigns, and every successor in interest to the PROPERTY, or any part thereof, and any Deed shall contain covenants on the part of the REDEVELOPER for itself, and such successors and assigns, that the REDEVELOPER, and such successors and assigns, shall:

A. Devote the PROPERTY to and in accordance with, the uses, specified in the PLAN and this CONTRACT only; and

B. Not discriminate upon the basis of race, color, religion, sex, national origin, or any other factor which would constitute a violation of the D.C. Human Rights Act or any other applicable law, in the sale, lease or rental or in the use or occupancy of the PROPERTY or its respective IMPROVEMENTS thereon.

C. Comply with the regulations issued by the Secretary of Housing and Urban Development set forth in 24 CFR 35.1 et seq. and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures undergoing federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards.

SECTION 402. COVENANTS; BINDING UPON SUCCESSORS IN INTEREST; PERIOD OF DURATION.

It is intended and agreed, and any Deed shall so expressly provide, that the agreements and covenants provided in this CONTRACT shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this CONTRACT, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the DEPARTMENT, the DISTRICT and any successor in interest to the PROPERTY and the owner(s) of any other land (or of any interest to such land) in the PROJECT AREA which is subject to the land use requirements and restrictions of local law against the REDEVELOPER its successors and assigns and the agreement and covenant provided in Article IV Section 401 A hereof shall remain in effect for the period of time or until the date specified or referred to in Part I, Section 8 B of this CONTRACT (at which time such agreements and covenants shall terminate) and that the remaining agreements and covenants provided in this Section 401 shall remain in effect without limitation as to time: Provided, That such agreements and covenants shall be binding on the REDEVELOPER, each successor in interest to the PROPERTY and each party in possession or occupancy, only for such period as such successor or party shall have title to, or an interest in, or possession or occupancy of, the PROPERTY or part thereof.

The terms "uses specified in local law" and "land use" referring to provisions of the local law, or similar language in the CONTRACT shall include the land and all building housing and other restrictions of the local law pertaining to such land

SECTION 403. DEPARTMENT, DISTRICT OF COLUMBIA AND UNITED STATES RIGHTS TO ENFORCE.

In amplification, and not in restriction of, the provisions of the preceding Section 402, it is intended and agreed that the DEPARTMENT and its successors and assigns shall be deemed beneficiaries of the agreements and covenants provided in Section 401 above, both for and in their own right and also for the purposes of protecting the interests of the community and the other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided.

Such agreements and covenants shall run in favor of the DEPARTMENT (and, if the REDEVELOPER receives Federal financial assistance with respect to the PROPERTY, the UNITED STATES) for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the DEPARTMENT (or the UNITED STATES) has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate.

The DEPARTMENT (or the UNITED STATES) shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions or suits, at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement of covenant may be entitled.

SECTION 404. PREFERENCE FOR DISPLACED RESIDENTS.

A. The REDEVELOPER shall give the DEPARTMENT written notice sixty (60) calendar days in advance of the initial sale (but only if the IMPROVEMENTS or any portion thereof, are to be sold, other than in the ordinary course of business, in form of condominiums or similar form of ownership) or lease of the IMPROVEMENTS or any portion thereof (except leases, including master leases, entered into in the ordinary course of business).

   Such notice shall include the date of the proposed commencement of or sale together with a description of the size of the dwelling units, or the commercial space, the physical improvements to be furnished, utilities to be furnished and any standards of tenant occupancy or the terms of sale, which is applicable.

   During the sixty (60) days following the DEPARTMENT's receipt of such notice (hereinafter referred to as the "INITIAL SALES PERIOD") the REDEVELOPER shall give any person, family or business submitting a certificate executed by the DEPARTMENT certifying that such person, family or business, has been or shall be displaced by reason of the PROJECT, the first right to the initial lease or purchase of any portion of the IMPROVEMENT or Property.

   In the event that persons, families or businesses, possessing the certificate described above, have not made application for all available dwelling units within sixty (60) days of the date of the DEPARTMENT's receipt of the REDEVELOPER's notice to commence sale, the REDEVELOPER shall give any person, family or business, who has applied for a dwelling unit and has submitted a certificate executed by the DEPARTMENT certifying that such person, family or business has been or shall be displaced by reasons of any other redevelopment or renewal and public works project in the DISTRICT, the first right to lease or purchase any remaining units not leased or purchased as of that date.

B. At any time after the INITIAL SALES PERIOD, the REDEVELOPER may sell any portion of the PROPERTY not then sold or committed, in accordance with subsection A hereof, to other eligible persons or families; or businesses; provided, that any person or family or business, making application and submitting a certificate described in subsection A hereof shall enjoy first right to purchase any unit not committed as of the date of submission.

C. In the event the REDEVELOPER rejects the application of any person of family or business submitting a certificate in accordance with Paragraphs A or B of this Section, to purchase any unit in the IMPROVEMENTS, the REDEVELOPER shall give the DEPARTMENT and the person or family, or business, so rejected, prompt written notice thereof setting forth the reasons for such rejection.

D. The rights of first refusal to purchase established by this Section 404, shall not, except as provided in the PLAN or this AGREEMENT, prevent the REDEVELOPER from establishing:

(i) with respect to a lease, reasonable standards for tenant occupancy including the size of the dwelling unit or commercial space, to be leased, the rental amount and the terms of rental payment; and

(ii) with respect to a sale, the size of the dwelling unit or commercial space and the portion of the IMPROVEMENT or PROPERTY to be sold, reasonable terms of such sale, including the purchase price and the terms of payment and credit qualifications. Prior to the commencement of the INITIAL SALES PERIOD, the REDEVELOPER must submit to the DEPARTMENT for approval, the standards to be used in determining the acceptability of all applicants.

SECTION 405. <u>SIGN CONTROL</u>.

Until the issuance of the CERTIFICATE OF COMPLETION:

A. No sign or other means or objects of identification or advertisement or any subsequent modifications thereof shall be erected or displayed upon the PROPERTY without prior written approval by the DEPARTMENT, which approval shall not be unreasonably withheld.

B. The REDEVELOPER shall submit plans of such signs, means, or objects of identification to the DEPARTMENT in sufficient completeness and detail to enable the DEPARTMENT to evaluate the design and aesthetic qualities of such signs.

C. The REDEVELOPER shall, at its expense during construction, design and erect a sign identifying the IMPROVEMENTS as a development undertaken under the auspices of the DEPARTMENT. The sign shall be designed in accordance with the terms hereof and erected within forty-five (45) days of execution of this CONTRACT.

SECTION 406. EQUAL EMPLOYMENT OPPORTUNITY.

The REDEVELOPER, for itself, its successors, and assigns, agrees that in the construction of the IMPROVEMENTS required by the DEPARTMENT and this CONTRACT to be constructed on the PROPERTY:

A. The REDEVELOPER shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or any other factor which would constitute a violation of the D.C. Human Rights Act or other applicable law.

