IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

DOROTHY Y. DOUGLAS, Plaintiff, v. MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC. Defendant.	Civil Action No.: 5299-02 Judge Natalia Combs-Greene Next Event: Dispositive Motions 11/28/2002

STATEMENT OF MATERIAL FACTS NOT IN DISPUTE

1. Marshall Heights is a not-for profit community development organization serving the residents of Ward 7 in the District of Columbia. Affidavit of Michael Crescenzo (hereafter "Crescenzo Aff."), ¶ 2.

2. Marshall Heights endeavors to improve the quality of life for the residents of Ward 7 in a holistic manner through housing, economic development, and human services programs. Crescenzo Aff. ¶ 2.

3. Among the programs undertaken by Marshall Heights is the renovation of existing houses and the construction of new single-family houses in Ward 7. Crescenzo Aff. ¶ 3.

4. The purpose of this program is to give lower and middle income families desiring to live in Ward 7 the opportunity to own better quality houses than they could afford to purchase from a for-profit seller and to improve the condition of the neighborhoods in which these houses are built. Crescenzo Aff. ¶ 3.

5. Dorothy Douglas, a former member of the Board of Directors of Marshall Heights, claims to be a person with a disability. Deposition of Dorothy Douglas, Vol. 2

Board of Zoning Adjustment
District of Columbia
CASE NO. 17304
EXHIBIT NO. 50A4

(hereafter "Douglas Dep. 2") at 15, lines 2-10; Deposition of Dorothy Douglas, Vol. 1 (hereafter "Douglas Dep. 1")140, line 22, to 141, line 2.

6. In March, 1998, Ms. Douglas first inquired about purchasing a house from Marshall Heights. Douglas Dep. 1 at 36, lines 11 - 13.

7. Ms. Douglas told the Marshall Heights employee to whom she initially spoke, Dwayne Bradford, that she needed a five bedroom house. Douglas Dep. 1 at 37, line 17 to 38, line 3.

8. At that time, Ms. Douglas had two children and four foster children living with her. Douglas Dep. 1 at 134, lines 14-20.

9. On September 25, 1998, Ms. Douglas, met with the then-president of Marshall Heights, Lloyd D. Smith.[1] Ms. Douglas expressed to Mr. Smith that she had been ordered by the Court to obtain appropriate housing for her foster children. Douglas Dep. 2, Ex. 13.

10. Mr. Smith wrote a letter to the attorney representing Ms. Douglas in the court proceedings relating to her foster children, wherein he stated, in pertinent part:

> On behalf of Mrs. Douglas, our organization will be providing the assistance needed to locate and transition a larger home in order to maintain the custody of her foster children. MHCDO is proposing the sale of her current home and to utilize those funds to build a home to suit. The process will take at least six months to complete.
>
> We understand that Ms. Douglas is under a court order to locate appropriate housing, it is our hope that this will support your petition before the courts to afford Ms. Douglas the additional time needed to accomplish this mandate. Douglas Dep. 2., Ex. 13.

11. Ms. Douglas asserts that the house she discussed with Mr. Smith was a "Columbia" model in Banneker Ridge, a housing development of 27 single-family homes

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[1] Mr. Smith's name is mis-transcribed as "Lewis Smith" in the second volume of Ms. Douglas's deposition transcript.

constructed by developed by Marshall Heights and constructed by CIH Homes, LLC as its Project Representative during the period 1999 to 2002. Douglas Dep. 2 at 24, line 18 to 25, line 19; Douglas Dep. 2, Ex. 12; Crescenzo Aff. ¶10.

12. The "Columbia", a four bedroom floorplan, was offered with the option of additional finished rooms in the basement. Douglas Dep. 2, Ex. 12.

13. The minimum sales price of a "Columbia" model, with no added options, was $159,900. Douglas Dep. 2, Ex. 12.

14. The optional attached garage, which Ms. Douglas indicated that she wanted for use as a fifth bedroom, added an additional $4,600 to the purchase price. Douglas Dep. 2, Ex. 12.

15. Marshall Heights does not, and has never, given a house to any individual or family, or taken a purchaser's house in even trade for a house built by Marshall Heights. Crescenzo Aff. ¶ 5.

16. All of the single-family houses renovated or built by Marshall Heights since at least January 1, 1998, including all of the houses in the Banneker Ridge development, have been advertised and sold to members of the public for the price listed in the advertisement. Crescenzo Aff. ¶ 5.

17. Marshall Heights only builds houses on land that it owns. The land is sold to the purchaser along with the house. Crescenzo Aff. ¶ 6.

18. Ms. Douglas's "current home" referred to in Mr. Smith's letter, which she still owns today, is a two bedroom, one bath house located at 4401 Minnesota Avenue, N.E. in Washington, D.C., which Ms. Douglas purchased in 1979. Douglas Dep. 1 at 12, line 19 to 13,

line 8.

19. Its assessed value in 2002 was $53,033, and Ms. Douglas currently owes approximately $5,000 on its mortgage. Douglas Dep. 2, Ex. 29; Douglas Dep. 1 at 13, lines 14-15.

20. Since at least January 1, 1998, Marshall Heights has required all prospective purchasers to provide it with a pre-qualification or pre-approval letter from a mortgage lender prior to signing a contract to purchase a single-family house (whether an existing house or one to be built by Marshall Heights), so as to have some assurance that the purchaser will have the funds to go to settlement. Crescenzo Aff. ¶ 8.

21. Marshall Heights has never provided first trust mortgage loans to homebuyers and has not provided any mortgage loans to homebuyers since at least 1994. Crescenzo Aff. ¶ 12.

22. Marshall Heights has not, since at least January 1, 1998, built any single-family house for, or sold any single-family house to, any individual(s) who has not presented Marshall Heights with a letter from a mortgage lender stating that the individual(s) is pre-qualified or pre-approved for a mortgage loan in the amount of the purchase price, less the purchaser's down payment. Crescenzo Aff. ¶ 8.

23. Marshall Heights' loan from Bank of America, which provided Marshall Heights with all of the construction funding for the Banneker Ridge project, required that, in order for Bank of America to release funds for the construction of each house (other than two speculative and one model houses), Bank of America had to be provided with a copy of a pre-approval letter from a mortgage lender approving the purchaser for a mortgage loan in the amount of the purchase price, less the purchaser's down payment. Crescenzo Aff. ¶ 9.

24. In May, 2000, Ms. Douglas applied to FNMC mortgage company to be pre-qualified for a mortgage. Douglas Dep. 2 at 47, line 5 to 48, line 13; Douglas Dep. 2, Ex. 19.

25. FNMC mortgage company has no relationship to Marshall Heights, although Marshall Heights did refer prospective purchasers to FNMC during the period 1996 to 2002. Crescenzo Aff. ¶ 13.

26. FNMC informed Ms. Douglas that it was unable to pre-qualify her due to her credit history. Douglas Dep. 2, Ex. 20, 21; Douglas Dep. 2 at 48, line 15 to 50, line 14.

27. In August, 2000, Ms. Douglas went to Homefree-USA, an organization that apparently assists persons interested in purchasing a house in preparing to do so, for assistance. The mortgage credit evaluation prepared for Ms. Douglas on behalf of Homefree also reflected Ms. Douglas's credit problems, stating "serious delinquency and derogatory public record or collection filed." Douglas Dep. 2, Ex. 25.

28. Ms. Douglas never presented Marshall Heights with a pre-qualification or pre-approval letter from a lender. Crescenzo Aff. ¶ 14.

29. Marshall Heights and Ms. Douglas never entered into a written contract for the sale of the house that Ms. Douglas discussed with Mr. Smith. Douglas Dep. 1 at 56, lines 3-6.

30. At some point in time prior to May 22, 2000, Ms. Douglas began to be harassed in various ways by an unspecified number of people, some of whom she can name and some of whom she can't, who threw things at her house, threw things in her yard, followed her, called her names, had altercations with her and her family members, and threw "stuff" on her car.[2] Douglas

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[2] All of the undisputed facts in paragraphs 30, 31, and 36 are undisputed for purposes of this motion only.

Dep. 1 at 100, line 10 to 102, line 10; Douglas Dep. 2 at 69, line 15 to 74, line 8.

31. The individuals who she can name who have harassed her are: Sarah McManus, Kenneth McManus, and Michelle Frazier. Douglas Dep. 1 at 102, line 11 to 103, line 4; Douglas Dep. 1 at 108, line 20 to 109, line 4; Douglas Dep. 2 at 72, lines 5 - 22.

32. None of these three individuals are or have been employed by Marshall Heights or on the Board of Marshall Heights. Crescenzo Aff. ¶ 15.

33. Ms. Douglas is unable to identify any other individual who has been harassing her. Douglas Dep. 1 at 100, line 9 to 113, line 23; Douglas Dep. 2 at 66, lin 1 to 74, line 8.

34. On May 22, 2000, Ms. Douglas wrote to Mr. Paul Wagner (who she also refers to as Paul Williams) at Fox 5 News to complain about this harassment. Douglas Dep. 2 at 69, line 15 to 70, line 4; Douglas Dep. 2 Ex. 27.

35. In that letter, Ms. Douglas asserted that she was being harassed because she had complained about drugs in the community. Douglas Dep. 2 Ex. 27.

36. The harassment which Ms. Douglas has continued to suffer from up to the present is the same harassment, meted out by the same people (aside from the incident involving Ms. Frazier), that began prior to her May 22, 2000 letter. Douglas Dep. 2 at 73, line 14 to 74, line 8.

37. On June 27, 2001, Ms. Douglas filed a complaint in the U.S. District Court for the District of Columbia against Marshall Heights, containing almost identical allegations to those in the complaint in this action (absent the retaliation claim). Attachment 1.

38. That lawsuit was dismissed without prejudice exactly one year later, on June 27, 2002, for lack of subject matter jurisdiction. Attachment 2.

