EXHIBIT H
OPERATING AGREEMENT

E STREET DEVELOPMENT GROUP, LLC
OPERATING AGREEMENT

THIS OPERATING AGREEMENT (the "Agreement") is made effective as of the 10th day of August, 2009 by and among the undersigned parties (collectively the "Members").

EXPLANATORY STATEMENT

The parties to this Agreement desire to form a limited liability company pursuant to the provisions of the District of Columbia Limited Liability Company Act (the "Act") and do hereby constitute themselves a limited liability company for the purposes and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties, and of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed by and between the parties as follows:

1. Formation and Name.

The parties to this Agreement agree to and do hereby form "E Street Development Group, LLC", a District of Columbia limited liability company (the "Company"), pursuant to the provisions of the Act and this Agreement. Prior to the execution hereof, the Members have authorized Geoffrey H. Griffis as organizer to execute and file the Articles of Organization (the "Articles") in the form attached hereto as Exhibit "B", with the District of Columbia Corporation's office.

2. Business.

The business and purpose of the Company shall consist of the following: (1) to own, hold, develop, operate, maintain, manage, improve, repair, alter, redevelop, sell, dispose of, finance, guaranty, mortgage, refinance, pledge, convey, lease and otherwise encumber certain property in the District of Columbia described on Exhibit "C" attached hereto (the "Project"), (2) to do any and all activities necessary, incidental or related thereto, all as may be determined by the Company, and (3) to have and exercise all the powers now or hereafter conferred by the laws of the District of Columbia on limited liability companies formed pursuant to the Act.

3. Principal Office, Registered Office and Registered Agent.

The location of the principal office of the Company shall be at 1817 Adams Mill Road, NW, Suite 200, Washington, D.C. 20009, or such other location as the Members may, from time to time, designate. The name and address of the resident agent for the Company is Geoffrey H. Griffis, who is a resident of the District of Columbia and whose office address is 1817 Adams Mill Road, N.W, Suite 200, Washington, DC 20009.

4. Duration.

The term of the Company shall commence on the date that the Articles of Organization are filed and received for recordation by the District of Columbia and shall continue in full force and effect in perpetuity, unless terminated in accordance with the provisions of this Agreement.

5. Members and Membership Interests.

A. Original Members. The original Members of the Company and their percentage membership interests (the "Membership Interests" or "Interests") are listed on Exhibit A attached hereto. A Member's Interest is his percentage share of the Company's business, property, assets, capital, profits and losses, subject to all provisions of this Agreement and the Act.

B. Additional Members. Additional members may be admitted into the Company on such terms and conditions as may be determined by the Managing Members. Unless named in this Agreement, or unless admitted to the Company as a substituted or new member as provided herein, no person shall be considered a Member, and the Company need deal only with the Members so named and so admitted. The Company shall not be required to deal with any other person by reason of an assignment by a Member or by reason of the death or bankruptcy of a Member, except as otherwise provided in this Agreement.

6. Management.

A. Managing Members. Subject to the terms of this Section 6, the business, operations and affairs of the Company shall be managed by its Managing Members. The Members hereby agree that the initial Managing Members shall be Potomac Investment Properties, Inc., CityPartners, LLC and Adams Investment Group, LLC. All decisions of the Managing Members shall be determined by majority vote. Any decisions made by the Managing Members shall be fully binding upon the Company and all Members and shall not require the approval of any other Members except as set forth in Section E below. It is further agreed that the Managing Members shall have responsibility for certain tasks on behalf of the Company as set forth on Exhibit "D" attached hereto and made a part hereof. It is further recognized that in the event any of the Managing Members, or one of their affiliated companies or the individual(s) owning such Managing Member, provide any form of guaranty for an obligation of the Company, then until such time as such guaranty has been extinguished, the Managing Member providing such guaranty shall have sole authority to act for the Company and shall not be required to obtain the approvals of the other Managing Members under this section or the Members under Section 6 (E) below.

B. Decision Making Authority of Managing Members . The Managing Members, in their sole and absolute discretion, shall have the power on behalf of the Company to enter into contracts; to acquire property and to lease all or any portion thereof; to sell, assign, or

transfer for value all or any portion of the property of the Company; to borrow money and, as security therefore, to assign, mortgage, encumber, hypothecate or pledge all or any part of the property of the Company; to obtain replacements for any such mortgage or mortgages; to prepay, in whole or in part, refinance, recast, increase, modify or extend any mortgages; to lend money; to enter into contracts to provide construction, renovation, repair, organization, managerial or other services; to exercise and fulfill the rights, powers and duties of the Company; to employ from time to time persons, firms or corporations in the operation of the Company business, including without limitation accountants and attorneys, on such terms and for such reasonable compensation as the Managing Members shall determine; and to execute, acknowledge and deliver any and all instruments to effectuate the foregoing. By way of extension of the foregoing and not in limitation thereof, the Managing Members shall have all the rights and powers granted to managers by the Act. No assignee or transferee for value of all or any portion of the property of the Company shall be required to investigate the Managing Member's' authority to sell, assign, transfer for value or otherwise liquidate all or any portion of any interest in such property. The Property of the Company shall not be sold unless such sale shall have been first approved in writing by the Managing Members. Any person, whether a Member, an affiliate of a Member, or otherwise, may be employed or engaged by the Company to render special services, including but not limited to building, constructing, leasing and/or property management services, consulting services, accounting services or legal services; and if such person is a Member or an affiliate of a Member he shall be entitled to, and shall be paid, reasonable compensation for said services, anything in this Agreement to the contrary notwithstanding. In the event any of the Managing Members or any Managing Member's principals, is required to provide any guaranty for the Company (whether a completion guaranty or a loan guaranty) or post any collateral to assist the Company with any obligations whatsoever, including but not limited to financing, then the Company shall pay to the party providing the guaranty or collateral, a total guaranty fee of 5% of the total liability of the guarantor under such guaranty or collateralization, such fee to be paid on refinancing of any construction loan obtained by the Company or such other basis (quarterly, bi-annually or annually) as the Managing Members shall determine. Any of the Members may engage in and/or possess an interest in other business ventures of any nature and description, independently or with others, including but not limited to the ownership, financing, leasing, operation, management, brokerage and development of real property; and neither the Company nor the Members shall have any right by virtue of this Agreement in and to said independent ventures or to the income or profits derived therefrom. The fact that a Member or a member of any Member's family, is employed by, or is directly or indirectly interested in or connected with any person, firm or corporation employed by the Company to render or perform any service, or from whom or which the Company may buy merchandise or other property, shall not prohibit the Managing Members from employing such person, firm or corporation or from otherwise dealing with him or it. The Managing Members shall not be entitled to be paid compensation for its services in managing the business and affairs of the Company.

C. Exculpation and Indemnification of Managing Members. The Managing Members, their affiliates, members, partners, and any of their respective principals, shareholders, members, partners, officers and employees (collectively, with the Managing Members, the "**Affiliated Parties**" and each an "**Affiliated Party**") shall not be liable, responsible or

accountable in damages or otherwise to the Company or any of the Members for any act or omission performed or omitted by such Affiliated Party in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to such Affiliated Party by this Agreement and in the best interests of the Company, except for acts or omissions amounting to willful misconduct, fraud, gross negligence or material breach of such Affiliated Party's fiduciary duty as a managing member or other fiduciary duty to the Company. For purposes of this Section, any action or omission taken on advice of counsel for the Company or the certified public accountants for the Company within the scope of their respective professional expertise shall be deemed to have been taken in good faith. Except as may otherwise be provided by the Act as amended from time to time, no suit or other action brought by a Member against an Affiliated Party or the Company shall cause the termination or dissolution of the Company. Each Affiliated Party shall be entitled to indemnification from the Company for any loss, damage or claim due to any act or omission made in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on it by this Agreement and in the best interests of the Company, except with respect to any loss, damage or claim incurred by reason of gross negligence, willful misconduct, fraud, or material breach of its respective fiduciary duty as a managing member or otherwise with respect to the performance of its duties as an Affiliated Party, provided that any indemnity will be paid out of, and to the extent of, company assets only.

The Managing Members and their affiliated entities shall be fully and entirely reimbursed by the Company for any and all reasonable out-of-pocket costs and expenses incurred by the Managing Members and their affiliated entities in connection with entering into this Agreement and the performance of their duties hereunder.

D. Power-of-Attorney. Each Member has appointed, and does hereby appoint, and each newly admitted Member by being admitted to the Company automatically appoints, Potomac Investment Properties, Inc., his true and lawful attorney-in-fact for him to make, execute, sign, acknowledge and file such instruments and to do such other things and perform such other acts, as may be required in the conduct of the Company business consistent with the provisions of this Operating Agreement and authorized by the Managing Members in accordance with the provisions hereof; and without limiting the generality of the foregoing, each Member hereby constitutes and appoints Potomac Investment Properties, Inc.,his true and lawful attorney for him to make, execute, sign, certify under oath (if necessary) or acknowledge and/or file for record any amendment of the Operating Agreement or the Articles of Organization, where the same is necessary to reflect:

(1) A change in the name of the Company;

(2) The admission of successor Managing Members pursuant to provisions of this Operating Agreement;

(3) The admission of an additional Member in accordance with the provisions of Section 5 and Section 15 of this Operating Agreement;

(4) The correction or clarification of any erroneous statement in the Articles of Organization, or in any amendment thereof;

(5) A change in the time stated in the Articles of Organization (or any amendment thereof) for the end of the term of the Company or for the return of a capital contribution of any Member;

(6) Any other change or modification of the Operating Agreement or of the Articles of Organization thereof, or any amendment of either such instrument made in order to accurately represent the agreements and understandings of the Members;

(7) The reformation and continuation of the Company pursuant to any provisions of this Agreement, following any dissolution of the Company under Section 16 hereof; or

(8) The execution and filing by the Company of any statement required under the laws of the District of Columbia affirming that the Company is actively engaged in the business for which it was formed.

(E) The following decisions (each a "Major Decision") shall require the approval of at least sixty-five percent (65%)of the Membership Interests in order to be implemented:

(1) The payment of any compensation or fees to the Managing Members or other Members of the Company;

(2) Any repurchase or redemption of the interest of any Member;

(3) Change in accounting practices;

(4) Declaration of bankruptcy by the Company:

(5) The engagement or hiring of any companies, entities, contractors, agents or the like with a total contract amount exceeding $50,000.00 or the settlement of any litigation resulting in the Company either paying a claim or relinquishing a claim for an amount greater than $10,000.00.

(6) The admission of any new Members to the Company or the decision to dissolve the Company.

(F) The parties hereto acknowledge and agree that any Company financing that shall require a guaranty or collateral to be provided or posted by a Member or an Affiliated Entity, shall require, in addition to the approval of a majority of the Members, the approval of any Member providing a guaranty or other collateral for such loan.

(G) Consent and Approval. Whenever the Managing Members desire to take any action which requires, or for which the Managing Members seek, the consent or approval of any, or all Members (and irrespective of whether the consent of the Members is required), the Managing Members shall give written notice thereof to each Member from whom any such consent or approval is required or desired, describing the proposed action in sufficient detail (in the reasonable opinion of the Managing Members) to enable such Members to exercise an informed judgment with respect thereto. Within ten (10) business days after receiving such notice, each such Member shall give written (including electronic) notice to the Managing Members stating that it either consents to or does not consent to the proposed action, and setting forth its reasons therefore if it does not consent. In the event that any such Member does not respond within said ten (10) business day period, such Member shall be conclusively presumed to have consented to such action. The ten (10) business day period set forth above may be reduced to a shorter time period, to be determined by the Managing Members and to be specified in the notice but not to be less than seven (7) days in any event, if in the reasonable opinion of the Managing Members a shorter time period is essential because of exigent circumstances.

(H) The Managing Members have appointed officers of the Company who, to the extent provided by the Managing Members, shall have and may exercise all the powers and authority of the Members or Managing Members in the conduct of the business and affairs of the Company. The officers of the Company shall consist of a Chairman, President, Project Director, Development Director, Development Manager, Treasurer, Secretary, and such other officers or agents as may be elected or appointed by the Managing Members. The Managing Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Managing Members. The initial officers are as follows:

Chairman-Michael Gewirz
President-Geoffrey Griffis
Project Director-Geoffrey Griffis
Development Directors-Marty Segal and John Holmes
Development Managers-Ben Soto and Claire Bloch
Treasurer- Marty Segal
Secretary-Claire Bloch

Any action taken by a duly authorized officer, pursuant to authority granted by the Managing Members in accordance with this Agreement, shall constitute the act of and serve to

bind the Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

(J) Tax Matters Partner.

(1) Adams Investment Group, LLC shall serve as the "**Tax Matters Partner**" of the Company under the Code. Each Member, by the execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(2) The Tax Matters Partner is hereby authorized but not required:

(A) to enter into any settlement with the Internal Revenue Service ("**Service**") or the Secretary of the Treasury ("**Secretary**") with respect to any tax audit or judicial review, in which agreement the Tax Matters Partner may expressly state that such agreement shall bind the other Members, except that such settlement agreement shall not bind any Member who (within the time prescribed pursuant to the Code and regulations thereunder) files a statement with the Secretary providing that the Tax Matters Partner shall not have the authority to enter into a settlement agreement on behalf of such Member;

(B) in the event that a notice of a final administrative adjustment at the Company level of any item required to be taken into account by a Member for tax purposes (a "**Final Adjustment**") is mailed to the Tax Matters Partner, to seek judicial review of such Final Adjustment, including the filing of a petition for readjustment with the Tax Court, the District Court of the United States for the district in which the Company's principal place of business is located, or the United States Claims Court;

(C) to intervene in any action brought by any other Member for judicial review of a Final Adjustment;

(D) to file a request for an administrative adjustment with the Secretary at any time and, if any part of such request is not allowed by the Secretary, to file a petition for judicial review with respect to such request;

(E) to enter into an agreement with the Service to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Member for tax purposes, or an item affected by such item; and

(F) to take any other action on behalf of the Members or the Company in connection with any administrative or judicial tax proceeding to the extent permitted by applicable law or regulations.

(3) The Company shall be liable for, and indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. Neither the Managing Member nor any other person shall have any obligation to provide funds for such purpose other than their proportionate share of such expenses as a Member of the Company. The taking of any action and the incurring of any expense by the Tax Matters Partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Tax Matters Partner.

7. CBE Matters.

(A) CBE Compliance.

(1) As a condition to the execution and delivery by the Company of the Certified Business Enterprise Utilization and Participation Agreement (the "CBE Agreement") with the District of Columbia Department of Small and Local Business Development (the "Department"), not less than twenty percent (20%) of the beneficial ownership (i.e., the Membership Interests) of the Company, shall at all times be owned by Certified Business Entities ("CBE Members") that have been certified as such by the Department (collectively the "CBE Requirements"), as more fully defined in the CBE Agreement. To ensure compliance with the CBE Requirements, each CBE Member shall, on or before the execution of this Agreement, provide the Managing Members with adequate evidence that it has been certified as a certified business enterprise ("CBE") by the Department.

(2) To the extent the CBE Requirements are in effect, each CBE Member shall at all times thereafter maintain its status as such throughout the term of this Agreement. Notwithstanding the foregoing, the Company will endeavor in good faith and use commercially reasonable efforts to obtain the consent from the Department, that as long as an CBE member would continue to qualify for CBE Certification but for the growth of its business, such factor shall not, in and of itself, cause loss of CBE Certification of such CBE Member for the duration of the project. The Company will also endeavor in good faith and use commercially reasonable efforts to obtain the consent from the Department that the group of CBE Members, as long as they remain certified as CBEs for five (5) years after the award of the development rights to the Project , shall be considered to be CBEs for the duration of the Project.

(3) To further insure the Company's compliance with the CBE Requirements, the following provisions relating to the CBE Members shall be provided and enforceable during the term of the Agreement: (i) each CBE Member must receive its proportionate share of any and all distributions made to the Members on a pari passu basis in accordance with such CBE's Membership Interest; (ii) the Membership Interest of each CBE Member shall not be subject to reduction for any reason, except as expressly set forth herein; (iii) each CBE Member shall have the right as more particularly described herein to be actively involved in all phases of the project; and (iv) in the event any

Member finances a CBE Member's acquisition of its Membership Interest, such financing must be on terms, including, without limitation, the rate of interest charged thereon, then generally offered by institutional lenders in comparable transactions, without regard to such CBE Member's status as a CBE. The foregoing provision shall not, however, in any way obligate any Member to finance the Membership Interest of a CBE Member.

(4) Notwithstanding anything to the contrary in the foregoing provisions relating to CBE Members, the Membership Interest of the Members, including CBE Members, may be reduced in the event of equity being contributed to the Company by a bona fide institutional investor in exchange for a Membership Interest; provided that the CBE Members, after such reduction, retain the same Membership Interest relative to all of the Members prior to the admission of such institutional equity investor; stated differently, for the avoidance of doubt, the reduction of the Membership Interest of all the Members to afford the admission of an equity investor must be pro rata among all the Members.

(B) Continued Qualification

(1) Each CBE Member shall provide annually, and as may be reasonably requested by the Department, evidence that reaffirms that each CBE Member has maintained its CBE Certification, including as applicable, copies of the final signed organizational documents of each CBE Member. Such evidence shall also include evidence satisfactory to the Department that all CBE Members have been certified as such by the Department. In the event any CBE Member after initial CBE Certification fails to provide such annual confirmation, such non-conforming CBE Member will be in breach of the terms hereof (the "Breaching Member"). In the event of such a breach, the Managing Members on behalf of the Company shall provide such Breaching Member with written notice of such failure and, provided there is no adverse impact to the Company, a thirty (30) day period in which to cure the failure by presenting a current CBE Certification. In the event that such Breaching Member does not cure such failure within said 30-day period or transfer its Membership Interest to another CBE, irrespective of whether such CBE is a Member or not at such relevant date, that is reasonably acceptable to the Members, such Breaching Member shall be replaced with a CBE that is reasonably acceptable to the Members; provided, however, that in the event the Members are unable to reach agreement on the proposed CBE within fifteen (15) days of notice from the Managing Members for approval by the Members of the proposed CBE, the Managing Members shall, on behalf of the Company, have the right to designate a CBE and the Breaching Member shall transfer its Membership Interest to such CBE; provided, further, to the extent the Membership Interest of the remaining CBE Members exceeds 20% of the total Membership Interests, the Breaching Member shall not be required to transfer its Membership Interest solely to CBEs.

(2) During the 30-day period provided to the Breaching Member pursuant to Section (1) above, the Breaching Member shall be free to transfer its Membership Interest to any CBE on terms agreed upon by the Breaching Member and the proposed CBE; provided

that such terms are subject to the approval of the Managing Members which approval shall not be unreasonably withheld, conditioned or delayed. The terms upon which a Breaching Member may transfer its Membership Interest to a proposed CBE, including, without limitation, the terms upon which such sale and transfer shall be consummated and the amount to be paid for the Membership Interest, including when and how the Breaching Member will receive, as applicable, its capital contributions, preferred return, if any, and its share of undistributed distributions, if any, shall be reasonably agreed by the Breaching Member and the proposed CBE after consideration of all facts relevant to such transfer. The Breaching Member agrees to consult with the Managing Members and to work in good faith to arrive at mutually acceptable terms pertaining to the transfer of the Membership Interest of the Breaching Member to the proposed CBE. In the event, after the exercise of good faith, that such parties are unable to agree on the terms of the transfer, the dispute between such parties shall be submitted to binding arbitration under sub-Section 4 below.

(3) The Breaching Member shall be responsible for all claims, costs, and expenses, including, without limitation, the costs and expenses of the Company associated with the substitution of the Breaching Member, the admission of the CBE as a Member, if applicable, or the failure of the Breaching Member to complete the transfer in accordance with the terms of this Section.

(4) Any arbitration under this Section shall be undertaken in the District of Columbia through the American Arbitration Association, with application of its commercial arbitration rules, and there shall be one arbitrator to determine and resolve the dispute between the Breaching Member and proposed CBE. Such determination and transfer shall be required to be completed prior to the date any remedies are instituted by the Department against the Company due to the Breaching Member's loss of CBE Certification.

(5) With respect to the amount to be paid to the Breaching Member, the reason for its loss of CBE Certification shall be considered by all parties. The foregoing shall not apply if the Breaching Members loss of CBE Certification is due solely to the growth of its business, in which event the provisions of Section A 2 above shall apply, but only to the extent that consent has been obtained from the Department.

(6) To the extent that the CBE Agreement conflicts with this Section in a material and adverse manner, then the CBE Agreement controls with respect to CBE Certification matters.

(C) CBE Involvement.

Each CBE Member shall have the right to be actively involved in, and have an opportunity to participate across each phase of the Project, and the Managing Members shall use good faith efforts to solicit input from all CBE Members with respect to the ongoing

development of the Project. The manner in which the Managing Members cause the Company to satisfy the requirement that the CBE Members be actively involved in the project shall be in the reasonable discretion of the Managing Members. Notwithstanding anything to the contrary contained in this Agreement, having the right to be actively involved requires that such CBE Member perform its duties and obligations in good faith and consistent with the performance standard applicable to the scope of duties undertaken by such Member.

8. Separate Capital Accounts.

The Company shall maintain a separate Capital Account for each Member in accordance with the regulations promulgated under Section 704(b) of the Internal Revenue Code of 1986 as amended (the "Code"), and the Treasury Regulations thereunder.

9. Members Not Liable for Company Losses.

Except as expressly provided under the Act, the Members shall have no personal liability for the losses, debts, claims, expenses or encumbrances of or against the Company or its property.

10. Profits, Losses and Distributions.

10.1 Defined Terms. For purposes of this Agreement, the following terms shall have the meaning specified below unless the context otherwise requires:

A. Available Cash. "Available Cash" means, with respect to any taxable year of the Company, at the time of determination, the cash revenues and receipts received or collected by the Company from its operations (including, without limitation, Capital Proceeds) reduced by the sum of the following to the extent made from such cash revenues and receipts: (a) all principal and interest payments on any indebtedness owed by the Company (including indebtedness due to Members), and all other sums paid to lenders; (b) all cash expenditures (including without limitation, capital expenditures) incurred incident to the operation of the Company's business; and (c) such reserves and additions thereto as the Managing Members shall determine including but not limited to such reserves as may be necessary to raise the necessary capital for the second parcel (Parcel A) being developed by the Company.

B. Capital Account. "Capital Account" means, as to any Member, the Capital Contribution actually made by that Member, plus all Profit allocated to that Member, and minus the sum of (i) all Loss allocated to that Member, (ii) the amount of cash and the fair market value of any other assets distributed to that Member (net of liabilities, assumed or taken subject to by such Member), and (iii) such Member's distributive share of all other expenditures of the Company not deductible in computing its taxable income and not properly chargeable as additions to the basis of Company property. Each Member's Capital Account shall be determined and maintained in accordance with the Treasury Regulations adopted under Section

704(b) of the Code. . Any questions concerning a Member's Capital Account shall be resolved by applying principles consistent with this Agreement and the Treasury Regulations adopted under Section 704 of the Code in order to ensure that all allocations to the Members will have substantial economic effect or will otherwise be respected for federal income tax purposes.

C. Capital Contribution. "Capital Contribution" means the total amount of cash and the fair market value (net of liabilities assumed or taken subject to by the Company) of any other assets contributed (or deemed contributed under Treasury Regulations Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member.

D. Capital Proceeds. "Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

E. Capital Transaction. "Capital Transaction" means the sale, exchange, condemnation, casualty or other disposition of all, or substantially all of the assets of the Company.