The REDEVELOPER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin, age, marital status, personal appearance, sexual orientation, family responsibilities, matriculation, political affiliation, or physical handicap.

Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and REDEVELOPER agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided the DEPARTMENT setting forth the provisions of this non-discrimination clause.

B. The REDEVELOPER will, in all solicitations or advertisements for employees placed by or on behalf of the REDEVELOPER state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin or any other factor which would constitute a violation of the D.C. Human Rights Act or other applicable law.

C. If the REDEVELOPER receives Federal financial assistance with respect to the PROPERTY, the REDEVELOPER shall:

(i) send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the DEPARTMENT, advising the said labor union or worker's representative of the REDEVELOPER's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment;

(ii) comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules and regulations and relevant orders of the Secretary of Labor, including the goals and timetables for minority and female participation and the Standard Federal Equal Employment Opportunity Construction Contract Specifications, attached hereto and incorporated herein, to the extent applicable;

(iii) furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor and the Secretary of the Department of Housing and Urban Development, and will permit access to its books, records, and accounts by the DEPARTMENT, and the Departments of Labor and HUD for purpose of any investigation to ascertain compliance with such rules, regulations and orders;

(iv) require the inclusion of the provisions of paragraphs A. through D. of this Section in every contract or purchase order, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor vendor.

The REDEVELOPER will take such action with respect to any subcontract or purchase order as the DEPARTMENT may direct as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event the REDEVELOPER becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the DEPARTMENT, or the Department of Housing and Urban Development the REDEVELOPER may request the UNITED STATES to enter into such litigation to protect the interest of the UNITED STATES.

D. In the event of the REDEVELOPER's non-compliance with the nondiscrimination clause of this CONTRACT or with any applicable rule, regulation, or order, prior to receipt of a CERTIFICATE OF COMPLETION, this CONTRACT may be (subject to the provisions for notice and opportunity to cure contained in Article VII hereof) cancelled, terminated, or suspended in whole or in part and the REDEVELOPER may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other actions may be imposed and remedies invoked as provided in said Executive Order, or by rules, regulations, or order of the Secretary of Labor, or as otherwise provided by law. After delivery of a CERTIFICATE OF COMPLETION the DEPARTMENT shall enforce such clauses in the manner provided in Part II, Section 704 of this CONTRACT.

SECTION 407. OPPORTUNITY FOR TRAINING AND EMPLOYMENT.

A. The DEPARTMENT requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the PROJECT AREA and construction contracts for work in connection with the PROJECT AREA be awarded to business concerns which are located in, or owned in substantial part by persons residing in the PROJECT AREA.

B. REDEVELOPER agrees to:

(i) comply with its Affirmative Action Plan and Community Participation Plan, attached hereto as Exhibits C and D of Part I and made a part hereof;

(ii) achieve the hiring goals stated in Mayor's Order 83-265; and

(iii) comply with all applicable labor and employment standards, laws, regulations and orders in the development and operation of the PROPERTY.

C. In addition, the REDEVELOPER agrees that in the construction of the IMPROVEMENTS shown in the FINAL DRAWINGS and this CONTRACT:

(i) The general contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or worker's representative of the general contractor's commitment under Section 407 below and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(ii) The general contractor will include this Section 407 in every subcontract for work in connection with the construction of the IMPROVEMENTS and will, at the direction of the DEPARTMENT, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of the provisions of this Section.

The general contractor will not let any subcontract where the general contractor has notice or knowledge that the subcontractor has been found in violation of these requirements, and will not let any subcontract unless the subcontractor has first provided the general contractor with a preliminary statement of ability to comply with the requirements in this Section 407.

SECTION 408. ADVERTISING.

The REDEVELOPER agrees for itself, its successors and assigns that it shall include in all advertising for the sale or rental of the PROPERTY, a statement to the effect that:

(a) the PROPERTY is open to all persons without discrimination on the basis of race, color, religion, sex, national origin or any other factor which would constitute a violation of the D.C. Human Rights Act or other applicable law; and

(b) that there shall be no discrimination in public access or use of the PROPERTY to the extent that it is open to the public.

SECTION 409. OPPORTUNITIES FOR MINORITY BUSINESS ENTERPRISES.

In cooperation with the DEPARTMENT, the District of Columbia Government, and Federal and other public and private agencies and organizations, REDEVELOPER agrees that it will promote opportunities for minority owned and operated businesses in the construction of the improvements to the fullest extent consistent with sound economic development.

A. In order to assure that minority businesses are provided equal opportunity in the contracting, the REDEVELOPER will:

(i) publicize available opportunities through private and public agencies, organizations and minority business associations; and

(ii) solicit Letters of Interest through these agencies and organizations and from individual entrepreneurs and cooperate with public and privately funded business and technical assistance agencies and organizations, to assist in identifying potentially viable minority businesses for contracting; and

(iii) enter into a Memorandum of Understanding with the Department of Human Rights and Minority Business Development, formerly the District of Columbia Minority Business Opportunity Commission.

ARTICLE V. <u>PROHIBITION AGAINST ASSIGNMENT, TRANSFER AND SUBLEASE</u>

SECTION 501. <u>REPRESENTATIONS AS TO DEVELOPMENT</u>.

The REDEVELOPER represents and agrees that its purchase of the PROPERTY, and its other undertakings pursuant to the CONTRACT and SECURITY DOCUMENTS are and will be used for the purpose of redevelopment of the PROPERTY and not for speculation in land holding. The REDEVELOPER further recognizes that, in view of:

a. the importance of the redevelopment of the PROPERTY to the general welfare of the community;

b. the public assistance that has been made available by the Federal and local Governments to the PROJECT AREA;

c. the fact that a transfer of the stock or partnership interest in the REDEVELOPER or of a substantial part thereof, or any other act or transaction involving or resulting in a SIGNIFICANT CHANGE as herein defined in the ownership or distribution of such stock or partnership interest or with respect to the identity of the parties in control of the REDEVELOPER or the degree thereof, is for practical purposes a transfer or disposition of the PROPERTY then owned by the REDEVELOPER;

the qualifications and identity of the REDEVELOPER, and its stockholders or partners, are of particular concern to the community and the DEPARTMENT.

The REDEVELOPER further recognizes that it is because of such qualifications and identity that the DEPARTMENT is entering into the CONTRACT with the REDEVELOPER, and in so doing, is further willing to accept and rely on the obligations of the REDEVELOPER for the faithful performance of all undertakings and covenants in the CONTRACT.

SECTION 502. <u>PROTECTION AGAINST TRANSFER OF PARTNERSHIP INTEREST OR SHARES OF STOCK; BINDING UPON PARTNERS AND STOCKHOLDERS INDIVIDUALLY</u>.

For the foregoing reasons set forth in Section 501 above, the REDEVELOPER represents and agrees for itself, its partners or stockholders, and any successors in interest of itself and its partners or stockholders that, prior to the issuance of the

CERTIFICATE OF COMPLETION without prior written approval of the DEPARTMENT, which approval shall not be unreasonably withheld or delayed.

