



May 31, 2007

David Roodberg, President
Horning Brothers, Inc.
1350 Connecticut Avenue, NW # 800
Washington, DC 20036

RE: Proposal for Establishing a Dedicated Chapter of the Manna Homebuyers Club (HBC)

Dear Mr. Roodberg:

This letter outlines how MANNA will work with Horning Brothers to create a dedicated chapter of its nationally-recognized Manna Homebuyers Club for prospective low-income purchasers of your Stanton Square townhouse community in Anacostia. We propose establishing one or more chapters near the project site in Anacostia; the specific location will be determined by you effective within 30 days of final Zoning Approval. The space required should accommodate 30-35 persons sitting at tables so everyone can see each other. The number of chapters will depend on the number of members. Our experience indicates that 30 members is the maximum practical number for a chapter, with the understanding that we don't get full attendance. We can add and consolidate chapters easily based on your needs. You will have to determine the number, but remember it can take anywhere from 6-24 months to get a member "ready" to purchase. Our Program works as follows:

I. SCOPE OF SERVICES

The HBC Program is designed for D.C. residents who need long term training and support in preparation for becoming homeowners. The usual nominal application fee of \$20 will be waived since that will be included in the overall cost. However, you may want to keep the \$20 requirement to instill a moral commitment in each participant. Manna proposes to initially establish one Homebuyers Club chapter at the designated site. Each chapter should contain no more than 30 individuals who will be expected to attend monthly meetings. Your new HBC chapter will work according to the following plan.

The HBC chapter is for people who need to increase their confidence to purchase even though they may be ready to buy or who may need up to two years to become ready to purchase. They may need to increase their savings, need to write a letter of explanation to clear up a credit concern, need to pay off some debt, or need help with establishing a budget. They may also require support, counseling, accountability and a lot of "handholding" if they are to reach their goals of homeownership. Your chapter members will be oriented and processed as a group.

The homeownership training will be conducted by the Director and Assistant Director of the HBC. They will periodically evaluate members who continue with the program.

We anticipate that some of the people will drop out of the program for various reasons, but those who are still with us at the fourth monthly meeting will be considered the members with whom we will work closely and intensively. If someone wants to rejoin at a later date, we may accept them. It should also be recognized that individuals may join at any time; the Program is designed such that there is no formal beginning and end; it is a process whereby people can join at any time and graduate at any time, provided they are "ready to buy."

It has not yet been determined when and what time of day the HBC monthly chapter meetings will take place, though most chapters meet from 6:30-8:00pm during the week. We anticipate that your HBC chapter will meet in Anacostia and the meetings will be consistent from month to month.

Each meeting will last approximately 1 to 1½ hours. Meetings will consist of a classroom setting with occasional guest speakers from various professional occupations, such as lending, settlement agents, credit bureau representatives, housing inspectors, etc. There will also be field trips from time to time. We will make the chapter meetings easy for residents to attend by supplying light dinners or refreshments, providing child care, and sending reminder notices.

Responsibilities and duties of the Manna HBC staff include:

Food/Snacks

Child care

Meeting agendas and materials

Guest speakers

Facilitation of meetings

Conducting at least eleven HBC meetings per year

Notifying members of each monthly meeting

Counseling HBC members

Being available to members during non-meeting times, e.g. nights, weekdays and weekends

Helping members establish a plan that will lead to homeownership

Taking minutes of meetings

The HBC curriculum will cover the following topics:

Getting Ready

Credit Awareness

Budgeting

Getting a Mortgage (permanent) Loan and Other Financing

Finding a Home

The Home Purchase Process

Maintaining a Home

Included in the above topics are such areas as the following: getting good credit and maintaining it; building savings for a down payment; types of homeownership; role of real estate agents; applying for down payment assistance; understanding the real estate sales contract; home

inspections; getting tax exemptions; going to settlement.

Additionally, HBC training will include:

- (1) Basic Home Maintenance
 - a) home repair workshops
 - b) annual maintenance inspection
- (2) Counseling and Support
 - a) people helping people to make the dream of homeownership come true
- (3) How to be a thriving asset to your community
 - a) civic groups
 - b) clean-up parties
 - c) Neighborhood Watch
 - d) beautification projects
 - e) being neighborly

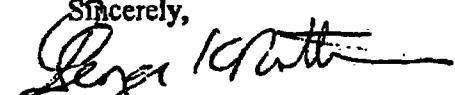
Manna will submit a quarterly progress report for each chapter.

II. CLIENT ORGANIZATION RESPONSIBILITIES

Your organization will be responsible for providing adequate space for the HBC meetings and for the recruitment of HBC members. (Manna will provide requisite collateral materials.)

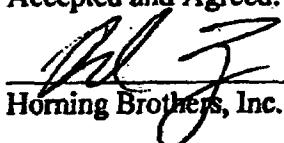
We look forward to working with you. If you want to proceed, please show your acceptance by signing below and we'll then send a formal contract.

Sincerely,



George K. Rothman
President

Accepted and Agreed:



Horning Brothers, Inc.

6/5/07

Date