F. Code. "Code" means the Internal Revenue Code of 1986, as amended or any corresponding Section of any succeeding law.

G. Minimum Gain. "Minimum Gain" has the meaning set forth in Treasury Regulations Section 1.704-2(d). Minimum Gain shall be computed separately for each Member, applying principles consistent with both the foregoing definition and the Treasury Regulations promulgated under Section 704 of the Code.

H. Negative Capital Account. "Negative Capital Account" means a Capital Account with a balance less than zero.

I. Positive Capital Account. "Positive Capital Account" means a Capital Account with a balance greater than zero.

J. Profit and Loss. "Profit and Loss" means for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss).

K. Restoration Amount. means with respect to each Member (a) the Member's share of Minimum Gain, and (b) any amount which the Member is unconditionally required under this Agreement or by law to contribute to the Company to restore the Member's Negative Capital Account balance under Section 10.2(C) hereof.

10.2 Allocation of Profit or Loss and Distributions of Available Cash.

A. Available Cash. For any taxable year of the Company the Managing Members shall determine if all or any portion of the Available Cash shall be distributed to all Members pro rata in proportion to their respective Membership Interests.

B. Taxable Income or Taxable Loss. For any taxable year of the Company, Profit or Loss shall be allocated to the Members pro rata in proportion to their respective Membership Interests.

C. Special Allocations. Notwithstanding any other provision to the contrary in this Agreement, the following provisions shall apply:

1. Qualified Income Offset. No Member shall be allocated Losses or deductions if such allocation causes a Member's Negative Capital Account to increase in excess of the Member's Restoration Amount. If a Member receives (1) an allocation of loss or deduction (or item thereof) or (2) any Company distribution, which causes such member to have a Negative Capital Account in excess of its Restoration Amount or increase a Member's Negative Capital Account at the end of any Company taxable year in excess of its Restoration Amount, then all items of income and gain of Company (consisting of a pro rata portion of each item of Company income, including gross income and gain) for such taxable year shall be allocated to such Member, before any other allocation is made of Company items for such taxable year, in the amount and in proportions required to eliminate such excess as quickly as possible. This Section 10.2.C(1) is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Treasury Regulations promulgated under Section 704(b) of the Code.

2. Minimum Gain Chargeback. If there is a net decrease in the Minimum Gain during any taxable year and if any Member has a Negative Capital Account as of the last day of such taxable year which exceeds the Member's Restoration Amount as of such last day, then all items of gross income and gain of the Company for such taxable year (and, if necessary, for subsequent taxable years) shall be allocated to such Member in the amount and in the proportions required to eliminate such excess as quickly as possible. This Section 10.2.C(2) is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of the Treasury Regulations promulgated under Section 704(b) of the Code.

10.3. Tax Election. In connection with any transfer of or distribution with respect to a Membership Interest, the Managing Members shall, upon written request by any transferor, transferee, or distributee, cause the Company to make an election pursuant to Internal Revenue Code §754 and Treasury Regulation §1.754-1(b) to adjust the basis of Company property in the manner provided in Internal Revenue Code §§734(b) and 743(b). Such transferor, transferee, or distributee shall pay all costs incurred by the Company in connection with such election.

10.4. Liquidation or Dissolution.

A. In the event the Company is liquidated or dissolved, the assets of the Company shall be distributed, after taking into account the allocations of Profit or Loss pursuant to Section 10.2, if any,and subject to the any applicable provisions of the Act, as follows: (i) first to pay all expenses of liquidation and winding up the Company; (ii) second, to pay all debts, obligations and liabilities of the Company (including Member loans that remain outstanding or any guaranty fees or other sums due Members other than capital contributions) in the order of priority as provided by law, other than on account of Members contributions; and (iii) to establish reasonable reserves for any remaining contingent or unforeseen liabilities of the Company not otherwise provided for, which reserves shall be maintained by the liquidator on behalf of the Company in a regular interest bearing trust account for a reasonable period of time as determined by the liquidator. If any excess funds remain in such reserve at the end of the reasonable time, then such remaining funds shall be distributed by the Company to the Members pursuant to Section 10.4 (B) below.

B. Subject to any restrictions contained in the Act, upon final liquidation of the Company, the net proceeds of the liquidation, after the settlement of accounts pursuant to Section 10.4(A) above, shall be distributed to the Members to the extent of and in proportion to the balances in their respective Positive Capital Accounts until all such Positive Capital Accounts have been reduced to zero (0) and, thereafter to the Members pro rata in proportion to their respective Membership Interests.

10.5 General.

A. The timing and amount of all distributions shall be as determined by the Managing Members in their sole discretion, provided the Managing Members in determining timing of distributions, and making determination of "Available Cash, including necessary reserves, shall endeavor to distribute to all Members sufficient cash to cover tax liabilities associated with allocation of profit hereunder. . Distributions will be made first to the Members pro-rata, based on their then unreturned capital contributions until all capital contributions have been paid back and each Member has also received a ten percent (10%) annual return on such contribution. Once such distributions have occurred, all distributions shall be pro rata based on the Member's Membership Interest in the Company.

B. If any assets of the Company are distributed to the Members in kind, those assets shall be valued on the basis of their fair market value, and any Member entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Members so entitled. The fair market value of the assets distributed in kind shall be determined by an independent appraiser selected by the Members. Based upon the fair market value, the Profit or Loss for each unsold asset shall be determined as if that asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in Section 10.2 and shall be

properly credited or charged to the Capital Accounts of the Members prior to the dissolution of the assets in liquidation pursuant to Section 10.4.

C. For each taxable year, all Profit and Loss of the Company shall be allocated at and as of the end of that taxable year.

D. Except as otherwise provided in this section 10.5.D, all Profit and Loss shall be allocated, and all distributions of cash shall be distributed, as the case may be, to the persons shown on the records of the Company to have been Members as of the last day of the taxable year for which that allocation or distribution is to be made. Unless the Members agree to separate the Company's fiscal year into segments, if the Company admits a new Member to the Company or if a Member sells, exchanges or otherwise disposes of all or any portion of the Member's Interest to any person who, during that taxable year is admitted as an additional or substitute Member, the Profit and Loss shall be allocated between the transferor and the transferee on the basis of the number of days of the taxable year in which each was a member; provided, however, that in the event of a Capital Transaction or any other extraordinary non-recurring items of the Company, Profit, Loss and distributions shall be allocated to the Members shown on the records of the Company as of the date of such event.

E. The methods set forth above by which Profit, Loss and distributions are allocated, apportioned, and paid are hereby expressly consented to by each Member as an express condition to becoming a Member. Upon the advice of the outside accountants or of legal counsel to the Company, this Section 10 may be amended to comply with the Code and the regulations promulgated under Section 704 of the Code; provided, however, that no such amendment shall become effective without the consent of those Members who would be materially or adversely affected thereby.

11. Company Property.

The Company's property shall consist of all the assets and all Company funds. Title to the property and assets of the Company may be taken and held only in the name of the Company or in such other name or names as shall be determined by the Managing Members.

12. Capital Contributions/Loans.

A. Simultaneously with its, his or her execution of this Agreement, each Member shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Company the sums set forth on Exhibit "A".

B. If subsequent to the Company closing on a construction loan or other financing for the development of the Property described on Exhibit "C" attached hereto, the Company shall require additional capital for Company purposes, the Managing Members shall have the right in their sole and exclusive discretion, to call upon all of the Members to invest proportionately, in the percentages of their respective Membership Interests, additional capital

funds, but the aggregate amount of additional capital funds from all Members that may be called for pursuant to the provisions of this Section 12B shall not exceed One Hundred Thousand Dollars ($100,000.00). Such additional capital (within the aggregate limit aforesaid), if a call or calls shall be made therefore by the Managing Members, shall be invested in and contributed by all of the Members within thirty (30) days after the call therefore is made, unless a longer time is stated in the call.

C. If any Member shall fail to pay his allocable share of additional capital as provided for in Section 12B, then the Managing Members or any of the other Members may provide the unpaid additional capital to the Company on behalf of such Member and such funds shall be treated as a loan to the defaulting Member, bearing interest at 12% and due and payable within 1 year from the date of the loan. Until such loan has been paid in full, the defaulting Member shall not be entitled to receive any distributions from the Company and pledges such distributions to the party providing the loan as set forth herein as a form of payment of such loan.

D. If the Company requires additional funds for Company purposes, over and above those for which provisions as to investments are made as hereinabove set forth, each of the Managing Members shall have the right, but not the obligation, to lend to the Company or obtain loans for the Company in the amount required or raise additional capital by admitting new members, with all existing Membership Interests being reduced pro rata. If the loans are made by the Managing Members, such loans shall bear interest at a compounded annual rate of twelve percent (12%) while said loans are outstanding and unpaid. If the loan or loans are obtained from a bank or other third party, the rate of interest shall be at the rate then obtainable. Such loan or loans shall be repaid at such time or times as the parties making such loans shall require. It is agreed that while any such loans are outstanding and unpaid, no distributions shall be made to any of the Members until such loans (principal and interest) are fully paid, unless otherwise determined by the Managing Members in their exclusive discretion.

E. The provisions of this Section 12 are not for the benefit of any creditor or other person other than a Member to whom any debts, liabilities, or obligations are owed by, or who otherwise has any claim against, the Company or any Member, and no creditor or other person shall obtain any rights under this section or by reason of this section, or shall be able to make any claim in respect of any debts, liabilities, or obligations against the Company or any Member.

13. Bank Accounts.

All funds of the Company shall be deposited in such bank or savings and loan account or accounts as shall be designated by the Managing Members. Withdrawals from any such bank account shall be made upon such signature or signatures as the Managing Members may designate, and shall be made only for the purposes of the Company.

14. Books and Records.

The Company shall keep true, exact, and complete books of account in which shall be entered fully and accurately each and every transaction of the Company. The books of account shall be kept on the accrual method of accounting. The fiscal year and the taxable year of the Company shall be the calendar year. All books of account shall be kept at the principal office of the Company and all Members shall have the right to inspect and copy such books at all reasonable times. An accounting shall be made at the end of each calendar year and a copy of the accounting report shall be transmitted to each Member.

15. Disposition of Membership Interests.

A. Restriction of Transfers of Membership Interest. A Member may not transfer, assign or encumber all or any part of his Membership Interest in the Company without first obtaining the written consent of the Managing Members. Any member which is a CBE may not transfer their interest hereunder except to another CBE after approval of the Managing Members. The interest of each Member in the Company shall be assignable, upon the prior written approval of the Managing Members, and if such approval is given then such assignment shall be permitted subject to the following terms and conditions:

(i) Right of First Refusal. If a Member (hereinafter sometimes called the "Offeror") shall receive a bona fide written offer, as defined in subdivision (iii) of this Section 15(A), for the purchase of his Interest, which offer he is willing to accept, he shall send written notice to the Managing Members advising of the receipt of said offer, enclosing a true copy of said offer. For a period of thirty (30) days after the date of delivery of the offer notice to the Managing Members, the Managing Members (acting individually or pro-rata if more than one but not all wish to purchase) shall have the exclusive and irrevocable right and option to purchase all (but not less than all) of the Interest offered for sale; such right to be exercisable by written notice to the Offeror given within the thirty (30) days' period aforesaid. If the Managing Members do not elect to purchase the Offeror's Interest, then Managing Members shall notify the other Members of the opportunity to acquire the Interest offered for sale upon the same terms and conditions. Such offer shall provide the other Members thirty (30) days to elect to accept such offer. If neither the Managing Members nor the other Members elect to acquire the Interest, the Offeror shall be at liberty to assign his Interest to the person from whom he received the bona fide acceptable offer, at a price not below nor upon the terms more advantageous to the buyer than the price and terms contained in said bona fide acceptable offer, provided, however, that if such sale is not made and consummated within four (4) months after the date of such bona fide offer, the Offeror may not thereafter dispose of his said Interest without again giving the Managing Member and the other Members the option to purchase his interest as aforesaid.

(ii) Substitution of Members. If the Managing Members shall consent thereto, a permitted assignee shall have the right to become a substituted Member upon the payment to the Company of a reasonable fee to cover the costs and expenses of preparation and execution of an amendment to this Agreement. Each of the parties hereto does hereby agree, whenever

requested to do so, personally to sign and swear to any such amendment and to execute whatever further instruments may be requisite to effect the substitution of a Member in accordance with the terms hereof. Unless named in this Agreement, or unless admitted to the Company as above provided, no person shall be considered a Member; and the Company, each Member, and any other persons having business with the Company need deal only with Members so named and so admitted. They shall not be required to deal with any other person by reason of an assignment by a Member or by reason of the death of a Member, except as otherwise provided in this Agreement. In the absence of substitution of a Member for an assigning or deceased Member, any payment to a Member or to his executors or administrators shall acquit the Company of all liability to any other person who may be interested in such payment by reason of an assignment by the partner or by reason of his death.

(iii) Bona Fide Offer. An offer, in order to be a bona fide offer within the meaning of this Section 15, must be in writing; it must be made by a person, partnership or corporation having sufficient financial ability to consummate the purchase of the Interest so offered to be purchased; said offer must be accompanied by a good faith cash or certified check deposit of at least ten percent (10%) of the amount of the offering price; and the home and business address of the offeror must be shown therein.

(iv) Notwithstanding the other provisions of Section 15(A)(i) hereof, and without the necessity of complying with the provisions thereof, the Membership Interest of any Member (in its entirety or any portion thereof) may be transferred or disposed of by inter vivos instrument, by bequest or devise to any of the following namely:

(a) Another Member, a spouse, parent, parent-in-law, child (natural born or adopted) of such Member, or a custodian for such child under the Uniform Gift to Minors Act, or a spouse of a child, descendant or spouse of a descendant, sister or brother, or spouse of a sister or brother, of such Member; or

(b) A trust, whether inter vivos or testamentary, of which any person named in Subsection 15(A)(iv)(a) is a primary income beneficiary; or

(c) The beneficiary of any trust or custodianship described in (a) or (b) above who would under the provisions of such trust or custodianship become entitled to the corpus of the custodianship or the trust on its termination, or to a parent, descendant or spouse of a descendant, sister or brother, spouse of a sister or brother of any beneficiary of any such trust or custodianship.

PROVIDED, HOWEVER, that upon the transfer of any Membership Interest to any person or party described in the foregoing sections of Subsection 15(A)(iv), any subsequent transfer of such interest by such transferee shall be subject to all terms and provisions of this Section 15, as

well as any and all other provisions of this Agreement; provided, further, that at or prior to the date of any inter vivos transfer of any interest as aforesaid, the transferor shall give written notice of such transfer to the Company, setting forth in such notice the name and address of the transferee.

B. Substitute Members. Anything to the contrary contained herein notwithstanding, the assignee of a Membership Interest shall have the right to become a substituted Member in the Company only if (i) the assignor so provides in the instrument of assignment, (ii) the assignee agrees in writing to be bound by the terms of this Agreement and the Articles, as amended to the date thereof, (iii) consent to such assignment has been obtained from the Managing Members, and (iv) the assignee pays the reasonable costs incurred by the Company in preparing and recording any necessary amendments to this Agreement and the Articles.

C. Each party hereto acknowledges that their services provided to the Company are of a special and unusual character which has a unique value to all parties hereto and the Company, the loss of which cannot adequately be compensated by damages in an action at law. Because of the unique value of each individual Member and because of the confidential information each party obtains as Members of the Company, each party hereto further agrees and covenants that the party will not, directly or indirectly, during the term of this Agreement or for two (2) years after the party ceases to be a Member of the Company, attempt to transfer any specific business of the Company or any specific customer of the Company to another company or person or directly or indirectly undertake employment with, or to be associated with, as owner, partner, joint venturer, stockholder, employer, employee, agent or contractor, or in any other manner be connected or identified either directly or indirectly with, any person, business, organization, firm, association or corporation which shall actively solicit or attempt to solicit the customers of the Company or directly compete in any fashion with the Company. Should any party hereto engage in or perform, either directly or indirectly, any of the acts prohibited above, it is agreed that the Company shall be entitled to recover any damages incurred by it as a result of such engagement or violation by such party in an action at law, and to full injunctive relief, to be issued by any competent court of equity, enjoining and restraining the party and each and every person, firm, organization, association, or corporation concerned therein, from the continuance of such violative acts.

16. Dissolution.

(A) Any of the following acts or events shall dissolve the Company:

(i) If such dissolution is ordered in writing by the Managing Members, the Company may be dissolved as of the end of any calendar year, or

(ii) Any act or event which shall dissolve a limited liability company under the Act unless not less than a majority in interest of the remaining Members elect that the Company be continued by written notice to the Company within one hundred eighty (180) days.

(B) Withdrawal of any Managing Member.

(i) The Managing Members shall have the right to withdraw from the Company as to all of their interests upon giving to the Members not less than sixty (60) days prior written notice, and such withdrawal shall not dissolve the Company if the business of the Company is continued pursuant to Section 16(A)(ii) above and a successor Managing Member shall be designated by vote of a majority of the Members.

(ii) Notwithstanding the provisions of Section 16(B)(i) above, the Managing Members agree that they shall not withdraw from the Company if such withdrawal violates the provisions of any mortgage against the Company property or would accelerate the maturity of the mortgage indebtedness.

17. Continuation of Company Business.

Upon dissolution of the Company and by reason of any of the events set forth in Section 16(A)(ii) above, the majority in interest of the remaining Members may elect, by written agreement, to continue the business of the Company.

18. Winding Up.

Upon dissolution of the Company by reason of the events described in Section 16(A)(ii) above, if a majority in interest of the remaining Members do not elect to continue the business of the Company, or, upon dissolution by reason of any event described in Section 16(A)(i) above, the Company shall liquidate its assets and wind up its affairs in the following manner:

(a) Liquidation of Assets and Discharge of Liabilities. A reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of its liabilities in order to minimize the normal losses attendant upon such liquidation. The Managing Members shall liquidate the Company and shall have the authority, to perform any and all acts and to take any and all actions which may be necessary, appropriate, or incidental thereto. The authority of the Managing Members shall continue as long as is necessary, and exercise of such authority shall be deemed a proper act in winding up the affairs of the Company. The Managing Members are authorized to sell the assets of the Company in a bona fide sale or sales to any party or parties (including a Member) at such price or prices and upon such terms as they may deem advisable. Any such sale or sales shall be deemed a proper act in winding up the affairs of the Company. The Company may be continued at the discretion of the Managing Members during the period that any deferred purchase money indebtedness and related obligations remain unpaid in whole or in part, in order to enable the Company to collect payments thereon until such obligation and indebtedness are fully paid, and in order to enable the Company to distribute the net proceeds of such payments to the Members.

19. Notice.

All communications provided for herein shall be made in writing and transmitted by (i) personal delivery, (ii) established overnight commercial courier, (iii) facsimile, (iv) electronic mail with confirmation of receipt, or (v) mail, first class postage prepaid, return receipt requested, to the Members at the addresses set forth in Exhibit A. Any address may be changed by notice given to the Members, as aforesaid, by the party whose address for notice is to be changed. Insofar as practicable, any consent of the Members, required or appropriate under this Agreement, shall be accomplished by written instrument without the necessity of meetings of the Members.

20. Separability.

The invalidity or unenforceability of any provision in this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

21. Interpretation.

This Agreement shall be interpreted and construed in accordance with the laws of the District of Columbia. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or person referred to may require. The captions of sections of this Agreement have been inserted as a matter of convenience only and shall not control or affect the meaning or construction of any of the terms or provisions hereof.

22. Entire Agreement.

The parties hereto agree that all understandings and agreements heretofore made between them are merged in this Agreement, which alone fully and completely expresses their agreement with respect to the subject matter hereof. There are no promises, agreements, conditions, understandings, warranties, or representations, oral or written, express or implied, among the parties hereto, other than as set forth in this Agreement, and the Articles. All prior agreements among the parties are superseded by this agreement, which integrates all promises, agreements, conditions, and understandings among the parties with respect to the Company and its property.

23. Counterparts; Effective Date.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement. The signatures of any party to a counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart. This Agreement is dated and shall be effective among the parties as of the date first above written.

24. Binding Effect.

This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors, assigns, heirs, executors, administrators, and legal representatives.

25. Sale of Company Property.

A. If a bona fide written offer (as defined below) is received by the Managing Members for the purchase of the entire real property of the Company, which offer is acceptable to the Managing Members, then the Managing Members shall notify the Members of their receipt of said offer and request their approval to accept such offer consistent with Section 7 E above.

B. For the purposes of this Section 25, a "bona fide offer" shall be one that is made in writing, and made by a third party having no financial interest in the Company or its property (other than an institutional type mortgagee of the property), the offeror must not be a person or entity that is included among the "exempt" parties set forth in Sections (a), (b) or (c) of Paragraph 15A hereinabove, and such offeror must have, in the reasonable opinion of the Managing Members, sufficient financial ability to consummate the purchase of the property, and the offer must be accompanied by a good faith deposit (by cashier's or certified check or by an irrevocable letter of credit of a banking institution having assets not less than Fifty Million Dollars) or at least five percent (5%) of the purchase price offered, and the business address of the offeror must be shown therein.

26. Amendments to Operating Agreement. Any Amendment to this Operating Agreement required to be made not already provided for herein shall be proposed by the Managing Members and shall be subject to approval of the Members owning in the aggregate at least sixty five percent (65%) of all Membership Interests.

27. Investment Intent. Each Member hereby represents and warrants to the Company and the Managing Members that:

(a) It and its representative(s), if any, understand and have evaluated the merits and risks of an investment in the Company and the purchase of an Interest;

(b) It is a person who is able to bear the economic risks of an investment in the Company and the purchase of a Company interest, in that, among other factors, it can afford to hold it's Company interest for an indefinite period and can afford a complete loss of an investment in the Company;

(c) It is relying solely on the tax advice of its own tax advisor(s) with respect to an investment in the Company and the purchase of a Company interest;

(d) It recognizes that investments in real estate and entities owning interests therein involve certain risks in that, among other factors, (i) the Company has virtually no financial or operating history, (ii) the successful operation of the Company will depend upon factors beyond the control of the Managing Members, (iii) the investment in the Company is a speculative investment and involves a high degree of risk of loss, (iv) any anticipated federal, state or local income tax benefits may not be available and, further, may be adversely affected by the adoption of new laws or regulations, or by interpretations of, amendments to or new or changed applications of existing laws, regulations or cases, (v) the Managing Members and other entities affiliated with it are and in the future may or will be engaged in businesses that are in direct competition with that of the Company, some or all of which activities may give rise to conflicts of interest, and (vi) there are substantial restrictions on the transferability of, and there will be no public market for, the Company interests, and, accordingly, it may not be possible to liquidate an investment in the Company in case of imminent need of funds or any other emergency, if at all. It and its representative(s), if any, have taken full cognizance of and understand such risks and have obtained sufficient information to evaluate the merits and risks of an investment in the Company and the purchase of a Company interest;

(e) It confirms that the Managing Members nor any of their agents, nor the Company nor any of their or its agents, have made any representations or warranties concerning an investment in the Company, including, without limitation, any representations, assurances or warranties concerning tax consequences that may arise in connection with an investment in the Company or the anticipated financial results of the operations, affairs and/or business of the Company;

(f) It is acquiring a Company interest solely for its own account, as a principal, for investment and not for the interest of any other and not with a view to, or in connection with, any resale, distribution, subdivision or fractionalization. It has no agreement or other arrangement with any person to sell, transfer or pledge any part of a Company interest subscribed for or which would guarantee it any profit or against any loss with respect to such Company interest and it has no plans to enter into any such agreement or arrangement;

(g) It understands that no federal or state agency has passed on or made any recommendations or endorsements of the investment, nor has it been reviewed by the Attorney General of any state or jurisdiction because of the Managing Members' representations that this is intended to be a non-public offering as defined under applicable federal securities laws. It understands that any offering literature used in connection with this offering has not been pre-filed with, or reviewed by, any Federal or state agency; and

(h) It understands that the Company interests have not been registered, and they are being offered and sold under an exemption from registration provided by applicable federal securities laws and the rules and regulations thereunder. It must bear the economic risk of the investment for an indefinite period of time because it is not anticipated that there will be any market for the Company interest and because the Company interest cannot be resold unless subsequently registered under then applicable securities laws or unless an exemption from such

registration is available. It also understands that the exemption presently provided by Rule 144 under the federal securities law will not be generally available because of the conditions and limitations of such Rule, that, in the absence of the availability of such Rule, any disposition by it of any portion of it=s Interest may require compliance with Regulation A or some other exemption under the applicable federal securities laws, and that the Company is under no obligation and does not plan to take any action in furtherance of making Rule 144 or any exemption so available. Further, it covenants and agrees that the Interest shall not be sold, assigned, transferred or otherwise disposed of unless (i) such sale, assignment, transfer or disposition is exempt from registration under the applicable federal securities laws and the applicable state securities or "Blue Sky" law or laws and, if the Managing Members so request, an opinion satisfactory to the Managing Members to such effect has been rendered by counsel satisfactory to the Managing Members, or (ii) a registration statement covering the Company interest is effective under the applicable federal securities laws.

