ATTACHMENT A

Board of Zoning Adjustment
District of Columbia
CASE NO.16702
EXHIBIT NO.71A2

MINORITY BUSINESS OPPORTUNITY COMMISSION

MEMORANDUM OF UNDERSTANDING

Millennium Georgetown Development, L.L.C., a D.C. limited liability company (the "Developer"), in accordance with D.C. Law 1-95, as amended, D.C. Code Section 1-1141, et seq. (1997 Ed.), and in consideration of the commitment of the D.C. Department of Housing and Community Development, in arranging for the development of the GEORGETOWN INCINERATOR SITE, on behalf of the Developer, does hereby commit to make a bona fide effort to utilize certified Minority Business Enterprises ("MBEs') 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 development, construction, renovation and maintenance (including, but not limited to, design, construction, and other pre-construction and construction activities, and maintenance, security, janitorial, refuse collection, supplies and other post-construction activities) of the project (the "Project"), in accordance with the following provisions:

A. The Developer shall endeavor to utilize the resources of the Minority Business Opportunity Commission (the "MBOC"), including the MBOC Directory of Certified Minority Business Enterprises, and the periodic updates, as the primary referral source for MBEs. The primary contact for such referrals shall be the Director of the Office of Human Rights/Minority Business Opportunity Commission (the "Director").

B. The Developer hereby agrees to submit a minority business plan (the "Plan") to MBOC for approval, which plan shall be incorporated in and made a part of any Agreement between the Developer and the City.

C. The Plan will include a procurement plan compact listing all of the projected procurement items, quantities and estimated costs; bid opening and closing dates; start-up and completion dates. Additionally, this procurement plan should indicate whether any items will be bid without restriction in the open market, or limited to MBEs certified by the MBOC (sheltered market competition).

D. 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, the Developer agrees to make a bona fide effort to maintain, at a minimum, the 35% Goal throughout the life of the project.

E. The Developer further agrees to submit quarterly minority contracting and subcontracting reports to MBOC no later than thirty (30) days after the end of each

calendar quarter; the quarterly report periods shall begin on January 1, April 1, July, and October 1. The quarterly reports shall be submitted on a form provided by MBOC.

F In the event that there does not presently exist in the District of Columbia certified MBEs which manufacture, construct, distribute, install, or otherwise supply the goods and services required to develop construct, renovate and/or maintain the Project, the Developer agrees to make a bona fide effort to achieve the 35% Goal through other contracts with respect to the development, construction or renovation of the Project. The Developer further agrees to make a continuing bona fide effort to increase its utilization of minority businesses for certain other goods and services as may be required by the Developer to conduct its daily operations.

G. The Developer further agrees to include in the terms of its contractual agreement with the general/prime contractor and/or construction manager (in any of such events, the "Contractor") responsible for the Project, language which puts the contractor on notice that the Contractor is expected to make a bona fide effort to achieve the 35% Goal in (I) its own hiring with respect to the Project and (ii) engaging subcontractors to perform work on the Project.

H. If at the end of the first calendar quarter following the date of closing on the Project, the Developer is unable to comply with this Memorandum of Understanding, the Developer may initiate a re-negotiation meeting with the Director.

I. To maximize the opportunity for the employment of lower income persons and other District of Columbia residents in the construction and operation of the arena, the Developer has entered into a First Source Employment Agreement with the Department of Employment Services ("DOES") dated July ___, 1997, which commits it, its contractors and professional service providers, and contract providers of goods and services used in the operation of the arena, to utilize the District's "First Source Register" in attempting to fill new-hire positions created by the construction and the operation of the arena. The Developer also will provide the contracting opportunities described below to further enhance the opportunities for the employment of such persons.

Dated this __th day of July, 1997

Minority Business Opportunity Commission

By: _____
_____, Director

Millennium Georgetown Development, L.L.C., a D.C. limited liabillty company

By: Incinerator Development Corporation, a D.C. Corporation, the Manager of MGD

By: _____
Anthony Lanier, Vice President of Incinerator Development Corporation

By: _____
Philip Lovett, Vice President of Incinerator Development Corporation

MINORITY BUSINESS OPPORTUNITY COMMISSION

Minority Business Enterprise Contracting and Subcontracting Plan

Applicant/Recipient/Developer:	Millennium Georgetown Development, L.L.C A D.C. limited liability company
Address:	c/o EastBanc, Inc. 915 15th Street, #400 Washington, D.C.
Telephone Number:	(202) 737-1000
Total Estimated Cost of Contract(s):	(to be determined)
Total Estimated Amount to Be Subcontracted:	(to be determined)
Total Estimated MBE Participation:	(to be determined)
Percentage of Total MBE Contract(s):	(to be determined)
Name of MBE Liaison:	(to be determined)
Address:	(to be determined)
Telephone Number:	(to be determined)
Name of General/Prime Contractor and/or Construction Manager:	(to be determined)
Address:	(to be determined)
Telephone:	(to be determined)

ATTACHMENT B

EXHIBIT D

COMMUNITY PARTICIPATION PLAN
MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C.

Prepared
28 July 1997

COMMUNITY PARTICIPATION PLAN
MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C.

INTRODUCTION

A major objective of Millennium Georgetown Development, L.L.C.("MGD") is to provide an effective plan for the inclusion of community input in the development of the incinerator site, and to assure that a broad segment of the community benefits from the success of the project's development. MGD has always been deeply aware of its community responsibilities and is eager to engage the community in the planning for the development of the Incinerator site. With regard to the project's benefits, the plan has been structured in such a way as to spread the benefits among a broad segment of the community rather than a narrow group.

Implementation of this Community Participation Plan and Program will be under the direction of EastBanc, Inc., a partner of MGD. EastBanc will oversee both affirmative action and community participation goals and programs. The contact person for EastBanc is Anthony Lanier, a resident of Georgetown, whose office is located at 1815 Pennsylvania Avenue, N.W., Suite 1200, Washington, D.C. 20005, (202) 737-1000.

This community participation process, described below, would encompass the required governmental reviews, including the Commission of Fine Arts, the Old Georgetown Board, the National Capital Planning Commission, the National Park Service and D.C. Government reviews by agencies such as the Office of Planning and the

Department of Public Works. The process would also apply, albeit with some minor modifications, if relief is deemed necessary from the Board of Zoning Adjustment or the Zoning Commission. In addition to the governmental reviews, the community participation plan also provides for the development of a consensus with the various citizen organizations in the Georgetown neighborhood, such as Advisory Neighborhood Commission 2E, the Citizens Association of Georgetown and the Georgetown Business and Professional Association. It also commits to assuring that economic benefits from the project are provided to District residents during construction of the project and after its completion.

The Community Participation Plan complements MGD's Affirmative Action Plan and Program which establishes goals and strategies for maximizing participation in the project by minorities and females. The two plans will be implemented in tandem. Since the Affirmative Action Plan and Program decribes in detail MGD's goals and commitments for minority and female participation, the Community Participation Plan focuses on community input opportunities and benefits.

GOVERNMENTAL REVIEWS, PUBLIC INFORMATION AND OUTREACH

Background. The review process for projects in Georgetown has two characteristics which, while not totally unique to that neighborhood, are not commonly found throughout the District. The first is a complex set of regulatory and governmental

approvals, involving both federal and local level of governments. The second is an extremely active and involved citizenry, which functions through a number of different entities, several of which have commented on prior proposals for the development of the Georgetown waterfront. Both of these characteristics are dealt with in more detail below. The plan is designed to respond to both these characteristics.