Neither the REDEVELOPER or any party owning stock or a partnership interest in the REDEVELOPER (which term shall be deemed for the purpose of this and related provisions to include successors in interest of such partnership interest or stock, or any part thereof or interest therein) shall cause or suffer to be made any assignment, sale, conveyance or other transfer of stock or partnership interests if such transfer will cause a SIGNIFICANT CHANGE in the identity of such owner or the ownership of such stock or partnership interest (or in the relative distribution thereof) or the identity of the parties in control of the REDEVELOPER or the degree thereof, by any other method or means, whether by increased capitalization, merger with another corporation or combination with another partnership or corporation, or other amendments, issuance of additional or new stock or partnership interests or reclassification of stock, or otherwise.

With respect to this provision, the REDEVELOPER and the parties signing the CONTRACT on behalf of the REDEVELOPER represent that they have the authority of all its existing stockholders or partners to agree to this provision on their behalf and to bind them with respect hereto.

SECTION 503. PROHIBITION AGAINST TRANSFER OF THE PROPERTY AND ASSIGNMENT OF AGREEMENT.

A. For the reasons set forth in Section 501 above, the REDEVELOPER represents and agrees for itself, and its successors and assigns, that, except only for the BANK LOAN as herein defined and as permitted by Section 601b below (including a sale to a mortgagee, foreclosure sale or deed in lieu of foreclosure) and except as to any individual housing units on the PROPERTY, which by the terms of the CONTRACT, the REDEVELOPER is authorized to contract to sell prior to the completion of the IMPROVEMENTS thereon, as such IMPROVEMENTS are completed, the REDEVELOPER has not made or created, and will not, prior to the issuance of the CERTIFICATE OF COMPLETION, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, lease, trust, power, or transfer in any other mode or form, with respect to the CONTRACT or the PROPERTY (or any part thereof or any interest therein) or make any contract or agreement to do any of the same, without prior written approval of the DEPARTMENT: Provided, That, prior to the issuance of the CERTIFICATE OF COMPLETION and subject to the DEPARTMENT's written approval, the REDEVELOPER may enter into any agreement to sell, or otherwise transfer, after the issuance of such CERTIFICATE COMPLETION, the PROPERTY or any part thereof or interest therein, which agreement shall not provide for payment of or on account of the purchase price or rent for the PROPERTY, or the part thereof or the interest therein to be so transferred, prior to the issuance of such CERTIFICATE OF COMPLETION.

B. Where the DEPARTMENT approval of a transfer of stock for or partnership interest of the REDEVELOPER or a transfer of the PROPERTY or any part thereof is required, the DEPARTMENT may require the REDEVELOPER to meet the following conditions:

(1) Any proposed transferee shall have the professional and financial qualifications (as determined by the DEPARTMENT) adequate to fulfill the obligations undertaken in the CONTRACT by the REDEVELOPER.

(2) Any proposed transferee, by a writing in form satisfactory to the DEPARTMENT and recorded among the land records, for itself and its successors and assigns, and expressly for the benefit of the DEPARTMENT, shall have expressly assumed all of the obligations of the REDEVELOPER under the CONTRACT and agreed to be subject to all the conditions and restrictions to which the REDEVELOPER is subject hereunder.

If any transferee, or any other successor in interest whatsoever to the PROPERTY, or any part thereof, shall not assume such obligations or so agree, such shall not (unless specifically agreed to in writing by the DEPARTMENT) relieve or except such transferee or successor of or from such obligations, conditions or restrictions, or deprive or limit the DEPARTMENT of or with respect to any rights or remedies or controls with respect to the PROPERTY or the construction of the IMPROVEMENTS;

It being the intent of this provision, together with other provisions of the CONTRACT, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the CONTRACT) no transfer of, or change with respect to, ownership in the PROPERTY or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the DEPARTMENT of or with respect to any right or remedies or controls provided in or resulting from the CONTRACT with respect to the PROPERTY and the construction of the IMPROVEMENTS that the DEPARTMENT would have had, had there been no such transfer or change.

(3) All instruments and other legal documents involved in effecting a transfer shall be submitted to the DEPARTMENT prior to execution; and

If approved in writing by the DEPARTMENT, such approval shall be indicated to the REDEVELOPER in writing.

(4) The consideration payable for the transfer by the transferee or on its behalf shall not exceed an amount representing the actual cost to the REDEVELOPER of developing the PROPERTY (or allocable to the part thereof or interest therein transferred) and IMPROVEMENTS, if any, theretofore made thereon by it;

It being the intent of this provision to preclude assignment of the CONTRACT or transfer of the PROPERTY (or any parts thereof other than those referred to in the first paragraph of this Section 503) for profit prior to the completion of the IMPROVEMENTS and to provide that in the event any such assignment or transfer is made (and is not cancelled), the DEPARTMENT shall be entitled to increase the PURCHASE PRICE to the REDEVELOPER by the amount that the consideration payable for the assignment or transfer exceeds the amount that may be authorized pursuant to this subsection and such consideration to the extent it exceeds the amount so authorized, belong to the DEPARTMENT and be tendered forthwith.

(5) The REDEVELOPER and its transferee shall comply with such other conditions as the DEPARTMENT may find desirable in order to achieve and safeguard the purposes of the ACT and this CONTRACT, <u>provided</u> that in the absence of specific written agreement by the DEPARTMENT to the contrary, no such transfer or approval by the DEPARTMENT thereof shall be deemed to relieve the REDEVELOPER or any other party bound in any way by the CONTRACT or otherwise with respect to the construction of the IMPROVEMENTS from any of its obligations with respect thereto.

(6) For the purposes hereof, the term "actual cost" shall mean the purchase price of the PROPERTY (or the part thereof allocable to the part of the PROPERTY transferred) and the costs (including any CARRYING CHARGES and overhead) incurred by the REDEVELOPER (after the date of the award of the PROPERTY by the DEPARTMENT to the REDEVELOPER) in connection with the development and construction of the IMPROVEMENTS on the PROPERTY or part thereof transferred (exclusive of the proceeds of any mortgage loan or loans to finance the IMPROVEMENTS), less any net income received by the REDEVELOPER in connection with the PROPERTY or allocable to the part of the PROPERTY transferred.

SECTION 504. INFORMATION AS TO STOCKHOLDERS AND PARTNERS MAINTENANCE OF SEPARATE BOOKS AND ACCOUNTS.