(i) Each Member shall and does hereby agree, absolutely, unconditionally and irrevocably, to indemnify and save harmless the Company, the Managing Members, and each other Member from any damages, claims, expenses, losses or actions resulting from a breach by such Member of any of the warranties and representations contained in this Article 27.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

MEMBERS:

Potomac Investment Properties, Inc.

By: _____
Michael K. Gewirz, President

DC Strategy Group, LLC

By: _____
Claire A. Bloch, Managing Member

City Partners, LLC

By: _____
Geoffrey H. Griffis, Managing Manager

Paramount Development, LLC

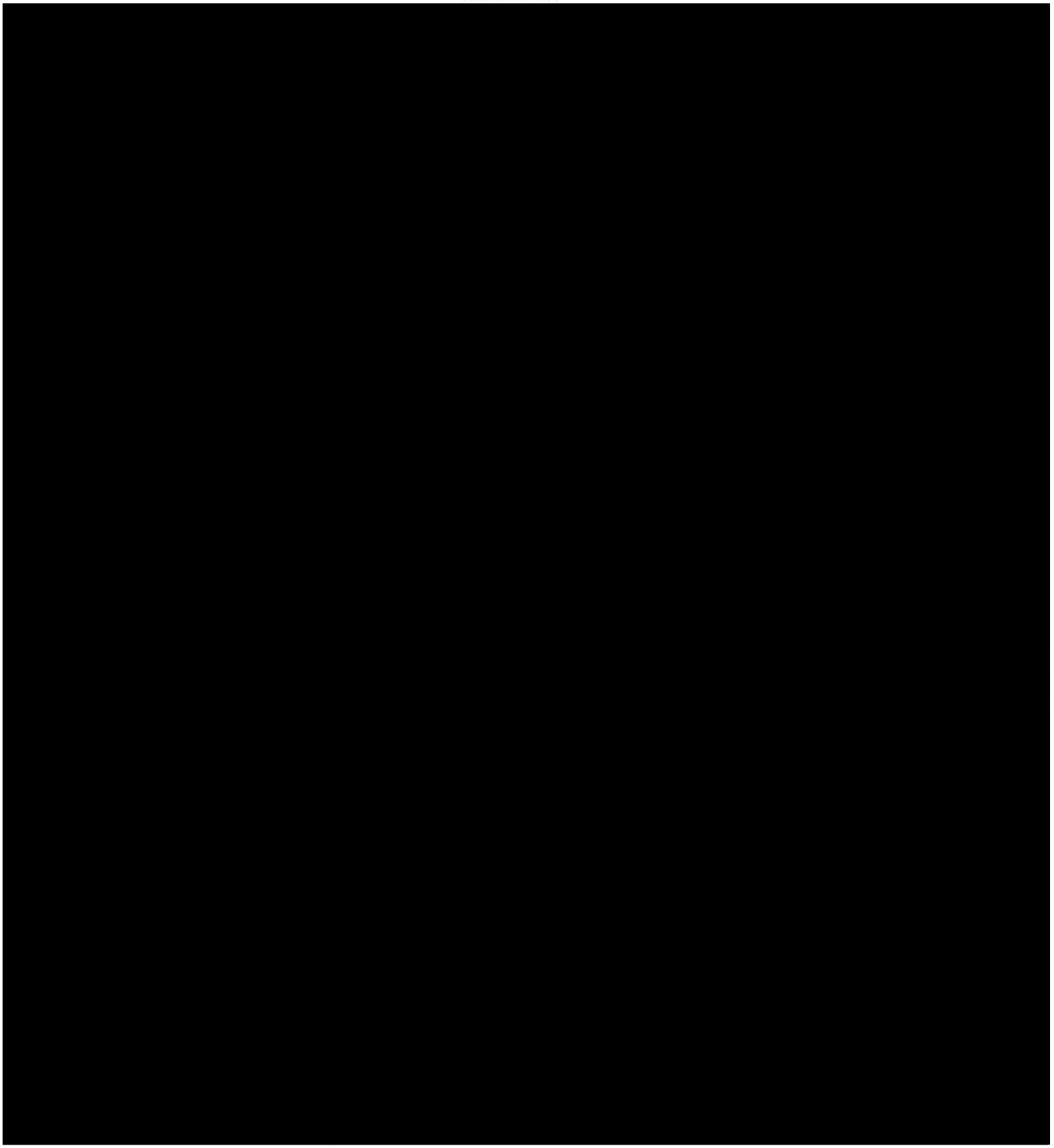
By: _____
Ben Soto, Managing Member

Adams Investment Group, LLC

By: _____
John Holmes, Managing Member

E STREET DEVELOPMENT GROUP, LLC
OPERATING AGREEMENT

Exhibit A



ARTICLES OF ORGANIZATION
OF
SIXTH & E STREET, LLC

Pursuant to _____ of the District of Columbia Code, the undersigned, being authorized to execute and file these Articles of Organization, hereby certifies that:

FIRST: The name of the Company shall be " Sixth & E Street, LLC".

SECOND: The Term of the Company shall be perpetual.

THIRD: The purposes for which the Company is formed are: (1) to engage in and carry on the business of buying, leasing, improving, developing, managing and otherwise dealing in lands and interests therein, (2) to have and exercise all powers now or hereafter conferred by the laws of the District of Columbia on limited liability companies formed pursuant to the District of Columbia Limited Liability Company Act; and (3) to do any and all things necessary, convenient or incidental to the achievement of the foregoing.

FOURTH: The address of the principal office of the Company is 1666 K Street N.W., Suite 430, Washington, DC 20036. The name and address of the resident agent of the Company is Michael K. Gewirz who is a resident of the District of Columbia and whose office address is 1666 K Street, N.W., Suite 430, Washington, D.C. 20036.

FIFTH: The relations of the members and the affairs of the Company shall be governed by the Act as well as a written operating agreement which may be amended from time to time as set forth therein.

IN WITNESS WHEREOF, the undersigned has signed these Articles of Organization and acknowledged them to be his act this _____ day of June, 2009.

_____
Barry A. Haberman, Organizer

Exhibit C

Property Description

Square 495	Lot 102
Square 494	Lot 28

Both in the District of Columbia

Exhibit "D"

Members	Role and Responsibilities
Potomac Investment Properties, Inc.	Master Developer—Managing Member Chairman Finance Management/Equity Predevelopment Funding Project Accountant
CityPartners, LLC	Master Developer-Managing Member President & Project Director Development Management Financial Analysis Design and Program Management FEMS Coordination Retail/Public access Commercial Entitlement/Approval Coordination Construction Management Marketing/Leasing Management
Adams Investment Group, LLC	Master Developer-Managing Member Development Director & Treasurer Development Coordination Financial Analysis Cost Estimating Oversight Construction Management Marketing/Leasing Management
DC Strategy Group, LLC	Development Partner Development Manager & Secretary Development Coordination Program Oversight Retail &FEMS Public Access Amenities Community Outreach & Coordination Construction Management
Paramount Development, LLC	Development Partner Development Manager Development Coordination Financial Analysis

Marketing/Leasing
Coordination

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EXHIBIT I
RIGHT OF ENTRY

RIGHT-OF-ENTRY AGREEMENT

THIS RIGHT OF ENTRY AGREEMENT (**"ROE"**) is made and entered into as of the ____ day of August, 2009 (the "**Effective Date**") by and between **THE DISTRICT OF COLUMBIA**, a municipal corporation, acting by and through the Office of the Deputy Mayor for Planning and Economic Development (the "**District**"), and **E STREET DEVELOPMENT GROUP, LLC**, a District of Columbia limited liability company (the "**Developer**" and, collectively with District, the "**Parties**").

RECITALS:

WHEREAS, pursuant to the National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008 (D.C. Law 17-0138), District, as successor in interest to the RLA Revitalization Corporation, owns Lot 102 in Square 495, together with all improvements located thereon, (the "**District Property**"),

WHEREAS, Developer desires to enter the District Property for the purpose of conducting certain Feasibility Studies (as defined in Paragraph 1 below) in anticipation of negotiating and executing a land disposition and development agreement ("**LDDA**") for the District Property with District.

NOW, THEREFORE, for the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, District and Developer agree as follows:

1. Right of Entry.

(a) Subject to the terms and conditions of this ROE, commencing on the Effective Date and continuing until the Expiration Date (as defined in Paragraph 2 below), District grants Developer and its employees, agents, contractors, subcontractors and invitees (collectively "**Agents**") the right to enter the District Property at any time during daylight hours Monday through Saturday (unless otherwise specified in the ROE) for performing surveying and soil, engineering, and environmental sampling, testing, and investigations, and such other tests, studies, and investigations as Developer deems necessary or desirable to evaluate the District Property or as may be required by applicable laws, regulations or codes ("**Feasibility Studies**"). Developer or its Agents may not store equipment on the District Property during the term of this ROE except as may be necessary to conduct tests hereunder. No other use shall be made of the District Property by Developer other than the performance of the aforementioned Feasibility Studies without District's prior written approval, which approval shall be within District's sole and absolute discretion.

(b) District shall retain the right to restrict the days and times of entry to the District Property, or any portion thereof, provided that written notice of such restriction is delivered to Developer at least forty-eight (48) hours in advance of the restriction going into effect.

(c) In the event Developer desires to conduct any physically invasive activities such as sampling of soils or drilling wells or archeological surveys in conjunction with the conduct of the Feasibility Studies, Developer shall provide the District Representative with the scope of work to be done and the name of the contractor to conduct such work, and shall request the prior written consent thereto of the District Representative, which consent shall not be unreasonably withheld, conditioned or delayed. If District Representative has not responded within three (3) Business Days after receipt of Developer's request for consent under this subsection (c), then the District Representative will be deemed to have approved the request for consent. For purposes of this ROE, "**Business Day**" shall mean Monday through Friday, inclusive, other than (i) holidays recognized by the District government or the federal government and (ii) days on which the District or federal government closes for business as a result of severe inclement weather or a declared national emergency which is given effect in the District.

(d) Prior to entering the District Property, Developer shall provide District with proof of insurance, as required in Paragraph 8(f) of this ROE.

(e) At the conclusion of the Feasibility Studies, Developer shall, at its sole expense: (i) restore the District Property to substantially the same condition that existed prior to any Feasibility Studies or any activities conducted in connection therewith; (ii) remove all materials from the District Property which are brought onto the District Property by Developer or Developer's Agents, such removal shall be in accordance with the terms of this ROE and federal and District law; and (iii) pay in full any and all liens by contractors, subcontractors, materialmen or laborers performing any inspections or any other work for Developer or Developer's Agents on or related to the District Property.

2. Expiration; Termination. This ROE shall automatically expire (without further action by District) upon either (a) execution of the LDDA between District and Developer or (b) one hundred twenty (120) days after the Effective Date ("**Expiration Date**"), whichever shall occur earlier, unless extended in writing for a term agreed to by District and Developer. Notwithstanding the foregoing, District may revoke this ROE at any time should Developer breach the provisions hereof and fail to cure such breach within five (5) business days after notice threof, by notice delivered to Developer at the address set forth in Paragraph 3 of this ROE.

3. Notices.

(a) Notices from Developer concerning entries upon the District Property by Developer and its Agents, as provided for in Paragraph 1, shall be given to or made to District at:

Deputy Mayor for Planning and Economic Development
2025 M Street, N.W., Suite 600
Washington, D.C. 20036
Telephone: (202) 724-6634
Facsimile: (202) 724-9006
Attention: David Roberts, Asset Manager

District hereby designates Senthil Sankaran, Project Manager as the "**District Representative**" and covenants that such representative, or an alternate designated in writing to Developer, shall make reasonable efforts to be available to allow Developer entry onto the District Property pursuant to and for the purposes outlined in Paragraph 1.

(b) All other notices and communications under this ROE shall be in writing and shall be deemed duly given (i) upon delivery, if delivered by prepaid reputable delivery service (with signed receipt), or by postage paid, certified (return receipt requested) or overnight U.S. mail, or (ii) upon receipt, if sent by facsimile transmission, with electronic verification, or (iii) upon refusal, if delivery is attempted by a means provided in (i). Notices shall be sent:

If to District:	Deputy Mayor for Planning and Economic Development 2025 M Street, N.W., Suite 600 Washington, D.C. 20036 Attention: David Roberts, Asset Manager Facsimile: (202) 724-9006
with a copy to:	Office of the Attorney General 1350 Pennsylvania Avenue, N.W., Suite C-19 Washington, D.C. 20004 Attention: Joseph P. Lapan, Esq. Facsimile: (202) 715-7767
If to Developer:	Geoffrey H. Griffis 1817 Adams Mill Road, NW, Suite 200 Washington, DC 20009 Facsimile: (202) 265-2491
With a copy to:	Barry A. Haberman, Esquire 51 Monroe Street, Suite 1507 Rockville, MD 20850 Facsimile: (301) 340-1167

Each Party shall be responsible for notifying the other as to any change in its address or facsimile number.

4. Reports. Developer shall provide written notification to District of the final results of the Feasibility Studies and any other investigation of the District Property and shall provide District with copies of all final sampling results and any written summaries, reports, or evaluations of such results within five (5) Business Days of receiving such final results. District makes no representations or warranties as to the presence or absence of Hazardous Materials (defined hereinafter) in, under, about or on the District Property. This provision shall survive the expiration or earlier termination of this ROE.

5. Removal of Equipment and Waste. At the expiration or earlier termination of this ROE, Developer shall remove all tools, equipment, and other personal property from the District

Property at its sole cost. This provision shall survive the expiration or earlier termination of this ROE. Upon conclusion of each entry on to the District Property, Developer or Developer's Agents shall remove all trash, refuse and debris generated by them as a result of the Feasibility Studies.

6. Security. Developer shall provide and adequately maintain any barricades, fences, signs, lanterns and other suitable devices as deemed necessary by OSHA for employee and public safety with respect to the Feasibility Studies performed hereunder. Developer shall maintain the security of each of its work sites on the District Property to the reasonable satisfaction of District during the entire period of entry under this ROE. In the conduct of work undertaken herein, Developer shall exercise all reasonable and customary safety precautions and shall maintain all work areas on the District Property in a clean and presentable manner. Developer shall, unless otherwise directed by the District (a) use commercially reasonable efforts to secure any portion of the District Property accessed or used by Developer, and any equipment stored on the District Property as permitted under this ROE, at all times while performing the Feasibility Studies, and (b) be solely responsible for ensuring that only Developer and its Agents have access to the District Property while it is on site conducting the Feasibility Studies.

7. Indemnification. With respect to all activities permitted under this ROE, Developer shall at all times conform with and abide by the reasonable orders and directions of District officials or their duly authorized representatives, indemnifying the same as follows:

(a) Developer shall indemnify and hold harmless District, its officials, officers, employees, and agents from all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses (including reasonable attorney's fees), of whatsoever kind and nature for injury, including personal injury or death of any person or persons, and for loss or damage to any property caused by Developer occurring in connection with, or in any way arising out of the use, occupancy, and performance of the work permitted by this ROE; provided, however, the foregoing indemnity shall exclude any claims or liabilities caused by the gross negligence or willful misconduct of District.

(b) Developer shall indemnify and hold harmless District, its officials, officers, employees, and agents from all liabilities, remedial costs, environmental claims, fees, or other expense related to, arising from, or attributable to, any Hazardous Materials introduced by Developer (including effluent discharged on the District Property) or as a result of Developer's activities on the District Property; provided, however, the foregoing indemnity shall exclude any claims or liabilities caused by the gross negligence or willful misconduct of District.

(c) Developer expressly indemnifies and shall defend District against any claims by Developer's Agents who perform any activity on the District Property; provided, however, the foregoing indemnity shall exclude any claims or liabilities caused by the gross negligence or willful misconduct of the District. This ROE shall not be construed as granting Developer or any Agent of Developer the right to place any lien, mechanic's lien, or any charge on the District Property.

(d) If any action or proceeding as described in this Paragraph 7 is brought against District, its officials, officers, or employees, upon written notice from District to Developer,

Developer shall, at its sole expense, resist or defend such action or proceeding by counsel approved in writing by the Office of the Attorney General for the District of Columbia ("**OAG**"); *provided, however*, that such approval shall not to be unreasonably withheld, conditioned or delayed. In the event the OAG takes any legal action required to defend the District against such action, Developer shall promptly reimburse District for all liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages, disbursements or expenses of any kind (including attorneys' and experts' fees and expenses and fees and expenses incurred by District in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against District or any of them in connection with or arising from or out of this ROE; provided, however, the foregoing indemnity shall exclude any claims or liabilities cause by the gross negligence or willful conduct of the District. Attorneys' fees incurred by OAG shall be calculated based on the then applicable hourly rates established in the most current *Laffey* matrix prepared by the Civil Division of the United States Attorney's Office for the District of Columbia and the number of hours employees in the OAG prepared for or participated in such action or proceeding.

(e) The obligations contained in this Paragraph 7 shall survive expiration or the earlier termination of this ROE.

8. Insurance. During the term of this ROE and any extensions, at any time when Developer enters upon the District Property, Developer or its Agents shall provide the following types of insurance and comply with the following requirements:

(a) Contractor's Commercial General Liability Insurance. A Comprehensive Commercial General Liability Insurance policy issued to and covering the liability for all work and operations under or in connection with this ROE and all obligations assumed by Developer under this ROE. Coverage shall include Completed Operations and Contractual Liability Insurance and Explosion, Collapse, and Underground Coverage. The coverage under such an insurance policy or policies shall have not less than the following limits:

Bodily Injury and Property Damage Liability
Two Million Dollars ($2,000,000) Combined Single Limit Each Occurrence

District shall be named as an additional insured under the coverage for Commercial General Liability with respect to all activities under this ROE.

(b) Worker's Compensation. A policy complying with the requirements of the applicable District of Columbia laws and, if applicable, to the U.S. Longshoremen Harbor Workers' Act, Jones Act or Admiralty laws and the Federal Employers' Liability Act. The policy shall have not less the following limits:

Worker's Compensation:	Statutory
Employers' Liability:	
Each Accident	$500,000
Disease - Policy Limit	$500,000
Disease - Each Employee	$500,000

(c) Contractor's Pollution Legal Liability Insurance. During the term of this ROE, neither Developer nor any Developer's Agents shall remove, store, transport, or dispose of demolition debris, hazardous waste or contaminated soil, without first obtaining (or causing its contractor to obtain) a Professional/Pollution Liability Insurance Policy. The policy shall include such coverage for bodily injury, personal injury, loss of, damage to, or loss of use of property, directly or indirectly arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gas, waste materials, or other irritants, contaminants, or pollutants into or upon the land, the atmosphere, or any water course or body of water, whether it be gradual or sudden and accidental. District shall be named as an additional insured under the foregoing insurance policy.

(d) Insurance Companies. Insurance companies providing the aforesaid coverages shall be rated by A.M. Best or a comparable rating company and carry at least an "A" rating. All insurance shall be procured from insurance companies licensed and authorized to do business in the District of Columbia.

(e) Changes in Insurance Coverage. The requisite insurance policies shall not be canceled, terminated, or modified (except to increase the amount of coverage) without thirty (30) days' prior written notice from Developer to District. If the required insurance policies should be canceled, terminated, or modified so that the insurance is not in full force and effect, then District shall have the right to terminate this ROE immediately, without prior notice or right to cure by Developer.

(f) Evidence of Insurance. Evidence of the requisite insurance policies in the form of certificates of insurance shall be submitted to District prior to Developer's entry onto the District Property and from time to time at District's request.

9. Liability. Without prejudice to any other rights District may have, Developer is responsible, in accordance with applicable laws, for the acts and omissions of its Agents while performing work hereunder that cause injuries to persons or damages to the District Property, including any claims arising from such injuries or damages, caused by or arising from the activities permitted under this ROE. District shall have no liability for the actions or negligence of Developer or its Agents. Neither the grant of this ROE, nor any provision thereof, shall impose upon District any new or additional duty or liability or enlarge any existing duty or liability of District under this ROE.

10. Licenses/Permits. Developer is solely responsible for obtaining any necessary licenses and permits for the work permitted under this ROE, including transportation and disposal of materials and waste. The spoil (soil and water), if any, produced by Developer shall be stored, and disposed of, in strict compliance with local and federal laws. Prior to the removal of any non-hazardous materials and debris from the District Property, Developer shall provide District written notice of the location to which the materials and debris are to be disposed.

11. Utilities. Developer shall be solely responsible for coordinating with the utility companies regarding any activity to be performed on the District Property. Developer shall be solely responsible for the proper containment and removal of all utility lines on or near the

District Property if applicable. Developer shall defend and hold harmless District against any claims by any utility company resulting from Developer's direct or indirect activities on the District Property.

12. Hazardous Materials. Developer shall immediately notify District if it discovers Hazardous Materials (as defined below) on the District Property. Within ten (10) days of the disposal of any Hazardous Materials, Developer shall provide District written evidence and/or receipts confirming the proper disposal of all hazardous materials removed from the District Property. For purposes of this ROE, "**Hazardous Materials**" means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or Toxicity Characteristic Leaching Procedure (TCLP) toxicity; (b) any petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product and any other substance the presence of which could be detrimental to the District Property or hazardous to health or the environment. "**Environmental Law**" means any present and future law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the District Property and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any so-called "Super Fund" or "Super Lien" law, any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

13. Not a Contract for Services. This ROE is not intended, nor shall it be deemed or construed, as a contract for services or to bind District to convey the District Property to Developer. Nothing contained in this ROE and no future action or inaction by District shall be deemed or construed to mean that District has contracted with Developer to perform any activity on the District Property, including, but not limited to, the permitted use pursuant to this ROE. Developer expressly acknowledges that District is prohibited by law from entering into contracts for services without following the procedures set forth in the Procurement Practices Act, D.C. Official Code §§ 2-301.01 (2007 Repl.) et seq., and all financial obligations of District or any subsequent agreement entered into by the parties are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349, 1350, and 1351; (ii) the D.C.

Official Code § 47-105; (iii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq., as the foregoing statutes may be amended from time to time; and (iv) § 446 of the District of Columbia Home Rule Act. Under no circumstance shall Developer be entitled to reimbursement for any activities permitted by this ROE on the District Property.

