SEC. 306. Progress Reports.

Subsequent to conveyance of the PROPERTY, or any part thereof, to the REDEVELOPER and until issuance of the CERTIFICATE OF COMPLETION as provided in Section 307, REDEVELOPER shall make written reports as to the progress of construction in such detail and at such times as may reasonably be requested by the DEPARTMENT.

SEC. 307. CERTIFICATE OF COMPLETION

(a) Promptly after completion of any phase of the IMPROVEMENTS in accordance with those provisions of the CONTRACT relating solely to the obligations of the REDEVELOPER to construct the IMPROVEMENTS, (including the dates for beginning and completion thereof) the DEPARTMENT will furnish the REDEVELOPER with an appropriate instrument (hereinafter sometimes referred to as the "CERTIFICATE OF COMPLETION"). Such certificate shall constitute a conclusive and incontestable determination (and it shall be so provided in such certificate and in the COVENANT) that, as to such phase of the IMPROVEMENTS, and when the IMPROVEMENTS have been SUBSTANTIALLY COMPLETED, as to all of the IMPROVEMENTS, all of the terms, covenants, agreements, conditions and provisions of this CONTRACT, and in the COVENANT, obligating the REDEVELOPER with respect to the construction of said phase of the IMPROVEMENTS, including the times for the commencement and completion of construction, have been fully satisfied and terminated, and that the REDEVELOPER and its successors and assigns shall have no further obligations whatsoever with respect to the commencement of the construction or completion of those IMPROVEMENTS with respect to which the CERTIFICATE OF COMPLETION is provided and that any rights and remedies with respect to re-entry, repossession, reversion and forfeiture, as provided for in Section 704 hereof and in the deed and COVENANT, which the DEPARTMENT may have with respect to the PROPERTY are extinguished as to such IMPROVEMENTS and shall not thereafter apply; and that the REDEVELOPER is thereafter free to transfer the portion of PROPERTY with respect to which such CERTIFICATE OF COMPLETION was given or any interest therein, without any prior written approval of the DEPARTMENT.

(b) With respect to such individual parts of the PROPERTY, the DEPARTMENT will also upon proper completion of all the IMPROVEMENTS, relating to any such part, certify to the REDEVELOPER that such IMPROVEMENTS have been made in accordance with the provisions of this CONTRACT. Such certification shall mean and provide, and the Deed may so state, (1) that any party purchasing such individual part pursuant to the authorization herein contained shall not incur any obligation with respect to the construction of the IMPROVEMENTS relating to such part or to any other part of the PROPERTY; and (2) that neither the DEPARTMENT nor any other party shall thereafter have or be entitled to exercise any rights to the PROPERTY as a result of a default in or breach of any provisions of the CONTRACT or the Deed or COVENANT by the REDEVELOPER and any successor in interest or assign, **unless (i) such default or breach be by the purchaser, or any successor in interest to or assignee of such individual part with respect to the covenants contained and referred to in Section 401 hereof, and (ii) the right, remedy, or control relates to such default or breach.**

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

SEC. 308. Changes to Completed IMPROVEMENTS.

REDEVELOPER shall have the right to make any changes in any part of the IMPROVEMENTS as to which a CERTIFICATE OF COMPLETION was issued so long as such changes are consistent with applicable laws and regulations.

SEC. 309. Delay of Conveyance of Property (intentionally omitted).

SEC. 310. Retention of Plans, Working Drawings and Specifications.

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

ARTICLE IV. RESTRICTIONS UPON USE OF PROPERTY

SEC. 401. Restrictions on Use.

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

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

(b) Comply with the regulations issued by the Secretary of Housing and Urban Development set forth in 24 CFR 35.1 et seq. and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures

undergoing federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards.

SEC. 402. Covenants; Binding Upon Successors in Interest.

It is intended and agreed, and any Deed shall so expressly provide, that the agreements and covenants provided in this CONTRACT shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this CONTRACT, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the DEPARTMENT, the DISTRICT and any successor in interest to the PROPERTY. The agreements and covenants provided in Section 401 shall remain in effect without limitation as to time: Provided, That such agreements and covenants shall be binding on the REDEVELOPER, each successor in interest to the PROPERTY and each party in possession or occupancy, only for such period as such successor or party shall have title to, or an interest in, or possession or occupancy of, the PROPERTY or part thereof. The terms "uses specified in local law" and "land use" referring to provisions of the local law, or similar language in the CONTRACT shall include the land and all building housing and other restrictions of the local law pertaining to such land.

SEC. 403. Department and United States Rights to Enforce.

In amplification, and not in restriction of, the provisions of the preceding Section, it is intended and agreed that the DEPARTMENT and its successors and assigns shall be deemed beneficiaries of the agreements and covenants provided in Section 401 hereof, both for and in their own right and also for the purposes of protecting the interests of the community and the other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of the DEPARTMENT for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the DEPARTMENT has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The DEPARTMENT shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions or suits, at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

SEC. 404. (intentionally omitted)

SEC 405 Sign Control

Until the issuance of a CERTIFICATE OF COMPLETION:

(a) No sign or other means or objects of identification or advertisement or any subsequent modifications thereof shall be erected or displayed upon the PROPERTY without prior written approval by the AGENCY, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) The REDEVELOPER shall submit plans and specifications of such signs, means, or objects of identification to the DEPARTMENT in sufficient completeness and detail to enable the DEPARTMENT to evaluate the design and aesthetic qualities of such signs, prior to its display

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

SEC 406. Equal Employment Opportunity.

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

(a) The REDEVELOPER will comply and require that the General Contractor and Subcontractors, comply with the Affirmative Action and Community Participation Plans approved by the DEPARTMENT.

(b) The REDEVELOPER shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or any other factor which would constitute a violation of the D.C. Human Rights Act or other applicable law. The REDEVELOPER will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin, age, marital status, personal appearance, sexual orientation, family responsibilities, matriculation, political affiliation, or physical handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and REDEVELOPER agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided the DEPARTMENT setting forth the provisions of this non-discrimination clause.

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

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

After delivery of a CERTIFICATE OF COMPLETION the DEPARTMENT shall enforce such clauses in the manner provided in Section 704 of Part II of this CONTRACT.

SEC. 407. Opportunity for Training and Employment.

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

(b) REDEVELOPER agrees to (i) comply with its Affirmative Action Plan and Community Participation Plan, attached hereto as Exhibits C and D Part 1 and made a part hereof; (ii) achieve the hiring goals stated in Mayor's Order 83-265; and (iii) comply with all applicable labor and employment standards, laws, regulations and orders in the development and operation of the PROPERTY, including entering into a First Source Agreement with the D.C. Department of Employment Services in the form attached as Exhibit E.

(c) In addition, the REDEVELOPER agrees that in the construction of the IMPROVEMENTS shown in the FINAL PLANS and this CONTRACT:

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

(ii) The general contractor will include this Section 407 in every subcontract for work in connection with the construction of the IMPROVEMENTS and will, at the direction of the DEPARTMENT, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of the provisions of this Section. The general contractor will not let any subcontract where the general contractor has notice or knowledge that the subcontractor has been found in violation of these requirements, and will not let any subcontract unless the subcontractor has first provided the general contractor with a preliminary statement of ability to comply with the requirements in this Section 407

SEC 408. Advertising.

The REDEVELOPER agrees for itself, its successors and assigns that it shall include in all advertising for the sale or rental of the PROPERTY, a statement to the effect (a) that the PROPERTY is open to all persons without discrimination on the basis of race, color, religion, sex, national origin or any other factor which would constitute a violation of the D.C. Human Rights Act or other applicable law, and (b) that there shall be no discrimination in public access or use of the PROPERTY to the extent that it is open to the public.

SEC. 409. Opportunities for Minority Business Enterprises.

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

(a) In order to assure that minority businesses are provided equal opportunity in the contracting, the REDEVELOPER will:

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

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

(iii) enter into a Memorandum of Understanding with the D.C. Minority Business Opportunity Commission substantially in the form attached as Exhibit F Part I.

ARTICLE V. PROHIBITION AGAINST ASSIGNMENT, TRANSFER AND SUBLEASE

SEC. 501. Representations As to Development.