A. The REDEVELOPER agrees that until the issuance of the CERTIFICATE OF COMPLETION for the entire project:

(i) the REDEVELOPER shall promptly notify the DEPARTMENT of any and all changes whatsoever in the ownership of stock or partnership interest, legal or beneficial, or of any other act or transaction involving or resulting in any change in the ownership of such stock or partnership interest or the relative distribution thereof, or with respect, to the identity of the parties in control of the REDEVELOPER or the degree thereof, of which it or any of its officers or managing partners have been notified or otherwise have knowledge or information; and

(ii) the REDEVELOPER shall, at such time or times as the DEPARTMENT may request, furnish the DEPARTMENT with a complete statement, subscribed and sworn to by the President or other executive officer or general partner of the REDEVELOPER, setting forth all of the stockholders or partners in the REDEVELOPER and the extent of their respective holdings, and in the event any other parties have a beneficial interest in such stock, their names and the extent of such interest, all as determined or indicated by the records of the REDEVELOPER, by specific inquiry made by such officer or managing partner of all parties who on the basis of such records own any stock in the REDEVELOPER or by such other knowledge or information as such officer or managing partner shall have.

Such lists, dates, and information shall in any event be furnished to the DEPARTMENT immediately prior to the execution of this CONTRACT as a condition precedent thereto, and annually thereafter on the anniversary of the date of execution of the CONTRACT until the issuance of the CERTIFICATE OF COMPLETION.

B. The REDEVELOPER agrees that, until the issuance of the CERTIFICATE OF COMPLETION:

(i) the REDEVELOPER shall keep books and accounts of its operations and transactions relating to the PROPERTY, separate and distinct from any other PROPERTY or business enterprise owned or operated by it, and in accordance with the requirement of the ACT will not use any portion of the PROPERTY to secure any indebtedness or obligations of the REDEVELOPER incurred for or in relation to any other such real the PROPERTY or business enterprise except in accordance with Article VI of this CONTRACT.

(ii) the REDEVELOPER shall not substantially amend, modify, replace or otherwise alter its commitment or agreement with the BANK or enter into any subsequent or new agreements, without prior written notification to and approval of the DEPARTMENT, which approval shall not be unreasonably withheld, provided such amendment, modification, replacement or agreement is not in conflict with the terms and objectives embodied herein

ARTICLE VI. <u>MORTGAGE FINANCING</u>

SECTION 601. <u>LIMITATION UPON ENCUMBRANCES OF PROPERTY</u>.

A. Prior to and following the issuance of the CERTIFICATE OF COMPLETION, neither the REDEVELOPER nor any successor in interest to the PROPERTY or any part thereof shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the PROPERTY, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the PROPERTY without the prior written approval of the DEPARTMENT.

This Section 601, however, shall not apply to financing of, or mortgages on each of the individual lots comprising the entire PROPERTY on which the IMPROVEMENTS to be constructed thereon have been completed in accordance with the CONTRACT and for which a CERTIFICATE OF COMPLETION has been issued, and for which the REDEVELOPER has approved in writing low and moderate income purchasers for each single family house that is constructed.

B. The DEPARTMENT shall not unreasonably withhold approval of any financing if the REDEVELOPER submits to the DEPARTMENT evidence satisfactory to the DEPARTMENT that the financing is necessary for developing the IMPROVEMENTS and there are sufficient funds committed to and available to complete the IMPROVEMENTS in accordance with the terms of this CONTRACT. Such evidence shall include, but not be limited to, the following:

(1) A copy of the loan commitment or agreement between the REDEVELOPER and the MORTGAGEE, certified by the REDEVELOPER to be a true and correct copy thereof;

(2) A detailed estimate of the total cost of developing the PROPERTY in accordance with the terms of this CONTRACT including, but not limited to, the cost of purchasing the PROPERTY, architectural and engineering fees, lawyers fees, construction of the IMPROVEMENTS, financing fees, interest, taxes, and administration, certified by the REDEVELOPER to be true and accurate;

(3) A statement detailing the disbursement of the proceeds of the proposed financing, certified by the REDEVELOPER to be true and accurate (DEPARTMENT shall accept loan draw schedules in satisfaction of this requirement);

(4) A copy of REDEVELOPER's construction contract with a General Contractor, acceptable to the DEPARTMENT at a fixed price or for a maximum upset price, requiring performance and payment bonds for 100% of the construction costs, or other assurance of completion acceptable to MORTGAGEE, and certified by the REDEVELOPER to be a true and correct copy thereof;

(5) A copy of the proposed mortgage, deed of trust or such other instrument to be used to secure a lien against the PROPERTY.

C. The REDEVELOPER shall promptly notify the DEPARTMENT of any encumbrance or lien that has been granted on or attached to the PROPERTY, whether by voluntary act of the REDEVELOPER or otherwise.

D. Any such mortgage shall contain the express provision that the MORTGAGEE's title in and to the PROPERTY, or to any portion thereof, is subject to this CONTRACT.

E. The reversionary rights of the DEPARTMENT under Part II, Section 704 of this CONTRACT shall always be subject to, and shall not defeat, render invalid, or limit in any way:

(i) the lien of any mortgage or deed of trust entered into pursuant to the terms of this CONTRACT or any rights or remedies thereunder; and

(ii) any rights, remedies or interests provided in this CONTRACT for the protection of the holders of such mortgages or deed of trust.

F. For purposes of any mortgage financing made pursuant to this CONTRACT, the PROPERTY may, at the option of the REDEVELOPER (or successor in interest), be divided into several parts or parcels, provided that such subdivision, in the opinion of the DEPARTMENT, is not inconsistent with the purposes of the ACT and the CONTRACT and is approved in writing by the DEPARTMENT.

SECTION 602. <u>COPY OF NOTICE OF DEFAULT TO MORTGAGEE</u>.

Whenever the DEPARTMENT shall deliver any notice or demand to the REDEVELOPER with respect to any breach or default by the REDEVELOPER in its obligations or covenants under the CONTRACT, the DEPARTMENT shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by the CONTRACT, at the address of such holder shown in Part I of this CONTRACT.

SECTION 603. MORTGAGEE MAY CURE BREACH OF REDEVELOPER.

A. In the event that the REDEVELOPER receives notice from the DEPARTMENT of a breach or default under this CONTRACT and such breach is not cured by the REDEVELOPER pursuant to the provisions of this CONTRACT, the DEPARTMENT shall, in addition to the notice to the MORTGAGEE provided in Section 602 above, give notice of the failure to cure on the part of the REDEVELOPER to the MORTGAGEE at the expiration of the period within which the REDEVELOPER may cure as set forth in this CONTRACT.