Review Process. The regulatory or review bodies which the incinerator project must address include:

a. The Old Georgetown Board/Commission on Fine Arts. This body essentially plays the same role as the Historic Preservation Review Board does in the rest of the city, namely, design review and approval geared toward preserving the historic character of the area. Millennium Georgetown Development, L.L.C. will bring the project to the Old Georgetown Board, which makes recommendations to the Commission of Fine Arts, at the conceptual design stage, for the first review. That review includes a public meeting at which the Old Georgetown Board will hear from MGD and members of the community. The result of that process is an approved concept plan. The recommendation of the Old Georgetown Board will then be considered by the Commission of Fine Arts at a public meeting.

b. The Historic Preservation Review Board. Despite the fact that the OGB/CFA performs the usual design review functions of the HPRB for the Old Georgetown

Historic District, if partial demolition is contemplated, the Mayor's Agent must also consider the project, and determine whether, and to what extent, demolition is permitted. In order to ensure the widest amount of public participation, MGD will ask the HPRB to also consider its proposal at a public meeting. Both of these reviews also provide the opportunity for public comment through public hearings. They would occur at a later stage of the project, when the precise amount of demolition required is known.

c. The National Capital Planning Commission (NCPC). The Commission serves as the vehicle for ascertaining that the requirements of Section 106 of the National Historic Preservation Act have been complied with. Since the sale of the site requires approval of NCPC, it constitutes a federal undertaking for purposes of the NHPA. The staff of the NCPC, working with The District of Columbia State Historic Preservation Office, the staff of the Advisory Council on Historic Preservation and MGD, will review project design, and negotiate a Memorandum of Agreement, documenting the extent of preservation activities judged appropriate for the site, and agreed to by MGD, NCPC, the State Historic Preservation Officer (the "SHPO") and the Advisory Council.

d. The Office of Planning (OP). The level of involvement of OP depends upon whether any zoning relief is necessary. Should Millennium Georgetown Development, L.L.C., determine that it requires either a Planned Unit Development

or a variance, then OP will review the project in detail, and submit a report to either the Zoning Commission or the Board of Zoning Adjustment, depending upon the nature of the relief sought. Whether or not zoning relief is sought, the project team will meet with OP staff to explain the proposal at an early stage, and seek their input, regarding the proposed project's consistency with the Comprehensive Plan.

e. The National Park Service (NPS). While not having a formal review role in the project, NPS has been charged with developing a park along the Georgetown waterfront, which will be immediately adjacent to the Incinerator, so the development team expects a considerable amount of informal coordination.

f. The Department of Public Works (DPW). Given the importance of transportation issues, particularly parking, to the citizens of Georgetown,Millennium Georgetown Development, L.L.C., expects to coordinate closely with DPW and the various citizens organizations discussed below in determining parking and traffic measures.

Citizen Involvement. There are a wide variety of groups in Georgetown who are interested and involved in development issues. Key groups include: Advisory Neighborhood Commission 2E, the Citizens Association of Georgetown, the Georgetown Homeowners' Alliance, the Georgetown Business and Professional Association and the Georgetown Waterfront Commission. Most of these groups have regular monthly

meetings. MGD plans to visit each of these groups and make an initial presentation, then continue to update them, or their relevant subcommittees, concerning the progress of the project on a monthly basis and as it moves through various design stages, soliciting input throughout the design process.

There are other groups to whom presentations will be made as well. Both the D.C. Preservation League and the Committee of 100 on the Federal City are actively involved in preservation and planning issues. Before every governmental review, Millennium Georgetown Development, L.L.C., will brief the DCPL Issues Committee and the Committee of 100 Historic Preservation and Planning and Zoning Committees to inform them about the project, solicit their input and solicit their support before the relevant review bodies. In addition, there are a variety of business groups, especially the Washington Parking Association, D.C. Building Industry Association, D.C. Chamber of Commerce and others who may be interested in occasional updates. MGD will solicit their views as well.

Georgetown University is certainly a major stakeholder in the area, and MGD will work with the University's community relations staff to provide regular updates.

The Georgetown Waterfront Commission has recently been constituted to work with the National Park Service to assist in executing the Memorandum of Agreement which was signed by the District Government and the National Park Service in 1987, calling for the creation of a waterfront park stretching from Washington Harbor to Key Bridge. The

Commission is an open membership organization, chaired by former Senator Charles Percy. It is currently housed at the Citizens Association of Georgetown offices, but is independent from CAG. MGD has already started working closely with the Waterfront Commission since the elimination of the existing parking on the waterfront site clearly affects all neighboring property owners, as does the creation of an attractive waterfront park. MGD and the Commission are working together to gather data on parking and traffic issues and will be integrating studies presently being performed.

Public Information. In addition to this outreach to various groups and institutions in the Georgetown area, MGD will also undertake a program of public information. This will include regular updates concerning evolving design and planning issues to be sent to the media, especially the Georgetown Current, the Georgetowner, the Georgetown student newspapers and the Intowner. In addition, direct mailing to neighborhood residents may be made if it is determined that necessary information is not getting out to them through other channels.

PROJECT BENEFITS

I. EMPLOYMENT PROGRAMS

A. **First Source Agreement.** The project to be developed by the Incinerator Redevelopment Associates is a residential structure with theaters and limited, accessory retail uses. As a consequence the community benefits which can be provided must be a function of the use and the development itself. In that regard, MGD commits to providing a number of economic benefits to the larger D.C. community. MGD will execute a First Source Agreement with the Department of Employment Services (DOES). MGD will work with the Job Service office within DOES as a first source of referral for qualified applicants, trainees and other workers in implementing the employment goals of the Mayor's Order 83-265.

EastBanc will assist DOES with recruitment, referral and placement services as well as assist in the development of skills training and on-the-job training programs. In addition, MGD will work in close cooperation with established training and pre-apprenticeship programs in terms of both providing training positions and employing training graduates.

MGD anticipates several entry-level jobs being created, particularly in the area of theater operations and building operations and management. While those services are expected to be provided by contractors, MGD anticipates participation by those contractors in the program, assisting DOES with recruitment, referral and placement services, as well as assisting in the development of skills training and on-the-job training programs. In

addition, MGD anticipates establishing a hiring preference for D.C. residents, whether or not they are referred by DOES.

In addition, MGD expects that its theater management firm will participate with it in supporting community activities, through sponsorships, grants and direct participation, such as by the staging of benefit screenings of films at the theater.

B. **Job Training Programs.** MGD recognizes that with the creation of jobs within this development, many of which are expected to be filled by area residents, training becomes an integral part of MGD's overall employment program. For that reason, a training program bringing together a host of private and governmental resources will be provided for the benefit of those persons employed on the site. MGD will work closely with the D.C. Apprenticeship Council, D.C. Department of Employment Services, Private Industry Council, D.C. Public Schools, and area colleges and universities to provide a variety of training programs for the project.

As construction of the project commences, EastBanc will identify the various numbers and types of jobs available, as well as the levels of job skills necessary and required for each job category. Working with community groups, District Agencies, and other resources, EastBanc will identify the size of the skilled labor pool available in the community for construction jobs. Additionally, the team will develop a list of potential employers in construction, movie theaters and services to which persons identified will be

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referred for jobs that may not be available at this project or as construction of the projects is completed.

C. Youth Employment Program. MGD believes that if its employment effort is to have real impact, opportunities must also be made available for the young people in the community. Therefore, MGD has developed a two-phased youth employment program.

MGD will fund a summer youth employment program in the amount of $10,000.00 per year, for five years, which will provide first time work experiences for a number of young residents. These teenagers, who will be between the ages of 13 to 18, will receive valuable experience in a variety of fields (retail, food service, communications, secretarial, and community service) which may help them develop career skills.

Phase II of the program is a year-round employment program targeted to youth between the ages of 13 and 21. This program, in addition to work experiences, will also offer training and skills development, as well as opportunities for job placement in the firms represented on the MGD development team. MGD anticipates that a significant number of young persons will be able to participate in this program each year. The program will be implemented by a community organization to be selected by MGD. Community organizations interested in running the program will be requested to submit a proposal outlining their capabilities for doing so, and the mechanisms they will use to insure that participants are included from each section of the community.

Thus, MGD's adult and youth employment efforts will mean significant economic benefits flowing to large numbers of community residents.

II. CULTURAL ENRICHMENT PROGRAM

Supplementing MGD's employment program will be a cultural program, which will include substantial community involvement. The Incinerator project plans a major cultural component -- the establishment of 30,000 gross square feet of arts cinema theaters. The 100- to 300- seat theaters will provide productions year round, and will be made available on occasion to local arts groups and community oranizations by MGD's tenant. The location of the theaters provides an opportunity to create a center of specialized activity. MGD envisions a state of the art complex, possessing the finest sound system and general presentation standards on a world class level. The film center created would introduce an alternative outlet for distributors and film patrons.

Sculpture, painting, photography, and other visual arts or historic photographs should be prominently displayed throughout the project. In lobbies of the apartment building and in public areas, the talents of Washington's visual artists, or examples of Georgetown's heritage will be displayed.

MGD will also design a variety of presentation areas in which both the cultural resource aspects of the Incinerator will be displayed and in which other displays of the

historic Old Georgetown Waterfront will be presented. As part of its commitment to historic preservation and its desire to see that such cultural resources serve as an educational resource to the community, MGD is considering other representations of historic Georgetown.