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

(a) the importance of the redevelopment of the PROPERTY to the general welfare of the community;

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

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

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

SEC. 502. Protection Against Transfer Of Partnership Interest Or Shares Of Stock; Binding Upon Partners And Stockholders Individually.

The REDEVELOPER represents and agrees for itself, its partners or stockholders, and any successors in interest of itself and its partners or stockholders that, prior to the issuance of the CERTIFICATE OF COMPLETION for the PROJECT, without prior written approval of the DEPARTMENT, which approval shall not be unreasonably withheld, conditioned or delayed:

Neither the REDEVELOPER nor any party owning stock or a partnership interest in the REDEVELOPER (which term shall be deemed for the purpose of this and related provisions to include successors in interest of such partnership interest or stock, or any part thereof or interest therein) shall cause or suffer to be made any assignment, sale, conveyance or other transfer of stock or partnership interests if such transfer will cause a SIGNIFICANT CHANGE in the identity of such owner or the ownership of such stock or partnership interest (or in the relative distribution thereof) or the identity of the parties in control of the REDEVELOPER or the degree thereof, by any other method or means, whether by increased capitalization, merger with another corporation or combination with another partnership or corporation, or other amendments, issuance of additional or new stock or partnership interests or reclassification of stock, or otherwise. With respect to this provision, the REDEVELOPER and the parties signing the CONTRACT on behalf of the REDEVELOPER represents that they have the authority of all its existing stockholders or partners to agree to this provision on their behalf and to bind them with respect hereto. However, the entity constituting the REDEVELOPER may be changed at the REDEVELOPER'S option, as long as the manager of the limited liability company that becomes the manager or its members is one of the managers or members of REDEVELOPER.

SEC 503 Prohibition Against Transfer of Property and Assignment of Agreement.

(a) For the reasons set forth in Section 501 the REDEVELOPER represents and agrees for itself, and its successors and assigns, that: Except only for the BANK LOAN as herein defined, and as permitted by Section 601 (b) hereof (including a sale to a mortgagee, foreclosure sale or deed in lieu of foreclosure) and except as to any individual housing units on the PROPERTY, which by the terms of the CONTRACT, the REDEVELOPER is authorized to contract to sell prior to the completion of the IMPROVEMENTS thereon, as such IMPROVEMENTS are completed, the REDEVELOPER has not made or created, and will not, prior to the issuance of the CERTIFICATE OF COMPLETION, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, lease, trust, power, or transfer in any other mode or form, with respect to the CONTRACT or the

PROPERTY (or any part thereof or any interest therein) or make any contract or agreement to do any of the same, without prior written approval of the AGENCY:

> Provided, That, prior to the issuance of the CERTIFICATE OF COMPLETION and subject to the DEPARTMENT'S written approval, which will not be unreasonably withheld, conditioned or delayed, the REDEVELOPER may enter into any agreement to sell, or otherwise transfer, after the issuance of such CERTIFICATE, the PROPERTY or any part thereof.

(b) Where DEPARTMENT approval of a transfer of stock for or partnership interest of the REDEVELOPER or a transfer of the PROPERTY or any part thereof is required before a CERTIFICATE OF COMPLETION is issued with respect to such Property or part thereof. The DEPARTMENT may require REDEVELOPER to meet the following conditions:

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

(2) Any proposed transferee, by a writing in form reasonably satisfactory to the DEPARTMENT and recordable among the land records, for itself and its successors and assigns, and expressly for the benefit of the DEPARTMENT, shall have expressly assumed all of the obligations of the REDEVELOPER under the CONTRACT and agreed to be subject to all the conditions and restrictions to which the REDEVELOPER is subject hereunder. Provided, That if any transferee, or any other successor in interest whatsoever to the PROPERTY, or any part thereof, shall not assume such obligations or so agree, such shall not (unless specifically agreed to in writing by the DEPARTMENT) relieve or except such transferee or successor of or from such obligations, conditions or restrictions, or deprive or limit the DEPARTMENT of or with respect to any rights or remedies or controls with respect to the PROPERTY or the construction of the IMPROVEMENTS; it being the intent of this provision, together with other provisions of the CONTRACT, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the CONTRACT) no transfer of, or change with respect to, ownership in the PROPERTY or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the DEPARTMENT of or with respect to any right or remedies or controls provided in or resulting from the CONTRACT with respect to the PROPERTY and the construction of the IMPROVEMENTS that the DEPARTMENT would have had, had there been no such transfer or change.

(3) All instruments and other legal documents involved in effecting a transfer shall be submitted to the DEPARTMENT prior to execution; and, if approved in writing by the DEPARTMENT, such approval shall be indicated to the REDEVELOPER in writing.

(4) The REDEVELOPER and its transferee shall comply with such other conditions as the DEPARTMENT may find desirable in order to achieve and safeguard the purposes of the ACT and this CONTRACT Provided, That in the absence of specific written agreement by the DEPARTMENT

to the contrary, no such transfer or approval by the DEPARTMENT thereof shall be deemed to relieve the REDEVELOPER or any other party bound in any way by the CONTRACT or otherwise with respect to the construction of the IMPROVEMENTS from any of its obligations with respect thereto

SEC. 504. Information As to Stockholders and Partners Maintenance of Separate Books and Accounts.

(a) The REDEVELOPER agrees that until the issuance of CERTIFICATE OF COMPLETION for the entire project:

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

2. The REDEVELOPER shall, at such time or times as the DEPARTMENT may request, furnish the DEPARTMENT with a complete statement, subscribed and sworn to by the President or other executive officer or general partner of the REDEVELOPER, setting forth all of the stockholders or partners in the REDEVELOPER and the extent of their respective holdings, and in the event any other parties have a beneficial interest in such stock, their names and the extent of such interest, all as determined or indicated by the records of the REDEVELOPER, by specific inquiry made by such officer or managing partner of all parties who on the basis of such records own any stock in the REDEVELOPER or by such other knowledge or information as such officer or managing partner shall have. Such lists, dates, and information shall in any event be furnished to the DEPARTMENT immediately prior to the execution of this CONTRACT as a condition precedent thereto, and annually thereafter on the anniversary of the date of execution of the CONTRACT until the issuance of the CERTIFICATE OF COMPLETION

(b) The REDEVELOPER agrees that, until the CLOSING DATE:

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

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

ARTICLE VI. MORTGAGE FINANCING

SEC. 601. Limitation Upon Encumbrances of Property.

(a) The REDEVELOPER and any successor in interest shall not have the right to engage in any financing or any other transaction secured by a mortgage or other encumbrance or lien upon the PROPERTY, whether by express agreement or operation of law, or suffer any such encumbrance or lien to be made on or attached to the PROPERTY without the prior written approval of the DEPARTMENT, which shall not be unreasonably withheld, conditioned or delayed, unless:

(i) the mortgage, deed of trust or other encumbrance secures a loan, the proceeds of which are used to acquire the PROPERTY from the DEPARTMENT or otherwise secures a BANK LOAN, or

(ii) the mortgage, deed of trust or other encumbrance is secured only by a portion of the PROPERTY with respect to which a Certificate of Completion has been issued;

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

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

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

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

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

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

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

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

(e) The DEPARTMENT'S rights under this CONTRACT, including the DEPARTMENT'S reversionary rights under Section 704 of this CONTRACT, shall always be subject to, and shall not defeat, render invalid, or limit in any way, (i) the lien of any mortgage or deed of trust entered into pursuant to the terms of this CONTRACT or any rights or remedies thereunder, and (ii) any rights, remedies or interests provided in this CONTRACT for the protection of the holders of such mortgages or deed of trust. The DEPARTMENT will confirm the foregoing subordination in writing in form reasonably requested by the REDEVELOPER upon request.

(f) The PROPERTY may, at the option of the REDEVELOPER (or successor in interest), be divided into several parts or parcels or may be subjected to a condominium regime.

SEC. 602. Copy of Notice of Default to Mortgagee.

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

SEC. 603. Mortgagee May Cure Breach of REDEVELOPER.