Upon receipt of such notice, the MORTGAGEE may then, at its option:

(1) cure such failure by proceeding with due diligence to commence and complete or by completing, as the case may be, FINAL DRAWINGS or construction in accordance with the provisions of this CONTRACT, except that the time limits set forth in Part I, Section 7 of this CONTRACT shall be extended by the DEPARTMENT for such reasonable period of time as may then be necessary for such MORTGAGEE, with the exercise of due diligence, to extinguish the REDEVELOPER's interest in this CONTRACT and in the PROPERTY and for such reasonable period of time as may be necessary to complete any such construction; or

(2) institute and, in as timely a manner as possible, complete foreclosure proceedings or otherwise extinguish the REDEVELOPER's interest in this CONTRACT, and at foreclosure or at any time thereafter, subject to Part I, Section 8 of this CONTRACT, sell, assign or transfer, all of its right, title and interest to the PROPERTY to a purchaser, assignee or transferee who shall expressly assume all of the covenants, agreements and obligations of the REDEVELOPER under this CONTRACT with respect to the PROPERTY, or such portion thereof, by written instrument to be filed promptly and recorded among the Land Records of the District of Columbia, in which event the time limits set forth in Part I, Section 7 of this CONTRACT shall be extended by the DEPARTMENT for such reasonable period of time as may then be necessary to complete any such construction referred to in (1) above; or

(3) proceed with due diligence to acquire possession of the PROPERTY through proceedings to foreclose the mortgage, or otherwise extinguish the REDEVELOPER's interest in this CONTRACT and in the PROPERTY and convey all of its right, title and interest in this CONTRACT and in the PROPERTY to the DEPARTMENT.

Upon such conveyance to the DEPARTMENT, the DEPARTMENT agrees forthwith to comply with the provisions of Part II, Section 705 of this CONTRACT, as if the DEPARTMENT had exercised its right of termination thereunder.

B. The MORTGAGEE shall have the right to elect (1), (2) or (3) above subject to Part I, Section 8 of this CONTRACT and only if it shall exercise such right within thirty (30) days after receipt of the notice herein set forth and deliver to the DEPARTMENT within the thirty (30) day period an instrument in writing duly executed and acknowledged wherein the MORTGAGEE agrees that:

(1) MORTGAGEE shall, during the period that such MORTGAGEE is in possession of the PROPERTY and/or during the period of any such foreclosure or other proceedings and until the interest of the REDEVELOPER in this CONTRACT and the PROPERTY are terminated, as the case may be, pay or cause to be paid to the DEPARTMENT, or other public agency all taxes or other assessments then due and which from time to time shall become due under this CONTRACT, and;

(2) in the event the MORTGAGEE elects to proceed under Section 603 (a)(1) and if delivery of possession of the PROPERTY shall be made to such MORTGAGEE or to its nominee pursuant to any foreclosure or otherwise, such MORTGAGEE shall, promptly following such delivery of possession perform or cause such nominee to perform, as the case may be, all covenants, terms, provisions and agreements herein contained on the REDEVELOPER's part to be performed to the extent that the REDEVELOPER shall have failed to perform the same to the date of delivery of possession, as aforesaid.

In the event the MORTGAGEE elects to proceed under Section 603(a)(2) or (3), during the period that MORTGAGEE is seeking a transferee of the PROPERTY or the period prior to transferring the PROPERTY to the DEPARTMENT, the MORTGAGEE will not be responsible for fulfilling the obligations of the REDEVELOPER set forth in Part I, Sections 2(b), 6, 7, and 8 or Part II Sections 103, 104, 301, 302, 303, 304, 305 and 306 of this CONTRACT.

C. In the event that a MORTGAGEE elects to proceed in accordance with the provisions of Section 603(a)(1) hereof and thereafter defaults by failing to commence or complete construction, the provisions of Section 704 and 705 relating to revestiture, sale or lease shall apply <u>provided</u> that such revestiture shall be subject to a lien in favor of MORTGAGEE which lien is hereby created in the event that it shall have lost its prior lien, whether or not as a result of a prior foreclosure, in an amount equal to the amount of funds theretofore advanced or expended (on an accrual basis) including costs attributable to such construction by normal and reasonable accounting procedures but not including penalty charges, if any, whether such expenditure was before or after it elected to proceed in accordance with the provisions of Section 603(a)(1) hereof.

D. In the event the MORTGAGEE elects to cure the default of the REDEVELOPER pursuant to this Section 603 and in the further event that the MORTGAGEE does so cure, the DISTRICT and the DEPARTMENT, upon receipt of written notice to that effect from the MORTGAGEE, shall execute an instrument suitable for recording in the Land Records of the District of Columbia, setting forth that the default has been cured and reinstating all of the right, title and interest of the REDEVELOPER hereunder. The MORTGAGEE shall use its best efforts to sell any and all remaining units at prices affordable to low and moderate income persons as defined by DEPARTMENT.

SECTION 604. <u>RIGHTS AND DUTIES OF MORTGAGEE</u>.

In no event shall any MORTGAGEE be deemed to be the REDEVELOPER hereunder or be obligated to perform or observe any of the covenants, terms and conditions of this CONTRACT on the part of the REDEVELOPER to be performed or observed, whether as a result of:-

(i) its having become a MORTGAGEE;

(ii) the exercise of any of its rights under the instrument or instruments whereby it became a MORTGAGEE (including without limitation, foreclosure or the exercise of any rights in lieu of foreclosure); and

(iii) the performance of any of the covenants, terms or conditions on the part of the REDEVELOPER to be performed or observed under this CONTRACT or, otherwise, unless such MORTGAGEE shall either make the election set forth in of Section 603A(1) of this CONTRACT or shall specifically elect under this Section 604 to become the REDEVELOPER by written notice to the DEPARTMENT, whereupon such MORTGAGEE, upon making any such election as aforesaid, shall then and thereafter for all purposes of this CONTRACT be deemed to be the REDEVELOPER hereunder, <u>provided</u> that as between the parties to such instrument or instruments referred to in clause (ii) hereof, their rights and obligation shall continue to be governed exclusively by the provisions of such instrument or instruments.

SECTION 605. DEPARTMENT'S OPTION TO PAY MORTGAGE DEBT OR PURCHASE PROPERTY.

In any case, where, subsequent to default or breach of the REDEVELOPER under this CONTRACT, the MORTGAGEE approved in writing by the DEPARTMENT pursuant to Section 601 hereof:

A. has not exercised its option under Paragraphs 2 or 3 of Section 603(A) hereof within the time prescribed therein; or

B. undertakes construction or completion of the IMPROVEMENTS but does not complete such construction within the period as agreed upon by the DEPARTMENT and such holder in accordance with the provisions of Paragraph 1, Section 603 A. and such default shall not have been cured within sixty (60) days after written demand by the DEPARTMENT, the DEPARTMENT shall (and every mortgage instrument made prior to completion of the IMPROVEMENTS with respect to the PROPERTY by the REDEVELOPER or successor in interest shall so provide) have the option, (which option the DEPARTMENT must notify such holder of the note and mortgage of its intention to exercise within 15 days following the occurrence of either event described in (a) or (b) above and then carry out the terms of such option within 90 days thereafter) of paying to the holder the amount of the mortgage debt and securing an assignment of the mortgage or, in the event ownership of the PROPERTY (or part thereof) has vested in such holder by way of foreclosure or action in lieu thereof, the DEPARTMENT shall be entitled, as its option, (which option the DEPARTMENT must notify such holder of the note and mortgage of its intention to exercise within 15 days following the occurrence of either event described in (a) or (b) above and then carry out the terms of such option within 90 days thereafter) to a conveyance of the PROPERTY or part thereof (as the case may be) upon payment to such holder of an amount equal to the sum of:

(i) the mortgage debt immediately preceding foreclosure or action in lieu thereof (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

(ii) all expenses with respect to the foreclosure;

(iii) the net expense, if any (exclusive of general overhead), incurred by such holder in and as a direct result of the subsequent management of the PROPERTY;

(iv) the costs of any IMPROVEMENTS made by such holder; and

(v) an amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence.