III. PROGRESS REPORTS

MGD will submit quarterly reports to the Department of Housing and Community Development describing meetings, activities and progress to date in achieving the community participation goals and objectives. Reports will be submitted no later than 30 days after the end of each quarter, following the signing of the Land Disposition Agreement. The quarterly reporting periods shall begin on January 1, April 1, July 1, and October 1. Reports will be in a narrative form and will discuss community participation activities, using the following format:

1. Governmental Review, Public Information and Outreach Activities

2. Employment and Training Programs

3. Cultural Enrichment Programs

4. Other Activities

3. Development Agreement with the Advisory Neighborhood Commission and other parties, if appropriate

4. Approval of partial demolition from the Historic Preservation Review Board and the Mayor's Agent

5. Other governmental approvals as necessary

6. Executed First Source Agreement between Millennium Georgetown Development, L.L.C., and the Department of Employment Services

7. A program for summer employment and year-round employment training

8. Creation of an advisory committee to insure community input for employment and training programs

9. Preservation program, with possible displays highlighting the history of the area.

10. Arts and culture program, including displays of visual arts and on-going use of the theaters for special programming

Groups to be Involved.

The primary citizens groups that will be the focus of community involvement activities include Advisory Neighborhood Commission 2E, the Citizens Association of Georgetown, the Georgetown Business and Professional Association, the Georgetown Residents Alliance and the Georgetown Waterfront Commission. MGD will create a Community Involvement Task Force which will include representatives of all these organizations, and will also provide regular updates at their meetings, if desired by the organizations.

In addition, there are groups which are not as directly involved in development issues as those listed above, but who, through their past interest in preseervation or community improvement may have some valuable input. These would include the Foundation for Historic Georgetown, the Francis Scott Key Foundation, the Committee of 100 on the Federal City, the D.C. Preservation League, the National Capital Area Chapter, American Planning Association, the Washington Chapter, American Institute of Architects, and the Washington Historical Society. For these groups, MGD anticipates making initial presentations at one of their regular meetings, and soliciting their comments and a comment from them as to how much involvement they would desire. In the case of both D.C. Preservation League and the Committee of 100, MGD expects to appear at their Issues and Historic Preservation / Planning and Zoning Committees respectively, to seek formal endorsement for the project, before going before review bodies such as the HPRB,

NCPC or the BZA or Zoning Commission. For all these groups, MGD will preparing regular update materials.

There is a further category of groups who typically do not get involved in commenting on development projects, but who may wish to be briefed about the project. MGD will contacting these groups, and ascertaining their level of interest. These would include:

D.C. Building Industry Association

D.C. Chamber of Commerce

Washington Parking Association

Federal City Council

As a key institution in Georgetown, the University would most likely have an interest in the project. As such, MGD will keep the Assistant to the President for Community Affairs informed.

As described above, MGD will institute a public information campaign, particularly focusing on design and parking / access issues. The primary media to whom such a campaign will be directed include:

Georgetown Current

Georgetowner

InTowner

City Paper

Washington Times

Washington Post

Washington Business Journal

Television news – Ch. 4,5,7,8,9,26,32

Radio - WAMU, WETA, WHUR, WTOP

EXHIBIT E
DEPARTMENT OF EMPLOYMENT SERVICES EMPLOYMENT AGREEMENT

EXHIBIT E

FIRST SOURCE EMPLOYMENT AGREEMENT

The First Source Employment Agreement (the "Agreement"), in accordance with Mayor's Order No. 83-265, and D.C. Law 5-93 as amended, for recruitment, referral, and placement of District of Columbia residents, including the goal of utilizing District of Columbia residents for at least 51 percent of the jobs created by both the construction and the operation of retail portions the proposed project described herein, is between the District of Columbia Department of Employment Services (hereinafter referred to as "DOES") and Millennium Georgetown Development, L.L.C. (hereinafter referred to as "EMPLOYER"). Under this Agreement, EMPLOYER will use DOES as its first source for the recruitment, referral and placement of new hires of EMPLOYER whose jobs are created by EMPLOYER's construction and any retail uses created by the construction of the proposed project at the Georgetown Incinerator Site on land presently owned by the District of Columbia in Square 1189.

I. General Terms

A. EMPLOYER will use DOES as its first source for the recruitment, referral and placement of persons employed by EMPLOYER to construct a residential, theater and retail project and DOES will provide recruitment, referral and placement services to the EMPLOYER, subject to the limitations set out in the Agreement.

B. DOES participation in this Agreement will be carried out by the Office of the Director, with the Office of Employer Services, which is responsible for referral and placement of employees, or such other offices or divisions that DOES designates.

C. This Agreement shall take effect when signed by the parties below and shall be fully effective for the duration of the contract and extension or modifications to the contract.

D. This Agreement shall not be construed as an approval of the EMPLOYER's bid package, for the construction of its proposed project.

E. For purposes of this Agreement, new hires and jobs (both union and non-union) include all of EMPLOYER's job openings and vacancies in the Washington Metropolitan Area created as a result of internal promotions, terminations and expansions of EMPLOYER's workforce that is engaged in the operation of the proposed project.

F. For purposes of this Agreement, apprentices and trainees, as defined in D.C. Law 2-156 are included.

G. The determination of qualified persons shall be in the sole judgement of EMPLOYER.

H. EMPLOYER, prior to executing any agreement with a contractor, subcontractor, or

retail tenant for goods and services to be used in the construction or operation of the proposed project, will notify the party to such agreement that (1) said party will be required to comply, either directly with DOES or through EMPLOYER as EMPLOYER may decide, with the provisions of the "Recruitment" and "Placement" sections of this Agreement, and (2) each such agreement shall be deemed to have incorporated said sections of this Agreement.

I. As used herein, a "good faith effort" or "best effort by EMPLOYER, or a contractor or subcontractor or retail tenant referred to above in paragraph H, means either the use by such employer of the resources of DOES, or a request by such employer that DOES provide services, in the manner and to the extent that would reasonably be expected by employers engaged in a similar aspect of the operation of comparable retail operation, who have no obligation to use a particular governmental or private agency as the primary source for employees.

II. Recruitment

A. EMPLOYER will complete the Employment Plan (attached as Appendix A) to reflect the number of new jobs projected, salary range, hiring dates and union requirements. EMPLOYER will notify DOES of its specific need for new employees as soon as that need is identified.

B. Notification to DOES shall include, but need not be limited to, the number of employees needed by job title, qualifications, hiring dates, rate of pay, hours of work, duration of employment and work to be performed.

C. Job openings to be filled by internal promotion or internal transfer from within EMPLOYER's workforce need not to be referred to DOES for placement and referral.

D. EMPLOYER will submit to DOES, prior to commencing construction of the project and operation of the retail or theater uses, the name, social security numbers and addresses of all current employees, including apprentices, trainees and laid off workers, who will be employed in the construction of the project and operation of those uses.

E. DOES is required to monitor EMPLOYER's performance under this Agreement. Employer will cooperate in DOES' monitoring efforts and will submit a Contract Compliance Form (a copy of which is attached as Appendix B) to DOES on a monthly basis.

III. Referral

DOES will screen applicants according to the qualifications supplied by EMPLOYER.

IV. Placement

A. DOES will notify EMPLOYER, prior to the anticipated hiring dates, of the number of applicants DOES will refer as agreed. DOES will make every reasonable effort to refer at least two qualified applicants for each job opening withing five (5) business days of its receipt of notification of a job vacancy from EMPLOYER.

B. EMPLOYER will make all decisions on hiring new employees, but will use its best efforts to select its employees from among the qualified persons referred by DOES.

C. In the event does not refer the qualified personnel requested within five (5) business days of its receipt of notification by EMPLOYER of a job vacancy, each such employer, as the case may be, will be free to directly fill each position for which no qualified applicant have been referred. In this event, EMPLOYER will still be required to make a good faith effort to meet the 51% goals of this Agreement. EMPLOYER shall be deemed to have used its best efforts if EMPLOYER has complied with the provisions of this Agreement, particularly the following:

(1) Documented steps taken to employ District residents, including contacts made with DOES;

(2) Maintained records on the number of job openings created and the number of District residents hired by each contractor, subcontractor and concessionaire;

(3) Listed with DOES all jobs created by the construction of the proposed project and operation of the theaters.

D. After EMPLOYER has selected its employees, DOES will not be responsible for the employees' actions and EMPLOYER hereby releases DOES from any liability from employees' actions.

V. Training

DOES and EMPLOYER may agree to develop skills training and on-the-job training programs; the training specifications and cost for such training will be mutually agreed upon by EMPLOYER and DOES and covered in a separate Training Agreement.

VI. Controlling Regulations and Laws

A. If this Agreement conflicts with any labor laws or governmental regulations, the laws or regulations shall prevail, provided, further, that the foregoing provision shall not apply in respect of any law or regulation that takes effect after the date of this Agreement and imposes a burden or duty on EMPLOYER that is not imposed by this Agreement or denies or infringes a right or benefit that EMPLOYER enjoys under this Agreement.

B. DOES will work within the terms of all collective bargaining agreements to which EMPLOYER is a party.

C. EMPLOYER will provide DOES with written documentation that EMPLOYER has provided the representative of any involved collective bargaining unit with a copy of this Agreement and has requested comments or objections. If the representative has any comments or objections, EMPLOYER will provide them to DOES.