(a) In the event that the REDEVELOPER receives notice from the DEPARTMENT of a breach or default under this CONTRACT and such breach is not cured by the REDEVELOPER pursuant to the provisions of this CONTRACT, the DEPARTMENT shall, in addition to the notice to the MORTGAGEE provided in Section 602 hereof, give notice and, if requested by MORTGAGEE, an estoppel certificate of the failure to cure on the part of the REDEVELOPER to the MORTGAGEE at the expiration of the period within which the REDEVELOPER may cure as set forth in this CONTRACT. Upon receipt of such notice, the MORTGAGEE may then, at its option have an additional sixty (60) days to

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

PROPERTY and for such reasonable period of time as may be necessary to complete any such construction; or

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

(3) proceed with due diligence to acquire possession of the PROPERTY through proceedings to foreclose the mortgage, or otherwise extinguish the REDEVELOPER's interest in this CONTRACT and in the PROPERTY and convey all of its right, title and interest in this CONTRACT and in the PROPERTY to the DEPARTMENT. Upon such conveyance to the DEPARTMENT, the DEPARTMENT agrees forthwith to comply with the provisions of Section 705 of this CONTRACT, as if the DEPARTMENT had exercised its right of termination thereunder.

(b) The MORTGAGEE shall have the right so to elect (1), (2) or (3) above subject to Part I, Section 8 hereof and only if it shall exercise such right within sixty (60) days after receipt of the notice of REDEVELOPER's failure to cure and deliver to the DEPARTMENT within the sixty (60) day period an instrument in writing duly executed and acknowledged wherein the MORTGAGEE agrees that:

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

(2) in the event the MORTGAGEE elects to proceed under Section 603 (a)(1) and if delivery of possession of the PROPERTY shall be made to such MORTGAGEE or to its nominee pursuant to any foreclosure or otherwise, such MORTGAGEE shall, promptly following such delivery of possession, perform or cause such nominee to perform, as the case may be, all covenants, terms, provisions and agreements herein contained on the REDEVELOPER's part to be performed to the extent that the REDEVELOPER shall have failed to perform the same to the date of delivery of possession, as aforesaid. In the event the MORTGAGEE elects to proceed under Section 603(a)(2) or (3), during the period that MORTGAGEE is seeking a transferee of the PROPERTY or the period prior to transferring the PROPERTY to the DEPARTMENT, the MORTGAGEE will not be

responsible for fulfilling the obligations of the REDEVELOPER set forth in Sections 6 and 7 of Part I and Sections 301 - 307 and 309 and 310 of Part II of this CONTRACT.

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

(d) In the event the MORTGAGEE elects to cure the default of the REDEVELOPER pursuant to this Section 603 and in the further event that the MORTGAGEE does so cure, the DISTRICT and the DEPARTMENT, upon receipt of written notice to that effect from the MORTGAGEE, shall execute an instrument suitable for recording in the Land Records of the District of Columbia, setting forth that the default has been cured and reinstating all of the right, title and interest of the REDEVELOPER hereunder.

SEC. 604. Rights and Duties of MORTGAGEE.

In no event shall any MORTGAGEE be deemed to be the REDEVELOPER hereunder or be obligated to perform or observe any of the covenants, terms and conditions of this CONTRACT on the part of the REDEVELOPER to be performed or observed, whether as a result of (i) its having become a MORTGAGEE, (ii) the exercise of any of its rights under the instrument or instruments whereby it became a MORTGAGEE (including without limitation, foreclosure or the exercise of any rights in lieu of foreclosure), (iii) the performance of any of the covenants, terms or conditions on the part of the REDEVELOPER to be performed or observed under this CONTRACT or, otherwise, unless such MORTGAGEE shall either make the election set forth in Section 603(a)(1) of this CONTRACT or shall specifically elect under this Section 604 to become the REDEVELOPER by written notice to the DEPARTMENT, whereupon such MORTGAGEE, upon making any such election as aforesaid, shall then and thereafter for all purposes of this CONTRACT be deemed to be the REDEVELOPER hereunder; Provided, That as between the parties to such instrument or instruments referred to in clause (ii) hereof, their rights and obligation shall continue to be governed exclusively by the provisions of such instrument or instruments.

SEC 605 Department's Option to Pay Mortgage Debt or Purchase Property

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

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

(b) undertakes construction or completion of the IMPROVEMENTS but does not complete such construction within the period as agreed upon by the DEPARTMENT and such holder in accordance with the provisions of Section 603(a)(1) and such default shall not have been cured within sixty (60) days after written demand by the DEPARTMENT, the DEPARTMENT shall (and every mortgage instrument made prior to completion of the IMPROVEMENTS with respect to the PROPERTY by the REDEVELOPER or successor in interest shall so provide) have the option, (which option the DEPARTMENT must notify such holder of the note and mortgage of its intention to exercise within 15 days following the occurrence of either event described in (a) or (b) above and then carry out the terms of such option within 90 days thereafter) of paying to the holder the amount of the mortgage debt and securing an assignment of the mortgage or, in the event ownership of the PROPERTY (or part thereof) has vested in such holder by way of foreclosure or action in lieu thereof, the DEPARTMENT shall be entitled, as its option, (which option the DEPARTMENT must notify such holder of the note and mortgage of its intention to exercise within 15 days following the occurrence of either event described in (a) or (b) above and then carry out the terms of such option within 90 days thereafter) to a conveyance of the PROPERTY or part thereof (as the case may be) upon payment to such holder of an amount equal to the sum of: (i) the mortgage debt immediately proceeding foreclosure or action in lieu thereof (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings); (ii) all expenses with respect to the foreclosure; (iii) the net expense, if any (exclusive of general overhead), incurred by such holder in and as a direct result of the subsequent management of the PROPERTY: (iv) the costs of any IMPROVEMENTS made by such holder; and (v) an amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence.

ARTICLE VII. REMEDIES

SEC. 701. In General.

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

SEC. 702. Termination by REDEVELOPER Prior to Conveyance.

In the event that the DEPARTMENT does not tender conveyance of the PROPERTY, or possession thereof, in the manner and condition, and by the date provided in the CONTRACT (except if such is due to the inadequacy, in the DEPARTMENT'S opinion, of REDEVELOPER's FINAL or SCHEMATIC PLANS), and any such failure shall not be cured within thirty (30) days after the date of written demand by the REDEVELOPER, then the CONTRACT shall, at the option of the REDEVELOPER, be terminated by written notice thereof to the DEPARTMENT and the REDEVELOPER shall obtain back the DEPOSIT and pursue its other remedies at law or equity.

SEC. 703. Termination by DEPARTMENT Prior to Conveyance.

In the event that:

(a) prior to CONVEYANCE of all portions of the PROPERTY to the REDEVELOPER and in violation of the CONTRACT

(1) the REDEVELOPER (or any successor in interest) assigns or attempts to assign the CONTRACT or any rights therein, or in the PROPERTY, except to an assignee approved by the DEPARTMENT, or

(2) there is any change in the ownership or distribution of the assets or interest in the REDEVELOPER or with respect to the identity of the parties in control of the REDEVELOPER or the degree thereof without the approval of the DEPARTMENT, or

(b) the REDEVELOPER does not submit SCHEMATIC PLANS or FINAL PLANS, as required by the CONTRACT; or

(c) the REDEVELOPER does not pay the PURCHASE PRICE, tender the DEPOSIT, or take title to the PROPERTY upon tender of conveyance by the DEPARTMENT

pursuant to the CONTRACT, and if any default or failure referred to in subsections (a), (b) or (c) of this Section 703 shall not be cured within thirty (30) days after the date of written demand by the DEPARTMENT or by the MORTGAGEE, or the REDEVELOPER defaults in or violates any of the obligations specified in subsections (a), (b) or (c) of Section 703 hereof with respect to the PROPERTY; Then the CONTRACT, and any rights of the REDEVELOPER, or any assignee or transferee, in the CONTRACT, or arising therefrom with respect to the DEPARTMENT or the PROPERTY, shall, at the option of the DEPARTMENT, be terminated by the DEPARTMENT, in which event, as provided in Section 6 of Part I hereof, the DEPOSIT shall be retained by the DEPARTMENT as liquidated damages, and as its PROPERTY without any deduction, offset, or recoupment whatsoever, and neither the REDEVELOPER (or assignee or transferee) nor the DEPARTMENT shall have any further rights against or liability to the other under the CONTRACT.