39. This lawsuit followed the next day. Attachment 3.

Respectfully submitted,

SCHEUERMANN & TERHUNE

By: _____

John E. Scheuermann (#185470)
Elizabeth Menist (#475052)
700 E Street, S.E.
Washington, D.C. 20003
(202) 547-9180
(202) 547-2050 (fax)

Counsel for the Defendant

Attachment 1

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED

JUN 27 2001

[redacted] CLERK

Dorothy Y. Douglas
4401 Minnesota Ave. N.E.
Washington, D.C. 20019
202-396-0421

V

Marshall Heights Community Development Organization, Inc
3939 Benning Road. NE.
Washington, D.C. 20019
202-396-1212

I, Dorothy Y. Douglas pro-se filing a Complaint of motion Lawsuit with This Court of an alleged violation of housing discrimation has been violated by Marshall Height Community Development Organization, Inc.

On September 25, 1998 Marshall Height Community Development Organization, Inc. fail to keep agreement with me Dorothy Douglas on serveral ocassions including:

1. agrees to sell home and to utilize those funds to buy a home to suit and accomodate my household
2. Make housing available in six months to be process and completed.
3. Deny membership to Marshall Heights Board and senates.
4. On march 30 2000 fail to provide documentations, updat reports, related to sale of housing and to meet with this person.
5. Lost, destory and thrown into the trash all my personal information documentions and Client reports.
6. Provide different housing counseling services, but was deny by FNMC in May 10, 2000, others occassions in May of May and June 2000.
7. All H.C.D. refuse to sell me a house.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

orothy Douglas
v
arshall Heights
ommunity Development Organization, Inc.

8. (MHCO) Marshall Heights Community Developmant Organization refused to negotiate for housing with me.
9. alleged threats, intimidate, retaliation, interfere by Neighbors and others to stop getting this house and exercising my fair housing rights
10. Refused to make reasable available rules, policies, and services necessary for the disabled person and Client related to sale of houses,

I asking for a Trial by Jury and relief to provide make housing available to me To compensate me for damages humulation, pain and suffering.

Award actual damages, attorney's fees and Costs. In addition award punitive damages a house as well as equitable relief.

Please I cannot afford an attorney I asking court to appoint one for me. Maximun amount award me this person. 5000.000 5 million dollars.

Thank you.

Dorothy M Douglas

I would appreciate if you grant my Request,

109 Florida St NE.
Unit 6a
Washington, D.C. 20019

I am writing to concern for my children who have allegedly been subjected to be force to smoke or eat unknown substance given them and placed around an adult or adults & heard them fighting a loosing battle against these people alleged to be a pattern listed below.

- Plotting against anyone or everyone who try to stop or open, get into their way.
- They have other strangers people who live around me, people in the community, working people, people in the community and X-writers to talk you.
- The alleged people are awaiting, standing on the street, following you in cars, walking, surveillance, harassment and your where about.
- They alleged to encourage themselves in evil matters;
- Putting unknown substance on my car, making the grass brown, putting a device to substance into my walking and street etc. It appears they are in great numbers spreading themself like lice and poisoning our children and us.
- The alleged people demonstrate better regards for the children than

000006

[redacted] [redacted] - [redacted]
and will Lose Her life.
I'm Concerned and retaliated against for
believing what is right, protecting
my children and family.
I am scared for environment children
are being introduced to drugs.
I am also afraid for my life and
safety of the children by speaking against
wrongful doing of drugs
Alleged to be the poor, needy and low-income
families are easy target because most nobody
one cares.
The problem has been Reported
to the Executive of Government D.C.
City Councilmembers and Congresswoman
Office not conducted to investigate or
not investigate the problem. Also, inform
the neighbor community.
Information always get back to these
alleged people or we can communicate
to other citizens inform the problem of
the situation.
I don't want my children to be forced
into something against their will by
anyone but rather to have a safe and
drug free life. This could be your child
children or brother to be happen to.

Nobody left to turn to for
Please help to resolve this
and believe me this
old woman who does not
lose our children to drugs or
streets.

Dorothy M. Douglas
[illegible] Northern Ave
Washington D.C. 20011

[illegible] and making this letter date March 6, [illegible]
[illegible] children deeply concerned me coming from [illegible]
I notice gathering of people on the [illegible]
[illegible] and by passing a traffic vehicle [illegible]
important and hope that you take the [illegible]
all information confidential I would to [illegible]
[illegible] store and night as well as [illegible]
ear iron vacant property need attention.
children walk home. march 23 2000

[illegible] Sgt Sherwood Officer Troy Ray and [illegible]
[illegible] my house do to me. Police Presence
[illegible] police patrolling at 2:30 after [illegible]
[illegible] was a threat real and devastated.
[illegible] addressing my problem in doing the
[illegible] community police is interfering [illegible]
[illegible] happen Why I [illegible] Complain of
[illegible]

Sgt.
Provider
rec'd my letter hand-
5/26/2015
Refuse to Stamp and Accept
of letter and date stamp

Lt. Kim
(301) 4[illegible]

000009


U.S. Postal Service
CERTIFIED MAIL RE
(Domestic Mail Only, No Insurance Cove
Article Sent To:
Postage $ .33
Certified Fee .60
Return Receipt Fee (Endorsement Required) 1.25
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees $ 2.18
Commander Patrick Willie
District of Columbia
APR 2000
0003 1543 2497

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Mr. Daniel Marshall
Drug Enforcement
Washington DC 20537

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
Allison McCann 3/8/00

C. Signature
X [signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
[redacted] Cartridge Willie
100 4[redacted]
Washington, D.C.

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature
X ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)
[redacted]



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Article Sent To:

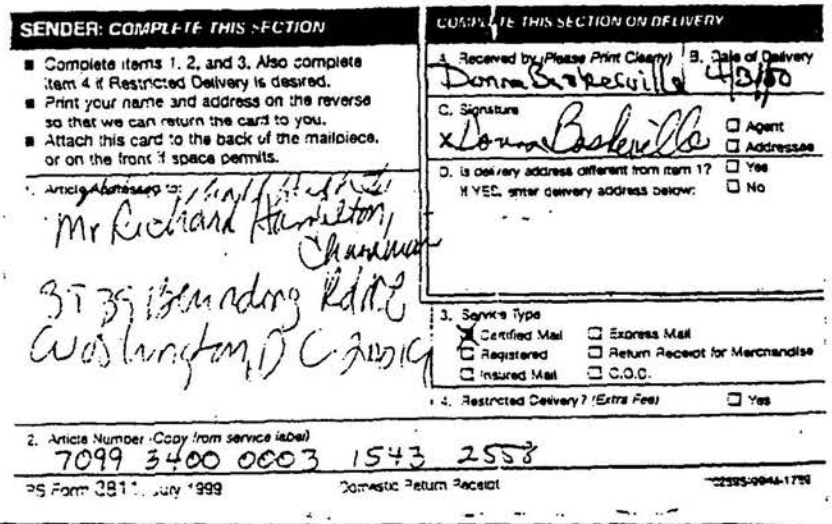
Postage $ .33
Certified Fee 1.40
Return Receipt Fee (Endorsement Required) 1.25
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees $ 2.98

Postmark
APR 2000
USPS

Name (Please Print Clearly) (To be completed by mailer)
Mr. Richard Hamilton
Street, Apt. No.; or PO Box No.
3939 Benning Rd NE
City, State, ZIP+4
Washington, DC 20019

7099 3400 0003 1543 2558

PS Form 3800, January 2000



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Mr Richard Hamilton, Chairman
3939 Benning Rd NE
Washington, D.C. 20019

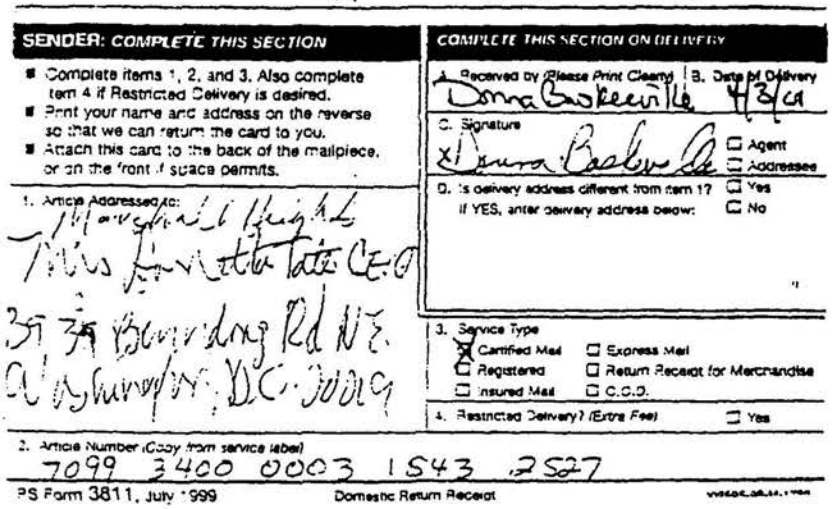
COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Donna Baskerville B. Date of Delivery 4/3/00
C. Signature
x Donna Baskerville ☐ Agent ☐ Addressee
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)
7099 3400 0003 1543 2558

PS Form 3811, July 1999 Domestic Return Receipt



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Marshall Height
Mrs. Dorothy Tate C.E.O
3939 Benning Rd NE
Washington, D.C. 20019

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Donna Baskerville B. Date of Delivery 4/3/00
C. Signature
x Donna Baskerville ☐ Agent ☐ Addressee
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)
7099 3400 0003 1543 2527

PS Form 3811, July 1999 Domestic Return Receipt

March 30, 2000

Dear Mr. Chrescenzo,

I am requesting a meeting with your office to discuss the building of my New Home In Bannecker Ridge.

To learn the status, plans and obtain updated information on my house.

Also, I would like to know how long will it take the house to be ready for my family to move into upon completion.

I appreciate your cooperation and help in this matter. I am avaiable to meet as soon as possible.