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

Signature: _____ Date: _____

VII. Agreement Modifications and Sanctions

A. If, during the term of this Agreement EMPLOYER should transfer possession of all or a portion of its business concerns affected by this Agreement to a party who is not affiliated with EMPLOYER, whether by lease, sale, assignment or otherwise, EMPLOYER shall:

1. Notify the party taking possession of the existence of this Agreement

2. Notify the party taking possession that full compliance with this Agreement is required in order to avoid sanctions in accordance with Section VII.C. which follows.

3. Advise DOES within seven (7) days of the transfer. This advice will include the name of the party taking possession and the name and telephone number of that party's representative.

B. EMPLOYER and DOES, or such other agent as DOES may designate, may mutually agree in writing to modify this Agreement.

C. Employer's non-compliance with the provisions of this Agreement, including a failure by it to take such action as may be reasonable if an employer fails to comply with provisions of this Agreement that are incorporated in an agreement to which such employer is a party, shall subject EMPLOYER to an appropriate sanction, i. e., specific performance but no other.

Dated this _____ day of _____ 19__

By: _____
Department of Employment Services

Employer Signature
Millennium Georgetown Development, L.L.C.
Incinerator Development Corporation
Name of Company
915 15th Street, N.W., Suite 400
Washington, DC 20005
Address

202-737-1000
Telephone

Appendix A

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 _____

ADDRESS _____

TELEPHONE NUMBER _____ FEDERAL IDENTIFICATION NO. _____

CONTACT PERSON _____ TITLE _____

TYPE OF BUSINESS _____

ORIGINATING DISTRICT AGENCY _____

TYPE OF PROJECT _____ FUNDING AMOUNT _____

PROJECTED START DATE _____ PROJECT DURATION _____

NEW JOB CREATION PROJECTIONS (Attached additional sheets, as needed.) Please indicate the new position(s) your firm will create as a result of this project.

	JOB TITLE	# OF JOBS F/T	P/T	SALARY RANGE	UNION MEMBERSHIP REQUIRED NAME	LOCAL#	PROJECTED HIRE DATE
A							
B							
C							
D							
E							

Contract Compliance Form
Reporting Compliance with Mayor's Order 83-265 and D.C. Law 5-93
First source Employment Agreement

Instructions:

To be completed by the employer and submitted on the 10th of each month until completion of the project.

Forward to:

Department of Employment Services (DOES)
500 C Street, N.W., Room 322
Washington, D.C. 20001
Fax: (202) 724-7381
Ph: (202) 724-7372

Reporting Period: ____ 199 __
(Month/Year)

Name of Firm: _____

Address: _____

Contact Person: _____

Title: _____ Telephone Number: _____

Employer Federal Identification Number: _____

Contract/Loan Number: _____

Project Location: _____

Project Start Date: _____ Project End Date: _____

DC Contracting/Lending Agency: _____

1 Vacancies, Referrals and Hires

Please provide monthly and cumulative statistics for the number of jobs created, referrals made, and hires.

	This Month	Cumulative
Number of Vacancies Currently Available		
Number of Vacancies Listed with DOES		
Total Number of New Hires		
Number of District Residents Hired		
Number of DOES Referrals Hired		
Number of Current Employees Transferred to Work on Project		
Referrals Made by Other Sources		
DOES Referrals Made		

II New Hires

List the Name, Social Security Number, Job Title, Hire Date, Address and Ward for all new hires. Referral sources are: (1) DOES and, (2) Other Referral Sources (specify).

Name	SSN	Address	Ward (DC only)	Job Title	Hire Date	Referral Source

III. Current Workforce

List the name, social security number, address, job title, and hire date for all current employees transferred to work on the project.

Name	SSN	Address	Job Title	Hire Date

IV. Laid Off Employees

List the name, social security number, address, job title and hire date for all laid off employees recalled to work on the project.

Name	SSN	Address	Job Title	Hire Date

V. Terminations

List the names of all employees employed on the project who were terminated and/or resigned during this reporting period.

Name	SSN	Address	Job Title	Hire Date

VI. Indicate whether your firm is:

1. A Certified Minority business:
☐ YES ☐ NO If yes, MBOC Certification Number: _____

2. A Non Certified Minority business:
☐ YES ☐ NO

VII. Apprenticeship

Do you have a registered Apprenticeship program with the D.C. Apprenticeship Council?
☐ YES ☐ NO

If yes, D.C. Apprenticeship Council Registration Number: _____

VIII. Subcontractor

Indicate whether your firm is a subcontractor on this project: ☐ YES ☐ NO

If yes, specify Prime Contractor: _____

IX. Comments:

Describe any problems you have experienced in meeting your job creation projections in implementing the First Source Employment Agreement.

_____

_____

_____

_____

_____

Signature Date

EXHIBIT F

MINORITY BUSINESS OPPORTUNITY COMMISSION
MEMORANDUM OF UNDERSTANDING

EXHIBIT F

MINORITY BUSINESS OPPORTUNITY COMMISSION

MEMORANDUM OF UNDERSTANDING

Millennium Georgetown Development, L.L.C., a D.C. limited liability company (the "Developer"), in accordance with D.C. Law 1-95, as amended, D.C. Code Section 1-1141, et seq. (1997 Ed.), and in consideration of the commitment of the D.C. Department of Housing and Community Development, in arranging for the development of the GEORGETOWN INCINERATOR SITE, on behalf of the Developer, does hereby commit to make a bona fide effort to utilize certified Minority Business Enterprises ("MBEs') 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 development, construction, renovation and maintenance (including, but not limited to, design, construction, and other pre-construction and construction activities, and maintenance, security, janitorial, refuse collection, supplies and other post-construction activities) of the project (the "Project"), in accordance with the following provisions:

A. The Developer shall endeavor to utilize the resources of the Minority Business Opportunity Commission (the "MBOC"), including the MBOC Directory of Certified Minority Business Enterprises, and the periodic updates, as the primary referral source for MBEs. The primary contact for such referrals shall be the Director of the Office of Human Rights/Minority Business Opportunity Commission (the "Director").

B. The Developer hereby agrees to submit a minority business plan (the "Plan") to MBOC for approval, which plan shall be incorporated in and made a part of any Agreement between the Developer and the City.

C. The Plan will include a procurement plan compact listing all of the projected procurement items, quantities and estimated costs; bid opening and closing dates; start-up and completion dates. Additionally, this procurement plan should indicate whether any items will be bid without restriction in the open market, or limited to MBEs certified by the MBOC (sheltered market competition).

D. 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, the Developer agrees to make a bona fide effort to maintain, at a minimum, the 35% Goal throughout the life of the project.

E. The Developer further agrees to submit quarterly minority contracting and subcontracting reports to MBOC no later than thirty (30) days after the end of each

calendar quarter; the quarterly report periods shall begin on January 1, April 1, July, and October 1. The quarterly reports shall be submitted on a form provided by MBOC.

F. In the event that there does not presently exist in the District of Columbia certified MBEs which manufacture, construct, distribute, install, or otherwise supply the goods and services required to develop construct, renovate and/or maintain the Project, the Developer agrees to make a bona fide effort to achieve the 35% Goal through other contracts with respect to the development, construction or renovation of the Project. The Developer further agrees to make a continuing bona fide effort to increase its utilization of minority businesses for certain other goods and services as may be required by the Developer to conduct its daily operations.

G. The Developer further agrees to include in the terms of its contractual agreement with the general/prime contractor and/or construction manager (in any of such events, the "Contractor") responsible for the Project, language which puts the contractor on notice that the Contractor is expected to make a bona fide effort to achieve the 35% Goal in (I) its own hiring with respect to the Project and (ii) engaging subcontractors to perform work on the Project.

H. If at the end of the first calendar quarter following the date of closing on the Project, the Developer is unable to comply with this Memorandum of Understanding, the Developer may initiate a re-negotiation meeting with the Director.

I. To maximize the opportunity for the employment of lower income persons and other District of Columbia residents in the construction and operation of the arena, the Developer has entered into a First Source Employment Agreement with the Department of Employment Services ("DOES") dated July ___, 1997, which commits it, its contractors and professional service providers, and contract providers of goods and services used in the operation of the arena, to utilize the District's "First Source Register" in attempting to fill new-hire positions created by the construction and the operation of the arena. The Developer also will provide the contracting opportunities described below to further enhance the opportunities for the employment of such persons.