14. Compliance with Applicable Laws. Developer shall comply with all applicable federal, state and District of Columbia laws, and existing regulations promulgated thereunder in its use and activities permitted pursuant to this ROE, including all such laws and regulations governing the testing and investigation of asbestos, lead and other Hazardous Materials.

15. No Waiver. Nothing in this ROE shall be deemed to waive any rights of any kind that District now has, or may hereinafter have, to assert any claim against Developer or any other person or entity, including, without limitation, claims with respect to any and all past events or entry on the District Property and activities of Developer or of any person or entity.

16. No Right, Title, or Interest. Nothing contained in this ROE and no action or inaction by District shall be deemed or construed to mean that District has granted Developer any right, power, or permission to do any act or make any agreement that may create, give rise to, or be the foundation for any right, title, interest, lien, or charge to the District Property, including, but not limited to, the grant of a license or easement in the District Property.

17. Applicable Law and Binding Nature; Waiver of Jury Trial. This ROE shall be construed under the laws of the District of Columbia without reference to conflicts of laws principles. This ROE shall be binding upon the heirs, personal representatives, successors, grantees, and assigns of the respective parties hereto.

(a) Developer and District, their respective successors and assigns, each waives trial by jury in any action, proceeding, claim, or counterclaim brought in connection with any matter arising out of or in any way connected with this ROE, the relationship of District and Developer hereunder, Developer's entry on the District Property, and/or any claim of injury or damage.

(b) Developer and District each waives any objection to the venue of any action filed in any court situated in the jurisdiction in which the District Property is located, and waives any right, claim, or power, under the doctrine of *forum non conveniens* or otherwise, to transfer any such action to any other court.

18. Entire Agreement. This ROE constitutes the entire agreement between the Parties with respect to the subject matter hereof and shall not be modified or amended in any manner except by an instrument in writing executed by the parties as an amendment to this ROE.

19. Counterparts. This ROE may be executed in counterparts, each separately and together constituting one and the same document. Execution and delivery of this ROE by facsimile shall be sufficient for all purposes.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, District and Developer have executed this ROE as of the date and year first above written.

DISTRICT OF COLUMBIA:
By and through the Office of the Deputy Mayor for Planning and Economic Development, acting pursuant to the authority delegated by Mayor's Order 2007-172 (July 25, 2007) and Mayor's Order 2008-137 (October 20, 2008)

Witness

Valerie-Joy Santos
Deputy Mayor for Planning and Economic Development

Approved for Legal Sufficiency:
Office of the Attorney General
For the District of Columbia

Assistant Attorney General for
the District of Columbia

E STREET DEVELOPMENT GROUP, LLC
a District of Columbia limited liability company

By: CityPartners, llc
its Managing Member

Witness

By: _____
Name: Geoffrey H. Griffis
Title: Managing Member

RIGHT-OF-ENTRY AGREEMENT

THIS **RIGHT OF ENTRY AGREEMENT ("ROE")** is made and entered into as of the 26th day of October, 2009 (the "**Effective Date**") by and among **THE DISTRICT OF COLUMBIA,** a municipal corporation, acting by and through its Department of Real Estate Services (the "**District**"), and **E STREET DEVELOPMENT GROUP, L.L.C.,** a District of Columbia limited liability company (the "Permittee") (individually referred to herein as the **"Party"**, or collectively referred to herein as the "**Parties**").

RECITALS:

WHEREAS, the District is the owner of the real property with a street address of 450 Sixth Street, S.W., Washington, D.C. 20024 and designated for purposes of assessment and taxation as Lot 36 in Square 494 (depicted as "Parcel A" in Attachment 1 hereto), together with all improvements located thereon (the "**Property**");

WHEREAS, the District and the Permittee are entering into this ROE to permit the Permittee and the Permittee's Agents to enter the Property for the purpose of conducting feasibility studies (defined hereinafter in **Section 2 (Right of Entry)** in the ROE as **"Feasibility Study Work"** in anticipation of negotiating and executing a land disposition and development agreement for the Property with the District; and

WHEREAS, the Property is currently occupied by the District of Columbia Fire and Emergency Medical Services Department (**"FEMS"**) Engine Company 13 (**"Engine Co. 13"**), an operational District fire and emergency medical services station and, therefore, the Parties must engage in coordinated efforts to ensure that the right of entry granted herein does not interfere with Engine Co. 13 operations.

NOW, THEREFORE, in consideration of the foregoing promises, the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the District and the Permittee agree as follows, intending to be legally bound:

1. All recitals are incorporated by reference.

2. **Right of Entry:**

(a) Subject to the terms and conditions of this ROE, commencing on the date of this ROE and continuing until the Expiration Date (as defined in **Section 3 (Term)**), the District grants Permittee and the Permittee's Agents, and their employees, agents, contractors, subcontractors, and invitees (each, an Agent and collectively "**Agents**") the right to enter the Property during daylight hours Monday through Saturday for Feasibility Study Work (as hereinafter defined). The Feasibility Study Work will include performing surveying and soil, engineering, and environmental sampling, testing, and investigations, and such other tests,

studies, and investigations as the Permittee deems necessary or desirable to evaluate the Property or as may be required by applicable laws, regulations or codes (the "**Feasibility Study Work**").

(b) In order to exercise its right of entry onto the Property, the Permittee shall provide at least two (2) business days advance written notice to the District of its intent to perform Feasibility Study Work, which notice identifies the date and time of work, scope of work, length of time and the location of the proposed Feasibility Study Work and the name of the contractor to be performing the work. The District shall make best efforts to respond to such notice within one (1) business day either (i) to inform the Permittee that it accepts the date, time, scope and location of the Permittee's Feasibility Study Work or (ii) based on operational and staffing consideration for Engine Co. 13, to propose alternate date(s), time(s), scope or location for such Feasibility Study Work. Once the date, time, scope and location for the Feasibility Study Work have been established, the District shall coordinate access to the Property for the performance of such Feasibility Study Work. Notwithstanding the foregoing, in no event shall the Permittee have a right of entry onto the Property unless the District has expressly approved the date, time, scope and location of such access in advance, which approval shall be within District's sole and absolute discretion.

(c) The Permittee and the Permittee's Agents shall not remove any trees, unless such trees are to be replaced in kind, or make any permanent alterations to the Property or use the Property for any other purpose other than the performance of the aforementioned Feasibility Study Work without the District's prior written consent. The Permittee and the Permittee's Agents shall enter upon the Property only at such times as indicated, and the District Representative (as hereinafter defined) shall be entitled, but shall not be obligated, to accompany the Permittee and the Permittee's Agents on each entry.

(d) Promptly upon the conclusion of the Feasibility Study Work (and in all events within fifteen {15} business days thereafter, time being of the essence), except to the extent caused or precluded by the actions or inactions of the District or its employees, agents, representatives, consultants, contractors, subcontractors, or invitees, the Permittee shall,

(i) at the Permittee's sole cost and expense, repair or cause to be repaired, any and all material physical damage to the Property caused by the Permittee or the Permittee's Agent(s), including using best efforts to properly contain all Hazardous Materials (as defined in **Section 16 (Hazardous Materials)** of this ROE) disturbed or released by or during the Feasibility Study Work. The Permittee or the Permittee's Agents shall not be obligated to restore the Property or repair or replace any physical damage to the Property to the extent that: (a) such restoration, repair, or replacement would involve the re-incorporation of any Hazardous Materials, in, on, or about the Property; or (b) the Permittee has obtained the District's prior written consent not to do so. The Permittee or the Permittee's Agent(s) shall not be obligated to remove, remediate, or otherwise abate any environmental contamination which pre-existed the commencement of the Feasibility Study Work that is (a) not otherwise required at law or in equity; or (b) beyond that which is required to contain

any Hazardous Materials disturbed or released by or during the Feasibility Study Work;

(ii) remove all materials from the Property which are brought onto the Property by Permittee or Permittee's Agents, such removal shall be in accordance with the terms of this ROE and federal and District of Columbia law; and

(iii) pay in full any and all liens by contractors, subcontractors, materialmen or laborers performing any inspections or any other work for Permittee or Permittee's Agents on or related to the Property.

(e) Any Feasibility Study Work performed at the Property shall not unreasonably interfere with the business operations of the Engine Co. 13. Such Feasibility Study Work shall not impede ingress or egress (pedestrian or vehicular) to Engine Co. 13. Such Feasibility Study Work shall be restricted to those areas of the Property specifically designated by the District, if any have been designated. Neither the Permittee nor the Permittee's Agents shall store any equipment on the Property without the express written approval of the District. No other use shall be made of the Property by the Permittee other than the performance of the aforementioned Feasibility Study Work without District's prior written approval, which approval shall be within District's sole and absolute discretion.

(f) Prior to entering the Property, Permittee shall provide proof of insurance, as required in **Section 12 (Insurance)** of this ROE.

(g) Notwithstanding the foregoing, the terms and conditions contained in this ROE shall not constitute a waiver of any rights or obligations agreed to by the Parties in any future agreement relating to the Property.

3. Term. The term (**"Term"**) of this ROE shall begin on the Effective Date of this ROE and, unless terminated earlier, shall automatically expire (a) without further action by the District sixty (60) days from the date of this ROE (**"Expiration Date"**), unless extended in writing by the District and the Permittee; (b) by completion of the Feasibility Study Work; or (c) if terminated earlier by the District due to the Permittee's failure to timely cure a breach pursuant to **Section 4 (Termination)**, whichever shall first occur.

4. Termination. In the event that Permittee commits a breach of this ROE, the Permittee shall cure such breach within five (5) days of written notice of such breach as set forth in **Section 6 (Notice)** of this ROE. If the Permittee fails to cure such breach to the District's reasonable satisfaction, the District may terminate this ROE. Unless terminated earlier, this ROE shall expire without further action by the District on the Expiration Date provided in **Section 3 (Term)**, unless extended in writing by the Parties. Notwithstanding the foregoing, the indemnifications provided in **Section 10 (Indemnification)** hereof and the Permittee and the Permittee's Agents' obligations under **Section 11 (Insurance)** shall survive the termination of this ROE.

5. **Costs.** The District shall not be responsible for any costs associated with the Feasibility Study Work.

6. **Notices.**

(a) Notices from the Permittee concerning entries upon the Property by the Permittee and its Agents, and coordination of access as provided for in **Section 2 (Right of Entry)**, shall be given to or made to District by electronic mail and facsimile transmission with electronic verification at the following:

Government of the District of Columbia
Fire and Emergency Medical Services
3180 V Street, N.E.
Washington, DC 20018
Attention: Battalion Fire Chief David Foust
E-mail: david.foust@dc.gov
Facsimile: (202) 673-2276
Telephone: (202) 386-5632

District hereby designates Battalion Fire Chief David Foust as the "**District Representative**" and covenants that such District Representative, or an alternate designated in writing to the Permittee, shall make reasonable efforts to be available to allow the Permittee entry onto the Property pursuant to and for the purposes outlined in **Section 2 (Right of Entry)**. Such notice required herein shall bear a bold face legend substantially as follows: "**IMPORTANT: YOUR RESPONSE IS REQUIRED WITHIN ONE (1) BUSINESS DAY.**"

(b) All other notices and communications under this ROE shall be in writing and shall be deemed duly given (i) upon delivery, if delivered by prepaid reputable delivery service (with signed receipt), or by postage paid, certified (return receipt requested) or overnight U.S. mail, or (ii) upon receipt, if sent by facsimile transmission, with electronic verification, or (iii) upon refusal, if delivery is attempted by a means provided in (i). Notices shall be sent:

If to District:
Government of the District of Columbia
Department of Real Estate Services
Frank D. Reeves Municipal Center
2000 14th Street, NW, 8th Floor
Washington, DC 20009
Telephone: (202) 724-4400
Facsimile: (202) 727-9877
Attention: Director

with a copy to:
Office of the Attorney General
1350 Pennsylvania Avenue, N.W., Suite C-19
Washington, D.C. 20004
Attention: Joseph P. Lapan, Esq.
Facsimile: (202) 715-7767

with additional copy to:

Government of the District of Columbia
Fire and Emergency Medical Services
3180 V Street, N.E.
Washington, DC 20018
Attention: Battalion Fire Chief David Foust
E-mail: david.foust@dc.gov
Facsimile: (202) 673-2276
Telephone: (202) 386-5632

If to the Permittee: E Street Development Group, LLC
1817 Adams Mill Road, N.W., Suite 200
Washington, DC 20009
Attention: Geoffrey H. Griffis
Facsimile: (202) 265-2491

With a copy to: Barry A. Haberman, Esquire
51 Monroe Street, Suite 1507
Rockville, MD 20850
Facsimile: (301) 340-1167

Each Party shall be responsible for notifying the other as to any change in its address, electronic mail address, or facsimile number.

7. **Inspection.** At any time during the Term, the district or any District representative(s) shall have the right at all times to enter the Property for the purposes of inspecting the Property to ensure compliance with the terms of this ROE. If the District identifies any violation of this ROE during said inspection, the District shall notify the Permittee of the violation, and the Permittee shall take immediate steps to eliminate such violation. The District's inspection activities shall be at the District's risk and expense.

8. **Reports.** The Permittee shall promptly provide written notification to the District of the results of the Feasibility Study Work and any other investigation of the Property and shall provide the District with copies of all sampling results and any written summaries, reports, or evaluations of such results. The District makes no representations or warranties as to the presence or absence of Hazardous Materials (defined hereinafter) in, under, or on the Property. This provision shall survive the expiration or earlier termination of this ROE.

9. **Removal of Equipment and Waste.** Upon conclusion of each entry on to the Property, Permittee and/or Permittee's Agents shall remove all tools, equipment, personal property, trash, refuse and debris generated as a result of the Feasibility Study Work from the Property at the sole cost of the Permittee or the Permittee's Agents, as applicable unless he District has provided its prior written consent to the continuing existence of any Feasibility Study Work equipment placed in, under, on, or about the Property by or on behalf of the Permittee. Any damage to the Property resulting from the Feasibility Study Work shall be repaired by the Permittee or the

Permittee's Agents, except for ordinary wear and tear. This provision shall survive the expiration or earlier termination of this ROE.

10. Security. The Permittee and the Permittee's Agents shall provide and adequately maintain any barricades, fences, signs, lanterns and other suitable devices as deemed necessary by the United States Department of Labor's Occupational Safety & Health Administration ("OSHA") for employee and public safety with respect to the Feasibility Study Work performed hereunder. The Permittee and the Permittee's Agents shall maintain the security of each of the work sites on the Property to the reasonable satisfaction of District during the entire period of entry under this ROE. In the conduct of work undertaken herein, the Permittee and the Permittee's Agents shall exercise all normal and reasonable safety precautions and shall maintain all work areas on the Property in a clean and presentable manner. The Permittee shall, unless otherwise directed by the District, as applicable, (a) use commercially reasonable efforts to secure the Property accessed for purposes of the Feasibility Study Work at all times during the Feasibility Study Work and upon termination or expiration of this ROE, and (b) be solely responsible for insuring that only the Permittee and the Permittee's Agents have access to the Property being accessed for purposes of conducting the Feasibility Study Work while it is conducting the Feasibility Study Work (taking into consideration the Property is an operating Fire Station).

11. Indemnification. With respect to all activities permitted under this ROE, the Permittee shall at all times conform with and abide by the reasonable orders and directions of District officials or their duly authorized representatives to the extent that they are consistent with the terms, conditions and provisions of this ROE. Subject to the limitations contained in **Section 23 (Non-Recourse and Exclusions)** below, the Permittee and the Permittee's Agents shall indemnify the District and District officials and their duly authorized representatives as follows:

(a) The Permittee and the Permittee's Agents shall indemnify and hold harmless the District, its officials, officers, employees, and agents from all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses (including reasonable attorney's fees), of whatsoever kind and nature (collectively, **"Claims"**) for injury, including personal injury or death of any person or persons, and for loss or damage to any property caused by the Permittee and/or the Permittee's Agents occurring in connection with, or in any way arising out of the use, occupancy, and performance of the work by the Permittee or the Permittee's Agents permitted by this ROE; provided, however, the foregoing indemnity shall exclude any claims or liabilities caused by the gross negligence or willful misconduct of District as well as any claims arising from the operation of the Fire Station.

(b) The Permittee and the Permittee's Agents shall indemnify and hold harmless District, its officials, officers, employees, and agents from all liabilities, remedial costs, environmental claims, fees, or other expense related to, arising from, or attributable to, any Hazardous Materials introduced by the Permittee or the Permittee's Agents (including effluent discharged on the Property by the Permittee or the Permittee's Agents) or as a result of the Permittee or the Permittee's Agents' activities on the Property; provided, however, the foregoing indemnity shall exclude any claims or liabilities caused by the gross negligence or willful misconduct of District.

(c) The Permittee and the Permittee's Agents expressly indemnify and shall defend District against any claims by contractors or subcontractors of the Permittee or the Permittee's Agents who perform any activity on the Property; provided, however, the foregoing indemnity shall exclude any claims or liabilities caused by the gross negligence or willful misconduct of the District. This ROE shall not be construed as granting the Permittee, the Permittee's Agents or any contractor of the Permittee or the Permittee's Agents the right to place any lien, mechanic's lien, or any charge on the Property.

(d) If any action or proceeding as described in this **Section 11 (Indemnification)** is brought against District, its officials, officers, or employees, upon written notice from District to the Permittee or the Permittee's Agents , the Permittee and/or the Permittee's Agents shall, at its sole expense, resist or defend such action or proceeding by counsel approved in writing by the District; such approval not to be unreasonably withheld, but no approval of counsel shall be required where the cause of action is resisted or defended by counsel of any insurance carrier obligated to resist or defend the same. In the event the District of Columbia Office of the Attorney General or its designee ("**OAG**") takes any legal action required to defend the District against such action, the Permittee and/or the Permittee's Agents shall promptly reimburse District for all liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages, disbursements or expenses of any kind (including attorneys' and experts' fees and expenses and fees and expenses incurred by District in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against District or any of them in connection with or arising from or out of this ROE; provided, however, the foregoing indemnity shall exclude any claims or liabilities cause by the gross negligence or willful conduct of the District. Attorneys' fees incurred by OAG shall be calculated based on the then applicable hourly rates established in the most current *Laffey* matrix prepared by the Civil Division of the United States Attorney's Office for the District of Columbia and the number of hours employees in the OAG prepared for or participated in such action or proceeding.

(e) The obligations contained in this **Section 11 (Indemnification)** shall survive expiration or the earlier termination of this ROE.

12. Insurance. During the term of this ROE and any extensions, at any time when the Permittee or the Permittee's Agents enter upon the Property, the Permittee or the Permittee's Agents shall provide the following types of insurance and comply with the following requirements:

(a) Commercial General Liability Insurance. A Comprehensive Commercial General Liability Insurance policy issued to and covering the liability for all work and operations under or in connection with this ROE and all obligations assumed by the Permittee and the Permittee's Agents under this ROE (subject to such policy's stated exceptions and coverage limits). Coverage shall include Completed Operations and Contractual Liability Insurance and Explosion, Collapse, and Underground Coverage. The coverage under such an insurance policy or policies shall have not less than the following limits:

Bodily Injury and Property Damage Liability
Two Million Dollars ($2,000,000) Combined Single Limit Each Occurrence

District shall be named as an additional insured (but not as an additional named insured) under the coverage for Commercial General Liability with respect to all activities under this ROE.

(b) Worker's Compensation. A policy complying with the requirements of the applicable District of Columbia laws and, if applicable, to the U.S. Longshoremen Harbor Workers' Act, Jones Act or Admiralty laws and the Federal Employers' Liability Act. The policy shall have not less the following limits:

Worker's Compensation:	Statutory
Employers' Liability:	
Each Accident	$500,000
Disease - Policy Limit	$500,000
Disease - Each Employee	$500,000

(c) Contractor's Pollution Legal Liability Insurance. During the term of this ROE, neither the Permittee nor any the Permittee's Agents shall remove, store, transport, or dispose of demolition debris, hazardous waste or contaminated soil, without first obtaining (or causing its contractor to obtain) a Professional/Pollution Liability Insurance Policy. The policy shall include such coverage for bodily injury, personal injury, loss of, damage to, or loss of use of property, directly or indirectly arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gas, waste materials, or other irritants, contaminants, or pollutants into or upon the land, the atmosphere, or any water course or body of water, whether it be gradual or sudden and accidental. The District shall be named as an additional insured (but not as an additional named insured) under the foregoing insurance policies.

(d) Insurance Companies. Insurance companies providing the aforesaid coverages shall be rated by A.M. Best or a comparable rating company and carry at least an "A" rating. All insurance shall be procured from insurance companies licensed and authorized to do business in the District of Columbia.

(e) Changes in Insurance Coverage. Subject to the standard exceptions contained in such policies or customarily printed upon the ACORD certificates evidencing such insurance coverage, the requisite insurance policies shall not be canceled, terminated, or modified (except to increase the amount of coverage) without thirty (30) days' prior written notice from the Permittee or the Permittee's Agents to the District. If the required insurance policies should be canceled, terminated, or modified so that the insurance is not in full force and effect, then the District shall have the right to terminate this ROE immediately, without prior notice or right to cure by the Permittee or the Permittee's Agents.

(f) Evidence of Insurance. Evidence of the requisite insurance policies in the form of certificates of insurance shall be submitted to the District prior to the Permittee's or the Permittee's Agents' entry onto the Property and from time to time at the District's request.

13. Liability. Without prejudice to any other rights District may have but subject to the provisions of **Section 23 (Non-Recourse and Exclusions)** below, the Permittee or the

Permittee's Agents shall not be responsible for any temporary loss of business, lost profits, or lost opportunity damages at or arising from the Property suffered by the District or such persons or suffered by any other person or entity resulting from any such Feasibility Study Work, conducted by the Permittee or the Permittee's Agents. The District shall have no liability for the actions or negligence of the Permittee or the Permittee's Agents. Neither the grant of this ROE, nor any provision thereof, shall impose upon the District any new or additional duty or liability or enlarge any existing duty or liability of the District.

14. Licenses/Permits. The Permittee is solely responsible for obtaining any necessary licenses and permits for the work permitted under this ROE, including transportation and disposal of materials and waste. The spoil (soil and water), if any, produced by the Permittee or the Permittee's Agents shall be stored, and disposed of, in strict compliance with the District of Columbia and federal laws. Prior to the removal of any non-hazardous materials and debris from the Property, the Permittee or the Permittee's Agents shall provide the District written notice of the location to which the materials and debris are to be disposed.

15. Utilities. The Permittee or the Permittee's Agents shall be solely responsible for coordinating with the utility companies regarding any activity to be performed on the Property. The Permittee or the Permittee's Agents shall be solely responsible for the proper containment and removal of all utility lines on or near the Property, if applicable. Except to the extend caused by actions or inactions of the District and its officials, employees, agents, consultant, contractors, and subcontractors subject to the provisions of **Section 23 (Non-Recourse and Exclusions)** below, the Permittee or the Permittee's Agents shall defend and hold harmless the District against any claims by any utility company resulting from the Permittee or the Permittee's Agents' direct or indirect activities on the Property pursuant to this ROE.