SECTION 606. DEPARTMENT'S OPTION TO CURE MORTGAGE DEFAULT.

In the event of a default or breach prior to the completion of the IMPROVEMENTS by the REDEVELOPER, or any successor in interest, in or of any of its obligations under, and to the holder of, any mortgage or other instrument creating an encumbrance or lien upon the PROPERTY or part thereof, the DEPARTMENT may at its option cure, within the time periods provided for such cure in any such mortgage or other instruments, such default or breach in which case the DEPARTMENT shall be entitled, in addition to and without limitation upon any other rights or remedies to which it shall be entitled by the CONTRACT, operation of law, or otherwise, to reimbursement from the REDEVELOPER or successor in interest of all costs and expenses incurred by the DEPARTMENT in curing such default or breach and to a lien upon the PROPERTY (or the part thereof to which the mortgage, encumbrance, or lien relates) for such reimbursement provided, that any such lien shall be subject always to the lien of (including any lien contemplated, because of advances yet to be made) any mortgages on the PROPERTY which have been approved by the DEPARTMENT pursuant to Section 601 above.

ARTICLE VII. REMEDIES

SECTION 701. IN GENERAL.

A. Except as otherwise provided in the CONTRACT, in the event of any default in or breach of the CONTRACT, or any of its terms and conditions, by either party hereto, or any successor to such party said defaulting party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach. In case such default or breach shall not be cured or remedied within thirty (30) days after receipt of such notice of default or breach, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligation.

B. Notwithstanding any provisions in the Article VII to the contrary, any and all sales proceeds upon foreclosure shall be applied according to the formula contained in Part II, Section 705 of this CONTRACT.

SECTION 702. TERMINATION BY THE REDEVELOPER PRIOR TO CONVEYANCE.

In the event that the DEPARTMENT does not tender conveyance of the PROPERTY, or possession thereof, in the manner and condition, and by the date provided in the CONTRACT (except if such is due to the inadequacy, in the DEPARTMENT's opinion, of REDEVELOPER's SCHEMATIC or FINAL DRAWINGS), and any such failure shall not be cured within thirty (30) days after the date of written demand by the REDEVELOPER, then the CONTRACT shall, at the option of the REDEVELOPER, be terminated by written notice thereof to the DEPARTMENT, and, except with respect to the return of the Deposit as provided in Part I, Section 5, Paragraph b of this CONTRACT, neither the DEPARTMENT nor the REDEVELOPER shall have any further rights against or liability to, the other under the CONTRACT.

SECTION 703. TERMINATION BY DEPARTMENT PRIOR TO CONVEYANCE.

In the event that:

A. Prior to CONVEYANCE of the PROPERTY to the REDEVELOPER and in violation of the CONTRACT:

(i) the REDEVELOPER (or any successor in interest) assigns or attempts to assign the CONTRACT or any rights therein, or in the PROPERTY, or

(ii) there is any change in the ownership or distribution of the assets or interest in the REDEVELOPER or with respect to the identity of the parties in control of the REDEVELOPER or the degree thereof; or

B. the REDEVELOPER does not submit SCHEMATIC, PRELIMINARY or FINAL DRAWINGS, as required by the CONTRACT; or

C. the REDEVELOPER does not pay the PURCHASE PRICE, tender the DEPOSIT, or take title to the PROPERTY upon tender of conveyance by the DEPARTMENT pursuant to the CONTRACT, and if any default or failure referred to in Paragraphs A through C of this Section 703 shall not be cured within thirty (30) days after the date of written demand by the DEPARTMENT or by the MORTGAGEE; or

the REDEVELOPER defaults in or violates any of the obligations specified in Paragraph A through C of this Section 703 with respect to the PROPERTY;

Then, the CONTRACT, and any rights of the REDEVELOPER, or any assignee or transferee, in the CONTRACT, or arising therefrom with respect to the DEPARTMENT or the PROPERTY, shall, at the option of the DEPARTMENT, be terminated by the DEPARTMENT, in which event, as provided in Part I, Section 5 B of this CONTRACT, the DEPOSIT shall be retained by the

DEPARTMENT as liquidated damages, and as the PROPERTY without any deduction, offset, or recoupment whatsoever, and neither the REDEVELOPER (or assignee or transferee) nor the DEPARTMENT shall have any further rights against or liability to the other under the CONTRACT.

SECTION 704. TERMINATION BY DEPARTMENT SUBSEQUENT TO CONVEYANCE TO THE REDEVELOPER.

In event that subsequent to conveyance of the PROPERTY or any part thereof to the REDEVELOPER and prior to the issuance of the CERTIFICATE OF COMPLETION:

A. the REDEVELOPER shall default in or violate its obligations with respect to the construction of the IMPROVEMENTS (including the dates for the beginning and completion thereof) or shall abandon or substantially suspend construction work, and any such default, violation, abandonment or suspension shall not be cured, ended, or remedied within thirty (30) days after written demand by the DEPARTMENT to do so; or

B. the REDEVELOPER shall fail to pay real estate taxes or assessments on the PROPERTY or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by the CONTRACT or shall suffer any levy or attachment to be made, or any materialmen's or mechanics lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the DEPARTMENT made for such payment, removal, or discharge, within thirty (30) days after written demand by the DEPARTMENT so to do; or

C. there is, in violation of the CONTRACT, any transfer of the PROPERTY or any part thereof, or any change in the ownership or distribution of the stock of the REDEVELOPER; or with respect to the identity of the parties in control of the REDEVELOPER or the degree thereof, and such violation shall not be cured within sixty (60) days after written demand by the DEPARTMENT to the REDEVELOPER.

D. the REDEVELOPER shall violate or default in any of the obligations of this CONTRACT and such violation shall not be cured within thirty (30) days after written demand by the DEPARTMENT to the REDEVELOPER.