SEC.704 Remedies for REDEVELOPER Default Subsequent to Conveyance

(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 this Contract.

(b) If the REDEVELOPER fails to commence the PROJECT by the Commencement Deadline or to 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 this Section 704 (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 this CONTRACT, the DEPARTMENT at its option may declare a termination in favor of the DEPARTMENT of the title, and of all the rights and interests in and to the PROPERTY conveyed by the deed to the REDEVELOPER, and that such title and all rights and interests of the REDEVELOPER, and any assigns or successors in interest to and in the PROPERTY, shall revert to the DEPARTMENT: Provided, that such conditions subsequent and any revestiture of title as a result thereof in the DEPARTMENT:

(1) shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, (i) the lien of any Mortgage 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 thereon have been completed in accordance with the CONTRACT and for which a CERTIFICATE OF COMPLETION is issued therefor.

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 completes at least fifty percent (50%) of the MINIMUM PROJECT REQUIREMENTS by the Completion Deadline, but fails to 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 square feet of residential space, retail space and parking actually built and the denominator of which is the number of square feet for such uses necessary to satisfy th. 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 704(b) hereof.

(d) If the REDEVELOPER defaults under this Contract in a manner other than the failure to commence or complete construction pursuant to Section 704(a) hereof and does not cure such default within thirty (30) days after receipt from written notice from the DEPARTMENT, or if such default cannot reasonably be cured within thirty (30) days, if the REDEVELOPER does not commence the cure within such thirty (30) days and thereafter diligently complete the cure, the DEPARTMENT shall have the right to recover from the REDEVELOPER its actual damages resulting from such defaults.

SEC. 705. Resale of Reacquired Property; Disposition of Proceeds.

Upon the revestiture of title to the PROPERTY or any part thereof as provided in Section 704, the DEPARTMENT shall, pursuant to its responsibilities under DISTRICT law, use its best efforts to resell the PROPERTY or part thereof (which sale shall be subject to Section 701(b) hereof), as soon and in such manner as the DEPARTMENT shall find feasible and consistent with the objectives of the ACT, (as determined by the DEPARTMENT) to a qualified and responsible party or parties (as determined by the DEPARTMENT provided, however, if subject to an approved mortgage as aforesaid, selection of the party or parties shall be subject to the consent of the approved MORTGAGEE, which consent shall not be unreasonably withheld) who will assume the obligation of making or completing the IMPROVEMENTS or such other improvements in their stead as shall be

satisfactory to the DEPARTMENT and in accordance with the uses specified for such PROPERTY or part thereof in this CONTRACT. Upon such resale or lease of PROPERTY, the proceeds thereof shall be applied as follows:

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

(b) Second, to reimburse the DEPARTMENT on its own behalf, or on behalf of the DISTRICT for all costs and expenses incurred by the DEPARTMENT, including but not limited to salaries of personnel, in connection with the recapture, management and resale of the PROPERTY or part thereof (but less any income derived by the DEPARTMENT from the PROPERTY or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the PROPERTY or part thereof (or, in the event the PROPERTY is exempt from taxation or assessment or such water and sewer charges as determined by the DISTRICT assessing official), as would have been payable if the PROPERTY were not so exempt; any payments made or necessary to be made to discharge any encumbrances or liens (including MORTGAGE LIENS approved by the DEPARTMENT pursuant to Section 601 hereof) existing on the PROPERTY or part thereof at the time of revesting of title thereto in the DEPARTMENT or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the REDEVELOPER, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the IMPROVEMENTS or any part thereof on the PROPERTY; any amounts otherwise owing the AGENCY by the REDEVELOPER, its successors or transferees; and

(c) Third, to reimburse the REDEVELOPER, its successors or transferees, up to the amount equal to (1) the amount of the allocable portion thereof) and the cash actually invested by it in acquiring and developing the Property and making any of the IMPROVEMENTS on the PROPERTY, less (2) any gains or income withdrawn or made by it in connection with the PROPERTY

SEC 706 Other Rights and Remedies of Department; No Waiver by Delay; Waiver.

The DEPARTMENT shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Article VII, including without limiting the generality of the foregoing, the right, after this CONTRACT has been terminated by the DEPARTMENT pursuant to Section 704 hereof, to execute and record or file among the public Land Records in the Office of the Recorder of Deeds of the DISTRICT a written declaration of the termination of all the right, title, and interest, of the REDEVELOPER, and (except for such individual parts or parcels which have been completed, in accordance with the CONTRACT, and for which a CERTIFICATE OF COMPLETION as provided in Section 307 hereof has been delivered and subject

to such mortgage liens approved in writing by the DEPARTMENT pursuant to Section 601 hereof, and leasehold interests all as provided in Section 704 hereof) its successors in interest and assigns, in the PROPERTY, and the reverting of title thereto in the DEPARTMENT; Provided, that any delay by the DEPARTMENT in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Article VII or any other right or remedy available under law or in equity, shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the DEPARTMENT shall not be constrained by waiver, laches, or otherwise in the exercise of such remedies); nor shall any waiver in fact made by the DEPARTMENT with respect to any specific default by the REDEVELOPER under this Section be considered or treated as a waiver of the DEPARTMENT with respect to any other defaults by the REDEVELOPER or with respect to the particular default except to the extent specifically waived in writing.

SEC. 707. Forced Delay in Performance for Causes Beyond Control of Party.

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

SEC. 708. Rights and Remedies Cumulative.

The rights and remedies of the parties to the CONTRACT, whether provided by law or by the CONTRACT, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise of any other remedies for the same such default or breach. Notwithstanding the foregoing, the DEPARTMENT'S only remedy for the REDEVELOPER'S failure to commence the Project by the Commencement Deadline to complete the PROJECT by the Completion Deadline or for other defaults under this Contract, will be the damages or remedies specified in Section 704 hereof.

SEC. 709. Party in Position of Surety with Respect to Obligations.

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

SEC. 710. Estoppel Certificate.

From time to time upon request of the REDEVELOPER (in connection with encumbering PROPERTY with a mortgage or a transfer of this PROPERTY) and provided the REDEVELOPER is not then in default of its obligation under this CONTRACT, the DEPARTMENT will upon written request of the REDEVELOPER issue (in a form suitable for recording among the Land Records of the Office of the Recorder of Deeds of the DISTRICT of Columbia) an estoppel certificate or other instrument certifying that the REDEVELOPER, on the date of such certificate or instrument, is not in default under this CONTRACT and SECURITY DOCUMENTS.

SEC 711 Assignment of Plans and Specifications.

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

ARTICLE VIII. MISCELLANEOUS

SEC. 801. Conflict of Interests. Department Representatives Not Individually Liable.

No member, official, or employee of the DEPARTMENT shall participate in any decision relating to the CONTRACT which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the DEPARTMENT shall be personally liable to the REDEVELOPER or any successor in interest in the event of any default or breach by the DEPARTMENT or for any amount which may become due to the REDEVELOPER or successor or on any obligations hereunder.

SEC. 802. Provisions Not Merged With Deed.

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

SEC. 803. Titles of Articles and Sections; No Third Party Beneficiaries; Time of Essence.

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

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

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

SEC. 804 Singular and Plural Usage; Gender

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

SEC. 805. Law Applicable.

This CONTRACT and SECURITY DOCUMENTS shall be construed in accordance with and governed by the laws of the District of Columbia.

SEC. 806. Entire Agreement; Enforceability; Modifications.

This CONTRACT and SECURITY DOCUMENTS constitute the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof. This CONTRACT shall be valid, binding and enforceable against the parties hereto and their successors and assigns and the parties warrant that the persons executing this CONTRACT on their behalf are authorized to do so. None of the terms or provisions of this CONTRACT may be modified except by a written modification executed by both parties.

SEC. 807. Unless another time for deemed approval is specifically set forth herein, any request for approval or consent for matters contemplated by this CONTRACT will be deemed granted if not rejected in writing within thirty (30) days of the date such request is made.