Dated this __th day of July, 1997

Minority Business Opportunity Commission

By: _____
_____, Director

Millennium Georgetown Development, L.L.C., a D.C. limited liability company

By: Incinerator Development Corporation, a D.C. Corporation, the Manager of MGD

By: _____
Anthony Lanier, Vice President of Incinerator Development Corporation

By: _____
Philip Lovett, Vice President of Incinerator Development Corporation

MINORITY BUSINESS OPPORTUNITY COMMISSION

Minority Business Enterprise Contracting and Subcontracting Plan

Applicant/Recipient/Developer:	Millennium Georgetown Development, L.L.C. A D.C. limited liability company
Address:	c/o EastBanc, Inc. 915 15th Street, #400 Washington, D.C.
Telephone Number:	(202) 737-1000
Total Estimated Cost of Contract(s):	(to be determined)
Total Estimated Amount to Be Subcontracted:	(to be determined)
Total Estimated MBE Participation:	(to be determined)
Percentage of Total MBE Contract(s):	(to be determined)
Name of MBE Liaison:	(to be determined)
Address:	(to be determined)
Telephone Number:	(to be determined)
Name of General/Prime Contractor and/or Construction Manager:	(to be determined)
Address:	(to be determined)
Telephone:	(to be determined)

EXHIBIT G

ESCROW AGREEMENT FOR CERTIFICATES OF COMPLETION

THIS ESCROW AGREEMENT (the "Agreement") is dated as of this _____ day of _____, 1998, by and among DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a District of Columbia municipal corporation ("Seller"), MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C., a District of Columbia limited liability company ("Purchaser") and _____ TITLE INSURANCE COMPANY, a _____ corporation (the "Escrow Agent").

RECITALS:

A. Seller is the owner of that certain real property, known as Square 1189, Lot 824, located on K Street, N.W. in Washington, D.C. (the "Property"), as more particularly described on the legal description attached hereto and made a part hereof as Exhibit A.

B. Seller and Purchaser have executed a Contract for Sale of Land for Private Development dated the date hereof (the "Contract") by which Seller will sell to Purchaser and Purchaser will purchase the Property from Seller.

C. Purchaser intends to construct a project ("Project") consisting of approximately (i) 100,000 gross square feet of residential space, (ii) 30,000 gross square feet of retail space, and (iii) parking space for approximately 250 cars.

D. Pursuant to the provisions of the Contract, Seller and Purchaser have agreed that the Project, which may be completed in phases, shall be subject to a recorded covenant (the "Covenant") until substantial completion of a particular phase. Seller and Purchaser have also agreed that such completed phase shall be released from the operation of the Covenant and by the recordation of a "Certificate of Completion" or, in the case of completion of the Project, a "Certificate of Final Completion", and have further agreed to enter into this Agreement with respect to the terms and conditions of the deposit of Certificates of Completion and Certificate of Final Completion in escrow and the disbursement of documents from escrow.

E. The Escrow Agent has agreed to serve in such capacity pursuant to and in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the Recitals set forth above, which are incorporated in and made a part of this Agreement, and in consideration of the mutual covenants and agreements herein contained, Seller, Purchaser and Escrow Agent agree as follows:

1. On the Closing Date (as defined in the Contract), Seller shall execute and deposit the following into escrow with Escrow Agent:

(a) Five Certificates of Completion; and

(b) one Certificate of Final Completion.

All such certificates shall be in recordable form and shall release that portion of the Property referenced therein from the Covenant.

2. Upon substantial completion of each phase of the Project, the following items shall be delivered to Escrow Agent:

(a) Certificate of Occupancy with respect to any completed structures in the Project (to the extent a Certificate of Occupancy can be issued under applicable laws and regulations); and

(b) The Architect's Certificate (as defined in the Contract) describing in detail the portion of the Project so completed.

Delivery of the above-referenced two items is hereinafter referred to as the "Escrow Condition".

3. The parties agree to jointly notify the Escrow Agent in writing each time that the Escrow Condition has been satisfied. Upon Escrow Agent's receipt of such joint notification, Escrow Agent shall release the applicable certificate for recordation, deliver copies of all documents to each party and record such certificate in accordance with the Contract.

4. In the event of any dispute arising out of or in connection with the documents, Escrow Agent shall continue to hold all documents in escrow pending final resolution of such dispute.

5. If Escrow Agent becomes involved in litigation concerning the documents in escrow or this Agreement, the Escrow Agent is authorized to deposit all documents with the clerk of the court in which such litigation is pending. Thereupon, the Escrow Agent shall be discharged of any further duties hereunder.

6. The Escrow Agent shall receive no fee for acting hereunder and shall incur no liability hereunder to Seller or Purchaser, except for intentional misconduct or negligence. The costs of recordation of the Certificates of Completion and the Certificate of Final Completion shall be paid by Purchaser.

7. The Escrow Agent may resign and may be discharged from its duties and obligations hereunder by giving notice in writing of such resignation specifying a date (not sooner than thirty (30) days after the giving of such notice) when such resignation shall take effect. In the event that Escrow Agent resigns, Seller and Purchaser shall arrange for a mutually acceptable substitute Escrow Agent (the "New Escrow Agent") to assume the duties of Escrow Agent. The New Escrow Agent shall execute an instrument evidencing its assumption of the duties of Escrow Agent hereunder, and such instrument shall provide that the New Escrow Agent shall have the benefit

of all provisions included in this Escrow Agreement for the protection of Escrow Agent. Seller and Purchaser shall notify Escrow Agent promptly of the appointment of the New Escrow Agent and upon receipt of such notice, Escrow Agent shall deliver, within three (3) days, all documentation being held in escrow to the New Escrow Agent. If Escrow Agent does not receive notice of such appointment by the effective date of its resignation, the Escrow Agent shall deliver all documentation being held by it to a court of competent jurisdiction.

8. The Agreement is intended to be performed in accordance with and shall be governed by and construed under the laws of the District of Columbia.

9. In the event that Escrow Agent shall receive what it considers (in its reasonable discretion as a fiduciary) to be unclear or conflicting instructions from Seller and/or Purchaser and/or the terms and conditions of this Agreement, Escrow Agent may promptly file the appropriate interpleader (or similar action) in a court of competent jurisdiction and deliver all documentation being held in escrow into that court registry or trust account and such actions will relieve Escrow Agent of any further responsibilities hereunder.

10. Miscellaneous.

(a) All notices and other communications under this Agreement shall be in writing and shall be deemed duly given if (i) delivered by facsimile transmission, (ii) personally delivered with signed and dated receipt, (iii) delivered by overnight commercial courier (provided a signed and dated written receipt is obtained) or (iv) when delivered by the U.S. Postal Service, mailed by registered or certified mail, return receipt requested, first class, postage prepaid, addressed as follows:

If to Purchaser:

c\o Anthony Lanier
Eastbanc, Inc
1815 Pennsylvania Avenue, N.W., Suite 1200
Washington, D.C. 20006

with a copy to:

Robins, Kaplan, Miller & Ciresi
1801 K Street, NW, Suite 1200
Washington, DC 20006-1301
ATTN: Richard B. Nettler, Esq.

and a copy to:

Millennium Partners
1995 Broadway
New York, New York 10023
ATTN: Mr. Philip Lovett

If to Seller:

District of Columbia
Department of Housing and Community Development
51 "N" Street, N.E.
Washington, D.C. 20002
ATTN: Director

with a copy to:

Joan E. McKenzie, Esq.
Office of Corporation Counsel
Land Use Section - Suite 6N111
441 4th Street, N.W.
Washington, D.C. 20001

Each party shall be responsible for notifying the other party of any change of address.

(b) The provisions of this Agreement are not intended to create, nor shall they in any way be interpreted to create, a joint venture, a partnership, or any other similar relationship between the parties.

(c) In the event that any party brings or commences any legal proceedings to enforce any of the terms of this Agreement, and a judgment or award shall determine the successful party in such action, such party shall be entitled to receive from the losing party in such action a reasonable sum as attorneys' fees and costs, to be fixed by the judge in such action.

(d) The captions heading the various sections of this Agreement are for convenience and identification only, and shall not be deemed to limit or define the contents of their respective sections.

(e) The Recitals set forth in this Agreement and all Exhibits attached to this Agreement are incorporated in and made part of this Agreement.

(f) Except as otherwise expressly provided in this Agreement, no delay or omission by either of the parties in exercising any right or power accruing upon the other party's non-compliance with or failure to perform any of the provisions of this Agreement shall impair or be

construed to be a waiver of any such right or power. A waiver by either of the parties of any of the obligations of the other party under this Agreement in one instance shall not be construed to be a waiver of any subsequent breach of that obligation or a waiver of any other term, covenant or condition of this Agreement.

(g) This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors and assigns subject to the provisions of this Agreement.

(h) This Agreement may be executed in several counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

(i) Amendments, modifications, supplements or changes to this Agreement shall be in writing, signed by both parties.