16. Hazardous Materials. The Permittee or the Permittee's Agents shall immediately notify the District if they discover Hazardous Materials or Hazardous Waste on the Property. The Permittee or the Permittee's Agents shall only be responsible for the remediation, cleanup and disposal of hazardous materials that can be directly attributed to the activities of the Permittee or the Permittee's Agents pursuant to this ROE. Within ten (10) days of the disposal of any Hazardous Materials, the Permittee or the Permittee's Agents shall provide the District written evidence and/or manifests confirming the proper disposal of all Hazardous Materials removed from the Property by the Permittee or the Permittee's Agents. For purposes of this ROE, the term "**Hazardous Materials**" shall mean (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or Toxicity Characteristic Leaching Procedure (TCLP) toxicity; (b) any petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product and any other substance the presence of which could be detrimental to the Property or hazardous to health or the environment. "**Environmental Law**" means any present

and future law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Property and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any so-called "Super Fund" or "Super Lien" law, any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

17. Not a Contract for Services and Anti-Deficiency Considerations. This ROE is not intended, nor shall it be deemed or construed, as a contract for services or to bind the District to convey the Property to the Permittee or the Permittee's Agents. Nothing contained in this ROE and no future action or inaction by the District shall be deemed or construed to mean that the District has contracted with the Permittee or the Permittee's Agents to perform any activity on the Property, including, but not limited to, the permitted use pursuant to the ROE. The Permittee and the Permittee's Agents expressly acknowledge that the District is prohibited by law from entering into contracts for services without following the procedures set forth in the Procurement Practices Act, D.C. Official Code §§ 2-301.01 (2001) et seq. All financial obligations of the District or any subsequent agreement entered into by the Parties are and shall remain subject to the provisions of (a) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349, 1350, and 1351; (b) the D.C. Official Code § 47-105; (c) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 et seq., as the foregoing statutes may be amended from time to time; and (d) § 446 of the District of Columbia Home Rule Act. Under no circumstance shall the Permittee or the Permittee's Agents be entitled to reimbursement for any activities permitted by this ROE on the Property.

18. Compliance with Applicable Laws. The Permittee and the Permittee's Agents shall comply in all material respects with all applicable federal and District of Columbia laws and existing regulations promulgated thereunder (collectively, the **"Law"**) in its use and activities permitted pursuant to the ROE, including all such laws and regulations governing the testing and investigation of asbestos, lead and other Hazardous Materials.

19. No Waiver. Except as expressly provided otherwise in this ROE, nothing in this ROE shall be deemed to waive any rights of any kind that the District now has, or may hereinafter have, to assert any claim against the Permittee or the Permittee's Agents or any other person or entity, including, without limitation, claims with respect to any and all past events or entry on the Property and activities of the Permittee or the Permittee's Agents or of any person or entity.

20. No Right, Title, or Interest. Nothing contained in this ROE and no action or inaction by the District shall be deemed or construed to mean that the District has granted the Permittee or

the Permittee's Agents any right, power, or permission to do any act or make any agreement that may create, give rise to, or be the foundation for any right, title, interest, lien, or charge to the Property, including, but not limited to, the grant of a license or easement in the Property.

21. Applicable Law and Binding Nature; Waiver of Jury Trial. This ROE shall be construed under the laws of the District of Columbia without reference to conflicts of laws principles. This ROE shall be binding upon the heirs, personal representatives, successors, grantees, and assigns of the respective Parties hereto.

(a) The Parties, their respective successors and assigns, each waives trial by jury in any action, proceeding, claim, or counterclaim brought in connection with any matter arising out of or in any way connected with this ROE, the relationship of the District, the Permittee and the Permittee's Agents hereunder, the Permittee and the Permittee's Agents entry on the Property, and/or any claim of injury or damage.

(b) The Parties each waive any objection to the venue of any action filed in any court situated in the jurisdiction in which the Property is located, and waive any right, claim, or power, under the doctrine of *forum non conveniens* or otherwise, to transfer any such action to any other court.

22. Entire Agreement. This ROE may be executed in several original or telefaxed counterparts, which shall be treated as originals for all purposes, and all so executed, shall constitute one agreement, binding on all of the Parties hereto, notwithstanding that all the Parties may not be signatories to the original or the same counterpart. Any such original or telefaxed counterpart shall be admissible into evidence as an original hereof against the person or entity who or which executed it; provided, however, that a full and complete set of any such original or telefaxed signature pages or copies thereof evidencing the intended execution of this ROE by all Parties hereto must be produced if this ROE to be considered binding upon all Parties hereto.

23. Non-Recourse and Exclusions. Notwithstanding anything set forth in this ROE or at law or in equity to the contrary: (a) none of the Permittee's or ther Permittee's Agents' officers, directors, trustees, employees, agents, or representatives, shall be personally liable or responsible for any duties, obligations or liabilities of the Permittee or the Permittee's Agents under this ROE; and (b) the indemnifications and defense obligations by the Permittee under this ROE shall not cover, and the Permittee and the Permittee's Agents shall not be liable for any temporary loss of business, lost profits, or lost opportunity damages at or arising from the Property suffered by the District or suffered by any other person or entity resulting from any such Feasibility Work Study conducted by the Permittee or the Permittee's Agents or on their behalf.

24. Severability. If any provision of this ROE is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable. This ROE shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this ROE. The remaining provisions of this ROE shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this ROE.

25. Business Days. If any date herein set forth for the performance of any obligations by the

District or the Permittee or the Permittee's Agents or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "**Legal Holiday**" shall mean any local or federal holiday or other date upon which the office of the District is officially closed in the District of Columbia.

26. **Illegal Activity.** The Permittee and the Permittee's Agents shall be responsible for notifying the District of Columbia Metropolitan Police Department (**"MPD"**), or any other applicable agency regarding any illegal activity or any evidence thereof on the Property.

27. **Ingress and Egress.** The Permittee or the Permittee's Agents shall not permit the parking of delivery vehicles so as to unreasonably interfere with the use ingress and egress of any driveway, sidewalk, parking area, public street, road, or alley that surrounds the Property.

28. **Counterparts.** This ROE may be executed in several original or telefaxed counterparts, which shall be treated as originals for all purposes, and all so executed, shall constitute one agreement, binding on all of the Parties hereto, notwithstanding that all the Parties may not be signatories to the original or the same counterpart. Any such original or telefaxed counterpart shall be admissible into evidence as an original hereof against the person or entity who or which executed it; provided, however, that a full and complete set of any such original or telefaxed signature pages or copies thereof evidencing the intended execution of this ROE by all Parties hereto must be produced if this ROE to be considered binding upon all Parties hereto. Execution and delivery of this ROE by facsimile shall be sufficient for all purposes.

29. **Time is of the Essence.** Time is of the essence for all obligations and deadlines contained in this ROE.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the District and the Permittee have executed this ROE as of the date and year first above written.

DISTRICT OF COLUMBIA
By and Through the Department of Real Estate Services

_____ _____
Name: Robin-Eve Jasper Date:
Title: Director

E STREET DEVELOPMENT GROUP, LLC
a District of Columbia limited liability company

By: CityPartners, llc
its Co-Managing Member

By: _____ 23 OCT 2009
Name: Geoffrey H. Griffis Date:
Title: Managing Member

Approved for Legal Sufficiency:

_____ _____
Name: Tracy G. Parker Date:
Title: Assistant Attorney General for the District of Columbia

IN WITNESS WHEREOF, the District and the Permittee have executed this ROE as of the date and year first above written.

DISTRICT OF COLUMBIA
By and Through the Department of Real Estate Services

Name: Robin-Eve Jasper
Title: Director

Date: 10/26/09

E STREET DEVELOPMENT GROUP, L.L.C.:

Name:
Title:

Date:

Approved for Legal Sufficiency:

Name: Tracy G. Parker
Title: Assistant Attorney General for the District of Columbia

Date: 10-23-09

ATTACHMENT 1

Property Depiction

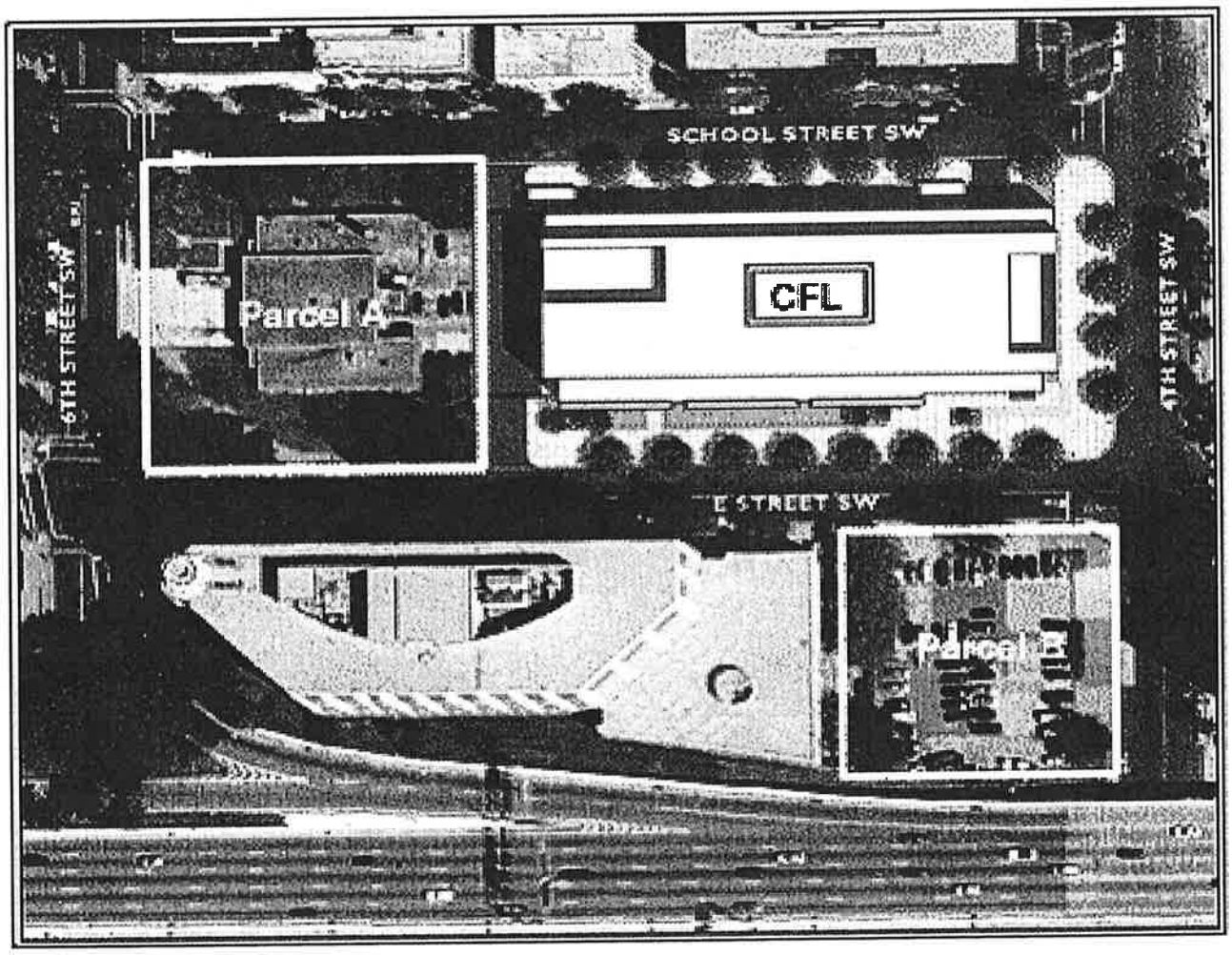

EXHIBIT J
Compliance Form

Office of Deputy Mayor for Planning and Economic Development

PROJECT COMPLIANCE MONITORING SYSTEM FORM (PCMS)

The purpose of this form is to identify and document the monitoring and enforcement of various compliance requirements related to economic development projects within the office of the Deputy Mayor for Planning and Economic Development (DMPED). This document shall be completed by the Project Manager for the respective development project.

Monitoring Period: to

Project Name:

Initiative:

Project Location:

Ward:

Project Description:

Project Start Date:

Phase:

Signed By All Parties:
Yes: No:

PM Initials:

Cognizant DMPED Project Manager:

Project Developer Name:

Project Expenditure to Date:

Estimated Total Project Cost:

Project Estimated Completion Date:

Overall Status:

Baselined:
Yes: No:

COMPLIANCE REQUIREMENT NO. 1 - AFFORDABLE HOUSING

1. Affordable Development Covenant Date:
2. Total No. of For-Sale Units:
3. Total No. of For-Sale Units @30% AMI:
4. Total No. of For-Sale Units @60% AMI:
5. Independent 3rd Party Income Certifier:
6. Affordable Unit Covenant Date:
7. Total No. of Rental Units:
8. Total No. of Rental Units @30% AMI:
9. Total No. of Rental Units @60% AMI:

Affordable Housing Status:

COVENANTS AND COMMITMENTS	COMPLIANT Yes	COMPLIANT No	COMMENTS
The minimum percentage (15%) AMI for each Affordable Dwelling Unit corresponds to the Affordability Requirement.	☐	☐	
Floor Plans/schematic drawings exist showing the location of Affordable Dwelling Units, identified by unit number or other identifier and floor.	☐	☐	
A finish schedule exists for all units in the project.	☐	☐	
The units are dispersed throughout project - not concentrated and distributed across unit mix.	☐	☐	
Units are being constructed at pace of market rate units.	☐	☐	
Household income is certified by 3rd party.	☐	☐	
Sales and rents are comparable to the agreed on price schedule.	☐	☐	

COMPLIANCE REQUIREMENT NO. 2 - CERTIFIED BUSINESS ENTERPRISE

Sub-Contracted Dollars to Date:

Total Dollars Subcontracted to CBEs:

% Dollars Contracted to CBEs vs Total Dollars: NaN

4. Date of CBE Utilization Plan per LDA:
5. Has Developer Earned Incentives per LDA:
Yes: No:

Certified Business Enterprise Status:

COVENANTS AND COMMITMENTS	COMPLIANT Yes	COMPLIANT No	COMMENTS
Developer has expended a minimum of 35% of the project budget funds contracting and procuring goods and services from CBEs.	☐	☐	
Developer has achieved CBE minimum utilization requirement within (# Years) of execution of CBE agreement.	☐	☐	
Developer devised a list of professional services, trade specialties, or other vocational non-traditional areas which are non-traditional for CBE participation to create opportunity.	☐	☐	
Developer utilizes DSLBD resources, DC-based newspapers, and publishes notices of opportunities to identify CBEs.	☐	☐	

Office of Deputy Mayor for Planning and Economic Development

PROJECT COMPLIANCE MONITORING SYSTEM FORM (PCMS)

The purpose of this form is to identify and document the monitoring and enforcement of various compliance requirements related to economic development projects within the office of the Deputy Mayor for Planning and Economic Development (DMPED). This document shall be completed by the Project Manager for the respective development project.

CBE Utilization Plan submitted to DSLBD at least 30 days after LDA signed.	☐	☐	
Developer's vendors are verified by DSLBD as CBE.	☐	☐	

COMPLIANCE REQUIREMENT NO. 3 - ENVIRONMENTAL STANDARDS

1. Environmental Impact Screening Form (EISF) Filing Date:

2. Environmental Impact Screening Form (EISF) Filing No.:

3. Contaminated Site:

4. Voluntary Cleanup Program (VCP Sugested):
Yes: No:

Environmental Standards Status:

COVENANTS AND COMMITMENTS	COMPLIANT Yes	COMPLIANT No	COMMENTS
Project waited at least 60 days between EISF filing and permit filing.	☐	☐	
The EISF filed before completion of design and project planning.	☐	☐	
The Project is compliant with the Green Building Act.	☐	☐	
The project is compliant with the District of Columbia Environmental Policy Act of 1989.	☐	☐	
The project is compliant with the District of Columbia Municipal Regulations Title 20 (Environment) Parts 1 and 2, and Title 21 (Sanitation).	☐	☐	
An application has been filed for VCP based on site contamination.	☐	☐	
A voluntary Action Plan is being followed per suggested VCP.	☐	☐	

COMPLIANCE REQUIREMENT NO. 4 - HIRING OF DISTRICT RESIDENTS

1. No. Hires to Date:
2. No. District Resident Hires to Date:
3. No. Apprentice Jobs Created:
4. No. District Residents Hired as Apprentices:

5. Date of Employment Plan:

6. Date of First Source Employment Agreement:

Hiring of District Residents Status:

COVENANTS AND COMMITMENTS	COMPLIANT Yes	COMPLIANT No	COMMENTS
Developer uses DOES as its first source for recruitment, referral and placement of new hires or employees for the new jobs created by the Project.	☐	☐	
Employer hires 51% of District residents for all new jobs created on the project.	☐	☐	
Developer hires 51% of apprentices employed in connection with the project.	☐	☐	
Developer has entered into a First Source Employment Agreement with DOES.	☐	☐	
Developer has registered an Apprenticeship Program with the DC Apprenticeship Council (contract totals over 500,000).	☐	☐	
Developer has and is following an Employment Plan showing new jobs projected, salary range, hiring dates, and union requirements.	☐	☐	

Office of Deputy Mayor for Planning and Economic Development

PROJECT COMPLIANCE MONITORING SYSTEM FORM (PCMS)

The purpose of this form is to identify and document the monitoring and enforcement of various compliance requirements related to economic development projects within the office of the Deputy Mayor for Planning and Economic Development (DMPED). This document shall be completed by the Project Manager for the respective development project.

PREPARATION OF MONTHLY REPORT

This monthly report was prepared by:

Representative Signatures:

Print Name

DMPED Project Manager Signature and Date

ACKNOWLEDGEMENT

The undersigned hereby acknowledges that the above findings are accurate and true as of the above stated monitoring period.

Representative Signatures:

Print Name

Project Developer Signature and Date

EXHIBIT K
CBE Agrement

CERTIFIED BUSINESS ENTERPRISE UTILIZATION AND PARTICIPATION AGREEMENT

THIS CERTIFIED BUSINESS ENTERPRISE UTILIZATION AND PARTICIPATION AGREEMENT (this "Agreement") is made by and between the **DISTRICT OF COLUMBIA DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT**, (the "DSLBD") and **E STREET DEVELOPMENT GROUP, LLC** a District of Columbia limited liability company, or its designees, successors or assigns (the "Developer").

RECITALS

A. Pursuant to a Land Disposition and Development Agreement dated as of 19 OCT 2009 between the Developer and the **DISTRICT OF COLUMBIA (the "Development Agreement")**, Developer intends to provide for the development of a fire station, office space, and project amenities to serve the community in Square 494, Lot 36, and Square 495, Lot 102 (the "Project").

B. Pursuant to the Land Disposition and Development Agreement, the Developer covenants that it has executed and will comply in all respects with this Certified Business Enterprise Utilization and Participation Agreement.

C. Capitalized terms not defined herein shall have the meaning assigned to them in the Development Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the receipt and adequacy of which is hereby acknowledged by both parties hereto, DSLBD and the Developer agree, as follows:

ARTICLE I
UTILIZATION OF CERTIFIED BUSINESS ENTERPRISES

Section 1.1 CBE Utilization. Developer, on its behalf and/or on behalf of its successors and assigns (if any), shall hire and contract with Certified Business Enterprises certified pursuant to the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended (the "Act") (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*) (each a "CBE") in connection with the predevelopment and development phases of the Project, including, but not limited to, professional and technical services, construction management, and construction trade work, and suppliers. Developer shall expend funds contracting and procuring goods and services from CBEs in an amount equivalent to *no less than* thirty-five percent (35%) of the Adjusted Development Budget (the "CBE Minimum Expenditure"). As detailed in Attachment 1 hereto, the Adjusted Development Budget is **$101,740,000**. The CBE Minimum Expenditure is therefore **$40,696,000**.

Section 1.2 Capacity Building Incentives. Developer acknowledges that a priority of the District of Columbia is to assist local businesses in developing greater capacity, technical capabilities and valuable experience, especially in areas of development and construction related

services. To that end, the parties agree that Developer will have the right to earn and receive certain incentives for engaging in activities that are likely to create opportunities for CBEs generally, and to facilitate capacity building for Disadvantaged Business Enterprises as defined in the Act ("DBEs") in particular. Such incentives when earned by Developer will be applied by DSLBD to reduce Developer's CBE utilization requirements set forth in Section 1.1 of this Agreement.

(a) The Developer shall devise a list of professional services, trade specialties, or other vocational areas in which CBEs either lack capacity, lack depth, or in which such firms traditionally do not participate as prime contractors in construction projects of this nature and size (each, a "Target Sector"), and submit the list to DSLBD for approval within thirty (30) days of signing this Agreement. CBEs identified on the list shall not be eligible for a bonus, as described in paragraphs (1), (2), and (3) below ("Reporting Bonus"), unless the list is approved by DLSBD. Such list shall be attached hereto as Attachment 2 and made a part of this Agreement.

(1) For every dollar expended with a *DBE* for services that fall *within* a Target Sector, Developer shall receive credit for $1.50 against the CBE Minimum Expenditure. For example, a $100,000 contract award paid to a DBE Construction Management firm within the Target Sector would be counted as $150,000 by DSLBD when measuring Developer's performance against the CBE Minimum Expenditure.

(2) For every dollar expended with a *CBE* that is not a DBE for services that fall *within* a Target Sector, Developer shall receive credit for $1.25 against the CBE Minimum Expenditure. For example, a $100,000 contract award paid to a CBE Construction Management firm within the Target Sector would be counted as $125,000 by DSLBD when measuring Developer's performance against the CBE Minimum Expenditure.

(3) For every dollar expended with a *DBE* for services *not* included in a Target Sector, Developer shall receive a credit for $1.25 against the CBE Minimum Expenditure. For example, a $100,000 contract award paid to a DBE Construction Management firm outside of the Target Sector would be counted as $125,000 by DSLBD when measuring Developer's performance against the CBE Minimum Expenditure.

(b) Every contract, purchase or task order (as applicable) issued by Developer to CBE firms, either directly or indirectly, which Developer believes should qualify for the Reporting Bonus shall be subject to review and approval by the Director of DSLBD (the "Director") to ensure that the scope of work is properly characterized within a Target Sector. The Reporting Bonus will not be credited to Developer unless the Director approves the specific procurement, provided, however, that a negative determination will not preclude Developer from receiving standard credit (either 1.1 or 1.25.1, as applicable) for the expenditure as set forth herein.

(c) The parties may mutually agree in writing to additional incentives that may be earned by Developer for instituting additional capacity building initiatives for CBEs (e.g., pay

without delay programs; establishment of strategic partnerships or mentor-protegé initiatives). In particular, Developer is encouraged to work with its general contractors and/or construction managers to develop more flexible criteria for pre-qualifying CBEs for participation on the mixed-use projects. The modified pre-qualification criteria should consider the size and economic wherewithal usually present in small contractors as well as insurance and bonding requirements. Developer is also highly encouraged to establish CBE set-asides for certain procurements that will restrict bidders to those bid packages.

ARTICLE II
CBE OUTREACH AND RECRUITEMENT EFFORTS

Section 2.1 Identification of CBEs and Outreach Efforts. Developer shall utilize the resources of DSLBD, including the *CBE Business Center* found on DSLBD's website (http: dslbd.dc.gov), in particular, Developer shall publish all contracting opportunities for this Project within the CBE Business Center's Business Opportunities area. Developer shall use the CBE Company Directory as the primary source for identifying CBEs. The primary contact regarding CBE referrals shall be the Director or such other DSLBD representative as the Director may designate. Developer may use other resources to identify individuals or businesses that could qualify as CBEs and is encouraged to refer any such firms to DSLBD's Certification unit for certification. Throughout the duration of the Project, Developer or its general contractor/construction manager shall (as set forth in Section 4.1) periodically publish notices in any of the following newspapers primarily serving the District of Columbia: *The Current Newspapers*, *The Washington Informer*, the *Washington Afro-American*, *Common Denominator Newspapers*, *The Washington Blade*, *Asian Fortune* and *El Tiempo Latino* (or if any of them should cease to exist, their successor, and if there is no successor, in another newspaper of general circulation) to inform CBEs, and entities which could qualify as CBEs, about the business opportunities. In the event that Developer develops a website for the Project, such website shall (i) advertise upcoming bid packages, (ii) present instructions on how to bid, and (iii) directly link to DLSBD's website.