SEC. 808. Counterparts.

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

IN TESTIMONY WHEREOF, the District of Columbia Department of Housing and Community Development, has caused these presents (including Part I and II) 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 (including Part I and II) to be executed in its name by Anthony M. Lanier, the President of Incinerator Development Corporation, its Manager, as of the 6th day of January, 1998

ATTEST/WITNESS:

Millennium Georgetown Development, L.L.C.

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

By: _____

By: _____

[SEAL]

By: _____

By: _____

[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 1/6, 1998 by Anthony M. Lanier, 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

NATIONAL CAPITAL PLANNING COMMISSION
801 PENNSYLVANIA AVENUE, N.W., SUITE 301
WASHINGTON, D.C. 20576

NCPC File Nos. 1481 and 5790

SALE OF DISTRICT-OWNED SURPLUS PROPERTY - LOT 824 IN SQUARE 1189 AT 31ST AND K STREETS, N.W. (GEORGETOWN INCINERATOR SITE)

Finding of No Significant Impact

November 25, 1997

Pursuant to Section 5 of the Commission's Environmental Policies and Procedures, I have reviewed the proposed Sale of District-Owned Surplus Property - Lot 824 in Square 1189 at 3lst and K Streets, NW. (Georgetown Incinerator Site), and an environmental assessment dated June 19, 1997, and have determined that Commission approval of the sale would not significantly affect the quality of the human environment pursuant to Section 102(2)(C) of the Council on Environmental Quality Regulations (40 CFR Parts 1500-1508).

Reginald W. Griffith
Executive Director

NATIONAL CAPITAL PLANNING COMMISSION
801 PENNSYLVANIA AVENUE, N.W., SUITE 301
WASHINGTON, D.C. 20576

NCPC File No. 5790

SALE OF DISTRICT-OWNED SURPLUS PROPERTY - LOT 824 IN SQUARE 1189, 31ST AND K STREETS, N.W. (GEORGETOWN INCINERATOR SITE)

Report to the District of Columbia Department of Housing and Community Development

December 4, 1997

The Commission:

1. takes responsibility for the scope and content of the environmental assessment dated June 19, 1997, submitted by the District of the Columbia, for the proposed surplus property - Lot 824 in Square 1189, 31ST and K Streets, N.W. (Georgetown Incinerator Site), Washington, D.C.; and

2. approves, pursuant to 40 USC 72c, the sale of District-owned surplus property located on Lot 824 in Square 1189 (Georgetown Incinerator Site) at the intersection of 31st and K Streets, N.W.

* * *

BACKGROUND AND STAFF EVALUATION

DESCRIPTION OF PROPOSAL

The D.C. Department of Housing and Community Development (DC-DHCD), pursuant to 40 USC 72c, has submitted for approval the sale of District of Columbia-owned excess property known as the Georgetown Incinerator site. 40 USC 72c authorizes "the Mayor of the District of Columbia, with the approval of the National Capital Planning Commission, ... to sell and convey, in whole or in part, to the highest bidder at public or private sale, real estate owned in fee simple by the District of Columbia for municipal use ... which the Council of the District of Columbia and the National Capital Planning Commission find to be no longer required for public purposes."

The Mayor and the District of Columbia City Council have determined that the Georgetown Incinerator site was surplus. The site at the intersection of 31st and K Streets, N.W. (Lot 824 in Square 1189) is located within the Georgetown Historic District. Currently vacant, the site was once used as a municipal incinerator until it was closed in the 1970's. In 1996, DC-DHCD, pursuant to the "Disposal of District-Owned Surplus Real Property Amendment Act of 1989", D.C. Law 8-96, advertised a request for proposals for the property. In response to the request for proposals, the

District awarded the development rights to Millennium Georgetown Development, L.L.C., which proposes to construct housing and an arts cinema. DC-DHCD notes that purchasers will be responsible for adhering to all zoning and historic preservation reviews required under the Old Georgetown Act.

CONFORMANCE WITH COMPREHENSIVE PLAN

The proposal is not inconsistent with the Comprehensive Plan for the National Capital. The District's Generalized Land Use Map of the Comprehensive Plan designates the site for mixed use medium-density residential/moderate-density commercial. The DHCD report notes that private development of the site should substantially contribute to revitalizing the Georgetown waterfront, and would provide twenty-four hour pedestrian use of the K Street sidewalks next to NPS' proposed waterfront park.

COORDINATING COMMITTEE

The proposal was reviewed by the Coordinating Committee on November 12, 1997. The Committee forwarded the proposal to the Commission with the statement that the project has been coordinated with all agencies represented. Attending the meeting were representatives of NCPC, the District of Columbia Office of Planning, Fire Department, Department of Housing and Community Development and Department of Public Works, and the General Services Administration.

HISTORIC PRESERVATION

The Georgetown Incinerator is a contributing structure in the Georgetown Historic District, listed in the National Register of Historic Places. Pursuant to Section 106 of the NHPA, a MOA has been negotiated among NCPC, the DC SHPO, DC DHCD, and the Advisory Council. The document provides for the mechanisms for the review and eventual appropriate rehabilitation of the incinerator and site, using the Secretary of the Interior's Standards for Rehabilitation as guidelines for the physical treatment of the structure.

This agreement is required by NHPA, since NCPC is a federal agency with the authority to approve the sale of surplus historic property to a private party, thereby removing the building from future protection under Section 106. NCPC is therefore responsible for ensuring that protection, which is achieved through the MOA.

ENVIRONMENTAL IMPACT

Pursuant to P.L. 91-190, the Executive Director has determined that an environmental impact statement is not required for the proposed sale of the surplus property. In lieu, thereof, the District has submitted a Phase I Environmental Site Assessment and Phase II Investigation Report. The combined report assesses environmental risks at the Georgetown Incinerator Facility.

Staff does not anticipate any significant environmental impacts associated with the sale of the property. The site contains two sensitive natural features. The site moderately steeply to steeply slopes from northwest to southeast and is located within the 100-year floodplain of the Potomac River.

Some man-made hazards would need to be remediated. A 275-gallon aboveground storage tank (AST), which appeared to contain unused motor oil, is located outside the west side of the building. The tank was neither secured nor encased with secondary containment. Two underground storage tanks (UST) are located outside the west side of the incinerator. Five soil borings and one groundwater sample downgradient of the tanks did not identify any petroleum contamination. The Phase II investigation identified asbestos-containing material (ACM) in portions of the building. During the Phase II investigation, lead based paint (LBP) was detected. The study recommends that ACM and LBP be removed from the site and properly disposed of. Remediation of ACM and LBP, as well as removal of AST and UST, should be done in accordance with federal and District standards.

In addition to on-site tests and observations, consultants searched federal and state databases to determine if any environmental issues have been reported for the site or surrounding areas. None were found for the site or sites within 0.25 miles.