Please do not hesitate to contact me, I can be reach on 396-0624.

Respectfull
Dorothy Y. Douglas
4401 Minnesota Ave. N.

CC: Ms. Lorretta Tate, CEO
Mr. Richard A. Hamilton, Chairman
Leslie Sukird, Esq.
Donald Terrell, Esq.
Shiela Wood, Social Worker

FNMC
The Mortgage Company

☞ QUESTIONS, PLEASE CALL:
(703) 658-0604 Bettina Falwell

Referral from Dwayne Bradford

PRE-QUALIFICATION COUNSELING AUTHORIZATION

To Our Customers:

In order to perform your pre-qualification counseling, we need to collect information about your income, assets and credit history. While we will not provide you with a credit decision as a result of this counseling, information from the credit bureaus and bank will allow us to give you a complete estimate of the mortgage size and program that will best meet your financial goals. Upon completion of your pre-qualification counseling, you should have a good idea about the mortgage program and payment amount that you could reasonably support.

Customer Name	Customer Name
Customer Phone # Home/Work	Customer Phone # Home/Work
Social Security # Date of Birth	Social Security # Date of Birth
Current Address	Current Address
Total Yearly Income:_____	Total Yearly Income:_____
Total Monthly Debts:_____	Total Monthly Debts:_____
Total Monthly Rent:_____	Total Monthly Rent:_____
Total Savings Available:_____	Total Savings Available:_____

I have requested mortgage pre-qualification counseling from FNMC, The Mortgage Company and authorize you to provide and release any information and documentation requested by them. Such information may include, but is not limited to personal credit reports, business credit reports, income and asset verification.

I understand that I have not applied for a mortgage loan and do not want a credit decision made at this time. The purpose of this request is to provide FNMC with sufficient information to make recommendations regarding a loan I may apply for in the future.

Customer Signature/Date	Customer Signature/Date

All rates, terms, and fees are subject to change without notice. The above information is published for distribution to area Realtors, Brokers, and Builders only.

The Mortgage Company

(703) 638-0600
(703) 658-0648 fax

May 10, 2000

Dorothy Douglas
4401 Minnesota Avenue, NE
Washington, DC 20019

Dear Dorothy:

Thank you for informing us of the incorrect items on your in-file credit report. Your in-file credit report has been re-evaluated; unfortunately, we are still unable to pre-qualify you at this time due to the following items:

✔		ACTION(S) REQUIRED
☐	Bankruptcy	
☐	Charge-off	
☐	Collection	
☐	Excessive debts	
☐	Insufficient income	
☐	Judgement	
☐	Payment History	contact three (3) main credit bureaus to clean up credit report
☐	Other	
☐	Other	

Once the above-mentioned actions are taken care of, please do not hesitate to contact us. Thank you for your time and understanding.

Sincerely,

Samilia Anthony
Loan Officer

Enclosure

cc: Malcolm Hollensteiner, Branch Manager
Bettina Falwell, Loan Officer Assistant

May 22, 2008

To: Mr. Paul Wagner
c/o FOX 5
5151 Wisconsin Ave NW.
Washington, DC 20016

From: Dorothy Douglas
[redacted]
Washington, DC 20019

Dear Mr. Wagner,

I have been singled out for complaining of the drugs in the area and commenting. Everywhere I go the people stalking me at the fire school, doctor's office etc

I have been exposed to voices funneled by neighbors and as a result of constantly unknown substances that come into my home as we sleep.

It is very easy to see what happens the drug dealers forced kids into taking drugs until later become dependent on the substance. They seeking protection could because it's alleged to be illegal give them a free hand to run they business. That interference controlling and nurturing children. It is a direct [illegible] right to be hidden from parents and the public.

They rebelled by surrounding those who report me to you to hurt and destroy using the [illegible] to use criminal charges or civil solicitors to make sick, have accident and kill to stop the [illegible]

There people known my civil movement and [illegible]

fortelling what is happen to yourkids.
It is very painfull to discuss this
on going problem and no one will listen it
as not done all around you.
Enclosed is Information we discussed on the phone.

Thank you
Dorothy McDuffie

If something should happen to me look at
these alleged group.
Mr Mandis
Marshall
Fax O
Devalli's Towing
Tibbs

[redacted]

D.C. BAR PUBLIC [redacted]E ACTIVITIES CORPO[redacted]ON

ADVICE & REFERRAL CLINIC

INTERVIEW FORM

Intake Date:_____ Intake Site: BREAD & ZACCHAEUS

Name: Dorothy Dawson Number: 57

Address: 4401 Minnesota Ave N.E. Zip:_____

Phone: 202 396 0484 Alternate Phone:_____

Gross Annual Household Income: $7045 Household Size: 7

Do Not Write Below This Line

Type of Legal Problem:

- ___ Bankruptcy/Debt Collection
- X Consumer
- ___ Employment
- ___ Family Law
- ___ Health Law
- ___ Immigration/Asylum
- ___ Housing
- X Personal Injury
- ___ Probate
- ___ Public Benefits
- ___ Tax
- ___ Other DISCRIMINATION

Brief Description of Problem:
Case Pending: NO ~~YES~~ Court Date:
Opposing Party(ies): CITY AUTHORITIES AND NEIGHBORS

(1) DOROTHY LIVES AT THE ADDRESS GIVEN ABOVE, IN HER OWN PROPERTY. SHE CLAIMS HER NEIGHBORHOOD IS DRUG INFESTED AND ON 4/19/99, SHE WROTE THE POLICE AND SUBSEQUENTLY THE CITY AUTHORITIES REGARDING THE DRUG PROBLEM AND SOUGHT

Brief Statement of Advice: PROTECTION FOR HERSELF AND HOUSEHOLD. AS A RESULT, SHE BELIEVES, SHE HAS BEEN IGNORED BY THE D.C. AUTHORITIES, HAS BEEN DISCRIMINATED AND DENIED THE PROTECTION SHE SOUGHT. SHE IS SEEKING HELP (LEGAL) TO COMPEL THE AUTHORITIES TO PROTECT HER AGAINST HARASSMENT FROM NEIGHBORS. SHE BELIEVES THIS TREATMENT IS RELATED TO A CLASS ACTION SUIT AGAINST D.C. DEPARTMENT OF CORRECTIONS PENDING IN U.S. APPEALS COURT.

(2) SHE DEPOSITED $20,000 WITH D.C. TEACHERS CREDIT UNION. HER MONEY HAS REDUCED ABOUT $ 9,000. SHE WANTS MANAGEMENT COMPELLED TO EXPLAIN THE DIFFERENCE.

Agency Referred To:_____

Address:_____

Phone Number:_____ Hours of Intake:_____

Agency Referred To:_____

Address:_____

Phone Number:_____ Hours of Intake:_____

D.C. BAR PUBLIC SERVICE ACTIVITIES CORPORATION
ADVICE & REFERRAL CLINIC
INTERVIEW FORM

Intake Date: 7/8/2000 Intake Site: BREAD & ZACCHAEUS

Name: _____ Number: 0057

Address: _____ Zip: _____

Phone: _____ Alternate Phone: _____

Gross Annual Household Income: _____ Household Size: _____

Do Not Write Below This Line

Type of Legal Problem:

____ Bankruptcy/Debt Collection
____ Consumer
____ Employment
____ Family Law
____ Health Law
____ Immigration/Asylum
____ Housing
____ Personal Injury
____ Probate
____ Public Benefits
____ Tax
____ Other _____

Brief Description of Problem:
Case Pending: NO / YES Court Date: _____
Opposing Party(ies): _____

Brief Statement of Advice:
Advised on foster care that Children are ward of state and her rights are limited.
Regarding Loan, advised to ~~to~~ meet with Credit Union loan officer to obtain explanation
Gave number of ~~Federal~~ U.S. Attorneys to pursue with regard to narcotics trouble in neighborhood.
And finally, ~~she~~ advised to ~~speak~~ speak with Credit Counselor about credit report & instruct her to fax ~~her~~ Status to MHCDC

Agency Referred To: _____
Address: _____
Phone Number: _____ Hours of Intake: _____

Agency Referred To: _____
Address: _____
Phone Number: _____ Hours of Intake: _____

(2.)

(3) DOROTHY HAS ~~CUSTODY~~ A COURT MAKING HER A SPECIAL FOSTER PARENT FOR NIECE'S CHILDREN SHE BELIEVES THE ~~STUDENT~~ SOCIAL DEPARTMENT IS INTERFERRING WITH HOW SHE CARES FOR THE CHILDREN AND RELATED ISSUES. SHE WANTS TO KNOW THE EXTENT OF HER RIGHTS AS A FOSTER PARENT.

(4) DOROTHY IS SEEKING HELP TO COMPEL MHCDO, ~~A CO~~ A COMMUNITY ORGANIZATION TO PROVIDE HER WITH HOUSING PURSUANT TO A COURT ORDER TO HER TO FIND HOUSING TO ACCOMODATE HER HOUSEHOLD. HER ~~DAC~~ CREDIT COUNSELOR, BETTINA FALWELL AT 703-658-0604.

FNMC
The Mortgage Company

July 12, 2000

Dorothy Douglas
4401 Minnesota Avenue, NE
Washington, DC 20019

Dear Dorothy:

Thank you for providing your revised credit report information to us for review. After review of your information, it has been determined that we are still unable to pre-qualify you due to the following issues:

Account & Contact #	Status	Amount	Action(s) Required
Montgomery Wards	Recent late payment 4/00 after we pulled your credit report	NA	12 months of on-time payments
Sally Beauty Supply	Collection	$45	Updated credit report shows you still owe $45

The action(s) required to correct these problems are listed above. If you need credit counseling assistance, you can contact Housing Counseling Services at (202) 667-7006. If the above-mentioned items are incorrect or after taking care of these items, you would like to pre-qualify, please contact me at (703) 658-0600. Thank you for your time and understanding.