ARTICLE III
INFORMATION SUBMISSIONS AND REPORTING

Section 3.1 CBE Utilization Plans. Developer shall require its general contractor to submit a CBE utilization plan to DSLBD for approval no less than thirty (30) days following the date of selection of a general contractor, which plans shall be automatically incorporated and made a part of this Agreement as Attachment 3 following approval by DSLBD (each, a "Utilization Plan"). Each Utilization Plan shall list all of the projected procurement items, quantities and estimated costs, bid opening and closing dates, and start-up and completion dates. This plan should indicate whether any items will be bid without restriction in the open market, or limited to CBEs. Developer may not deviate materially from the steps and actions set forth in each Utilization Plan without first obtaining the written consent of the Director. For ease of monitoring, Developer agrees to work with DSLBD to implement procedures for its general contractor to submit Utilization Plans electronically through the DSLBD compliance administration database, as applicable.

Section 3.2 Quarterly Reports. Throughout the duration of the construction of the Project, Developer will submit quarterly contracting and subcontracting expenditure reports for the Project which identify:

(i) those contracts where the party providing services, goods or materials was a CBE, including the name of the company and the amount of the contract;

(ii) the nature of the contract;

(iii) the amount actually paid by Developer to the CBE under such contract that month and to date;

(iv) the certification categories for each vendor/contractor;

(v) the work performed by vendors contractors in Target Sector(s) and relevant multipliers; and

(vi) the percentage of overall development expenditures which were to CBEs.

These reports shall be submitted no later than thirty days (30) after the end of each quarter. The reports shall be submitted on a form provided by DSLBD (a prototype of this form is included as Attachment 4). However, DSLBD reserves the right to reasonably amend this form, after consultation with the Developer. This report shall also describe the Developer's outreach efforts (if any) during the reporting period, to identify CBEs and/or encourage them to bid on or otherwise apply to provide labor, services, goods, and materials for use in the construction or operation of the development project. Companies that may be eligible for certification, but are not yet certified, or whose certification is pending with DSLBD shall not be included in these reports unless and until the company is certified. Further, only amounts expended after a company is certified shall be counted towards the CBE Minimum Expenditure. Concurrently with submission of the quarterly reports, Developer shall also submit vendor verification forms (each, a "Vendor Verification Form") substantially in the form of Attachment 5.

ARTICLE IV
GENERAL CONTRACTORS AND CONSTRUCTION MANAGERS

Section 4.1 Adherence to CBE Minimum Expenditure. Developer shall require in its contractual agreements with the general contractor and or construction manager for the development project, as applicable, (the "General Contractor"), that the General Contractor comply with the relevant obligations and responsibilities of Developer contained in this Agreement with respect to achieving the applicable CBE Minimum Expenditure. Developer further agrees to inform the General Contractor and subcontractors of the other obligations and requirements applicable to Developer under this Agreement. Developer shall inform the General Contractor that non-compliance with this Agreement may negatively impact future opportunities with the District for the Developer and the General Contractor respectively. Specifically, Developer will obtain the following commitments from its General Contractor ("GC"):

(i) The GC will publish a public notice in a newspaper whose primary circulation is in the District of Columbia (e.g. *Afro American, Washington Informer, El Tiempo Latino, Asian Fortune, The Current Newspapers*, etc.), for the purpose of soliciting bids for products or services being sought for construction and renovation projects and will allow a reasonable time (e.g., no less than 30 business days) for all bidders to respond to the invitations or requests for bids.

(ii) The GC will contact DSLDB to obtain a current listing of all CBEs qualified to bid on procurements as they arise and will make full use of the CBE Business Center found at http://dslbd.dc.gov for listing opportunities and for subcontracting compliance monitoring.

(iii) In order to achieve the applicable CBE Minimum Expenditure for the mixed-use project, Developer shall require in its contractual agreements with the GC, that the GC provide a CBE bidder that is not the low bidder an opportunity to provide its final best offer before contract award, provided the CBE bid price is among the top 3 bidders.

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

(v) The GC will include in all contracts and subcontracts to CBEs, a process for alternative dispute resolution. This process shall afford an opportunity for CBEs to submit documentation of work performed and invoices by regarding requests for payments. Included in the contract shall be a mutually agreed upon provision for mediation (to be conducted by DSLBD) or arbitration in accordance with the rules of the American Arbitration Association.

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

(vii) The GC commits to pay all CBEs, within fifteen (15) business days following the GC's receipt of a payment which includes funds for such subcontractors, from the Developer. Developer also agrees to establish a procedure for giving notice to the subcontractors of the Developer's payment to the GC.

ARTICLE V
EQUITY AND DEVELOPMENT PARTICIPATION

Section 5.1 Minimum LSDBE Participation Requirements. Developer acknowledges and agrees that businesses certified pursuant to the Act, as local, small and disadvantaged business enterprises ("LSDBEs"), shall receive no less than twenty percent (20%) in equity participation

and no less than twenty percent (20%) in development participation in the Project, in accordance with Section 2349a of the Act, D.C. Official Code § 2-218.49a. To address the aforementioned requirements, Potomac Investment Properties, CityPartners, Adams Investment Group, DC Strategy Group, and Paramount Development signed a Letter of Intent ("LOI"), attached as Attachment 7 and incorporated herein by reference. Potomac Investment Properties, CityPartners, Adams Investment Group, DC Strategy Group, and Paramount Development anticipate forming a limited liability company known as E Street Development to serve as the Developer of the Project. Pursuant to Exhibit A to the LOI, DC Strategy Group (a certified LSDBE) will own 10% and be a 10% development manager and Paramount/Soto (a certified LSDBE) will own 10% and be a 10% development manager.

Section 5.2 Pari Passu Returns for LSDBE Equity Partner(s). Developer agrees that DC Strategy Group and Paramount Soto shall collectively receive no less than 20% equity participation in the Project. Developer agrees that DC Strategy Group and Paramount/Soto shall receive a return on investment in the Project that is pari passu with all other sources of sponsor developer equity. In addition, if DC Strategy Group and Paramount/Soto elect to contribute additional capital to the Project, they will receive the same returns as Potomac Investment Properties, CityPartners, and Adams Investment Group with respect to such additional capital.

Section 5.3 Preservation of LSDBE Financial Interest. The equity interests of DC Strategy Group and Paramount/Soto shall not be diluted over the course of the Project, including for failure to contribute additional capital.

Section 5.4 LSDBE Risk Commensurate With Equity Position. DC Strategy Group and Paramount Soto shall not be expected to bear financial or execution requirements that are out of proportion with their equity position in Developer and/or the Project. Contribution by DC Strategy Group and Paramount Soto will be in direct proportion to their interest in Developer and pari passu with Potomac Investment Properties, CityPartners, and Adams Investment Group.

Section 5.5 Management Control and Approval Rights. All partners will have management control and approval rights in line with their equity position. All major decisions involving Developer, including the admission of new members, borrowings and financings, dissolution and other material actions, will require the unanimous consent of all managing partners. Any reduction of the carried interest payable to DC Strategy Group or Paramount/Soto from Developer shall be a major decision. In voting on all major decisions affecting Developer, Potomac Investment Properties, CityPartners, and Adams Investment Group must consult with DC Strategy Group and Paramount/Soto regarding all such decisions, and in no event shall the equity interest of DC Strategy Group and Paramount Soto in Developer be reduced or modified without their consent. All major decisions involving Developer shall require unanimous consent of all partners.

Section 5.6 LSDBE Inclusion, Recognition, Access and Involvement. Developer acknowledges that a priority of the District is to ensure that LSDBE partners on development projects are granted and encouraged to maintain active involvement in all phases of the development effort, from initial pre-development activities through development completion and ongoing asset management. To assist LSDBE partners in gaining the skills necessary to

participate in larger development efforts. Developer agrees to provide DC Strategy Group and Paramount/Soto full and open access to information utilized in project execution, including, for example, market studies, financial analyses, project plans and schedules, third-party consultant reports, etc. Developer agrees to consistently represent and include DC Strategy Group and Paramount/Soto as team members through such actions as joint naming (if applicable), advertising, and branding opportunities that incorporate DC Strategy Group and Paramount/Soto. DC Strategy Group and Paramount/Soto shall not be precluded from selling services back to Developer. DC Strategy Group and Paramount/Soto shall participate in budget, schedule, and strategy meetings and may also participate in the negotiation of development agreements, creating a site plan, managing design development, hiring and managing consultants, seeking and securing zoning and entitlements, developing and monitoring budgets, apply for and securing financing, performing due diligence, marketing and sales of all units, and any other tasks necessary to the development and construction of the project.

ARTICLE VI
CONTINGENT CONTRIBUTIONS

Section 6.1 Contingent Contributions for Failure to Meet CBE Minimum Expenditure. At the conclusion of the Project, DSLBD shall measure the percentage difference between the CBE Minimum Expenditure and Developer's actual expenditures. If Developer's actual expenditures are less than the CBE Minimum Expenditure, DSLBD shall identify the percentage difference (the "Shortfall"). If Developer fails to meet its CBE Minimum Expenditure within 60 days of the conclusion of the Project, which shall be determined by issuance of certificate(s) of occupancy for the Project, Developer shall make the following payments (each, a "Contingent Contribution"), which shall be paid to the District of Columbia in the time and in a manner to be determined by DSLBD. The Contingent Contributions shall be based on twenty-five percent (25%) of the CBE Minimum Expenditure (the "Contribution Fund"). The Contribution Fund is therefore $10,174,000.

(i) If the Shortfall is more than 50% of the CBE Minimum Expenditure, Developer shall make a Contingent Contribution of one hundred percent (100%) of the Contribution Fund. For example, if at the conclusion of the Project, the Shortfall is 60%, Developer shall make a Contingent Contribution of $10,174,000.

(ii) If the Shortfall is between 10% and 50% of the CBE Minimum Expenditure, Developer shall make a Contingent Contribution that is the percentage of the Contribution Fund that is equal to the Shortfall. For example, if the Shortfall is 20%, the Developer shall make a Contingent Contribution of 20% of the Contribution Fund, *i.e.*, 2,034,800.

(iii) If the Shortfall is less than 10% of the CBE Minimum Expenditure, and Developer has taken all actions reasonably necessary (as reasonably determined by DSLBD based on Developer's reports and other verifiable evidence) to achieve the CBE Minimum Expenditure, the Developer shall not be required to make a Contingent Contribution. The Developer may meet its burden to demonstrate it has taken all actions reasonably necessary to achieve its CBE Minimum Expenditure by (1) fulfilling all CBE outreach and recruitment efforts

identified in Article II of this Agreement; (2) complying with Article IV of this Agreement; (3) providing evidence of the General Contractors' compliance with the commitments set forth in Article IV of this Agreement; and (4) by taking the following actions, among other things[1]:

a. In connection with the preparation of future bid packages, if any, develop a list of media outlets that target CBEs and *potential* CBEs hereafter referred to as "Target Audience" based on D.C. certification criteria;

b. During the initial construction of the Project, place advertisements in media outlets that address the Target Audience on a regular basis (i.e., each time a new bid package is sent out) and advertise the programmatic activities established pursuant to the Agreement on an as needed basis;

c. Fax and/or email new procurement opportunity alerts to targeted CBEs according to trade category;

d. In connection with the preparation of future bid packages, if any, develop a list of academic institutions, business and community organizations that represent the Target Audience so that they may provide updated information on available opportunities to their constituents;

e. Make presentations and conduct pre-bid conferences advising of contracting opportunities for the Target Audience either one-on-one or through targeted business organizations;

f. Provide up to ten (10) sets of free plans and specifications for business organizations representing Target Audiences upon request;

g. Commit to promoting opportunities for joint ventures between non-CBE and CBE firms to further grow CBEs and increase contract participation.

(iv) If the Shortfall is less than 10% of the CBE Minimum Expenditure, but Developer has *not* taken all actions reasonably necessary (as reasonably determined by DSLBD based on Developer's reports and other verifiable evidence) to achieve the CBE Minimum Expenditure, Developer shall make a Contingent Contribution that is the percentage of the Contribution Fund that is equal to the Shortfall. For example, if the Shortfall is 5%, the Developer shall make a Contingent Contribution of 5% of the Contribution Fund, *i.e.*, $508,700.

Section 6.2 Failure to Meet Equity and Development Participation Requirements. Failure to comply with the equity and development participation requirements of Article V of this Agreement shall constitute a material breach of this Agreement and of the Land Disposition and Development Agreement.

[1] See Attachment 6 for a list of suggested outreach activities.

Section 6.3 Other Remedies. Failure to make any required Contingent Contribution in the time and manner specified by DSLBD shall be a material breach of this Agreement. In the event that the Developer breaches any of its obligations under this Agreement, in addition to the remedies stated herein, DSLBD does not waive its right to seek any other remedy against the Developer, the general contractor of the Project and any manager of the Project that might otherwise be available at law or in equity, including specific performance

Section 6.4 Waiver of Contingent Contributions. Any Contingent Contribution required under this Section may be rescinded or modified by the Director upon consideration of the totality of the circumstances affecting such noncompliance.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Primary Contact. The Director, or his or her designee, shall be the primary point of contact for Developer for the purposes of collecting or providing information or carrying out any of the activities under this Agreement. The Director and a representative of the Developer with contracting and or hiring authority shall meet regularly

Section 7.2 Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To DSLBD: Department of Small and Local Business Development
441 4th Street, N.W., Suite 970 North
Washington, DC 20001
Attention: Director
Tel (202) 727-3900
Fax (202) 724-3786

and Office of the Deputy Mayor for Planning and Economic Development Government of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 317
Washington, DC 20004
Attention: Deputy Mayor for Planning and Economic Development
Tel: (202) 727-6365
Fax: (202) 727-6703

With a copy to:	Office of the Attorney General John A. Wilson Building 1350 Pennsylvania Avenue, NW, Suite 407 Washington, DC 20004 Attention: Attorney General Tel: (202) 724-3400 Fax: (202) 347-8922
To Developer:	E Street Development Group, LLC c/o Geoffrey H. Griffis 1817 Adams Mill Road, NW, Suite 200 Washington, D.C.20009 Fax 202-265-2491
With a copy to:	Barry A. Haberman, Esquire 51 Monroe Street, Suite 1507 Rockville, Maryland 20850 Fax: 301-340-1167

Each party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

Section 7.3 Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 7.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of any permitted successors and assigns of the parties hereto. This Agreement shall not be assigned by the Developer without the prior written consent of the DSLBD, which consent shall not be unreasonably withheld or delayed. In connection with any such consent of DSLBD, DSLBD may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee's express assumption of all obligations of the Developer hereunder or upon any other reasonable factor which DSLBD deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and obligations assigned and shall not be effective until approved by the DSLBD. DSLBD shall have no right to assign this Agreement except to another District agency.

Section 7.5 Amendment; Waiver. This Agreement may be amended from time to time by written supplement hereto and executed by DSLBD and Developer. Any obligations hereunder may not be waived, except by written instrument signed by the party to be bound by such waiver. No failure or delay of either party in the exercise of any right given to such party hereunder or the waiver by any party of any condition hereunder for its benefit (unless the time specified herein for exercise of such right, or satisfaction of such condition, has expired) shall constitute a waiver of any other or further right nor shall any single or partial exercise of any right preclude

other or further exercise thereof or any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.

Section 7.6 Governing Law. This Agreement shall be governed by the laws of the District of Columbia.

Section 7.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 7.8 Entire Agreement. All previous negotiations and understandings between the parties hereto or their respective agents and employees with respect to the transactions set forth herein are merged into this Agreement, and this Agreement alone fully and completely expresses the parties' rights, duties and obligations with respect to its subject matter.

Section 7.9 Captions, Gender, Number and Language of Inclusion. The captions are inserted in this Agreement only for convenience of reference and do not define, limit or describe the scope or intent of any provisions of this Agreement. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine and neuter adjectives include one another. As used in this Agreement, the word "including" shall mean "including but not limited to".

Section 7.10 Attachments. The following exhibits shall be deemed incorporated into this Agreement in their entirety:

Attachment 1:	CBE Minimum Expenditure
Attachment 2:	Target Sector List
Attachment 3:	Utilization Plan
Attachment 4:	CBE Reports
Attachment 5:	Vendor Verification Forms
Attachment 6:	Suggested Outreach Activities
Attachment 7:	Memorandum of Understanding for Developer

Section 7.11 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and personal representatives.

Approved as to legal sufficiency for the Department of Small and Local Business Development

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

BY: _____ 10/19/09

LEE A. SMITH III
DIRECTOR

E STREET DEVELOPMENT GROUP, LLC

BY: CITYPARTNERS, LLC
CO-MANAGING MEMBER

BY: _____ 19oct09
GEOFFREY H. GRIFFIS
MANAGING MEMBER
1817 ADAMS MILL RD, NW SUITE 200
WASHINGTON, DC 20009

Attachment 1

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT

CBE Minimum Expenditure

The CBE Minimum Expenditure for the E Street Development project is: $ 40,696,000

Project Name:		**E Street Development**
	Address:	
	Description:	Fire Station and Office Space
Project Owner/Developer:		E Street Development
	Address:	
	Type of Entity:	For Profit
	Projected Start Date	
	Duration / Ending Date	
Reporting Contact Person:		
	Title:	
	Telephone:	
	Email:	
Financing:		Deputy Mayor for Planning and Economic Development

Sources of Funds Private - PUD

[redacted]

CBE Minimum Expenditure (40% of Adjusted Budget)	**$**	**40,696,000**
Contingent Contribution (25% of the CBE Minimum Expenditure)	$	10,174,000
Contingent Contribution (Section 6.1, Paragraph ii)	$	2,034,800
Contingent Contribution (Section 6.1, Paragraph iv)	$	508,700

EXHIBIT L
First Source Agreement

District of Columbia Department of EMPLOYMENT SERVICES

solutions.

Geoffrey Griffis
Member
E Street Development Group, LLC
1817 Adams Mill Road, NW
Washington, DC 20009

October 14, 2009

Dear Mr. Griffis:

Enclosed is your copy of the signed First Source Employment Agreement between the D.C. Department of Employment Services (DOES) and E Street Development Group, LLC.

Under the terms of the Agreement, you and your subcontractors are required to use DOES as the first source to fill all new jobs created as the result of the Development Agreement & Ground Lease for the ("E Street Development project"). In addition, at least 51% of the newly created jobs must be filled by D.C. residents, as well as, at least 51% apprentices and trainees must be District residents.

You should post your job vacancies to the Department of Employment Services' Virtual One-Stop (VOS) at www.dcnetworks.org. VOS is an advanced web-based workforce development system, which allows employers to place job orders and search for applicants by skill-set or position. The system also accommodates the employer looking for specific industrial and economic data and has a series of Internet links to a variety of issues and topics of interest to employers. Should you need assistance in posting your job vacancies, please contact Job Bank at (202) 698-6001.

Also, enclosed is a Contract Compliance Form, which must be completed and submitted by you and your subcontractors each month. This form collects data on all new hires employed on the project. A DOES contract monitor will compare the information you provide on this form with your actual employment and payroll records. If you have any questions regarding the Contract Compliance Form, please contact DeCarlo Washington, First Source Contract Monitor, at (202) 698-5772 or e-mail at DeCarlo.Washington@dc.gov.

Thank you for participating in the First Source Employment Agreement Program, and we look forward to working with you.

Sincerely,

Susan O. Gilbert

Susan O. Gilbert
Associate Director
Office of Employer Services

Enclosures

Cc: Senthil Sankaran, Project Manager (DMPED)

FIRST SOURCE EMPLOYMENT AGREEMENT

Contract Number: **Development Agreement & Ground Lease**

Contract Amount: **n/a**

Project Name: **E Street Development**

Project Address: **4th/6th and E Streets, SW Washington DC** Ward: **6**
(Lot 102, Sq 495 & Lot 36 Sq 494)

Nonprofit Organization with 50 Employees or Less: (Yes) ____ (No): X

This First Source Employment Agreement, in accordance with D. C. Law 14-24, D.C. Law 5-93, and Mayor's Order 83-265 for recruitment, referral, and placement of District of Columbia residents, is between the District of Columbia Department of Employment Services, hereinafter referred to as DOES, and **E Street Development Group, LLC**, hereinafter, referred to as EMPLOYER. Under this Employment Agreement, the EMPLOYER will use DOES as its first source for recruitment, referral, and placement of new hires or employees for the new jobs created by this project and will hire 51% District of Columbia residents for all new jobs created, as well, as 51% of apprentices employed in connection with the project shall be District residents registered in programs approved by the District of Columbia Apprenticeship Council.

I. GENERAL TERMS

A. The EMPLOYER will use DOES as its first source for the recruitment, referral and placement of employees.

B. The EMPLOYER shall require all contractors and subcontractors, with contracts totaling $100,000 or more, to enter into a First Source Employment Agreement with DOES.

C. DOES will provide recruitment, referral and placement services to the EMPLOYER subject to the limitations set out in this Agreement.

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

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

F. This Agreement shall not be construed as an approval of the EMPLOYER'S bid package, bond application, lease agreement, zoning application, loan, or contract/subcontract.

G. DOES and the EMPLOYER agree that for purposes of this Agreement, new hires and jobs created (both union and nonunion) include all EMPLOYER'S job openings and vacancies in the Washington Standard Metropolitan Statistical Area created as a result of internal promotions, terminations, and expansions of the EMPLOYER'S workforce, as a result of this project, including loans, lease agreements, zoning applications, bonds, bids, and contracts.

H. For purposes of this Agreement, apprentices as defined in D.C. Law 2-156, as amended, are included.

I. The EMPLOYER shall register an apprenticeship program with the D.C. Apprenticeship Council for construction or renovation contracts or subcontracts totaling $500,000 or more. This includes any construction or renovation contract or subcontract signed as the result of, but is not limited to, a loan, bond, grant, Exclusive Right Agreement, street or alley closing, or a leasing agreement of real property for one (1) year or more.

J. All contractors who contract with the Government of the District of Columbia to perform information technology work with a single contract or cumulative contracts of at least $500,000, let within any twelve (12) month period shall be required to register an apprenticeship program with the District of Columbia Apprenticeship Council.

K. The term "information technology work" shall include, but is not limited to, the occupations of computer programmer, programmer analyst, desktop specialist, technical support specialist, database specialist, network support specialist, and any other related occupations as the District of Columbia Apprenticeship Council may designate by regulation.

II. RECRUITMENT

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

B. Notification of specific needs, as set forth in Section II.A. must be given to DOES at least five (5) business days (Monday - Friday) before using any other referral source, and shall include, at a minimum, the number of employees needed by job title, qualification, hiring date, rate of pay, hours of work, duration of employment, and work to be performed.

C. Job openings to be filled by internal promotion from the EMPLOYER'S current workforce need not be referred to DOES for placement and referral.

D. The EMPLOYER will submit to DOES, prior to starting work on the project, the names, and social security numbers of all current employees, including apprentices, trainees, and laid-off workers who will be employed on the project.

III. REFERRAL

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

IV. PLACEMENT

A. DOES will notify the EMPLOYER, prior to the anticipated hiring dates, of the number of applicants DOES will refer. DOES will make every reasonable effort to refer at least two qualified applicants for each job opening.

B. The EMPLOYER will make all decisions on hiring new employees but will in good faith use reasonable efforts to select its new hires or employees from among the qualified persons referred by DOES.