EVALUATION

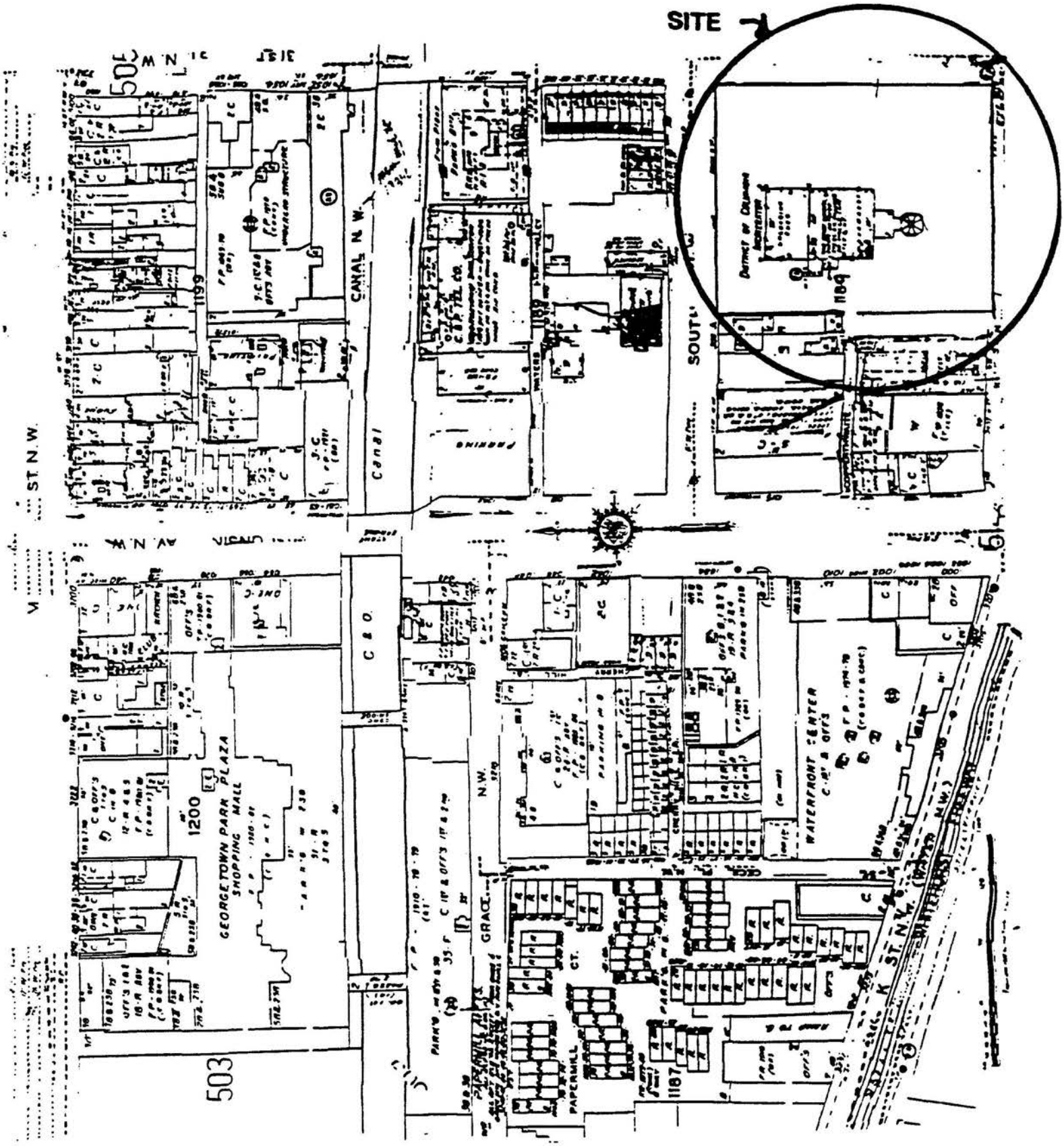
The proposal has been reviewed in terms of its potential impact on the Federal Establishment or other federal interests in the National Capital Region. Staff believes that the remediation of the existing man-made hazards will have no adverse environmental impacts and supports the sale of the property.

The essential issue concerning the excess property is the ultimate development of this property located within the Georgetown Historic District. As noted, the Georgetown Incinerator is a contributing structure in the Georgetown Historic District, listed in the National Register of Historic Places. As a result of the Section 106 review, a MOA has been negotiated to lessen the potential adverse effects. This MOA provides for the review and the safeguard of the historic integrity of the incinerator site. Additionally, the Old Georgetown Act will adequately protect this property should future owners seek to alter the exterior of, or demolish, existing buildings or erect new buildings on the site.

The proposed development of housing and an arts cinema is compatible with the existing Waterfront district zoning. The purpose of the Waterfront districts is to encourage a diversity of compatible land uses including residential, retail offices, recreational, and other miscellaneous uses. The incinerator site is located in the W-1 district that permits only low height and density development. The proposed mixed use development is allowed as a matter-of-right under the current zoning and should provide an amenity that will enhance the Georgetown waterfront. The Comprehensive Plan, existing zoning regulations, and the MOA appear to be sufficient to protect federal interests and ensure a

compatible development pattern. Finally, at the request of the National Park Service, staff recommends that the Commission urge the developer to consider the feasibility of providing additional public parking to accommodate the surrounding public uses, including the waterfront. Staff recommends that the Commission approve the proposed sale of surplus-property.

ATTACHMENT A



COUNCIL OF THE DISTRICT OF COLUMBIA
REPORT

One Judiciary Square 441 Fourth Street, NW Washington, DC 20001

TO: ALL COUNCILMEMBERS

FROM: CHARLENE DREW JARVIS,
CHAIR, COMMITTEE ON ECONOMIC DEVELOPMENT

DATE: JUNE 17, 1997

SUBJECT: REPORT ON PR 12-741, the "DISPOSITION OF LOT 824 IN SQUARE 1189 TO MILLENNIUM GEORGETOWN DEVELOPMENT, LLC APPROVAL RESOLUTION OF 1998"

The Committee on Economic Development, to which PR 12-741, the "Disposition of Lot 824 in Square 1189 to Millennium Georgetown Development, LLC Approval Resolution of 1998" was referred, hereby recommends its approval to the Council of the District of Columbia ("Council").

LEGISLATIVE HISTORY

DATE	ACTION
April 24, 1998	Chairman Cropp at the Request of the Mayor introduces PR 12-741, the "Disposition of Lot 824 in Square 1189 to Millennium Georgetown Development, LLC Approval Resolution of 1998."
April 24, 1998	PR 12-741 is referred to the Committee on Economic Development.
May 8, 1998	Council publishes notice of introduction of PR 12-741.
May 14, 1998	Committee on Economic Development holds a Public Roundtable on PR 12-741.

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See BOWIE, C4, Col. 1

Mixed-Used Complex Proposed for Georgetown Site

N.Y.-Based Partnership's Plan Would Incorporate Incinerator, Smokestack in Its Design

By Margaret Webb Pressler and Peter Behr
Washington Post Staff Writers

After years of false starts and community bickering that dashed plans to redevelop the dilapidated incinerator site south of M Street in Georgetown, the city is trying again.

The District this week chose a New York-based partnership to develop the site as a mixed-used complex devoted primarily to upscale apartments, said Duryea Smith, administrator for neighborhood preservation and commercial development for the D.C. Department of Housing and Community Development. The city had initiated a competitive bidding process for developing the site last September. The site is bounded by Wisconsin Avenue, K Street, 31st Street and South Street.

Anthony Lanier, the local partner for Millennium Partners, the winning bidder, said the plan for the site includes "over 100 very upscale" residential units in a new building incorporating the 65-year-old incinerator structure and smokestack, Georgetown's most visible landmark. To raise the apartments above the level of the Whitehurst Freeway between the building and the river, he said, Millennium has proposed developing a six-screen "art house" movie theater at the base of the apartment complex, as well as some service-oriented retailers and restaurants.

The goal, Lanier said, is to "create life down there so we utilize that lower part of Georgetown."

The incinerator—which burned garbage from 1932 to 1971—has long been one of Georgetown's largest remaining developable sites. Lately it has gained attention as one of a few possible locations for a new breed of urban entertainment and retail complexes now being developed in cities such as San Francisco and New York.

"When you hear about all these entertainment complexes . . . to the extent it's possible, you want them to be 24 hours a day," Lanier said. "And how do you get people 24 hours a day unless they sleep there? So residential is an inherent component to mixed use development."

Lanier said the $50 million complex also would include about 200 parking spaces. Georgetown's dearth of parking has been a major complaint of neighborhood residents about other proposals for the site. Indeed, disagreements over community issues have killed proposals for the site, even some that were further along in the process.

A Boston team was chosen by the District over several prominent Washington area developers in 1989 to build offices and row houses on the site, but that project never went forward. More recently, the Georgetown Heritage Trust had studied the possibilities of turning the incinerator into a movie theater and tourist attraction.

Smith stressed that the city will ensure "that the community knows exactly what is being proposed."

See GEORGETOWN, C2, Col. 1

Convention Center Plan To Face a Severe Test

By Judith Evans
Washington Post Staff Writer

The convention center proposed for downtown Washington is expected to come under tough scrutiny today in a public hearing before officials charged with approving plans for the project, which tourism leaders consider crucial to the industry's growth and the District's rebound from its fiscal woes.