Sincerely,

Sanibel Anthony
Loan Officer

50 • Annandale, VA 22003 • Office (703) 658-0600 • Fax (703) 658-0648

Disability Section/Civic Rights Division
U.S. Department of Justice
P.O. Box 66738
Washington, D.C. 20035-6738

Dear Mr. Wodatch

The Marshall Heights was to have been providing me with assistance needed for a larger home in order to maintain the custody of my foster children and family.

1. Since that time all of my files have been lost pertaining to the house.
2. I was told to see FNMC Mortgage Company, I was only given one prequalification form to send to them since 1998.
3. FNMC kept denying me
4. I was asked to submit a letter of something in writing stating that I was 60 days due the late payment on my Montgomery Ward bill July 14, 2000.
5. I was asked on July 18, 2000 to write another letter and also on July 19 2000 explaining my condition and medical conditions such as if I could not breast or bottle feed my baby. As well a statement from the doctor the problem specific to the conditions.
6. Our meeting on July 19 2000 No. Sandra Gutlow requested above information that all these documents

000021

D. Doug

7. I was refered to D.C. FINANCE/DC HOME RESOURCE CENTER by Ms. Sanilea Anthony.
8. I requested information about FHMC Mortgage loans Sanilea Anthony refused to provide me with information regarding a mortgage loans Marshall Heights Organization never provide me this information at no time as well.
9. Ms Sanilea Anthony stated that she wanted to make sure that I was telling the truth about my illness so they could make sure before give anybody a 100,000.00. Then she gave me a application but I am afraid to fill it out because I am afraid that they're going to keep denying me. I also don't have the proper information to obtain a Mortgage loan from neither organization.
10. I applied for a job at Marshall Heights and submitted my resume but was told thrown into the trash.
11. I submitted to be nominated to be the Board for Marshall Heights that information would be locate and refused to provide me with information on the guidline.
12. A letter was submitted to the Nominate Committee the request I am the victim of Fraud Scheme. The Committee refused to accepted the letter because it was not typed and I was denied placement on the Board in 1999.
13. I wrote the police during the solicitation from the neighborhood neighbors.

S. Douglas

As well as I procured to Fruit Fumes and they are constantly bring word of explosion substation every day or night. The smoke travels into my house and Children have asthma and I have a infant grandson who lives here making us sick as well.

14. We are constantly being stalk every day as the Kids play in store, doctors in every sweepstake.

15. I also believe it has something to with a class action lawsuit I have against the Department of Corrections.

15. I deposited $20.000 with the D.C Teachers Credit Union so either my monies has been reduced to about 4 or 5 dollars.

16. No matter how many times I report things to the police nothing is being done.

17. I submitted to Mr Paul Wayne a tape of the Drug Sign activities Posted in a Business Yard about May 22, 2000 by mail he refused to return my calls or return my tape who is for Channel 5 News.

18. I wrote Mr. Daniel Friedman who referred my information to Mr. Albert Herring U.S. Attorney office 555 4th Street N.W. Washington, D.C 20001 (202) 305-1403 or 305-1368 Ms. Tilley.

19. As of this date we are still being [illegible]

(2)

20. Vehicles stack and moved near the house all hours, as well as wait and coming in and going out.
21. Some body interfere and leaking information it appear to be the problem.
22. Neighbors abusing juveniles in their place at alleged.

Your help will be a great assistant to me in anyway possible to resolve these problems and their entundering.

Thank You
Dorothy J. Douglas

I can be reach at (202) 396-0421
Name Dorothy Douglas
Address 2401 Minnesota Ave NE
Washington, D.C. 20019



396-4106

MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC.
3917 Minnesota Avenue, N.E., Second Floor
Washington, D.C. 20019
(202) 396-1200
(202) 396-4106 - Facsimile

Lloyd D. Smith
President & CEO

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September 25, 1998

Donald B. Terrell
Counselor and Attorney at Law
1511 K Street, NW Suite 438
Washington DC 20005

Re: Dorothy Douglas
4401 Minnesota Ave. NE
Washington DC 20019

Dear Mr. Terrell, Esq.:

On behalf of Mrs. Douglas, our organization will be providing the assistance needed to locate and transition a larger home in order to maintain the custody of her foster children. MHCDO is proposing the sale of her current home and to utilize those funds to build a home to suit. The process will take at the least six months to complete.

We understand that Ms. Douglas is under a court order to locate appropriate housing, it is our hope that this will support your petition before the courts to afford Ms. Douglas the additional time needed to accomplish this mandate.

If further information or other verification is needed, please do not hesitate to contact Dwayne Bradford or Mildred Harris on the above number.

Respectfully,

Lloyd D. Smith
President & CEO

CC: Deborah R. Jackson, MSW
Leslie Sukind, Esq.

MHCDO'S
HOMEBUYERS CLUB

CLIENT COUNSELING AGREEMENT

I agree to participate in counseling sessions to help improve my (our) housing situation. I understand that staff counselors may discuss information on my credit history, financial situation, employment and/or related family problems and concerns. I understand that it may be necessary for the counselors to discuss this information with representatives of other firms or agencies as is necessary to seek a solution to my problem(s), and/or concerns.

I also understand that these procedures are necessary in assisting me with my housing problem(s). I understand that information about my personal circumstances will not be divulged to any party who is not directly involved in this situation.

I authorize the Marshall Heights Community Development Organization to release credit, financial, employment and/or other information to agencies or firms that may be essential in the solution of my housing problem(s).

Date: Aug 28, 1998

Signature of Client(s) Dorothy J. Douglas

Signature of Counselor Wilda B. Harris

Note: Return one signed copy to the client for their personal records.

AFFORDABILITY WORKSHEET					
PREPARED BY:	DWAYNE BRADFORD				
NAME	Dorothy Douglas				
ADDRESS					
PHONE HM					
PHONE WK					
DATE	9/23/98				
SCENARIO:	VPAP				
SALES PRICE:		$ 160,000.00	EST. CLOSING (%)		4%
INCOME:		$ 43,412.00	EST. CLOSING ($)	$	6,400.00
MONTHLY:		$ 3,617.67	SECOND TRUST:	$	-
HOUSEHOLD SIZE:		2	THIRD TRUST:	$	-
INTEREST RATE:		6.50%	MONTHLY DEBTS:	$	374.00
DOWNPAYMENT	3%	$ 4,800.00	INSURANCE:	$	40.00
SAVINGS			CONDO FEES:		
TOTAL FUNDS NEEDED:					
SALES PRICE:		$ 160,000.00		$ 160,000.00	
CLOSING	4%	$ 6,400.00		$ 6,400.00	
TOTAL FUNDS NEEDE		$ 166,400.00		$ 166,400.00	
SOURCES OF FUNDS:					
SECOND MORTGAGE		$ -		$ -	
THIRD MORTGAGE		$ -		$ -	
DOWNPAYMENT		$ 4,800.00		$ 4,800.00	
1ST TRUST NEEDED:		$ 161,600.00		$ 161,600.00	
TOTAL SOURCES:		$ 166,400.00		$ 166,400.00	
P&I PAYMENT		$ 1,021.42		$ 1,021.42	
2ND HPAP:		$ -		$ -	
CONDO FEES:		$ -		$ -	
INSURANCE:		$ 35.00		$ 35.00	
TAXES:		$ 80.00		$ 80.00	
MIP:		$ 35.00		$ 35.00	
TOTAL PAYMENT:		$ 1,171.42		$ 1,171.42	
MONTHLY DEBT:		N/A		$ 374.00	$ 203.29
HOUSING COST+DEBT		$ 1,171.42		$ 1,545.42	
ACTUAL RATIOS:		32.4%		42.7%	

AFFORDABILITY WORKSHEET					
PREPARED BY:	DWAYNE BRADFORD				
NAME	Dorothy Douglas				
ADDRESS	Somewhere Rd.				
PHONE HM	396-0421				
PHONE WK					
DATE	11/19/99				
SCENARIO:	HPAP				
SALES PRICE:		$ 130,000.00	EST. CLOSING (%)		4%
INCOME:		$ 36,000.00	EST. CLOSING ($)	$	5,200.00
MONTHLY:		$ 3,000.00	SECOND TRUST:		
HOUSEHOLD SIZE:		2	THIRD TRUST:	$	-
INTEREST RATE:		7.50%	MONTHLY DEBTS:		
DOWNPAYMENT	3%	$ 3,900.00	INSURANCE:	$	40.00
			CONDO FEES:		
TOTAL FUNDS NEEDED:					
SALES PRICE:		$ 130,000.00		$ 130,000.00	
CLOSING	4%	$ 5,200.00		$ 5,200.00	
TOTAL FUNDS NEEDE		$ 135,200.00		$ 135,200.00	
SOURCES OF FUNDS:					
SECOND MORTGAGE		$ -		$ -	
THIRD MORTGAGE		$ -		$ -	
DOWNPAYMENT		$ 3,900.00		$ 3,900.00	
1ST TRUST NEEDED:		$ 131,300.00		$ 131,300.00	
TOTAL SOURCES:		$ 135,200.00		$ 135,200.00	
P&I PAYMENT		$ 918.07		$ 918.07	
2ND HPAP:				$ -	
CONDO FEES:				$ -	
INSURANCE:		$ 30.00		$ 30.00	
TAXES:		$ 80.00		$ 80.00	
MIP:		$ 35.00		$ 35.00	
TOTAL PAYMENT:		$ 1,043.07		$ 1,043.07	
MONTHLY DEBT:		N/A		$ -	$ 98.93
HOUSING COST+DEBT		$ 1,043.07		$ 1,043.07	
ACTUAL RATIOS:		34.8%		34.8%	

United States
Office of
Personnel Management

Washington, DC 20415-0001

In Reply Refer To: Your Reference:

Dorothy Y. Douglas
4401 Minnesota Av NE
Washington, DC 20015

• CSA: 3 575 932

March 17, 1995

Dear Ms. Douglas:

Your application for disability retirement has been approved.