(j) Each provision of this Agreement is intended to be severable. If any term or provision of this Agreement shall be determined to be illegal or invalid for any reason whatsoever, such provision shall be severed from the Agreement and shall not affect the validity of the remainder of this Agreement.

(k) This Agreement represents the results of bargaining and negotiations between the parties and of a combined draftsmanship effort. Consequently, Seller, Purchaser and Escrow Agent expressly waive and disclaim, in connection with the interpretation of this Agreement, any rule of law requiring that ambiguous or conflicting terms be construed against whose attorney prepared this Agreement or any earlier draft of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement as of the date first above written.

WITNESS:

SELLER:

DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a District of Columbia municipal corporation

_____

By:_____
Name:_____
Title:_____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

PURCHASER:

MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C., a District of Columbia limited liability company

By: _____
Name: _____
Title: _____

ESCROW AGENT:

_____ TITLE INSURANCE COMPANY, a _____ corporation

_____

By: _____
Name: _____
Title: _____

Approved For Legal Sufficiency

_____
Juan C. McKenzie
Assistant Corporation Counsel

EXHIBIT H
COVENANT

THIS COVENANT, duly made and entered into this ____ day of _____, duly made and entered into this ____ day of _____, 199_, by and between the **DISTRICT OF COLUMBIA** ("DISTRICT"), acting by and through the **DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** ("the DEPARTMENT") and the **Millennium Georgetown Development, L.L.C.** (the "REDEVELOPER") shall encumber that certain real property known as Square 1189, Lot 824, located on K Street, N.W. in Washington, D.C. ("Property"), as more particularly described on **Exhibit A** hereto. (All capitalized terms not defined herein shall be defined in the Contract, as hereinafter defined.)

1. Development Obligations. The REDEVELOPER and the DEPARTMENT have entered into a certain Contract For Sale Of Land For Private Development dated as of _____ ("Contract") pursuant to which:

(a) the REDEVELOPER has agreed to construct a project ("Project") consisting of approximately (i) 100,000 gross square feet of residential space, (ii) 30,000 gross square feet of retail space and (iii) parking space for approximately 250 cars, plus parking for an additional full size car for each 500 sq. ft. of Adjacent Land added to the Property as part of the Project, or such lesser square footage or parking for which a building permit may be issued by the appropriate agency of the District of Columbia ("Minimum Project Requirements").

(b) The REDEVELOPER has also agreed to commence the Improvements within one hundred eighty days after Closing ("Commencement Deadline") and to Substantially Complete the Minimum Project Requirements on the Property within sixty (60) months after the date of Closing under the Contract, as such deadline may be extended by the DEPARTMENT from time to time in its reasonable discretion, upon the request of the REDEVELOPER ("Completion Deadline").

2. Failure to Complete IMPROVEMENTS.

(a) The REDEVELOPER is required to commence the PROJECT by the Commencement Deadline and is required to complete the PROJECT by the Completion Deadline, as each such deadline may be extended by the DEPARTMENT from time to time in its reasonable discretion, upon the request of the REDEVELOPER and, subject to force majeure, as provided in the Contract.

(b) If the REDEVELOPER fails to commence the PROJECT by the Commencement Deadline or to substantially complete at least fifty percent (50%) of the MINIMUM PROJECT REQUIREMENTS by the Completion Deadline, then the DEPARTMENT shall give the REDEVELOPER thirty (30) days notice to cure such default and, if such default is not cured within such thirty (30) days, the DEPARTMENT shall have the right at any time thereafter until the default is cured to re-enter and take possession of the PROPERTY (less any portion of the PROPERTY for which a Certificate of Completion has been issued) 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 by the REDEVELOPER specified in subsection (b) of Section 704 of the CONTRACT (and only in such event), failure on the part of the REDEVELOPER to remedy, end, or abrogate such default within the period and in the manner stated in such subsection and a failure by the MORTGAGEE to cure in accordance with the provisions of the 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 or any rights or remedies thereunder; and (ii) any rights, remedies or interests provided in the 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 have been completed in accordance with the CONTRACT and for which a CERTIFICATE OF COMPLETION has been issued.

Within 15 days of written notice of such revestiture of title, REDEVELOPER or MORTGAGEE shall provide the DEPARTMENT with a SPECIAL WARRANTY DEED to the PROPERTY or portion thereof which has revested title in the DEPARTMENT and the ESCROW AGENT shall return all remaining CERTIFICATES OF COMPLETION.

(c) If the REDEVELOPER substantially completes at least fifty percent (50%) of the MINIMUM PROJECT REQUIREMENTS by the Completion Deadline, but fails to substantially complete the PROJECT by the Completion Deadline, the REDEVELOPER will be liable to the DEPARTMENT, as the DEPARTMENT's sole and liquidated damages, for a liquidated damages payment ("Damages Payment") equal to the Purchase Price times a fraction, the numerator of which is the number of gross square feet of residential space, retail space and parking actually built and the denominator of which is the number of gross square feet for such uses necessary to satisfy the MINIMUM PROJECT REQUIREMENTS, as reasonably determined by the APPROVED ARCHITECT. If the REDEVELOPER fails to make the Damages Payment within sixty (60) days after a court of competent jurisdiction has finally ordered such payment to be made, the DEPARTMENT shall also have the remedies available under Section 2(b) hereof.

3. Release. The PROJECT may be completed in phases. Once each phase of the PROJECT is completed, an APPROVED ARCHITECT will inspect the IMPROVEMENTS and, if the IMPROVEMENTS completed to date have been SUBSTANTIALLY COMPLETED substantially in accordance with the Plans, the APPROVED ARCHITECT will so certify in a certificate ("Architect's

Certificate") which describes in detail the portion of the PROJECT which was so completed. If the Architect's Certificate applies to the entire PROJECT, the Architect's Certificate will so specify and a CERTIFICATE OF FINAL COMPLETION will be recorded. The DEPARTMENT will execute and will deposit in escrow with the Title Company five CERTIFICATES OF COMPLETION and one CERTIFICATE OF FINAL COMPLETION (or more at the Developer's request). Provided (i) a Certificate of Occupancy has been issued with respect to any completed structures in the PROJECT (to the extent a Certificate of Occupancy can be issued under applicable laws and regulations) and (ii) an APPROVED ARCHITECT has issued an ARCHITECT'S CERTIFICATE with respect to the portion of the PROJECT for which a release from the Covenant is requested and (iii) a true copy of the Certificate of Occupancy (if applicable) and ARCHITECT'S CERTIFICATE, has been hand delivered to the DEPARTMENT, such portion of the PROJECT will be deemed to have been released from the Covenant. The Title Company shall be irrevocably required to record a CERTIFICATE OF COMPLETION, within ten (10) business days after receipt of such documents by the TITLE COMPANY and the DEPARTMENT from the APPROVED ARCHITECT to release of record the portion of the PROJECT described in the Architect's Certificate. If the APPROVED ARCHITECT issues an Architect's Certificate for the entire PROJECT, the "CERTIFICATE OF FINAL COMPLETION" will be recorded which will completely release of record the COVENANT.

4. Enforcement. This covenant shall be a covenant running with the land and it 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, enforceable solely by the DEPARTMENT against the REDEVELOPER. Such COVENANT shall not be enforceable by any third parties.

5. Subordination Any lender which advances funds secured by the Property is given certain rights in the Contract which supersede the DEPARTMENT'S right to enforce its remedies under this Covenant. To the extent set forth in the Contract, this Covenant is expressly subordinate to any such lender rights. At the request of any party, the DEPARTMENT will confirm such subordination in writing and will record such subordination among the land records.

IN TESTIMONY WHEREOF, the District of Columbia Department of Housing and Community Development, has caused these presents to be signed in its corporate name by _____, its Director, as of this ____ day of _____, 199_.

ATTEST/ WITNESS:

DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By:_____

By:_____
_____, Director

APPROVED AS TO LEGAL SUFFICIENCY

Joan E. McKenzie
Assistant Corporation Counsel

IN TESTIMONY WHEREOF, Millennium Georgetown Development, L.L.C. has caused these presents to be executed in its name by _____, the President of Incinerator Development Corporation, its Manager, as of the ___ day of _____, 199_.

ATTEST/WITNESS:

MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C.

By: Incinerator Development Corporation, a D.C. corporation, Manager

By:_____

By:_____
_____, Director

[SEAL]

ACKNOWLEDGMENTS

District of Columbia, ss:

This instrument was acknowledged before me on _____, 199_, by _____ as Director of the District of Columbia Department of Housing and Community Development.