The city's independent Convention Center Authority today will unveil the first architectural sketches and model for the 950,000-square-foot facility it wants to build on a 15.9-acre parcel at Mount Vernon Square. The session likely will set the tenor for future hearings on the project. At a similar meeting last November some skeptical members of the National Capital Planning Commission raised concerns about the effect such a large project would have on the residences and historic buildings surrounding it.

The commission has asked the convention center authority to consider several other sites, including one at New York and Florida avenues, as possible alternatives when it releases its environmental impact study tomorrow. It is expected to render a decision by late May so that the convention center authority can seek authorization from Congress, before its summer recess, to issue bonds to cover construction costs estimated at $480 million for the project, according to a recent report by the General Accounting Office.

The local tourism industry has languished as a convention city in recent years because the Washington Convention Center—which opened in 1982 as the nation's fourth-largest facility and today ranks No. 30—is too small at 381,000 square feet and lacks the technological capabilities to handle the computer needs of major conventions.

A new, larger center, tourism leaders say, would allow the District to compete for 90 percent to 94 percent of the nation's annual trade shows and conventions. It also would rank in size with facilities being expanded in New Orleans, Atlanta and Orlando, cities that are beating the District for convention business.

But whether the Mount Vernon Square project moves forward so that a convention center can open by 1999

See CENTER, C4, Col. 1

DIGEST

Georgetown Site Redevelopment

GEORGETOWN, From C1

He said the city must hold a public hearing before it can agree to sell the property, which wouldn't happen for several months—after the developer has shown it can raise the money for the project.

The developer who lost out to Millennium, Daniel McCaffery of Chicago, said he would not withdraw his plan for a "town center" complex including retail, restaurants and a museum about Georgetown in case Millennium's proposal fails. McCaffery, who last year renovated an old warehouse on M Street that now houses Barnes & Noble and Eddie Bauer stores, said he also has options to buy the property covering most of the rest of the block the incinerator shares, and he had hoped to develop the entire block at once.

"That would face Wisconsin Avenue and encourage people, in our mind, to leave the corner of Wisconsin and M and traverse down to the river," he said. "It was lovely."

Convention Center Plan Faces Test

CENTER, From C1

will largely depend on whether the hospitality industry and convention authority can minimize community concerns about increased traffic and the building's design.

"We're not opposed to a convention center downtown, because we think it's a vital part of the city's economic revitalization," said Richard Busch, a project manager at the U.S. Preservation League.

Allen Y. Lew, managing director of the convention center authority, acknowledges that his group got off to a rocky start with the planning commission and community when it showed a model last November. "It was a wake-up call for us," he said.

The convention center authority says it has made modifications to its earlier plans, including building an entire exhibition floor below ground, lowering the building's height on its northern side and closing off Eighth Street to truck traffic.

The local hospitality industry and the convention center authority argue that the Mount Vernon Square site, much more than the alternative sites, would reap the biggest economic benefits for the cash-strapped District. The farther the new building is located from downtown, the less likely it will be able to compete against other cities for conventions, industry experts said.

"I like to think of this project as one of the three crown jewels [along with the Washington Opera and MCI Arena] for the revitalization of downtown. It is an opportunity to reinforce the critical mass and make the area more vibrant," said Claude E. Bailey, general counsel and project director for the convention center authority.

The Washington Convention Center held 23 events in 1995, the latest year for which figures are available, with 270,200 out-of-town delegates, according to the Washington D.C. Convention and Visitors Association. The number of events has fallen sharply since 1990, when the center had its best year with 33 events and 333,915 conventioneers.

"We couldn't fit into the current convention center," said Elizabeth Block, director of conferences for the 80,000-member Society for Human Resource Management.

As the Washington Convention Center has faltered, other U.S. cities have expanded their facilities or built new ones in an effort to increase their trade show and convention business, which has been growing by 5 percent to 6 percent annually for the past 20 years.

But some industry watchers believe the rapid expansion of facilities and competition for trade shows may be leading to a softening of demand for space, said Heywood Sanders, a professor of urban administration at Trinity University in San Antonio.

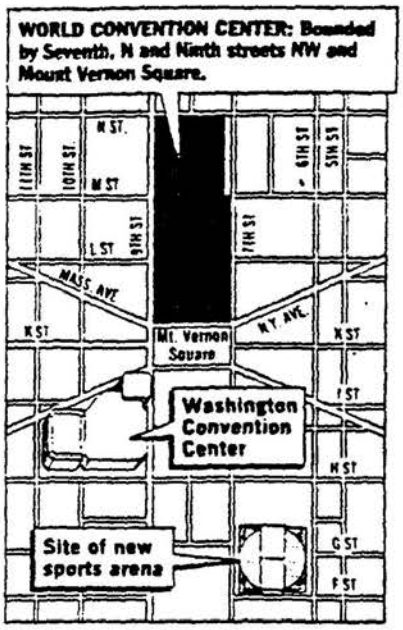
"My great concern is five to 10 years out, when all the expansion space comes on the market, who is going to fill it up?," Sanders said.

A new convention center is expected to generate $150 million annually in sales taxes for the District, according to a 1993 study by the hospitality industry. Convention-goers are expected to spend an average $1,400 per visit, most of it for food and lodging. That could amount to as much as $650 million in new revenue annually for the local restaurant and hotel industry.

"It's been apparent for a number of years that we're losing a significant amount of revenue here because of the lack of capacity of our convention center," said Bill Lecos, president of the Restaurant Association of Metropolitan Washington. "It is one of the best chances for the District to grow its tax base to a degree necessary to pull out of its economic malaise."

THE COMPETITION

As proposed, D.C.'s new convention center would occupy 950,000 square feet, putting it just behind Orange County's convention center.



TOTAL SQUARE FEET



SOURCE: Tradeshow Week's Major Exhibit Hall Directory

MAP BY DAVE COOK, GRAPHIC BY TOBEY—THE WASHINGTON POST

FOR MORE INFORMATION

For a map of the "new downtown" proposed by a task force of political and business leaders, click on the above symbol on the front page of The Post's site on the World Wide Web at http://www.washingtonpost.com

TESTIMONY OF DURYEA C. SMITH

ON BEHALF OF THE

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BEFORE THE COMMITTEE ON ECONOMIC DEVELOPMENT

COUNCIL OF THE DISTRICT OF COLUMBIA

REGARDING PR 12-741

"DISPOSITION OF LOT 824 IN SQUARE 1189 TO MILLENNIUM

GEORGETOWN DEVELOPMENT L.L.C.

APPROVAL RESOLUTION OF 1998"

THURSDAY, MAY 14, 1998

1:00 P.M.

COUNCIL CHAMBER, ONE JUDICIARY SQUARE

(1) MCOC
(2) DOES ? signed
(3) Is tract review awaiting issuance of report from OP

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GOOD AFTERNOON CHAIRPERSON JARVIS, MEMBERS OF THE COMMITTEE ON ECONOMIC DEVELOPMENT AND COUNCIL STAFF. I AM DURYEA C. SMITH, CHIEF, NEW HOUSING AND COMMERCIAL DEVELOPMENT DIVISION, WITHIN THE D.C. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD OR THE DEPARTMENT).

I AM PLEASED TO BE HERE TODAY TO DISCUSS THE DISPOSITION OF DISTRICT OWNED PROPERTY KNOWN AS THE "GEORGETOWN INCINERATOR SITE," WHICH IS LOCATED IN SQUARE 1189, LOT 824, BETWEEN 31ST STREET, SOUTH STREET, K STREET AND WISCONSIN AVENUE, NORTHWEST, IN WARD TWO.