According to information received from your agency, you have not been separated from government service. Therefore, we are notifying your agency of the approval and asking them to separate you. We are also asking them to give us your last day of pay. Payment of annuity cannot start until after your last day of pay. (If you are in a sick leave pay status, the last day of pay will be the day your sick leave is exhausted.) This information, when received, will enable us to begin sending you interim annuity payments. You should receive the first payment within 14 to 20 calendar days from the date your agency gives us the last day of pay, and on the first business day of the month thereafter until we are able to complete the full processing of your claim. You will receive a statement explaining the interim payments when they begin.

We are also asking your agency to send us your final separation records so we can establish your final annuity rate. Interim annuity payments will continue until processing is complete.

Sometimes medical conditions that are disabling for a period of time improve. If your medical condition improves to the point you, and your physician, feel your disabling condition is resolved, you may ask us to review current medical evidence to determine if you have recovered. If you are found recovered from your disabling medical condition on your request, annuity payments will cease the month following the one in which the determination is effective.

In addition, if you are under age 60 we may ask you from time to time to submit detailed medical evidence to show your condition continues to be disabling. If the medical evidence shows your condition has improved to the point you can again perform the duties of your previous position, we will find that you are medically recovered. If you are found medically recovered from your disabling medical condition, annuity payments will cease one year from the date of the medical examination on which the action is based.

In either case, you need to understand that if you are found recovered, your former employing agency is not obligated to rehire you into your former position, or any position. If your annuity payments are terminated because you are found medically recovered, you will be eligible for a deferred annuity at age 62 or at an earlier date if you meet service criteria for a discontinued service retirement. We will inform you when you are eligible if we find you recovered.

Please be sure to notify us if you are reemployed with the Federal Government, your marital status changes, or there is a change in your address (either the address where we send your payment, or the address where you wish us to send correspondence, notices, etc). You can report these events and get answers to general questions from our Retirement Information Office on (202) 606-0500, or you may write to the Office of Personnel Management, Retirement Operations Center, Boyers, PA 16017. Be sure to include your Civil Service Annuity (CSA) claim number on any correspondence.

Please keep this letter with your other retirement papers for future reference. We are enclosing a pamphlet entitled "Information for Disability Annuitants" which should answer many of your questions.

You may become eligible for Medicare based on your disability. To qualify, you must be disabled within the meaning of the Social Security Act for 29 months and you must have sufficient earnings in Medicare covered employment, including Federal employment. If you believe you may qualify for Medicare, you should contact your local Social Security office promptly to file an application. A delay in filing could result in a delay in the date your Medicare entitlement may begin.

Attachment 2

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED
JUN 27 2002
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

DOROTHY DOUGLAS,

Plaintiff,

v.

MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC.,

Defendant.

Civil Action No. 01-1409 (ESH)

ORDER

For the reasons stated in the accompanying Memorandum Opinion, on this 27 day of June 2002, it is hereby

ORDERED that Defendant's Motion to Dismiss [Dkt. #22-1] is GRANTED, and it is

FURTHER ORDERED that Defendant's Motion for Judgment on the Pleadings [Dkt. # 22-2] is DENIED, and it is

FURTHER ORDERED that the complaint is DISMISSED without prejudice. This is a final appealable Order. *See* Fed. R. App. P. 4(a).

Ellen S Huvelle

ELLEN SEGAL HUVELLE
United States District Judge

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED
JUN 2 7 2002
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

DOROTHY DOUGLAS,

Plaintiff,

v.

MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC.,

Defendant.

Civil Action No. 01-1409 (ESH)

MEMORANDUM OPINION

This matter is before the Court on Defendant's Motion to Dismiss or, in the Alternative, for Judgment on the Pleadings.[1] The Court will dismiss the complaint.

Plaintiff, a District of Columbia resident and is proceeding *pro se* in this matter, brought this civil action against the Marshall Heights Community Development Organization, Inc. ("MHCDO"). MHCDO's mission is to "foster development and revitalization in Ward 7 in the District of Columbia, including among other projects, the construction of affordable low/moderate income residential housing. . .." Defendant's Statement of the Case, p. 1. Plaintiff alleges that MHCDO discriminated against her by failing to provide her with a 5-bedroom house suitable for herself and her foster children. *See* Compl., p. 1. She seeks damages totalling $500,000 and a jury trial.

The parties appeared before the Court on January 21, 2002. According to MHCDO, it did attempt to assist Plaintiff in obtaining a larger home. MHCDO's efforts were not successful.

[1] The Court advised Plaintiff of her obligation to respond to Defendant's motion. *See* April 23, 2002 Order [Dkt. #24]. Plaintiff did submit an opposition to Defendant's motion.

(2)

however, because Plaintiff did not pre-qualify for a mortgage. Without a preapproved mortgage, MHCDO was not able to secure financing for the construction of the house.[2]

Federal district courts have jurisdiction in civil actions arising under the Constitution, laws or treaties of the United States. *See* 28 U.S.C. § 1331. Having reviewed the pleadings and having heard from the parties, the Court identifies no federal question. Federal district courts also have jurisdiction of civil actions where the matter in controversy exceeds $75,000, and is between citizens of different states. *See* 28 C.F.R. §1332(a). The parties both are in the District of Columbia: no diversity jurisdiction exists. This action will be dismissed for lack of subject matter jurisdiction.

Ellen S Huvelle

ELLEN SEGAL HUVELLE
United States District Judge

DATE: 6/27/02

[2] The Court afforded Plaintiff an opportunity to resolve her dispute with MHCDO. The Court appointed counsel to represent Plaintiff for purposes of mediation only, and referred the parties to mediation before Magistrate Judge Robinson. The parties, however, did not settle the case.

Attachment 3

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

RECEIVED
Civil Clerk's Office
02-0003299
JUL 28 2010
Superior Court of the
District of Columbia
Washington, D.C.

Plaintiff

vs.

Action No. _____

Defendants

COMPLAINT

1. Jurisdiction of this court is founded on D.C. Code Annotated, 1973 edition, as amended, Sec. 11-921.

Wherefore, Plaintiff demands judgment against Defendant in the sum of $ _____ with interest and costs.

_____
Phone:

DISTRICT OF COLUMBIA, SS

_____, being first duly sworn on oath deposes and says that the foregoing is a just and true statement of the amount owing by defendant to the plaintiff, exclusive of all set-offs and just grounds of defense.

_____
(Plaintiff Agent)

Subscribed and sworn to before me this _____ day of _____ 20 _____

_____
(Notary Public/Deputy Clerk)

FORM CV-1013/ Nov 00

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

DOROTHY Y. DOUGLAS, Plaintiff, v. MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC. Defendant.	Civil Action No.: 5299-02 Judge Natalia Combs-Greene Next Event: Dispositive Motions 11/28/2002

AFFIDAVIT OF MICHAEL CRESCENZO

City of Washington)
District of Columbia) ss:

I, Michael Crescenzo, first being duly sworn, hereby depose and state:

1. I am over eighteen years of age and have first-hand knowledge of the statements made herein.

2. Marshall Heights is a not-for profit community development organization serving the residents of Ward 7 in the District of Columbia. Marshall Heights endeavors to improve the quality of life for the residents of Ward 7 in a holistic manner through housing, economic development, and human services programs.

3. Among the programs undertaken by Marshall Heights is the renovation of existing houses and the construction of new single-family houses in Ward 7. The purpose of this program is to give lower and middle income families desiring to live in Ward 7 the opportunity to own better quality houses than they could afford to purchase from a for-profit seller and to improve the condition of the neighborhoods in which these houses are built.

4. I am employed by Marshall Heights as its Senior Vice President and have been so employed since 1994. In my capacity as Senior Vice President, I am responsible for overseeing Marshall Heights' renovation, construction, and sale of houses.

5. Marshall Heights does not, and has never, given a house to any individual or family or taken a purchaser's house in even trade for a house built by Marshall Heights. All of the single-family houses renovated or constructed by Marshall Heights, since at least January 1, 1998, have

been advertised and sold to members of the public for the price listed in the advertisements. All such sales have been made pursuant to written sales contracts executed by the purchaser and Marshall Heights.

6. Marshall Heights only builds houses on land that it owns. The land is sold to the purchaser along with the house.

7. Marshall Heights has never built a house for any specific individual(s) unless that individual(s) has signed a written contract to purchase that particular house. Marshall Heights has never transferred ownership of a house that it has built or renovated to any individual(s) except by selling such house, pursuant to a written contract, to that individual or individuals for the sale price stated in the advertisements for such house.

8. Since at least January 1, 1998, Marshall Heights has required all prospective purchasers to provide it with a pre-qualification or pre-approval letter from a mortgage lender prior to signing a contract to purchase a single-family house (whether an existing house or one to be built by Marshall Heights) so as to have some assurance that the purchaser will have the funds to go to settlement. Marshall Heights has not, since at least January 1, 1998, built any single-family house for, or sold any single-family house to, any individual(s) who has not presented Marshall Heights with a letter from a mortgage lender stating that the individual(s) is pre-qualified or pre-approved for a mortgage loan in the amount of the purchase price, less the purchaser's down payment.

9. Since 1996, Marshall Heights has obtained the funding to renovate and build houses through loans from commercial lenders, including Bank of America, BB&T and First Union and from nonprofit entities including the Fannie Mae Foundation and LISC. It repays these loans with the proceeds from the sale of the houses renovated or constructed. Marshall Heights has had no funds for construction or renovation other than what it has obtained through the aforesaid loans. From time to time Marshall Heights has received small grants and/or linkage funds to assist in the acquisition of land or the write down of land development costs. Marshall Heights has invested these funds as its equity into its projects. These funds have enabled Marshall Heights to sell its houses at affordable prices in furtherance of its charitable mission.