C. In the event DOES is unable to refer the qualified personnel requested, within five (5) business days (Monday - Friday) from the date of notification, the EMPLOYER will be free to directly fill remaining positions for which no qualified applicants have been referred. Notwithstanding, the EMPLOYER will still be required to hire 51% District residents for the new jobs created by the project.

D. After the EMPLOYER has selected its employees, DOES will not be responsible for the employees' actions and the EMPLOYER hereby releases DOES, and the Government of the District of Columbia, the District of Columbia Municipal Corporation, and the officers and employees of the District of Columbia from any liability for employees' actions.

V. TRAINING

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

VI. CONTROLLING REGULATIONS AND LAWS

A. To the extent this Agreement is in conflict with any labor laws or governmental regulations, the laws or regulations shall prevail.

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

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

VII. EXEMPTIONS

A. Contracts, subcontracts or other forms of government-assistance less than $100,000.

B. Employment openings the contractor will fill with individuals already employed by the company.

C. Job openings to be filled by laid-off workers according to formally established recall procedures and rosters.

D. Suppliers located outside of the Washington Standard Metropolitan Statistical Area and who will perform no work in the Washington Standard Metropolitan Statistical Area.

VIII. AGREEMENT MODIFICATIONS, RENEWAL, MONITORING, AND PENALTIES

A. If, during the term of this Agreement, the EMPLOYER should transfer possession of all or a portion of its business concerns affected by this Agreement to any other party by lease, sale, assignment, merger, or otherwise, the EMPLOYER as a condition of transfer shall:

1. Notify the party taking possession of the existence of the EMPLOYER'S Agreement.

2. Notify the party taking possession that full compliance with this Agreement is required in order to avoid termination of the project.

3. EMPLOYER shall, additionally, advise DOES within seven (7) business/calendar days of the transfer. This advice will include the name of the party taking possession and the name and telephone of that party's representative.

B. DOES shall monitor EMPLOYER'S performance under this Agreement. The EMPLOYER will cooperate in DOES' monitoring effort and will submit a Contract Compliance Form to DOES quarterly.

C. To assist DOES in the conduct of the monitoring review, the EMPLOYER will make available payroll and employment records for the review period indicated.

D. If additional information is needed during the review, the EMPLOYER will provide the requested information to DOES.

E. With the submission of the final request for payment from the District, the EMPLOYER shall: N/A

1. Document in a report to the Contracting Officer its compliance with the requirement that 51% of the new employees hired by the project be District residents; or

2. Submit a request to the Contracting Officer for a waiver of compliance with the requirement that 51% of the new employees hired by the project be District residents and include the following documentations:
   a. Material supporting a good faith effort to comply;
   b. Referrals provided by DOES and other referral sources; and
   c. Advertisement of job openings listed with DOES and other referral sources.

F. The Contracting Officer may waive the requirement that 51% of the new employees hired by the project be District residents, if the Contracting Officer finds that:

1. A good faith effort to comply is demonstrated by the contractor;

2. The EMPLOYER is located outside the Washington Standard Metropolitan Statistical Area and none of the contract work is performed inside the Washington Standard Metropolitan Statistical Area;

   The Washington Standard Metropolitan Statistical Area includes the District of Columbia, the Virginia Cities of Alexandria, Falls Church, Manasas, Manasas Park, Fairfax, and Fredericksburg; the Virginia Counties of Fairfax, Arlington, Prince William, Loundon, Stafford, Clarke, Warren, Fauquier, Culpeper, Spotsylvania, and King George; the Maryland Counties of Montgomery, Prince Georges, Charles, Frederick, and Calvert; and the West Virginia Counties of Berkeley and Jefferson.

3. The EMPLOYER enters into a special workforce development training or placement arrangement with DOES; or

4. DOES certifies that insufficient numbers of District residents in the labor market possess the skills required by the positions created as a result of the contract.

G. Willful breach of the First Source Employment Agreement by the EMPLOYER, or failure to submit the Contract Compliance Report, or deliberate submission of falsified data, may be enforced by the Contracting Officer through imposition of penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract.

H Nonprofit organizations with 50 or less employees are exempted from the requirement that 51% of the new employees hired on the project be District residents.

I. The EMPLOYER and DOES, or such other agent as DOES may designate, may mutually agree to modify this Agreement.

J. The project may be terminated because of the EMPLOYER'S non-compliance with the provisions of this Agreement.

IX. Is your firm a certified Local, Small, Disadvantaged Business Enterprise (LSDBE)?
YES☐ NO ☒
If yes, certification number:_____

X. Do you have a registered Apprenticeship program with the D.C. Apprenticeship Council?
☐YES NO ☒
If yes, D.C. Apprenticeship Council Registration Number: _____

XI. Indicate whether your firm is a subcontractor on this project: ☐ YES ☒NO
If yes, name of prime contractor: _____

Dated this 14th day of October ,2009.

DOES:

Department of Employment Services

By: Margaret V. Wright for SG

Dept. of Employment Services
Office of Employer Services

Employer:

E Street Development Group, LLC
By: CityPartners, llc
Its: Managing Member

By: _____
Geoffrey H. Griffis
Managing Member

1817 Adams Mill Rd, NW Suite 200
Washington, DC 20009
Telephone: 202-265-2489
Email:ggriffis@citypartnersdc.com

EMPLOYMENT PLAN

NAME OF FIRM: E Street Development Group, LLC

ADDRESS: 1817 Adams Mill Rd, NW Washington DC 20009

TELEPHONE NUMBER: 202-265-2489 FEDERAL IDENTIFICATION NO. 36-4658935

CONTACT PERSON: Geoffrey Griffis TITLE: Member

E-mail: ggriffis@citypartnersdc.com TYPE OF BUSINESS: Real Estate Development

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ORIGINATING DISTRICT AGENCY: Deputy Mayor for Planning & Economic Development

CONTRACTING OFFICER: Senthil Sankaran, Project Mngr. PHONE NUMBER: 202-724-6634

TYPE OF PROJECT: Development FUNDING AMOUNT: n/a

PROJECTED START DATE: November, 2009 PROJECT DURATION: 4 years

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

	JOB TITLE	# OF JOBS F/T P/T	SALARY RANGE	UNION MEMBERSHIP REQUIRED NAME LOCAL#	PROJECTED HIRE DATE
A	**There will be many new hires as part of the construction phase of this project, and we will hold our general contractor to the standards and requirements of the First Source Agreement. However, there will be no new hires for the Development team.**				
B					
C					
D					
E					
F					
G					
H					
I					
J					

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

NAME OF EMPLOYEE	SOCIAL SECURITY NUMBER or EMPLOYEE IDENTIFICATION NUMBER

EXHIBIT M
Intentionally Omitted

EXHIBIT N
Reciprocal Easement Agreement

BUILDING CONSTRUCTION, OPERATION

AND

RECIPROCAL EASEMENT AGREEMENT

by and between the

DISTRICT OF COLUMBIA

and

E STREET DEVELOPMENT GROUP, LLC

Dated _____ __, 20__

TABLE OF CONTENTS

Exhibits:

BUILDING CONSTRUCTION, OPERATION AND
RECIPROCAL EASEMENT AGREEMENT

THIS BUILDING CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT (hereinafter referred to as this "Building COREA") is made and executed as of the _____ day of _____, 20__ ("Effective Date"), by and between DISTRICT OF COLUMBIA, a municipal corporation, acting by and through the Office of the Deputy Mayor for Planning and Economic Development and the Fire and Emergency Medical Services Department ("**District**"), and (ii) E STREET DEVELOPMENT GROUP, LLC, a District of Columbia limited liability company ("**Developer**").

RECITALS

A. District and Developer entered into the Development Agreement providing for redevelopment of the Site by Developer to include _____ ("Fire Station Component") and _____ ("Office Component"). The Fire Station Component and the Office Component may be each referred to herein as a "Component".

B. Pursuant to the Development Agreement, Developer is the lessee of the Site exclusive of the Fire Station Component under the Ground Lease.

C. The District of Columbia, a municipal corporation ("District") is the fee owner of the Site and will be the fee owner of the Fire Station Component.

E. District and Developer desire to enter into this Building COREA in order to reflect certain agreements with respect to development and operation of the improvements on the Site.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises, covenants and agreements herein contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

As used in this Building COREA, the following capitalized terms shall have the following meanings:

"Affiliate" shall mean a person who directly or indirectly through one or more intermediaries (a) is owned or Controlled by a Person, (b) owns or Controls a Person or (c) is under substantially common Control with a Person.

"Anti-Terrorism Order" shall mean the Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking

Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time.

"Approved Architect" shall mean any design professional approved per the Development Agreement, as the same may be amended from time to time.

"Building COREA" shall mean this Building Construction, Operation and Reciprocal Easement Agreement, as same may be amended from time to time as herein provided.

"Building Rules" shall have the meaning ascribed to such term in Section 3.5(vii).

"Business Day" shall mean Monday through Friday, inclusive, other than (i) holidays recognized by District or the federal government and (ii) days on which District or federal government closes for business as a result of severe inclement weather or a declared national emergency which is given legal effect in the District of Columbia. If any item must be accomplished or delivered under this Building COREA on a day that is not a Business Day, then it shall be deemed to have been timely accomplished or delivered if accomplished or delivered on the next following Business Day. Any time period that ends on other than a Business Day shall be deemed to have been extended to the next Business Day.

"Certificate of Occupancy" shall mean a certificate of occupancy or similar document or Permit (whether conditional, unconditional, temporary or permanent) that must be obtained from the appropriate Governmental Authority as a condition to the lawful occupancy of the applicable Improvements, or any phase, component or portion thereof.

"Commercially Reasonable Business Efforts" shall mean, that, as and when required, the Person charged with making such effort is timely and diligently taking, or causing to be taken, in good faith the steps usually and customarily taken by an experienced real estate lessee or owner, as applicable, seeking with reasonable due diligence to lawfully achieve the objective to which the particular effort pertains.

"Common Areas" shall mean all of the on grade streets, alleys, sidewalks, open space, parks, plazas, and the remainder of on grade space, land and improvements within the Site but outside the buildings on the Site.

"Completion" shall mean the Substantial Completion of the applicable Improvements (exclusive of those Improvements excluded in the definition of Substantial Completion), including (i) issuance of Certificates of Occupancy (for office, retail, and subgrade parking and concourse only, a partial (or temporary) Certificate of Occupancy, including lobbies and public spaces, to the extent such partial (or temporary) Certificates of Occupancy are generally issued by the Governmental Authorities), and (ii) issuance by the applicable Approved Architect of a certificate of Substantial Completion of the applicable Improvements in a form reasonably approved by District. AIA Form G-704 (or a certificate containing language substantially similar to G-704 that is no less protective of owner than a G-704 certificate) satisfies the requirements of clause (ii). Completion of subgrade parking, concourse

improvements and Common Areas shall be required in order to achieve Completion of the Improvements only to the extent required to obtain a Certificate of Occupancy for the Improvements on each Component and to satisfy the terms of (i) through (ii) of the definition of "Substantial Completion".

"Completion Bond" means the following: (a) a labor and materials payment bond or bonds for the Project, which shall be equal to one hundred percent (100%) of all hard costs indicated on the Final Project Budget and Funding Plan (the "Bonds") which shall include the New Fire Station Budget and related costs. The Bonds shall (a) be issued by entities satisfactory to District (b) be in a form and substance satisfactory to District, and (c) name District as co-obligee and comply with the terms of the Development Agreement.

"Completion Guaranty" shall mean the Completion Guaranty dated as of _____ by _____ and _____ in favor of District.

"Construction Documents" shall mean all Plans and Specifications, Construction Contracts, Bonds, and Permits.

"Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100, issued from time to time by the Bureau of Labor Statistics of the United States Department of Labor.

"Control" shall mean the possession, directly or indirectly, of the power to direct, or cause the direction of, the day-to-day operations or the management and policies of a Person, whether through ownership of voting securities, membership interests or partnership interests, by Component or otherwise, or the power to elect at least fifty percent (50%) of the directors, managers, partners or Persons exercising similar authority with respect to the subject Person. The terms "Control," "Controlling," "Controlled by" or "under common Control with" shall have meanings correlative thereto.

"Council or City Council" shall mean the Council of the District of Columbia.

"Developer" or "Developers" shall mean the Person or Person(s) which are from time to time the record lessee from time to time under the Ground Lease only for so long as such Person is the record lessee; provided, however, that such term shall not include (i) any Mortgagee or trustee who may hold a lien against the leasehold interest under the Ground Lease pursuant to a Mortgage unless and until such Mortgagee shall acquire record leasehold title to any such Component through foreclosure, deed in lieu of foreclosure, or otherwise, or (ii) any Person that is solely a lessee of any space in improvements located on the Leased Premises.

"Development Agreement" shall mean the Land Disposition and Disposition Agreement dated _____, between Developer and District, with respect to development of the Site, together with all exhibits and schedules attached thereto, as the same may be amended from time to time.

"DMPED" shall mean the Deputy Mayor for Planning and Economic Development, its designees, successors and assigns, or any other agency or Person under the Mayor's executive control that the Mayor authorizes or otherwise delegates to administer this Building COREA.

"Final Completion" means following Substantial Completion (a) the completion of all Punch List Items; (b) the close-out of all construction contracts for the Project; (c) the payment of all costs of constructing the Project and receipt by Developer of fully executed and notarized valid releases of liens from substantially (meaning all subcontractors whose contracts are in excess of $250,000.00) all manufacturers, suppliers, subcontractors, general contractors, and all other Persons furnishing supplies or labor in connection with the Project and (d) written certification by the Chief that the New Fire Station is ready to be occupied.

"First Class Standards" shall mean a quality that is equal to or in excess of the quality of first class mixed use projects located in Washington, D.C.

"Force Majeure Event" is an act or event, including, as applicable, an act of God, fire, earthquake, flood, explosion, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or a general shortage of labor, equipment, facilities, materials, or supplies in the open market, failure or unavailability of transportation, strike, lockout, actions of labor unions, a taking by eminent domain, requisition, and laws or orders of government or of civil, military, or naval authorities enacted or adopted after the Effective Date, delays, despite reasonable business efforts (including, in the case of any District governmental entity, written notice to the Office of the Deputy Mayor for Planning and Economic Development), in obtaining approval from, or changes ordered by, any Governmental Authority (other than the District in the exercise of its rights and obligations under this Agreement and any Related Agreement) or, if Developer is able to establish to the District's reasonable satisfaction, the existence of a financial crisis, so long as such act or event (i) is not within the reasonable control of the Developer, Developer's Agents, or its Members; (ii) is not due to the fault or negligence of Developer, Developer's Agents, or its Members; (iii) the effect of which is not reasonably foreseeable and avoidable by the Developer, Developer's Agents, or its Members or District in the event District's claim is based on a Force Majeure Event, and (iv) directly results in a delay in performance by Developer or District, as applicable; but specifically excluding (A) shortage or unavailability of funds or Developer's financial condition, other than due to the existence of a financial crisis, (B) changes in market conditions such that construction of the Project as contemplated by the Agreement, this Covenant and the Construction Plans and Specifications is no longer practicable under the circumstances, or (C) the acts or omissions of a general contractor, its subcontractors, or any of Developer's Agents or Members.

"Governmental Authority" shall mean any and all federal, District of Columbia, state, county, city, town, other municipal corporation, governmental or quasi-governmental board, agency, authority, department or body having jurisdiction over any or all of the Site.

"Governmental Requirement" shall mean building, zoning, subdivision, traffic, parking, land use, environmental, occupancy, health, accessibility for disabled and other applicable laws, statutes, codes, ordinances, rules, regulations, requirements, and decrees, of any federal, District of Columbia, state, county, municipal or other governmental or quasi-governmental authority or agency pertaining (i) to any or all of the Site, (ii) to the use and operation of the Site, or (iii) if the context of the sentence establishes this term is being used in connection with a different subject than those described in clauses (i) or (ii), then to the subject matter described in the paragraph in which the term is used.

"Gross Floor Area" shall have the meaning ascribed to such term in the Zoning Regulations of the District of Columbia, 11 District of Columbia Municipal Regulations, as amended from time to time.

"Ground Lease" means that certain Ground Lease Agreement entered into as of the __ day of _____, 20__, by and between the District, as landlord, and the Developer, as tenant, as the same may be amended from time to time.

"Impositions" shall mean all *ad valorem* and other taxes, assessments, business improvement district fees, water and sewer rents and charges, use and occupancy taxes, license and permit fees, vault space rent and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the term hereof be assessed, levied, charged, confirmed or imposed by public authority upon or accrue or become due or payable out of or on account of or become a lien on the applicable portion of the Site (including liens with respect to the sidewalks, streets or vaults adjacent thereto) and all improvements thereon.

"Improvements" means the structures, landscaping, hardscape, and improvements to be constructed or placed on the Site in accordance with the Plans and Specifications; provided, however, that in no event shall trade fixtures, furniture, operating equipment (in contrast to building equipment), stock in trade, inventory, or other personal property used in connection with the conduct of any business within the Improvements be deemed included in the term "Improvements" as used in this document.

"Milestone Event" shall have the meaning ascribed to such term in Section 7.1 of the Development Agreement, as the same may be hereafter amended from time to time.

"Mortgage" shall mean a mortgage, deed of trust, deed to secure debt or other similar instrument securing the repayment of a debt and which encumbers all or any part of a Component or any interest therein and which qualifies as "Permitted Financing" under the Ground Lease.

"Mortgagee" shall mean the mortgagee or beneficiary of a Mortgage.

"Fire Station Component" shall mean that certain air rights or Component of land located in the District of Columbia identified as such on the Site Plan and more particularly described in Exhibit A-1.

"Office Building Permittees" shall mean the Permittees of the Improvements on the Office Component.

"Office Component" shall mean that certain parcel or Component of land located in the District of Columbia identified as such on the Site Plan and more particularly described in Exhibit A-2.

"Outside Date" shall have the meaning ascribed to such term in Section 7.1 of the Development Agreement, as the same may be hereafter amended in writing from time to time.

"Permittees" shall mean the Developers and any tenant, subtenant or other authorized occupant or user of any portion of the Improvements located on the Tracts and their respective officers, directors, employees, agents, partners, contractors, customers, visitors, invitees, guests, licensees and concessionaires. Nothing herein shall be construed to deny to a Developer the right to restrict a use to less than all of its Permittees described herein.

"Permits" shall mean all demolition, site, building, construction, and other permits, approvals, licenses and/or rights required to be obtained from the District of Columbia government or other of the Governmental Authorities having jurisdiction over the Site (including, without limitation, any utility company) necessary to commence and complete construction of, and operate and maintain, the applicable Improvements in accordance with the Plans and Specifications.

"Person" or "Persons" shall mean individuals, partnerships, associations, limited liability companies, corporations and any other forms of organization, or one or more of them, as the context may require.

"Plans and Specifications" shall mean the Plans and Specifications for the applicable Improvements approved by District pursuant to the Development Agreement (and the Construction Covenant).

"Prime Rate" shall mean the prime rate of interest as published or announced in the Money Rates Section of The Wall Street Journal, from time to time or, if such index ceases to be published, any comparable successor thereto from time to time.

"Prohibited Person" means any of the following Persons: (A) Any Person (or any Person whose operations are controlled by a Person) who has been convicted of or has pleaded guilty in a criminal proceeding for a felony or who has been publicly identified as an on-going target of a grand jury investigation convened pursuant to Applicable Laws concerning organized crime; or (B) Any Person organized in or controlled from a country, the effects of the activities with respect to which are regulated or controlled pursuant to the following United States laws

and the regulations or executive orders promulgated thereunder: (x) the Trading with the Enemy Act of 1917, 50 U.S.C. App. §1, et seq., as amended (which countries are, as of the Effective Date hereof, North Korea and Cuba); (y) the International Emergency Economic Powers Act of 1976, 50 U.S.C. §1701, et seq., as amended; and (z) the Anti-Terrorism and Arms Export Amendments Act of 1989, codified at Section 6(j) of the Export Administration Act of 1979, 50 U.S.C. App. § 2405(j), as amended (which countries are, as of the Effective Date hereof, Iran, Sudan and Syria); or (C) Any Person who been publicly identified as having engaged in any dealings or transactions (i) in contravention of the applicable money laundering laws or regulations or conventions or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time-to-time or any published terrorist or watch list that may exist from time to time; or (D) Any Person who appears on or has been publicly identified as conducting any business or engaging in any transaction with any person appearing on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control list located at 31 C.F.R., Chapter V, Appendix A or is a person described in Section 1 of the Anti-Terrorism Order; or (E) Any Person suspended or debarred by HUD or by the District of Columbia government or with whom District is prohibited from doing business by District law; or (F) Any Affiliate of any of the Persons described in paragraphs (A) through (E) above.

"Project" shall mean all Improvements on the Site.

"Qualified Depository" shall mean a national bank selected by Developer and District from among the three national banks then doing business in the District of Columbia that have the largest aggregate amount of capital and surplus and are not then Prohibited Persons.

"Record Lot" shall mean Lot 46, Square 374, Washington, D.C.

"Rules of the Site" shall have the meaning ascribed to such term in Section 3.5(ix).

"Shared Facilities" shall mean the _____ (the "Shared Facilities Easement Area").

"Significant Changes" means (i) any change in size or design from the Construction Plans and Specifications substantially affecting the general appearance or structural integrity of exterior walls and elevations, building bulk, coverage or floor area ratio or number of floors; (ii) any changes in exterior color or use of exterior finishing materials substantially affecting architectural appearance from those shown and specified in the Construction Plans and Specifications; (iii) any change in number of parking spaces by ten percent (10%) or more from the Construction Plans and Specifications, (iv) any substantial change in landscape planning and design or changes in size or quality of exterior pavement, exterior lighting and other exterior site features from the Construction Plans and Specifications; and (v) any change in square footage of

the office or retail space by ten percent (10%) or more from the Construction Plans and Specifications. Changes to substitute material of equal or greater quality and minor field changes required to correct errors in measurement or construction shall not constitute a Material Change.

"Site" shall mean _____ in the District of Columbia identified as such on the Site Plan.

"Site Plan" shall mean that certain plan attached hereto as Exhibit A.

"Term" shall mean the period of time that this Building COREA shall remain in effect, as provided in Section 10.1 hereof.

"Termination" shall mean a termination of the Ground Lease.

ARTICLE II

DESIGN, CONSTRUCTION AND DEVELOPMENT RIGHTS MATTERS

Section 2.1 Access; Encroachments.

Each of the Office Component and Fire Station Component, as the dominant tenement, and each of Developer and District, shall have an easement over the other's Component, as the servient tenement, to the extent reasonably necessary for the purpose of accommodating any encroachment due to the actual physical location of elements of Improvements (including Improvements in easements benefiting any Component) which are built in substantial accordance with the original Plans and Specifications. There shall be easements for the maintenance of said encroachments to the extent reasonably necessary as long as they shall exist, and the rights and obligations of the parties hereto shall not be altered in any way by said encroachment, settlement or shifting. In the event a structure is partially or totally destroyed and then repaired or rebuilt, the parties hereto agree that minor encroachments shall be permitted and that there shall be easements for the maintenance of said encroachments so long as they shall exist.

Section 2.2 Construction of Improvements.

(a) Developer shall be responsible for construction of the Improvements in accordance with the Plans and Specifications to achieve Completion and Final Completion thereof. Developer and its agents, employees and contractors shall have non-exclusive easements for access to and egress over the Site as shall be reasonably necessary to undertake and complete construction of the Improvements and to fulfill its obligations hereunder.