PURSUANT TO D.C. LAW 9-401, THE "DISPOSAL OF DISTRICT OWNED SURPLUS PROPERTY AMENDMENT ACT," THE MAYOR HAS SUBMITTED TO THE COUNCIL FOR ITS REVIEW A PROPOSED LAND DISPOSITION AGREEMENT REGARDING THE SALE OF PROPERTY, KNOWN AS THE GEORGETOWN INCINERATOR SITE, TO MILLENNIUM GEORGETOWN DEVELOPMENT L.L.C. DHCD

RELEASED A REQUEST FOR PROPOSALS (APPROVED ON JULY 1996 BY THE COUNCIL) TO REDEVELOP THE GEORGETOWN INCINERATOR PROPERTY. THREE DEVELOPMENT TEAMS (MILLENNIUM GEORGETOWN DEVELOPMENT, MCCAFFERY PROPERTIES, AND REAL ESTATE SERVICE, INC.) SUBMITTED DEVELOPMENT PROPOSALS ON SEPTEMBER 30,1996 FOR THE REDEVELOPMENT OF THE GEORGETOWN INCINERATOR. THE DEVELOPMENT SCHEMES WERE REVIEWED AND RANKED BY A FIVE MEMBER DHCD SELECTION PANEL THAT INCLUDED THREE MEMBERS FROM OUTSIDE THE AGENCY. THE PANEL'S RECOMMENDATION, WHICH THE DHCD DIRECTOR ACCEPTED, WAS THAT THE MILLENNIUM GEORGETOWN TEAM BE SELECTED FOR THE NEGOTIATION OF AN EXCLUSIVE RIGHT AGREEMENT. THE EXCLUSIVE RIGHT AGREEMENT WAS EXECUTED ON JUNE 13, 1997.

THE ORIGINAL DEVELOPMENT PROPOSAL ACCEPTED BY DHCD CALLED FOR 100,000 SQUARE FEET CONDOMINIUM APARTMENTS,

APPROXIMATELY 30,000 SQUARE FEET OF RETAIL SPACE AND A 250 SPACE PARKING GARAGE. THE MILLENNIUM GEORGETOWN DEVELOPMENT TEAM HAS NOW OBTAINED CONTROL OF THE REMAINDER OF THE LAND IN SQUARE 1189 AND HAS EXPANDED THE PROJECT TO INCLUDE THE WHOLE SQUARE. MILLENNIUM GEORGETOWN DEVELOPMENT PROPOSES TO PURCHASE THE INCINERATOR PROPERTY FOR $4,500,000 (MINUS THE COST OF ENVIRONMENTAL CLEAN-UP) FOR THE PURPOSE OF BUILDING A COMPREHENSIVE MIXED USE DEVELOPMENT (REQUIRING LARGE TRACT REVIEW) THAT ADAPTIVELY REUSES THE INCINERATOR BUILDING. IN COMBINATION WITH ALL THE REMAINING PROPERTY IN SQUARE 1189, THE MIXED USE COMPLEX WILL CONSIST OF A 450 SPACE PUBLIC PARKING GARAGE, 100,000 SQUARE FEET OF CONDOMINIUM APARTMENTS, A 125 ROOM BOUTIQUE HOTEL, A 2,200 SEAT MULTI-THEATER ART CINEMA AND 75,000 SQUARE FEET OF RETAIL SPACE. EVEN WITH THE EXPANSION OF THE PROJECT SCOPE, MILLENNIUM GEORGETOWN IS HOLDING TO THE SCHEDULE ESTABLISHED IN

THE EXCLUSIVE RIGHT AGREEMENT FOR OBTAINING ALL THE NEEDED ZONING APPROVALS BY THE SUMMER OF 1998.

What is vegved?

REDEVELOPMENT OF THE INCINERATOR PROPERTY WILL REMOVE A MAJOR EYESORE THAT HAS BEEN VACANT AND UNUSED SINCE THE CLOSURE OF THE OLD INCINERATOR IN THE 1970S AND WILL CREATE ADAPTIVE NEW USES OF THE SITE THAT RETURN IT TO PRODUCING INCOME, SALES AND PROPERTY TAX REVENUE FOR THE DISTRICT. THE PROJECT DEVELOPMENT WILL PRODUCE 100,000 SQUARE FEET OF MARKET RATE HOUSING UNITS, PROVIDE BADLY NEEDED PUBLIC PARKING, ADD HIGH QUALITY RETAIL SPACE AND ADD A MUCH NEEDED ART CINEMA TO FILL THE VOID LEFT BY THE RECENT CLOSURE OF BOTH THE KEY AND BIOGRAPH THEATERS. THE PROJECT WILL CREATE 530 JOBS AND 127 SPIN-OFF JOBS DURING THE CONSTRUCTION PHASE AND AT COMPLETION WILL CREATE 352 PERMANENT JOBS WITH 66 PERMANENT SPIN-OFF JOBS ELSEWHERE IN THE DISTRICT ECONOMY. DURING THE YEAR AND A HALF CONSTRUCTION

PERIOD, THE PROJECT WILL CREATE $3,000,000 IN TAXES AND AT COMPLETION WILL GENERATE $8,000,000 ANNUALLY IN TAXES FOR THE DISTRICT FROM ALL TAX SOURCES.

THE DEVELOPER HAS OBTAINED THE SUPPORT OF ANC 2E AND THE CITIZENS ASSOCIATION OF GEORGETOWN FOR THE PROJECT AND HAS OBTAINED CONCEPT APPROVAL FOR THE PROJECT FROM THE OLD GEORGETOWN BOARD OF THE COMMISSION OF FINE ARTS.

do we have copies

— Fine Arts
— HPRB

I AM AVAILABLE TO ANSWER QUESTIONS. A MILLENNIUM GEORGETOWN REPRESENTATIVE IS HERE TODAY AND IS PREPARED TO MAKE A BRIEF PRESENTATION OF THE PROJECT AND TO ANSWER ANY SPECIFIC QUESTIONS THE COMMITTEE MIGHT HAVE.

COMMITTEE PRINT

A PROPOSED RESOLUTION

PR12-741

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve the negotiated Land Disposition Agreement (Sales Contract) for the sale of Lot 824, located in Square 1189, to Millennium Georgetown Development L.L.C.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Disposition of Lot 824 in Square 1189 to Millennium Georgetown Development L.L.C. Approval Resolution of 1998".

Sec. 2. The Council of the District of Columbia has reviewed and approved the negotiated Land Disposition Agreement for the sale of Lot 824 by the Department of Housing and Community Development to the Millennium Georgetown Development L.L.C.

Sec. 3. The Secretary to the Council of the District of Columbia shall transmit a copy of this resolution, upon its adoption, to the Mayor of the District of Columbia.

Sec. 4. This resolution shall take effect immediately.

COUNCIL OF THE DISTRICT OF COLUMBIA
One Judiciary Square
441 Fourth Street, NW
Washington, DC 20001

AGENDA & WITNESS LIST

PUBLIC ROUNDTABLE

Committee on Economic Development
Thursday, May 14, 1998
1:00 PM – Council Chamber

I. Call to Order;

II. Witness Testimony on proposed resolutions for land dispositions, extensions of time for disposition and Urban Renewal Area modification:

A) Disposition of Lot 824 in Square 1189 to Millenium Georgetown Development L.L.C. Approval Resolution of 1998", PR 12-741.
Duryea Smith, Department of Housing and Community Development
Anthony Lanier, Millenium Georgetown Development LLC

B) "Extension of Time to Dispose of Square 4107, Lots 227 and 900 and Square 4103, Lots 826 and 827 to Crane Rental Company Approval Resolution of 1998", PR 12-721;
Duryea Smith, Department of Housing and Community Development
Paul Paschall, Crane Rental Co.

C) "Disposition of Lots 90, 91, 92, 105, 106, and 125 in Square 2560 to Adams Morgan Development Limited Partnership Approval Resolution of 1998", PR 12-723;
Duryea Smith, Department of Housing and Community Development

D) "Urban Renewal Plan for the Fourteenth Street Urban Renewal Area Modification Approval Resolution of 1998", PR 12-691;
Duryea Smith, Department of Housing and Community Development
Harriet Hubbard

E) "Extension of Time to Dispose of Square 272, Lot 45 to Donatelli & Klein, Inc. Approval Resolution of 1998", PR 12-722.
Duryea Smith, Department of Housing and Community Development
Louis Donatelli, Donatelli & Klein, Inc.
Chris Dnatelli, Donatelli & Klein, Inc.
Nigel Gragg, consultant to Donatelli & Klein, Inc.

III. Adjournment.

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