10. Banneker Ridge is a housing development of 27 single-family homes developed by Marshall Heights and constructed by CIH Homes, LLC as its Project Representative during the period 1999 to 2002.

11. The loan agreement with Bank of America for the loan that financed the construction of the Banneker Ridge development required that, in order for Bank of America to release funds for the construction of each house, Bank of America had to be provided with a copy of a pre-approval letter from a mortgage lender approving the purchaser for a mortgage loan in the amount of the purchase price, less the purchaser's down payment. A copy of this loan agreement is attached hereto as Exhibit 1.

12. Marshall Heights has never provided first trust mortgage loans to homebuyers and has not provided any mortgage loans to homebuyers since at least 1994.

13. FNMC mortgage company, and its successor National City Mortgage, have no relationship to Marshall Heights, although Marshall Heights did refer prospective purchasers to FNMC during the period 1996 to 2002.

14. Ms. Douglas never presented Marshall Heights with a pre-qualification or pre-approval letter from a lender.

15. Sarah McManus, Kenneth McManus and Michelle Frazier are not employed by Marshall Heights and are not on the Board of Directors of Marshall Heights. To the best of my knowledge, none of the aforementioned have ever been employed by Marshall Heights nor has any of them been on the Board of Directors of Marshall Heights. My certain knowledge of these facts dates back only to 1994.

Michael Crescenzo

Subscribed to and sworn before me this 29 day of November, 2002.

Elena I. Moore
Notary Public

Elena I. Moore
Notary Public, District of Columbia
My Commission Exoires 11-30-2005

Exhibit 1 3 ✓

LOAN AGREEMENT

THIS LOAN AGREEMENT, made this 14 day of July, 1999 by and between MARSHALL HEIGHTS COMMUNITY DEVELOPMENT ORGANIZATION, INC., a District of Columbia not for profit corporation (the "Borrower") and BANK OF AMERICA, N.A., a national banking association, formerly known as NationsBank, N.A. (the "Lender").

WHEREAS, the Borrower is the owner in fee simple of certain real property more particularly described on "EXHIBIT A" attached hereto and by this reference made a part hereof; and

WHEREAS, the Lender has agreed to make two certain loans to the Borrower, one in the principal sum of $440,000.00 ("Loan No. 1"), and the other in the principal sum of $1,200,000.00 ("Loan No. 2"), (Loan No. 1 and Loan No. 2 being hereinafter individually and collectively referred to as the "Loan"), which sums are to be used in accordance with the terms hereof and of which Loan No. 1 is to be used by the Borrower for the development of the aforesaid property and Loan No. 2 is to be used by the Borrower for and on account of materials to be furnished and labor and services to be performed in connection with the construction of certain improvements upon the aforesaid property described on "EXHIBIT A" attached hereto, and

WHEREAS, simultaneously with the execution and delivery hereof, the Borrower has executed two certain Deed of Trust Notes, one in the amount of $440,000.00 dated of even date herewith ("Note No. 1") and the other in the amount of $1,200,000.00 dated of even date herewith ("Note No. 2"), (Note No. 1 and Note No. 2 being hereinafter individually and collectively referred to as the "Note") for the repayment of the amounts aforesaid, with interest as therein provided, and a certain Deed of Trust of even date herewith to secure the same;

W I T N E S S E T H:

For and in consideration of these presents, and in further consideration of the mutual covenants and agreements herein set forth and of the sum of TEN AND NO/100 DOLLARS ($10.00) lawful money of the United States of America by each of the parties to the other paid, receipt of which is hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

1.0 Definitions.

Borrower and Lender agree that, unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

(a) Architect - The architect, if any, named in the Plans and Specifications.

(b) Borrower - The party hereinabove designated as such, its successors and assigns.

(c) Commitment - The commitment for a loan from the Lender to the Borrower dated March 29, 1999, as amended April 26, 1999, as the same may be from time to time amended.

(d) Completion Date - Nine months from the date that construction of each house commenced shall be the Completion Date for that particular house, not to extend beyond the Maturity Date as defined in the Note.

(e) Construction Contract - Any contract for the construction of the Improvements made by the Borrower and a general contractor and approved in writing by the Lender, as the same may be from time to time amended with the prior written approval of the Lender.

(f) Construction Management Contract - The contract, if any, made by the Borrower for management services associated with the development of the Land and construction of the Improvements approved in writing by the Lender, as the same may from time to time be amended with the prior written consent of the Lender.

(g) Construction Manager - The construction manager named in the Construction Management Contract, if any, and his or its successors and permitted assigns.

(h) Deed of Trust - That certain Deed of Trust and Security Agreement made by the Borrower to secure the Lender of even date herewith, as the same may from time to time be amended, modified or supplemented.

(i) Event(s) of Default - Any of the happenings, events, circumstances or occurrences described in Article VI of this Loan Agreement.

(j) General Contractor - The general contractor named in the Construction Contract, if any, and his or its successors and permitted assigns.

(k) Hazardous Materials - Any (i) hazardous wastes and/or toxic chemicals, materials, substances or wastes occurring in the air, water, soil or ground water at the Mortgaged Property as defined by the Comprehensive Environmental Response, Compensation,

and Liability Act of 1980 (Superfund or CERCLA), 42 U.S.C. §§ 9601 et seq., the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. § 9601(20)(D), the Resource Conservation and Recovery Act (the Solid Waste Disposal Act or RCRA), 42 U.S.C. §§ 9601 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (CWA), 33 U.S.C. §§ 1251 et seq., the Clean Air Act of 1966 (CAA), 42 U.S.C. §§ 7401 et seq., and the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601, et seq., as these statutes may be amended from time to time, and regulations promulgated thereunder; (ii) any oil, petroleum, petroleum products, and their by-products; (iii) any hazardous substance; (iv) any substance, the presence of which is prohibited or controlled by any other applicable federal or state or local laws, regulations, statutes or ordinances now in force or hereafter enacted relating to waste disposal or environmental protection with respect to hazardous, toxic or other substances generated, produced, leaked, released, spilled or disposed of at or from the Mortgaged Property; and (v) any other substances which by law require special handling in its collection, storage, treatment or disposal including, but not limited to, asbestos, polychlorinated biphenyls (PCBs), urea formaldehyde foam insulation and lead-based paints, but not including small quantities of such materials present on the Mortgaged Property in retail containers.

(l) Hydric Soils - Any soil category upon which construction of Improvements would be prohibited or restricted under applicable governmental requirements, including, without limitation, those imposed by the U. S. Army Corp of Engineers.

(m) Improvements - Any and all buildings, structures, improvements, alterations or appurtenances now erected or at any time hereafter constructed or placed upon the Land or any portion thereof and any replacements thereof including without limitation, all equipment, apparatus, machinery and fixtures of any kind or character forming a part of said buildings, structures, improvements, alterations or appurtenances.

(n) Indebtedness - All amounts due the Lender, pursuant to or on account of the Note, this Loan Agreement or any of the other Security Documents, including, without limitation, all principal (including, again without limitation, any principal that is advanced after the date of this Loan Agreement and any principal that is repaid and readvanced), interest, late charges, loan fees, extension fees, prepayment fees, and all other payments required to be made by the Borrower pursuant to or on account of the Note, this Loan Agreement or any of the other Security Documents.

(o) Land - The property described in "EXHIBIT A" attached to the Deed of Trust, as from time to time modified, amended or supplemented, and by this reference made a part hereof.

(p) Lender - The party hereinabove designated as such, its successors and assigns.

(q) Loan - The loan from the Lender to the Borrower, evidenced by the Note and secured by the Security Documents.

(r) Mortgaged Property - The property described as such in the Deed of Trust.

(s) Note - Individually and collectively, that certain Deed of Trust Note of the Borrower to the order of the Lender dated of even date herewith in the original principal amount of $440,000.00 together with any renewals, amendments, modifications, extensions or replacements thereof, (also referred to herein as "Note No. 1"),and that certain Deed of Trust Note of the Borrower to the order of the Lender dated of even date herewith in the original principal amount of $1,200,000.00 dated of even date herewith, together with any renewals, amendments, modifications, extensions or replacements thereof (also referred to herein as "Note No. 2").

(t) Obligations - Any and all of the covenants, warranties, representations, agreements, promises and other obligations (other than the Indebtedness) made or owing by the Borrower or others to the Lender pursuant to or as otherwise set forth in the Note or the Security Documents.

(u) Plans and Specifications - Any and all plans and specifications prepared for the Borrower in connection with the development of the Land and/or the construction of the Improvements and approved in writing by the Lender and as the same may from time to time be amended with the prior written approval of the Lender, including but not limited to, the plans and specifications prepared by the Architect, a copy of which has been initialed by the Borrower and the Lender for identification and delivered to the Lender.

(v) Progress Inspector - Such person or firm as the Lender may from time to time appoint or designate for purposes related to the inspection of the progress of the development of the Land and the construction of the Improvements, conformity of construction with the Plans and Specifications, and for such other purposes as to the Lender may from time to time seem appropriate or as may be required by the terms of this Loan Agreement.

(w) Security Documents - The Commitment, this Loan Agreement, the Deed of Trust and any other instrument or instruments described or characterized as such in the Deed of Trust, as the same may from time to time be amended, modified or supplemented.

ARTICLE II

THE LOAN - ADVANCES

2.0 The Loan.

The Lender agrees to lend funds to the Borrower, subject to the terms and conditions herein set forth and in accordance with the Draw Schedule approved by the Lender (the "Draw Schedule") and any loan budget approved by the Lender (the "Budget"). Upon completion of the Improvements and the payment of all costs in connection therewith, any undisbursed loan proceeds shall be allocated to the interest reserve or to such other budget category as the Lender shall approve.