_____

Notary

[SEAL]

My Commission Expires: _____

District of Columbia, ss:

This instrument was acknowledged before me on 1/6th, 1998 by Anthony M. Conner, as vice president of Incinerator Development Corporation, Manager of Millennium Georgetown Development, L.L.C.

Marcia M. Donovan

Notary

[SEAL]

My Commission Expires: 11/30/98

EXHIBIT I
TITLE REPORT

FIRST AMERICAN TITLE INSURANCE COMPANY
1025 CONNECTICUT AVENUE, NW
SUITE 709
WASHINGTON, DC 20036

SCHEDULE A

Commitment No: 9702006/CA

1. **Effective Date:** January 3, 1997 at 8:00 A.M.

2. **Policy or Policies to be issued:** **Amount**

   (a) ALTA Owner's Policy $to be agreed upon
   (Form No.1402.92)

   Proposed Insured: A Natural Person or Legal Entity to be Designated

   (b) ALTA Loan Policy $ to be agreed upon
   (Form No.1056.92)

   Proposed Insured: A Natural Person or Legal Entity to be Designated, its successors and/or assigns as their interests may appear as defined in Paragraph 1(a) of the Conditions and Stipulations of the policy, when issued

3. **The Estate or interest in the land described or referred to in this commitment and covered herein is fee simple and title hereto is at the effective date hereof vested in:**

   The District of Columbia

4. **The land referred to in this commitment is**

SEE ATTACHED SHEET FOR LEGAL DESCRIPTION

Form 5A6 3/21
Commitment

COMMITMENT FOR TITLE INSURANCE
ISSUED BY

First American Title Insurance Company

FIRST AMERICAN TITLE INSURANCE COMPANY, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent indorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company. This Commitment shall not be valid or binding until countersigned by an authorized officer or agent .

IN WITNESS WHEREOF, the Company has caused this Commitment to be signed and sealed, to become valid when countersigned by an authorized officer or agent of the Company, all in accordance with its By-Laws. This Commitment is effective as of the date shown in Schedule A, as "Effective Date."

First American Title Insurance Company

BY _____ PRESIDENT

ATTEST _____ SECRETARY

BY _____ COUNTERSIGNED

Part of Square **1189** described by metes and bounds agreeably to survey made August 1923, as follows:

Beginning on the North line of "K" Street, at a point 166.33 feet East of the East line of Wisconsin Avenue and running thence Northerly at right angles to said North line of "K" Street 119.71 feet to the South line of an alley designated as 3rd Alley; thence East 50 feet; thence South 120.60 feet to the North line of K Street; thence West along the said North line of "K" Street, 50 feet to the place of beginning; known as Lots **66 and 67** in Peter's Square in Georgetown.

LESS AND EXCEPT that portion dedicated for alley purposes, per plat recorded in Liber 93 at folio 35 among the Records of the Office of the Surveyor for the District of Columbia.

ALSO

Part of Square **1189** described by metes and bounds as follows:

Beginning on the North line of "K" Street, at a point distant 216.33 feet East of the East line of Wisconsin Avenue, and running thence Northerly at right angles to said North line of "K" Street, 123 feet, more or less, to the South line of an alley designated as 3rd Alley; thence East 75 feet; thence South 123 feet, more or less, to the North line of "K" Street; thence West along said North line of "K" Street, 75 feet to the place of beginning; known as Lots **68, 69 and 70** in Peter's Square in Georgetown.

ALSO

Part of Square 19 in Georgetown, now known as Square **1189**, described by metes and bounds as follows:

Beginning as the intersection of the North line of K Street and the West line of 31st Street, and running thence Westerly along said Northerly line of K Street, 99.50 feet; thence Northerly and parallel with said Westerly line of 31st Street, 123 feet to the South line of an alley known as "third Alley"; thence Easterly along said Southerly line of said alley, 99.50 feet to the aforesaid Westerly line of 31st Street; thence Southerly along said Westerly line of 31st Street, 123 feet to the place of beginning; known as Lots **71 and 72** in Peter's Square in Georgetown.

ALSO

Lot **58** in Square **1189**, beginning for the same at a point in the West line of Thirty-first Street, 80 feet South... (illegible copy)

ALSO

The South 20 feet front on Thirty-first Street, by the full depth of Lot **57** in Peter's Square in Georgetown, described as follows:

Beginning 20 feet South of the Northeast corner of said lot; thence South 20 feet; thence West 108 feet; thence North 20 feet; thence East 108 feet to the place of beginning; known as Lot 809 in Square **1189**.

continued

ALSO

The North half of Lot 57, described as follows:

Beginning for the same at a point in the West line of Thirty-first Street, 40 feet South of the South line of South Street; thence South along the West line of Thirty-first Street, 20 feet; thence West parallel with the said South line of South Street, 108 feet; thence North 20 feet and thence East 108 feet to the point of beginning; known as Lot 808 in Square **1189**.

ALSO

Part of Square **1189** described by metes and bounds, as follows:

Beginning at the intersection of the West line of Thirty-first Street with the South line of South Street, and running thence West along the said South line of South Street, 108 feet; thence South and parallel with the West line of Thirty-first Street, 40 feet; thence East parallel with the South line of South Street, 108 feet; thence North along the West line of Thirty-first Street, 40 feet to the place of beginning; known as Lot **56** in Peter's Square in Georgetown.

ALSO

Part of Square **1189**, described as follows:

Beginning at a point in the South line of South Street, 108 feet West from the West line of Thirty-first Street and running thence West along said South line of South Street, 39.69 feet; thence South parallel to Wisconsin Avenue 120 feet to the North line of an alley 12 feet wide; thence East along said line of said alley 39.69 feet; thence North parallel to Wisconsin Avenue 120 feet to the place of beginning; known as Lot **55** in Peter's Square in Georgetown.

ALSO

Part of Square **1189** described by metes and bounds, as follows:

Beginning at a point in the South line of South Street 207 feet 4-1/2 inches East from the East line of Wisconsin Avenue; thence East along said South line of said South Street 37 feet 8-1/4 inches; thence South and parallel to Wisconsin Avenue, 120 feet to the North line of an alley 12 feet wide; thence West along said line of said alley 37 feet 8 inches; thence North parallel to said Wisconsin Avenue 120 feet to the place of beginning; known as Lot **54** in Peter's Square in Georgetown.

continued

ALSO

Part of Square **1189**, being described as follows:

Beginning at a point in the South line of South Street 20 feet 4-1/2 inches East from the East line of Wisconsin Avenue; thence West along said South line of South Street 37 feet 8-1/4 inches; thence South and parallel with said Wisconsin Avenue 120 feet to the North line of an alley 12 feet wide; thence East along said line of said alley 37 feet 8-1/4 inches; thence North 120 feet to the place of beginning; known as Lot **53** in Peter's Square in Georgetown.

ALSO

Alley closed by virtue of Order of the Commissioners of the District of Columbia, recorded February 26, 1931 as Instrument No. 5368 in Liber 6531 at folio 3 among the Land Records, and as per plat recorded in Liber 93 at folio 35 among the Records of the Office of the Surveyor for the District of Columbia.

NOTE: At the date hereof the above described land is designated on the Records of the Assessor of the District of Columbia for taxation and assessment purposes as Lot **824** in Square **1189**.

Requirements

The following are the requirements to be complied with:

a. **Payment to or for the account of the grantors or mortgagors of the full consideration for the estate or interest to be insured.**

b. **Pay us the premiums, fees and charges for the policy.**

c. **Proper instrument(s) creating the estate or interest to be insured must be executed and duly filed for record, to wit:**

i) Duly authorized Deed from The District of Columbia, vesting fee simple title in A Natural Person or Legal Entity to be Designated.

ii) Duly authorized Deed of Trust/Mortgage from A Natural Person or Legal Entity to be Designated, to secure A Natural Person or Legal Entity to be Designated in the sum to be agreed upon.
DC NOTE: A properly executed and notarized FP-7 tax form must be presented at the time of recording documents. Recordation tax of 1.1% and transfer tax of 1.1% are due at time of recording. Recording fees are $15.00 for the first 2 pages of each document and $5.00 for each additional page of each document.

d. Numerous Civil Actions have been indexed against the name of the District of Columbia. If the Civil Action comes to judgment and a copy of said judgment is recorded among the land records of the District of Columbia, the said judgment may affect caption property.

e. A Complaint against the property was filed as Civil Action 13847 on September 23, 1981.
Note: This Company is determining the status of the case. Upon review this requirements will be deleted or modified.

f. Upon receipt of the identity of the purchaser, this Company will set forth further requirements.

g. This Company must be provided with a satisfactory, certified ALTA/ACSM survey or exception 2 of Schedule B, Section 2 will remain on the policy when issued.

h. This Company must be provided with copies of all documents to be recorded in connection with this transaction, prior to closing, for review.

i. This Company must be provided with a satisfactory Owner's Affidavit to be executed by the seller at closing.

j. This Company must be provided with a satisfactory Gap Indemnity to be executed by the seller at closing.

k. Payment of any real estate taxes and any unpaid special assessments which may be due and payable.

l. Payment of all unpaid water rent and sewer service charges which may be due and owing.

continued

m. Receipt of satisfactory mechanic's and materialmen's lien waiver, if the satisfactory period for the filing of such liens has not expired.

n. Pursuant to Rental Housing Conversion and Sale Act of 1980, proof of compliance therewith must be furnished, with respect to tenants; or proof that property is owner occupied, occupied by proposed purchaser, or vacant.

o. Receipt by this Company of any unrecorded leases, tenancies, and other arrangements under which Tenants are occupying space at the property described in Schedule A herein as of the date hereof; and review satisfactory to this Company of said leases.