Then the DEPARTMENT shall have the right to retain the DEPOSIT as liquidated damages and as the PROPERTY without any deductions, offset or recoupment whatsoever and to re-enter and take possession of the PROPERTY and to terminate (and revest in the DEPARTMENT) the estate conveyed by the deed to the REDEVELOPER, it being the intent of this provision, together with other provisions of the CONTRACT, that the conveyance of the PROPERTY to the REDEVELOPER shall be made upon, and that the DEED shall contain, a condition subsequent to the effect that in the event of any default, failure, violation, or other action or inaction by the REDEVELOPER specified in subsections A through D of this Section 704, failure on the part of the REDEVELOPER to remedy, end, or abrogate such default, failure, violation, or other action or inaction, within the period and in the manner stated in such subsections and a failure by the MORTGAGEE to cure in accordance with the provisions of this CONTRACT, the DEPARTMENT at its option may declare a termination in favor of the DEPARTMENT of the title, and of all the rights and interests in and to the PROPERTY conveyed by the deed to the REDEVELOPER, and that such title and all rights and interests of the REDEVELOPER, and any assigns or successors in interest to and in the PROPERTY, shall revert to the DEPARTMENT, provided, that such conditions subsequent and any revestiture of title as a result thereof in the DEPARTMENT:

(1) shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, (i) the lien of any mortgage approved in writing by the DEPARTMENT pursuant to Part II, Section 601 above or any rights or remedies thereunder; and (ii) any rights, remedies or interests provided in this CONTRACT for the protection of the holders of such mortgages; and

(2) shall not apply to individual parts or parcels of the PROPERTY (or, in the case of parts or parcels leased, the leasehold interest) on which the IMPROVEMENTS to be constructed thereon have been completed in accordance with this CONTRACT and for which a CERTIFICATE OF COMPLETION is issued therefor as provided in Part II, Section 307 above.

SECTION 705. RESALE OF REACQUIRED PROPERTY; DISPOSITION OF PROCEEDS.

Upon the revestiture of title to the PROPERTY or any part thereof as provided in Part II, Section 704 above, the DEPARTMENT shall, pursuant to its responsibilities under DISTRICT law, use its best efforts to resell the PROPERTY or part thereof (which sale shall be subject to Section 701, Paragraph B. above), as soon and in such manner as the DEPARTMENT shall find feasible and consistent with the objectives of the ACT, (as determined by the DEPARTMENT) to a qualified and responsible party or parties (as determined by the DEPARTMENT provided, however, if subject to an approved mortgage as aforesaid, selection of the party or parties shall be subject to the consent of the approved MORTGAGEE, which consent shall not be unreasonably withheld) who will assume the obligation of making or completing the IMPROVEMENTS or such other improvements in their stead as shall be satisfactory to the DEPARTMENT and in accordance with the uses specified for such PROPERTY or part thereof in this CONTRACT. Upon such resale or lease of the PROPERTY, the proceeds thereof shall be applied as follows:

A. First, to reimburse SIGNET BANK, N.A., a MORTGAGEE approved by the DEPARTMENT pursuant to the CONTRACT, for all sums advanced to the REDEVELOPER under the MORTGAGE pursuant to the terms of the MORTGAGE including all sums advanced and outstanding interest thereon and to reimburse any applicable expenses connected with the MORTGAGE, upon written request therefor from SIGNET BANK, N.A. Notwithstanding the foregoing, SIGNET BANK, N.A. shall not be reimbursed for any amounts described herein if SIGNET BANK N.A. shall have agreed in writing or in the manner required in the SIGNET BANK N.A. loan documents to a conveyance by REDEVELOPER of any portion of the PROPERTY free and clear of the SIGNET BANK N.A. Deed of Trust lien without curtailment.

B. Second, to reimburse any MORTGAGEE for sums advanced to the REDEVELOPER under the MORTGAGE pursuant to the terms of the CONTRACT including all sums advanced and outstanding interest thereon and to reimburse any applicable expenses connected with the CONTRACT, but only in those cases where the PROPERTY or part thereof is sold free and clear of all MORTGAGE deeds of trust and liens which were not approved in writing by the DEPARTMENT (referred to in Part II, Section 601 above); and

C. Third, to reimburse the DEPARTMENT on its own behalf, or on behalf of the DISTRICT for all costs and expenses incurred by the DEPARTMENT, including but not limited to salaries of personnel, in connection with the recapture, management and resale of the PROPERTY or part thereof (but less any income derived by the DEPARTMENT from the PROPERTY or part thereof in connection with such management);

All taxes, assessments, and water and sewer charges with respect to the PROPERTY or part thereof (or, in the event the PROPERTY is exempt from taxation or assessment or such water and sewer charges as determined by the DISTRICT assessing official), as would have been payable if the PROPERTY were not so exempt;

Any payments made or necessary to be made to discharge any encumbrances or liens (including MORTGAGE LIENS approved by the DEPARTMENT pursuant to Part II, Section 601 above) existing on the PROPERTY or part thereof at the time of revesting of title thereto in the DEPARTMENT or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the REDEVELOPER, its successors or transferees;

Any expenditures made or obligations incurred with respect to the making or completion of the IMPROVEMENTS or any part thereof on the PROPERTY; and

Any amounts otherwise owing the DEPARTMENT by the REDEVELOPER, its successors or transferees; and

D. Fourth, to reimburse the REDEVELOPER, its successors or transferees, up to the amount equal to:

(1) the amount of the allocable portion thereof and the cash actually invested by it in making any of the IMPROVEMENTS on the PROPERTY; less

(2) any gains or income withdrawn or made by it in connection with the PROPERTY, but only after liens which were not approved pursuant to Part II, Section 601 above have been paid.

SECTION 706. OTHER RIGHTS AND REMEDIES OF DEPARTMENT; NO WAIVER BY DELAY; WAIVER.

The DEPARTMENT shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Article VII, including without limiting the generality of the foregoing, the right, after this CONTRACT has been terminated by the DEPARTMENT pursuant to Section 704 above, to execute and record or file among the public Land Records in the Office of the Recorder of Deeds of the DISTRICT a written declaration of the termination of all the right, title, and interest, of the REDEVELOPER, and (except for such individual parts or parcels which have been completed, in accordance with the CONTRACT, and for which a CERTIFICATE OF COMPLETION as provided in Part II, Section 306 above has been delivered and subject to such mortgage liens approved in writing by the DEPARTMENT pursuant to Part II, Section 601 above, and leasehold interests all as provided in Part II, Section 704 above) its successors in interest and assigns, in the PROPERTY, and the reverting of title thereto in the DEPARTMENT provided:

(i) that any delay by the DEPARTMENT in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Article VII or any other right or remedy available under law or in equity, shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the DEPARTMENT shall not be constrained by waiver, laches, or otherwise in the exercise of such remedies); nor

(ii) shall any waiver in fact made by the DEPARTMENT with respect to any specific default by the REDEVELOPER under this Section be considered or treated as a waiver of the DEPARTMENT with respect to any other defaults by the REDEVELOPER or with respect to the particular default except to the extent specifically waived in writing.

SECTION 707. FORCED DELAY IN PERFORMANCE FOR CAUSES BEYOND CONTROL OF PARTY.

Neither the DEPARTMENT nor the REDEVELOPER, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations with respect to the preparation of the PROPERTY for redevelopment, conveyance of the deed or the beginning and completion of construction of the IMPROVEMENTS, or progress in respect thereto in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, such as, acts of God, acts of the public enemy, acts of the Federal Government, acts of the DISTRICT, or other governmental agencies, acts of freight embargoes, and unusually severe weather or delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the DEPARTMENT or of the REDEVELOPER shall be extended for the period of the forced delay as determined by the DEPARTMENT provided, that the party seeking the benefit of this Section shall, within fifteen (15) days after the beginning of any such forced delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the period of the forced delay.