2.1 Advances of Loan Proceeds.

(a) The Borrower shall make applications for advances of loan proceeds from the Lender pursuant to the Draw Schedule; such applications shall be made not more frequently than once per month. The Borrower shall make each such application at least seven (7) business days before the advance shall be called for, in order to permit the Lender to make or cause such inspections as it shall from time to time consider appropriate, if any. The Lender shall have the right to require that each application for an advance of loan proceeds be accompanied by a certificate of the Progress Inspector in such form and detail as the Lender may require. All advances shall be made by deposit into an account with the Lender, or at such other place as the Lender may from time to time designate.

(b) Advances shall be made not more frequently than once per month for development and once per month for construction (unless Lender shall decide to provide an additional monthly draw for construction in its sole discretion), all on requisitions in the form approved by the Lender signed by the Borrower or its authorized representative on behalf of the Borrower, and by or on behalf of the Lender, showing the percentage of completion and setting forth in trade breakdown form and in such detail as may be required by the Lender the amounts expended and/or costs incurred for work done and necessary materials incorporated in the Improvements. The Borrower shall submit with each requisition a statement that the work completed to the date of such requisition is of quality consistent with the Plans and Specifications.

(c) The proceeds of the loan shall be advanced by the Lender in accordance with the Budget and/or Draw Schedule and only in amounts and for purposes specifically authorized by the Lender.

(d) Loan No. 1 advances for Land Development as stated in the Budget shall be not more than 90% of the amount requisitioned. The final holdback of the direct costs of Land Development will be retained until each of the conditions precedent to the final advance of the Loan No. 1 proceeds as set forth in Section 2.5 hereof shall have been satisfied to the complete satisfaction of the Lender; provided, however, that the holdback on

any subcontractor, laborer or materialman who has completed his work or services whose work or services has been accepted and approved by the Lender and who has delivered to the Lender a final waiver of liens, may be requisitioned by the Borrower and disbursed at the discretion of the Lender. All advances for indirect expenses related to the Loan or the Improvements shall, following approval by the Lender, be in an amount equal to 100% of the sum requisitioned.

(e) The Lender shall not be obligated to advance proceeds of Loan No. 1 for any portion of Total Land Development Costs as delineated in the Budget, until one hundred percent (100%) of the funds to be advanced to the Borrower under each and every grant and loan described in Section 2.14 below (Special Conditions) has been advanced to the Borrower and the Borrower has expended those sums in accordance with the terms of those loans and grants, and in accordance with the Budget.

(f) Upon the funding of the first construction advance for each lot under Loan No. 2, the entire balance of loan funds under Loan No. 2, allocated for construction on, and other costs associated with that lot, shall be set aside and available only for draws in connection with that lot. Thus, total Loan No. 2 proceeds available at any time for other lots are reduced by all Loan No. 2 proceeds advanced, plus all Loan No. 2 proceeds unadvanced but allocated, to lots for which first construction advances under Loan No. 2 have been made. No Loan No. 2 advances shall be made for any lot unless there are sufficient monies under Loan No. 2 to entirely fulfill the Lender's commitment for construction funding for that lot.

(g) The proceeds of Loan No. 2 shall be advanced and readvanced on a revolving credit basis, in accordance with the terms and conditions of this Loan Agreement and the Draw Schedule and Budget. The outstanding principal balance of Loan No. 2 together with funds to be advanced or readvanced for any house under construction shall not exceed $1,200,000.00 at any one time. The Lender shall establish the amount of Loan No. 2 proceeds to be advanced for the construction of each unit, which amount shall be equal to the actual cost of construction of the improvements as determined by the Lender. Notwithstanding anything to the contrary contained herein, the Lender shall not be obligated to make any advance of Loan No. 2, which would exceed one hundred percent (100%) of the total cost of the construction of that particular unit, or which would cause the portion of the outstanding principal balance of Loan No. 2, which has been advanced for a particular unit and the portion of Loan No. 1 apportioned to that unit, to collectively exceed eighty percent (80%) of the lesser of the appraised value for that unit or the base contract price for that unit.

(h) When any lot within the Mortgaged Property is completely finished, and subject to the provisions of this Loan Agreement, proceeds of Loan No. 2 shall be available to the Borrower for the construction of a unit on said lot.

2.2 Revolving Line of Credit. Prior to the Maturity Date of Note No. 2, the Borrower shall have the right to borrow, repay and reborrow, from time to time, the principal amount of Loan No. 2, provided and so long as: (i) no Event of Default exists hereunder; (ii) the Lender has not made demand for any payment under the Note which remains unpaid; (iii) the unpaid principal balance due under the Note at any one time does not exceed the original principal amount evidenced by the Note; and (iv) all advances and readvances are made in accordance with this Loan Agreement.

2.3 Conditions Precedent to First Advance.

The Lender shall not be obligated to make the first advance of loan proceeds for any lot within the Mortgaged Property hereunder unless the following conditions have been satisfied as to such lot:

(a) The Note, the Deed of Trust and the other Security Documents shall have been properly executed and delivered to the Lender, the Deed of Trust shall be executed, acknowledged and recorded in the appropriate land records and payment shall have been made for all recording costs in connection with the Deed of Trust and other recorded Security Documents, and for any transfer or recordation taxes due under any federal, state or county law.

(b) The Lender shall have received a paid policy of title insurance (American Land Title Association Standard Form "B" Loan Policy - Current Edition) or a valid and enforceable commitment to issue the same, together with such reinsurance agreements and direct access agreements as may be required by the Lender, from a company or companies satisfactory to the Lender in the amount of the Loan and which may be endorsed or assigned to the successors and assigns of the Lender without additional cost, insuring the lien of the Deed of Trust to be a valid first lien on the Mortgaged Property, free and clear of all defects, exceptions and encumbrances except such as the Lender and its counsel shall have approved.

(c) The Lender shall have received all policies or binders of insurance required by the terms of the Commitment and of the other Security Documents to be in effect from a company or companies and in form and amount satisfactory to the Lender, together with written evidence, in form and substance satisfactory to the Lender, that all fees and premiums due on account thereof have been paid in full.

(d) The Lender shall have received a separate policy of flood insurance in the face amount of the Note or the maximum limit

of coverage available with respect to the Mortgaged Property, whichever is the lesser, from a company or companies satisfactory to the Lender and written in strict conformity with the Flood Disaster Protection Act of 1973, as amended, and all applicable regulations adopted pursuant thereto; provided, however, that in the alternative the Borrower may supply the Lender with written evidence, in form and substance satisfactory to the Lender, to the effect that such flood insurance is not available with respect to the Mortgaged Property, or Borrower may provide to Lender the certificate of a professional engineer that the Mortgaged Property is not within a flood hazard area.

(e) The Lender shall have received a plat of survey, currently certified to the Lender by a registered land surveyor of the jurisdiction in which the Land is located, which plat of survey shall clearly designate at least (i) the location of the perimeter of the Land by courses and distances; (ii) the location of all easements, rights-of-way, alleys, streams, waters, paths and encroachments; (iii) the location of all building restriction lines and set-backs, however established; (iv) the location of any streets or roadways abutting the Land; and (v) the then "as-built" location of the Improvements and the relation of the Improvements by courses and distances to the perimeter of the Land, building restriction lines and set-backs, all in conformity with the Minimum Standard Detail Requirements for Land Title Surveys adopted by the American Congress on Surveying and Mapping (1992 Edition).

(f) The Lender shall have received and approved an appraisal of the Mortgaged Property.

(g) The Lender shall have received from the Borrower a complete set of the final Plans and Specifications initialed or otherwise identified by the Borrower and the Lender, the General Contractor and the Construction Manager, if any, and such other parties as the Lender may reasonably require, together with written evidence, in form and substance satisfactory to the Lender, to the effect that the Plans and Specifications are satisfactory to the Borrower, the General Contractor and the Construction Manager, if any. In addition, the Plans and Specifications shall have been approved in writing by the Lender and any other party deemed necessary by the Lender, and to the extent required by applicable law or any effective restrictive covenants, shall have been approved by all governmental authorities having or claiming jurisdiction and by the beneficiaries of any such restrictive covenants, respectively.

(h) The Lender shall have received and approved, to the extent applicable, a fully executed copy of the Construction Contract or the Construction Management Contract, the Architect's Contract and of all executed subcontracts as well as any information regarding the General Contractor or the Construction Manager,

if any, the Architect, if any, or any subcontractor which the Lender has requested.

(i) The Lender shall have received a site plan for the Improvements approved by all appropriate governmental authorities, if such approval is required for the issuance of a building permit.

(j) The Lender shall have received satisfactory evidence that the zoning for the Land, together with any special exceptions granted, will permit the construction of the Improvements as contemplated in the Plans and Specifications delivered to the Lender.

(k) The Lender shall have received from the Borrower written evidence, in form and substance satisfactory to the Lender, from all governmental authorities having or claiming jurisdiction to the effect that all building, construction and other permits and licenses necessary or required in connection with the development of the Land and the construction of the Improvements have been validly issued, that all fees and bonds required in connection therewith have been paid in full or posted, as the circumstances may require, and that the Improvements meet zoning requirements and all sewer and storm drain requirements.

(l) The Lender shall have received from the Borrower written evidence, in form and substance satisfactory to the Lender, from all municipalities and utility companies having or claiming jurisdiction to the effect that all utility services in sufficient quantities required by the Plans and Specifications or otherwise necessary for the development of the Land and the construction of the Improvements and the operation thereof for their intended purpose after completion are available for connection and use at the boundaries of the Land, including, without limitation, telephone service, water supply, storm and sanitary sewer facilities, natural gas and electric facilities.

(m) The Lender shall have received from the Borrower and approved a report setting forth the monthly projected advances of the Loan throughout the construction period and a construction progress schedule in form and substance satisfactory to the Lender, calling for the completion of the Improvements by a date no later than the Completion Date.

(n) The Lender shall have received from the Borrower written evidence, in form and substance satisfactory to the Lender, of all construction work of any kind which has commenced upon the Land and that all materials placed or stored upon the Land prior to the recordation of the Deed of Trust among the land records where the Land is located are fully insured against by the title insurance company.