Note: This Company reserves the right to make additional requirements and/or exceptions upon review of the documents required above.

Exceptions —

The Policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company.

1. **Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.**

2. **Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.**

3. **Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.**

4. **Roads, ways, streams or easements, if any, not shown by the public records, riparian rights and the title to any filled-in lands.**

5. **Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.**

6. Taxes subsequent to September 30, 1996.

7. Special Assessments.

8. Water rent and sewer service charges.

9. Recorded and unrecorded leases and tenants in possession.

10. Rights of tenants under the Rental Housing and Conversion Act of 1980, as amended, and regulations adopted thereunder.

Contract No. DC-DHCD-97-33
Lot 824, Square 1189
GEORGETOWN INCINERATOR

CONTRACT

FOR

SALE OF LAND FOR PRIVATE DEVELOPMENT

By and Between the

DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
(A District of Columbia Municipal Corporation)

and

Millennium Georgetown Development, L.L.C.
(A District of Columbia Limited Liability Company)

PART II

Instrument No. _____

Recordation Date _____

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PART II

This CONTRACT (consisting of two parts, Part I and Part II) duly made and entered into this 6th day of January, 1998, by and between the District of Columbia ("DISTRICT"), acting by and through the District of Columbia Department of Housing and Community Development (the "DEPARTMENT") and Millennium Georgetown Development, L.L.C. (the "REDEVELOPER")

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

SEC. 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:

> Nearly level to moderately sloping areas consisting of mainly cut-fill or otherwise disturbed soil, generally characterized as too variable to rate for urban land uses. On site investigation is needed to determine the potential for urban land uses.

(b) No Warranties. Except as otherwise set forth in the CONTRACT, the DEPARTMENT shall convey the PROPERTY to the REDEVELOPER in "as is" condition, shall have no responsibility to prepare the PROPERTY for redevelopment at any time and makes no representation or warranties, either expressed or implied, as to the condition including environmental contamination of the PROPERTY.

SEC. 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 PROJECT.

SEC. 103. Public Property Improvements.

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

SEC. 104. Site Preparation and Permits.

The REDEVELOPER, at its sole expense, shall be responsible for all preparation of the PROPERTY for redevelopment including costs associated with soil contamination, demolition, the construction of the 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.

All such work including but not limited to excavation, back-fill, 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. The DEPARTMENT agrees to cooperate with the REDEVELOPER to obtain all permits and approvals that may be required to construct the IMPROVEMENTS on the Property. In particular, if requested to do so by the REDEVELOPER, the DEPARTMENT agrees to cause its personnel to testify at public hearings or to provide written testimony to the Zoning Commission, NCPC or other public bodies that in the view of the DEPARTMENT, the construction of the IMPROVEMENTS in accordance with the Plans is in the public interest. The DEPARTMENT also agrees to work with other branches or agencies of the D.C. Government and with NCPC to expedite approvals and permits, to the extent reasonably possible.

ARTICLE II. RIGHTS OF ACCESS TO PROPERTY

SEC. 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 PLANS. 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.

SEC. 202. REDEVELOPER Not to Construct Over Utility Easements Department To Be Reasonable in Granting Consents.

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 and the affected utility company. If approval for such construction or the DEPARTMENT'S approval for anything else under this CONTRACT is requested by the REDEVELOPER, the DEPARTMENT shall use its best efforts to assure that such approval shall not be withheld or delayed unreasonably.

SEC. 203. Access to Property

Prior to the conveyance of the PROPERTY by the DEPARTMENT to the REDEVELOPER, the DEPARTMENT shall, upon five (5) days written notice thereof, permit representatives of the REDEVELOPER and contractors acting at the direction 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 its pre-development work as contemplated by this CONTRACT and to carry out environmental abatement work; 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. The DEPARTMENT waives any claim that it may have against the REDEVELOPER arising out of entry upon the PROPERTY resulting from causes other than negligence or willful misconduct of the REDEVELOPER, its employees or agents

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

SEC. 301. Submission by the REDEVELOPER 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 approved.

SEC. 302. Procedure for Approval of Schematic Plans.

(a) Submission of SCHEMATIC PLANS. At the time specified in Section 6 of Part I of this CONTRACT, the REDEVELOPER, at its sole cost and expense, shall submit to the DEPARTMENT SCHEMATIC PLANS and outline specifications for the IMPROVEMENTS including a site plan, elevations, and typical floor plans. Such preliminary plans shall be in sufficiently complete and detailed form to enable the DEPARTMENT to determine whether such plans 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 SCHEMATIC PLANS, 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 SCHEMATIC PLANS shall be deemed approved unless, within thirty (30) days after receipt of the plans by the DEPARTMENT, the DEPARTMENT mails the REDEVELOPER a written notice of their rejection.

(b) Procedure if Schematic Plans are Rejected. If the DEPARTMENT gives the REDEVELOPER required notice of its rejection of the SCHEMATIC PLANS submitted in accordance with this Section, the REDEVELOPER shall submit revised SCHEMATIC PLANS within thirty (30) days after receipt of such notice, the provisions of this Section with respect to approval, rejection, and resubmission of revised SCHEMATIC PLANS hereinabove provided shall continue to apply, and the REDEVELOPER shall in good faith continue to resubmit corrected SCHEMATIC PLANS until approved by the DEPARTMENT

SEC. 303. Procedure for Approval of FINAL PLANS

The REDEVELOPER, at its sole cost and expense, shall prepare or cause to be prepared and submit to the DEPARTMENT FINAL PLANS. The FINAL PLANS, shall be in conformity with the PROPOSAL, the provisions of this CONTRACT, the SCHEMATIC PLANS and all applicable laws

and regulations of the DISTRICT. If the DEPARTMENT rejects FINAL PLANS, the DEPARTMENT shall advise the REDEVELOPER in writing as to the specific reasons for the rejection. The procedures of Section 302 with respect to approval, rejection, and resubmission of the SCHEMATIC PLANS hereinabove provided shall apply and the REDEVELOPER shall in good faith continue to resubmit until the FINAL PLANS shall be deemed approved by the DEPARTMENT. The FINAL PLANS shall be deemed approved thirty (30) days after submission unless the REDEVELOPER receives prior notice to the contrary. FINAL PLANS have been approved by the DEPARTMENT and are attached as Exhibit B.

SEC. 304. Changes in FINAL PLANS

If the REDEVELOPER desires to make any SIGNIFICANT CHANGES in the FINAL PLANS after their approval by the DEPARTMENT, the REDEVELOPER shall submit the proposed change to the DEPARTMENT for its approval. If the FINAL PLANS, as modified by the proposed change, conform to the requirements of Section 303 hereof with respect to such previous approval of FINAL PLANS, the DEPARTMENT shall approve the proposed change and notify the REDEVELOPER in writing of its approval. Such change in the FINAL PLANS shall, in any event, be deemed approved by the DEPARTMENT unless rejection thereof, in whole or in part, shall be made within thirty (30) days by written notice thereof by the DEPARTMENT to the REDEVELOPER, setting forth in detail the reasons therefor, in which event the procedures of Section 302 with respect to approval, rejection and resubmission of the SCHEMATIC PLANS shall apply; provided, however that such change shall be deemed approved unless within the above-specified period, the REDEVELOPER receives written notice of rejection from the DEPARTMENT pursuant to this subsection. In addition, changes in the FINAL PLANS that are required as a condition for the granting of any zoning or other approvals or for the granting of any permits for the Improvements by any governmental entity, community group or other entity whose approval or consent is required shall be deemed to have been approved by the DEPARTMENT.

SEC. 305 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 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 PLANS and that such construction shall in any event begin and end within the period specified in Section 7 Part I hereof. It is intended and agreed, and the COVENANT to be recorded with 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, enforceable solely by the DEPARTMENT against the REDEVELOPER. Such COVENANT shall not be enforceable by any third parties.