SECTION 708. RIGHTS AND REMEDIES CUMULATIVE.

The rights and remedies of the parties to this CONTRACT, whether provided by law or by this CONTRACT, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise of any other remedies for the same such default or breach.

SECTION 709. PARTY IN POSITION OF SURETY WITH RESPECT TO OBLIGATIONS.

The REDEVELOPER, for itself and its successors and assigns and for all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this CONTRACT, hereby waives, to the fullest extent permitted by law and equity, any and all claims or defenses otherwise available on the grounds of its (or their) being or having become a person in the position of surety, whether real, personal, or otherwise or whether by agreement or operation of law, including, without limitation any and all claims and defenses based upon extension of time, indulgence or modification of CONTRACT.

SECTION 710. ESTOPPEL CERTIFICATE.

From time to time upon the request of the REDEVELOPER (in connection with encumbering the PROPERTY with a mortgage or the transfer of the PROPERTY) and provided the REDEVELOPER is not then in default of its obligation under this CONTRACT, the DEPARTMENT will upon written request of the REDEVELOPER issue (in a form suitable for recording among the Land Records of the Office of the Recorder of Deeds of the District of Columbia) an estoppel certificate or other instrument certifying that the REDEVELOPER, on the date of such certificate or instrument, is not in default under this CONTRACT, the Exclusive Right Agreement (ERA) between the parties dated April 1, 1991 and the DEED.

SECTION 711. ASSIGNMENT OF PLANS AND SPECIFICATIONS.

Subject to the rights of any MORTGAGEE approved in accordance with Part II, Section 601 of this CONTRACT, upon termination of this CONTRACT prior to CONVEYANCE or revestiture or any reconveyance of the PROPERTY to the DEPARTMENT (or its Agent), the REDEVELOPER hereby agrees to transfer and assign to the DEPARTMENT all of its right, title and interest in and to all construction contracts, architectural and engineering contracts, plans and specifications (including the SCHEMATIC, PRELIMINARY and FINAL DRAWINGS), building permits, bonds in favor of the REDEVELOPER, sewer permits and tap fees, utility deposits and all other contracts, agreements, permits and authorizations in any way related to the construction of the IMPROVEMENTS, now or at any time hereafter during the term of this CONTRACT; said assignment to vest automatically.

ARTICLE VIII. MISCELLANEOUS

SECTION 801. CONFLICT OF INTERESTS; DEPARTMENT REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

No member, official, or employee of the DEPARTMENT shall participate in any decision relating to the CONTRACT which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested.

No member, official, or employee of the DEPARTMENT shall be personally liable to the REDEVELOPER or any successor in interest in the event of any default or breach by the DEPARTMENT or for any amount which may become due to the REDEVELOPER or successor or on any obligations hereunder.

SECTION 802. PROVISIONS NOT MERGED WITH DEED.

Except as otherwise provided in this CONTRACT, none of the provisions of the CONTRACT are intended to or shall be merged by reason of any deed transferring title to the PROPERTY from the DEPARTMENT to the REDEVELOPER or any successor in interest, and, except as otherwise provided in this CONTRACT any such deed shall not be deemed to affect or impair the provisions and covenants of the CONTRACT.

SECTION 803. TITLES OF ARTICLES AND SECTIONS.

Titles and Captions of the several parts, Articles and Sections of this CONTRACT are inserted for convenience reference only and shall be disregarded in construing or interpreting CONTRACT provisions.

SECTION 804. SINGULAR AND PLURAL USAGE; GENDER.

Whenever the sense of this CONTRACT so requires, the use herein of the singular number shall be deemed to include the plural; the masculine gender shall be deemed to include the feminine or neuter gender; and the neuter gender shall be deemed to include the masculine or feminine gender.

SECTION 805. LAW APPLICABLE.

This CONTRACT, the ERA and the DEED shall be construed in accordance with and governed by the laws of the District of Columbia.

SECTION 806. ENTIRE AGREEMENT.

This CONTRACT, the ERA and the DEED constitute the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof.

SECTION 807. COUNTERPARTS.

This CONTRACT, the ERA and the DEED may be executed in any number of counterparts, each of which shall be an original but all of which shall together constitute one and the same instrument.

SECTION 808. NO THIRD PARTY BENEFICIARIES

The terms and provisions of this CONTRACT are for the benefit of the parties hereto and no other person shall have any right or cause of action on account hereof.

SECTION 809. TIME OF THE ESSENCE

Time is of the essence for each and every provision of this CONTRACT.

SECTION 810. SEVERABILITY

In the event that any provision of this CONTRACT shall be held to be unenforceable under the law or equity, all remaining provisions of this CONTRACT shall be and remain binding, valid and enforceable.

IN TESTIMONY WHEREOF, the REDEVELOPMENT LAND AGENCY has caused these presents to be signed in its corporate name by DURYEA C. SMITH, its Secetary, attested by Ida Springfield, its Assistant Secretary, and its corporate seal to be hereunto affixed and does hereby constitute and appoint said DURYEA C. SMITH, its true and lawful Attorney-in-Fact for it and in its name to acknowledge and deliver these presents as its act and deed; and

IN TESTIMONY WHEREOF, the REDEVELOPER has caused these presents to be signed in its corporate name by Athel O. Liggins, its President, attested by Edith Henderson, its Secretary, and its corporate seal to be hereunto affixed and does hereby constitute and appoint Athel O. Liggins its true and lawful Attorney-in-Fact for it and in its name to acknowledge and deliver these presents as its act and deed.

ATTEST:

By: Ida B. Springfield
Name:
Title: Assistant Secretary

(SEAL)

DISTRICT OF COLUMBIA
REDEVELOPMENT LAND AGENCY

By: Duryea C. Smith
Name: DURYEA C. SMITH
Title: Secretary

TRINITY HOUSING CORPORATION
OF WASHINGTON

ATTEST:

By: *Edith L. Henderson*
Name: EDITH HENDERSON
Title: Secretary

By: *Athel Q. Liggins*
Name: ATHEL Q. LIGGINS
Title: President

(SEAL)

ACKNOWLEDGMENT

United States of America)
) ss.
District of Columbia)

I, Shirley V. Hilliard, a Notary Public in and for the said District of Columbia, do hereby certify that DURYEA C. SMITH, who is personally well-known to me (or proved by the oaths of credible witnesses to be) as the person named as Attorney-in-Fact in the foregoing and annexed Contract for Sale of Land dated the 11th day of March, 1996, personally appeared before me in said District of Columbia and as Attorney-in-Fact as aforesaid, acknowledged the same to be the act and deed of the DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY, one of the parties thereto.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 11th day of March, 1996.

Notary Public

Shirley V. Hilliard
Notary Public, District of Columbia
My Commission Expires: My Commission Expires June 30, 1999

(SEAL)