(o) The Lender shall have received policies of public liability insurance and property damage insurance for the General Contractor and those subcontractors designated by the Lender, from a company or companies and in form and amounts satisfactory to the Lender, together with written evidence, in form and substance satisfactory to the Lender, that all fees and premiums due on account thereof have been paid in full.

(p) The Lender shall have received evidence satisfactory to it regarding the current and past pollution control practices at the Mortgaged Property in connection with the discharge, emission, handling, disposal or existence of materials and substances controlled by federal, state or local laws and regulations including, if requested by the Lender, an environmental audit of the Mortgaged Property prepared by a person or firm acceptable to the Lender.

(q) The Lender shall have received soil reports which shall (i) demonstrate that the soil conditions of the Mortgaged Property are suitable for the construction of the Improvements and (ii) evidence to the Lender's satisfaction that there are no Hydric Soils on the Mortgaged Property.

(r) The Lender shall have received a detailed trade breakdown on forms acceptable to the Lender of the cost of the Improvements, verified in writing by the Progress Inspector, an itemization on forms acceptable to the Lender of non-construction and land costs, verified by the Lender, and the Budget. If the sum of the direct construction costs, the cost of the Land and the estimated non-construction, in the sole judgment of the Lender, exceeds the amount of the Note, the Borrower shall be required to invest the excess in the Mortgaged Property or deposit such excess with the Lender in an account pledged in a manner satisfactory to the Lender prior to any advance by the Lender of the proceeds of the Loan. In no event, however, shall the amount of the Note exceed the aggregate amount of the estimated costs as determined above.

(s) The Lender shall have received from the Borrower a copy of the Borrower's contract with the Architect, if any, the Construction Contract, if any, and all subcontracts as required by the Lender, as well as the identity of the Architect, if any, the General Contractor and any subcontractors required by the Lender. The Borrower shall furnish the Lender with such information regarding the Architect, the General Contractor and any subcontractors, as the Lender may request.

(t) If appropriate, the Lender shall have received an agreement executed by the Architect, if any, which requires the Architect to continue performance on the Lender's behalf without additional costs in the event of default by the Borrower under any of the Security Documents and not to permit nor execute any change

order increasing the price of the Improvements or materially altering the scope of the Improvements.

(u) The Lender shall have received true and complete copies of all organizational documents of the Borrower, appropriate resolutions authorizing the acceptance of the Loan by the Borrower and the execution of the Note and all Security Documents, and an opinion letter from counsel for the Borrower, which is acceptable to the Lender in all respects.

2.4 Conditions Precedent to All Advances After the First Advance.

The Lender shall not be obligated to make any advances of loan proceeds hereunder for any lot within the Mortgaged Property, after the first advance of loan proceeds, unless as to that lot the conditions described in Section 2.3 remain satisfied, and the following conditions have been satisfied:

(a) in the reasonable judgment of the Lender, all work completed at the time of the application for advance has been performed in a good and workmanlike manner and all materials and fixtures usually furnished and installed at that stage of construction have been furnished and installed.

(b) no Event of Default which has not been cured has occurred under the Note or any of the Security Documents and no act has occurred which, with the passage of time after due notice would become an Event of Default.

(c) the Improvements have not been materially damaged by fire or other casualty unless the Lender shall have received the proceeds of insurance sufficient in the judgment of the Lender to effect a satisfactory restoration of the Improvements and to permit the completion thereof on or prior to the Completion Date.

(d) the Lender has received written evidence, in form and substance satisfactory to the Lender, to the effect that all work requiring inspection by governmental or regulatory authorities having or claiming jurisdiction has been duly inspected and approved by such authorities and by any rating or inspection organization, bureau, association or office having or claiming jurisdiction.

(e) the Lender shall be satisfied, based upon the advice of the Progress Inspector, that the Improvements can be completed by a date no later than the Completion Date with the balance of the loan proceeds then held by the Lender and available for advance pursuant to the terms of this Loan Agreement and other funds which the Lender is reasonably satisfied are available to the Borrower.

(f) the Lender shall have received a paid policy or policies of title insurance (American Land Title Association Standard Form

"B" Loan Policy - Current Edition), together with such reinsurance agreements and direct access agreements as may be required by the terms of the Commitment, from a company or companies satisfactory to the Lender in the full face amount of the Note and which may be endorsed or assigned to the successors and assigns of the Lender without additional cost, insuring the lien of the Deed of Trust to be a valid first lien on the Mortgaged Property, free and clear of all defects, exceptions and encumbrances except such as the Lender and its counsel shall approve, and containing no pending disbursement clause, unless specifically approved by the Lender.

(g) the Lender shall have received a notice of title continuation or an endorsement to the title insurance policy heretofore delivered, indicating that since the last preceding advance, there has been no change in the status of title and no other exceptions not theretofore approved by the Lender which endorsement shall have the effect of advancing the effective date of the policy to the date of the advance then being made and increasing the coverage of the policy by an amount equal to the advance then being made if the policy by its terms does not provide for such an increase. The costs of such continuations or endorsements shall be borne by the Borrower.

(h) the representations and warranties made in Article III of this Loan Agreement shall be true and correct on and as of the date of the advance with the same effect as if made on such date.

(i) the Lender shall have received evidence of compliance with all zoning, environmental and other laws, ordinances, rules, regulations and restrictions affecting development of the Land, construction of the Improvements and operation and occupancy of the Improvements after completion.

(j) the Lender shall have received evidence satisfactory to the Lender regarding the current (at the time of the advance) and past pollution control practices at the Mortgaged Property in connection with the discharge, emission, handling, disposal or existence of materials and substances controlled by federal, state or local laws and regulations, which may include, at the Lender's request, an environmental audit of the Mortgaged Property prepared by a person or firm acceptable to the Lender.

(k) the Lender shall have received, if requested, acknowledgments of payment and releases of liens and rights to claim liens for work performed or materials delivered through the date of the last preceding advance and concurrently with the final advance, from the General Contractor and from all subcontractors and material suppliers . All such acknowledgments and releases shall be in form and substance satisfactory to the Lender and the title insurance company, which has insured the title to the Mortgaged Property.

(l) if requested by the Lender, in the case of the first advance if loan proceeds following the completion of the foundations and footings of each unit on a lot within the Mortgaged Property, the Lender shall have received a plat of survey of such lot certified to the Lender from a registered land surveyor of the jurisdiction in which such lot is located, which plat of survey shall clearly designate the then "as-built" location of the Improvements situate upon such lot and the relationship of such Improvements by courses and distances to the perimeter of the lot, building restriction lines and set-back lines, and which survey shall be in conformity with the requirements set forth in Section 2.3 (e) hereof.

(m) all other terms and conditions of the Security Documents required to be met as of the date of this particular advance of loan proceeds shall have been met to the satisfaction of the Lender.

2.5 Additional Conditions Precedent to Final Advance.

The Lender shall not be obligated to make the final advance of loan proceeds, with respect to any lot within the Mortgaged Property, unless the conditions described in Section 2.3 and Section 2.4 and the following additional conditions have been satisfied as to such lot:

(a) if requested, the Lender shall have received the final "as-built" survey described in Section 4.5 of this Loan Agreement;

(b) the Lender shall have received written certifications from the Progress Inspector, in form and substance satisfactory to the Lender, to the effect that the Improvements have been completed in accordance with the Plans and Specifications;

(c) as to any particular component of the Improvements with respect to which the final advance of loan proceeds is requested, and to the extent any such certificate is a condition of the lawful use and occupancy of that component of the Improvements, the Lender shall have received written evidence, in form and substance satisfactory to the Lender, to the effect that requisite certificates of occupancy for permanent occupancy of that component of the Improvements have been validly issued;

(d) all final waivers of liens of the General Contractor, subcontractors, laborers and material suppliers have been furnished to the Lender or, as to any disputed lien or claim of lien, a bond in form and substance acceptable to the Lender has been provided or sufficient funds to cover it are placed in escrow with an escrow agent satisfactory to the Lender; and

(e) all other terms and conditions of the Security Documents required to be met as of the date of the final advance of loan proceeds shall have been met to the satisfaction of the Lender.

2.6 Trust Funds.

The Borrower will receive the advances to be made hereunder and will hold the right to receive the same as a trust fund for the purpose of paying the cost of the development of the Land and the construction of the Improvements and the Borrower agrees not to expend any part of the proceeds of the Loan for any purpose except in connection with the uses and purposes provided for in this Loan Agreement without the prior written consent of the Lender.

2.7 Advances to Others for Account of Borrower.

At the option of the Lender, the Lender may apply amounts due hereunder to the satisfaction of the conditions of the Commitment, the Note or the Security Documents and any amounts so applied shall be part of the Loan and shall be secured by the Deed of Trust. At the option of the Lender, and without limiting the generality of the foregoing, the Lender may make advances directly to the General Contractor or the Construction Manager, if any, or to the title insurance company or any subcontractor or materialman, or to any of them jointly, and the execution hereof by the Borrower shall, and hereby does, constitute an irrevocable authorization to so advance the proceeds of the Loan. No further direction or authorization from the Borrower shall be necessary to warrant such direct advances and all such advances shall satisfy pro tanto the obligations of the Lender hereunder and shall be secured by the Deed of Trust as fully as if made to Borrower, regardless of the disposition thereof by the party or parties to whom such advance is made.

2.8 Additional Funds.

If at any time the unpaid costs of the development of the Land and the construction of the Improvements exceed the undisbursed balance of the Loan, the Borrower shall provide from sources other than the Loan the funds necessary to pay the total costs. The Borrower shall deposit with the Lender from time to time such amounts in excess of the loan proceeds as may be required to pay these costs. In the event that any funds required for the development of the Land or the construction of the Improvements over and above the proceeds of the Loan, have been or are in the future deposited with the Lender for such purposes, such funds shall be advanced by the Lender to the Borrower prior to any advance of the proceeds of the Loan.

2.9 Assignments.