(b) Developer shall cause the appropriate insurance described in Exhibit B to be maintained (and shall provide evidence thereof) during construction of the Improvements.

Section 2.3 Development Rights.

The Developer shall have the right to utilize and construct, or cause to be constructed, on the Site the Improvements as described in the Plans and Specifications.

ARTICLE III

MAINTENANCE OF IMPROVEMENTS

Section 3.1 Maintenance of Components.

(a) Following Completion of the Improvements, (i) Developer shall keep and maintain or cause to be kept and maintained the Office Component in a good and safe state of repair and in a clean and orderly condition, complying with First Class Standards and (ii) District shall keep and maintain or cause to be kept and maintained the Fire Station Component in a good and safe state of repair and in a clean and orderly condition, complying with First Class Standards. District and Developer, and their agents, employees and contractors shall have non-exclusive easements for access to and egress over such portions of the other's Component as shall be reasonably necessary to fulfill its obligations under this Section 3.1; provided that District and Developer shall use Commercially Reasonable Business Efforts to minimize disruption of operations within the Component of the other. All maintenance, monitoring and repair shall be scheduled after input from District and Developer to minimize disruption except in an emergency (where telephonic notice and input shall be given as soon as possible).

(b) Following Completion of the Improvements, Developer shall cause the insurance described on Exhibit B, which shall be identical to the insurance described in the Ground Lease, to be maintained with respect to the Office Component (and shall provide evidence thereof).

Section 3.2 Payment of Costs. District and Developer shall each be independently responsible for the costs of maintaining their respective Component.

Section 3.3 Maintenance of Common Areas and Shared FacilitiesDeveloper shall be obligated to maintain the Common Areas and the Shared Facilities to First Class Standards and in compliance with all Governmental Requirements. Covenants of District and Developer. District and Developer shall comply with the following covenants with respect to the Improvements on the Fire Station Component and Office Component, respectively, during the term of this Building COREA.

(i) District and Developer shall comply with the provisions of the Building Rules.

(ii) District and Developer shall not use the plumbing facilities for any purposes other than that for which they were constructed, or dispose of any foreign substances therein.

(iii) District and Developer shall take all actions necessary, consistent with the Building Rules, to prevent odors and noises in its Component from escaping therefrom. All space in the Office Component and the Fire Station Component and the equipment contained therein must at all times be adequately ventilated, filtered and maintained and any odors therefrom must be exhausted and dispersed in accordance with First Class Standards.

(iv) District and Developer shall treat its Component as often as necessary to keep it free and clear of all pests, including rodents and insects.

(v) Upon Completion of the Improvements, District and Developer shall develop reasonable and consistently applied rules and regulations with respect to activities (other than construction activities) ("Building Rules"). Such Building Rules shall govern activities (other than construction activities, which shall be governed by the Rules of the Site) within and around the Improvements located on the Office Component and Fire Station Component. Developer and District shall comply with the Building Rules.

Section 3.5 Waiver of Subrogation Rights. Anything in this Building COREA to the contrary notwithstanding, Developer and District hereby waive any and all rights of recovery, claim, action or cause of action against the other, its agents, employees, directors, officers, partners or shareholders for any loss or damage that may occur to the Office Component, Fire Station Component or any Improvements thereon, or any personal property of such party therein by reason of fire, the elements or any other cause which can be insured against under the terms of any property insurance policy, regardless of cause or origin, **INCLUDING NEGLIGENCE OF THE OTHER PARTY HERETO**, its agents, employees, directors, officers, partners or shareholders, and each party covenants that no insurer shall hold any right of subrogation against such other parties. Developer shall include such a provision in its leases of space in its Improvements.

Section 3.6 Indemnity.

(a) Developer (the "Indemnitor") shall protect, defend, indemnify, save and hold harmless the District and its agents, employees, directors, officers, partners and shareholders (the "Indemnitees") against and from all claims, liabilities, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature by or in favor of anyone whomsoever, and against and from any and all costs, damages and expenses, including attorneys' fees, resulting from or in connection with loss of life, bodily injury or personal injury or property damage arising directly or indirectly out or from the Office Component, its appurtenances (including easements for the benefit thereof) to the extent not caused in whole or in part by the negligent act or omission of the Indemnitee.

(b) The indemnities contained in this Section shall (i) include the reasonable costs and expenses (including attorney's fees), incurred by the Indemnitee in enforcing such

indemnity obligations and (ii) shall be covered by insurance required to be maintained pursuant to its Ground Lease (and evidence thereof provided to the Indemnitees at their request).

(c) This indemnity shall, pursuant to Section 3.6, not cover loss or damage therein described and shall not cover claims covered by insurance required under this Building COREA in which both of the Developer and the District are named insureds.

ARTICLE IV

RESTORATION

Section 4.1 Damage or Destruction of the Office Component.

(a) In the event of damage to or destruction of all or any part of the Office Component during the Term of this Building COREA, Developer shall be obligated to repair and restore the Office Component pursuant to the terms and conditions of the Ground Lease.

(b) Any such reconstruction shall be performed in substantial compliance with the original Plans and Specifications for the portion of the Office Component damaged and in a good and workmanlike manner, in accordance with all Governmental Requirements, and in accordance with the terms and conditions of this Building COREA and the Ground Lease.

Section 4.2 Razing Improvements if not Rebuilt.

If Developer shall not be required to rebuild the Office Component pursuant to this Building COREA and the Ground Lease (and does not rebuild), subject to Section 4.3, insurance proceeds shall first be used to raze the portions thereof which are not restored or rehabilitated, clear away all debris and take all other action required by good construction practice so that the area which had been occupied by the razed building or portions thereof will be sightly and safe; provided, however, this provision shall not prevent such Developer from subsequently building on the Component subject to the terms of this Building COREA and the Ground Lease.

Section 4.3Maintaining Common Footings and/or Common Foundations.

Notwithstanding anything herein contained, Developer covenants that if all or any part of its Improvements is removed or destroyed at a time when it is not required to restore and does not elect to restore the same, it will leave in place any foundations and footings (or portions thereof) not removed or destroyed to the extent required in Section 6.4 hereof.

Section 4.4 District Construction and Reconstruction Obligations.

(a) Notwithstanding anything to the contrary in the Building COREA, upon a Termination, District shall not be obligated to participate in the construction, restoration, razing or reconstruction of the Improvements pursuant to Section 2.2 or this Article IV, unless District

affirmatively elects to do so in writing (it being understood that District shall not affirmatively elect to so participate unless the necessary funds have been specifically authorized and appropriated for such construction, reconstruction, restoration or razing as contemplated by the processes and procedures described in Article XI of this Building COREA). Even if District does not elect to otherwise participate in or contribute to such construction, reconstruction, restoration or razing as set forth in this Section 2, any casualty insurance proceeds otherwise available to District shall be made available by District for the construction, reconstruction, restoration or razing of the Improvements.

(b) It is hereby agreed that although District shall not be deemed to be in default if it does not elect to participate in reconstruction, the Developer may elect to pursue reconstruction of Improvements on its Component and the District's Component (to the extent required to obtain a certificate of occupancy for the Improvements on its Component) and may pursue self-help under Section 5.2 in order to do so (although Developer shall not be entitled to reimbursement pursuant to Section 5.2 or otherwise). In such event, Developer shall provide District with reasonable assurance of the ability of such other Developer and of the availability of sufficient funds to complete the Improvements in such other Developer's portion of the Improvements for which such other Developer intends to exercise self-help, such assurance to be subject to the reasonable approval of District.

(c) Notwithstanding the provisions of Article V, if District affirmatively elects to participate in reconstruction pursuant to this Section 4.4, a breach of its obligations thereunder shall entitle the non-defaulting party to the remedies set forth in Article V.

ARTICLE V

REMEDIES

Section 5.1 Self-Help Rights. In the event Developer or District fails to perform any of its non-monetary obligations under Sections 2.2, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1 or 4.2, and such failure continues for more than thirty (30) days after delivery of written notice by the non-defaulting party to the defaulting party (and any lender having a Mortgage on the defaulting party's Component of which the other party has notice pursuant to Section 7.2) that such obligations have not been performed, or if such obligations are not susceptible to being performed within thirty (30) days, if such party fails to commence any such performance within the thirty (30)-day period and prosecute the same diligently to completion, then the non-defaulting party shall have the right but not the obligation to perform such obligations on behalf of and for the account of the defaulting party (subject to a defaulting party's Mortgage holder's rights under Section 7.2). The non-defaulting party shall complete any repair, restoration or other work it undertakes pursuant to this Section 5.2 in a good and workmanlike manner in accordance with all Governmental Requirements, good industry practice and First Class Standards. The non-defaulting party is hereby granted an easement across the defaulting party's Component to effect its self-help rights hereunder, provided that exercise of its rights hereunder shall be carried out so as to minimize disruption with the operations on the defaulting party's Component and shall not

unreasonably interfere with, delay or impair the ability of the defaulting party or its successor to complete Improvements on its Component. If a party exercises its self-help rights under this Section 5.2 following a breach by the other party, the defaulting party shall reimburse the non-defaulting party for an amount equal to (i) one hundred percent (100%) of costs incurred with respect to remedying breaches under Sections 3.2. 3.3, 3.4 and 3.5, (ii) all costs incurred by the non-defaulting party in connection with such exercise of its self-help rights under this Section 5.2 plus (iii) interest at the annual rate of the Prime Rate plus 4% from the date of payment by the non-defaulting party.

Section 5.2 Other Remedies.

Developer and District shall each have such other remedies available at law or in equity for breach by the other hereunder. Notwithstanding the foregoing, in no event shall Developer shall have any right to lien or make a claim against the Fire Station Component.

Section 5.3 Limitation of Liability.

Notwithstanding anything to the contrary contained in this Building COREA, each party specifically agrees that the liability of each other party hereunder shall be limited to claims for recovery of monies expended to enforce such party's rights and remedies under this document.

ARTICLE VI

EASEMENTS

Section 6.1 General.

(a) The grant of an easement by a grantor shall bind and burden its Component which shall, for the purpose of this Building COREA, be deemed to be the servient tenement (but where only a portion of the Component is bound and burdened by the easement, only that portion shall be deemed to be the servient tenement), and shall survive the total or partial destruction of the subject matter of the easement and shall run with the land.

(b) The grant of an easement to a grantee shall benefit its Component which shall, for the purpose of this Building COREA, be deemed to be the dominant tenement (but where only a portion of the Component is so benefited, only that portion shall be deemed to be the dominant tenement).

(c) Unless provided otherwise, all easements granted herein are non-exclusive and in common with the owner of the servient tenement, and irrevocable for the term herein provided for any such easement, and for the benefit of the owner of the dominant tenement. Any easement provided or reserved under this Building COREA which is designated as non-exclusive shall permit the owner of the servient tenement to utilize such easement areas for its own

purposes and/or grant other easements or interests therein which are not inconsistent with that of the dominant tenement hereunder or with this Building COREA.

(d) The grant of an easement shall run to the benefit of the owner that is the grantee of such easement, its successors and assigns; and the grantee of such easement, its successors and assigns as owner of the Component so benefited by such easement shall have the right to allow its Permittees to use such easement subject to the limitations in this Building COREA.

(e) All easements granted hereunder shall be utilized in compliance with all Permits and other Governmental Requirements and in accordance with First Class Standards.

(f) All easements granted hereunder shall exist by virtue of this Building COREA, without the necessity of confirmation by any additional document. No easement may be terminated except by written instrument signed by the owner that is a grantee of such easement, and such owner's Mortgagees, if any. Upon the termination of any easement (in whole or in part) or its release (in whole or in part) in respect of all or any part of any Component, the same shall be deemed to have been terminated or released without the necessity of confirmation by any other document. However, upon the request of the District or the Developer, as the case may be, and at such requesting party's expense, District or Developer will sign and acknowledge a document memorializing the existence (including the location and any conditions), the termination (in whole or in part), or the release (in whole or in part), as the case may be, of any easement, if the form and substance of the document is reasonably acceptable to District or Developer.

Section 6.2 Easements in favor of Developer.

In addition to any other easements granted herein, District grants to, and creates and establishes for the benefit of, Developer (a) an exclusive easement through and in the portion of the Fire Station Component where electrical wires and equipment, water mains and pipes, sewer lines, and gas mains serving the Office Component are located as shown on the Plans and Specifications to install, lay, maintain, monitor, repair, replace and use such electrical wires and equipment, water mains and pipes, sewer lines, and gas mains, together with access thereto and (b) an easement for emergency egress through the areas of ground floor of the Improvements located in the Fire Station Component specified for emergency egress, as shown on the Plans and Specifications.

Section 6.3 Easements in favor of District. In addition to any other easements granted herein, Developer grants to, and creates and establishes for the benefit of, District the following easements, together with the right of access through the portions of the Office Component (and Improvements thereon) as shall be reasonably required to allow District to utilize the following easements:

(a) An exclusive easement in and through the portion of the Office Component where electrical wires and equipment, water mains and pipes, sewer lines, and gas mains serving the Fire Station Component are located as shown on the Plans and Specifications to install, lay, maintain, monitor, repair, replace and use such electrical wires and equipment, water mains and pipes, sewer lines, and gas mains.

(b) A non-exclusive easement in and through the Shared Facilities Easement Area to use the Shared Facilities for service to the Fire Station Component (it being understood that operation, maintenance, monitoring and repair of the Shared Facilities shall be the responsibility of Developer).

(c) A non-exclusive easement of ingress and egress to those parking spaces designated for the Fire Station Component and an exclusive easement for use of those parking spaces designated for the Fire Station Component in accordance with the Plans and Specifications.

Section 6.4 Structural Support.

Each of Developer and District, with respect to the Office Component and the Fire Station Component, shall be provided non-exclusive easements and rights in and to all structural members, columns, beams and other supporting components within and upon the Improvements on either such Component, for structural support of the Improvements situated within the Office Component or the Fire Station Component. No party shall take any action which would adversely affect the structural integrity or safety of the Improvements situated within the Office Component or the Fire Station Component. If all or any part of the Improvements on either Component are removed or destroyed and if immediately prior to such destruction or removal, any components thereof were providing structural support to the Improvements on the other Component, the owner thereof (i.e., District or Developer) shall be obligated to leave such components in place for so long as that portion of the other's Improvements requiring such structural support shall stand or be replaced (with such other party being thereafter obligated to maintain and repair the same).

Section 6.5 Access to Easement Areas. Each of Developer and District hereby grants to the other, and shall have, reasonable access to the easement areas described in Sections 6.2 and 6.3 (through the other's Component and Improvements) for the purpose of maintaining and repairing the same; provided that any such access and maintenance, monitoring and repair shall be carried out so as to minimize disruption with the operations on the servient tenement. All maintenance, monitoring and repair shall be scheduled upon twenty-four

(24) hours' notice to minimize disruption except in an emergency (where telephonic notice and input shall be given as soon as possible).

Section 6.6 No Dedication of Easements and Benefit to Permittees.

Nothing contained in this Building COREA, including the grant of any or all easements herein provided, shall be deemed to constitute a dedication of any Component or any portion or portions thereof to any governmental body or agency or to the general public, or construed to create any rights in or for the benefit of any Persons other than the Developer and District, it being the intention of the Developer and the District that this Building COREA shall be strictly limited to and for the purposes herein expressed. Either District or Developer may, however, extend the benefits of the easements created by this Building COREA to its Permittees subject to the limitations in this Building COREA provided such Permittees shall observe and obey applicable rules and comply with this Building COREA. No Permittee, other than heirs, successors, and assigns of the District or Developer that is the grantee of an easement, shall acquire any rights in, to or under any easement.

Section 6.7 Utility Easements.

Nothing contained in this Building COREA shall be deemed to prohibit or limit the right of Developer and District to (i) grant easements to any governmental unit, public body and/or utility company for the construction, installation, operation, maintenance, monitoring, repair, relocation, modification, extension or alteration of sanitary sewers, storm drainage systems, fire protection installations, gas, water, electric power and lighting and telephone lines, mains and trunks in, under or across its Component, or (ii) transfer or assign to any public body and/or utility company any of the easements on its Component with respect to utilities granted to the other hereunder, without the necessity of the payment of any compensation to the grantee of such easement.

Section 6.8 Rights Temporarily to Close and to Enter in Emergencies.

Developer and District each reserves the right to close off the Component or any Improvements on the Component temporarily for (a) such reasonable periods of time as may be legally necessary to avoid the possibility of dedicating the same for public use or to prevent the acquisition or creation of prescriptive rights by anyone; and (b) such reasonable periods of time as may be reasonably necessary for cleaning, repair, alteration, improvement or maintenance or as required for emergencies. Furthermore, Developer and District each reserves the right to enter the Fire Station Component or Office Component, as applicable, in case of emergency in order to prevent or minimize damage or destruction to personal property, the Improvements on the Component or to preserve and protect the health and safety of persons, as such Developer and District, as applicable, shall deem necessary or desirable in such emergency situation. In exercising such right, Developer and District each will use reasonable efforts under the circumstances not to interfere with the use of such easement area by the grantee thereof.

Section 6.9 Additional Easements.

To the extent the Plans and Specifications provide for additional conduits, lines, wires, equipment, mains, pipes, cables or other facilities on or running through one Component but serving the other and such facilities are actually constructed as part of the Improvements pursuant to Section 2.2, each of Developer and District hereby grants to the other easements to the extent required to install, lay, maintain, monitor, repair, replace and use the same, subject to Sections 6.1, 6.5, 6.6, 6.7, 6.8, 6.10 and 6.11 hereof. If it becomes clear that additional easements or rights of use or rights of way between the Office Component and Fire Station Component are necessary or desirable to effectuate the purposes of this Building COREA to allow efficient operations to a First Class Standard on the Office Component and/or the Fire Station Component, regardless of whether such proposed additional easements are provided for in the Plans and Specifications, District and Developer, as owner of the servient tenement, hereby agrees to grant to each other, as owner of the dominant tenement, such additional easements as are necessary and desirable provided said proposed additional easements will not materially adversely interfere with the use and occupancy of any portion of the Improvements located on the Office Component or Fire Station Component or materially affect access to or operation of any portion of such Improvements. At the request of District or Developer, the other shall execute document(s) to confirm such additional easements and shall record such document(s) against the affected Component(s) in the land records of the District of Columbia.

Section 6.10 Title.

The grantor of an easement hereby binds itself, its successors and assigns to WARRANT and FOREVER DEFEND all and singular the easement unto the grantee of such easement, its successors, heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under such grantor.

ARTICLE VII

NOTICES

Section 7.1 Notice.

Any notice, communication, request, reply or advice or duplicate thereof in this Building COREA provided or permitted to be given, made or accepted by any party to any other must be in writing and may, unless otherwise in this Building COREA expressly provided, by given or served by (i) depositing the same in the United States mail, postpaid and certified and addressed to the party to be notified, with return receipt requested, (ii) by delivering the same in person to such party, or (iii) by sending by a recognized overnight delivery services. All notices shall be addressed as follows (or such other addresses as may be designated by ten (10) days' prior notice):

in the case of Developer:

_____
_____
_____
Attn:
Telephone:
Telecopier:

With a copy to:

Barry Haberman, Esquire
51 Monroe Street Suite 1507
Rockville, Maryland 20850

in the case of District:

_____
_____
_____
Attn:
Telephone:
Telecopier:

With a copy to:

_____
_____
_____
Attn:
Telephone:
Telecopier:

Notices shall be deemed to be effective (A) upon receipt (or refusal thereof) if personally delivered, (B) one (1) Business Day after being sent by recognized overnight delivery service or (C) three (3) Business Days after being sent by certified or registered mail, postage prepaid, with return receipt requested.

Section 7.2 Notice to Mortgagee.

Each party giving a notice of default under this Building COREA shall send, in accordance with Section 7.1, a copy of such notice to any holder of a Mortgage on the Component and/or Improvements of the Developer, provided such holder or its mortgagor shall have sent District a notice informing it of the existence of such Mortgage and the name of the person or officer and the address to which copies of the notices of defaults are to be sent. Such holder and any other Person named as recipient of notice pursuant to Section 7.1 above shall have an additional thirty (30) days to cure any default that is capable of being cured with the payment of money, and an additional ninety (90) days for all other defaults (and such additional time, as to non-monetary defaults, as the Mortgagee in good faith and with reasonable diligence either attempts to cure such default or commences and thereafter prosecutes with reasonable diligence, if not enjoined or stayed, appropriate proceedings for foreclosure or other enforcement of the liens securing its financing). Initiation of foreclosure proceedings against Developer shall constitute "diligence" by a Mortgagee hereunder so long as such foreclosure proceedings are

continuously pursued. The foregoing requirements to give notice of default to a Mortgagee and allow such Mortgagee an opportunity to cure such default shall not delay the exercise of self-help remedies by District in the event of an emergency.

ARTICLE VIII

ASSIGNMENT AND TRANSFER

Section 8.1 Party Not Released Except as Provided Herein.

(a) A transfer or conveyance by Developer of the entire Office Component or by District of the entire Fire Station Component shall be deemed to release such party from all further liability arising under this Building COREA in respect of any period after the date of such transfer or conveyance. Until notice shall have been given to any party of any such sale, such party shall have the right to assume and rely upon the fact that there has been no change in ownership of the applicable interest.

(b) If any of the Components are sold or otherwise transferred, such transfers shall be subject to this Building COREA and the transferees shall be bound by its transferor's obligations and enjoy its transferor's benefits hereunder as fully as if such transferees were originally parties hereto, and such obligations and benefits shall run with and be binding upon the Components and be binding upon all subsequent owners thereof, including any easements, claims or liens arising under this Building COREA against a prior owner of a Component which shall continue as to any transferee of such Component.

Section 8.2 Right to Transfer to Successor Developer.

Upon a Termination, District shall have the right to transfer its rights and obligations hereunder to a successor Developer under a new Ground Lease or other instrument. Each successor Developer shall assume all obligations under the Building COREA arising prior to the date of the transfer. Such successor Developer shall be bound by all of the terms of the Building COREA.

Section 8.3 Priority of Building COREA.This Building COREA and the rights, interests, liens and easements created hereunder shall be prior and superior to any Mortgage or other lien upon or against any interest in any Component other than such liens as by law have priority over the lien and operation of this Building COREA.

ARTICLE IX

ARBITRATION

The District and all parties to the Building COREA agree that any action or proceeding to which the District is formally named as a party shall be resolved in a court of

competent jurisdiction within the District of Columbia as provided in D.C. Official Code §10-1014 (2006 Supp), *provided, however*, that if the District and Developer consent in writing to arbitration, then the dispute shall be resolved as follows:

Any controversy or claim shall be determined by arbitration administered by the International Centre for Dispute Resolution ("ICDR") in accordance with its International Arbitration Rules or such successor organization as the parties to the dispute shall agree upon. The number of arbitrators shall be three. The claimant(s) shall appoint its arbitrator in its Notice of Arbitration and Statement of Claim; the respondent(s) shall appoint its arbitrator in its Statement of Defense; the two arbitrators so appointed shall agree upon a chairman within thirty days or such other time as agreed in writing by all parties to the dispute. If agreement upon a chairman is not reached within the established time period, the chairman shall be appointed by the ICDR. If the notice of arbitration names two or more respondents and the respondents are unable to agree upon the appointment of a single arbitrator in their Statement(s) of Defense, the ICDR shall appoint all three arbitrators. The place of arbitration shall be Washington, D.C. Once appointed, the arbitral tribunal shall conduct the proceedings as expeditiously as possible. The expense of arbitration proceedings conducted hereunder shall be borne equally by the parties to the arbitration.

Provided, further that if all the parties to the dispute mutually agree in writing on some other alternative dispute resolution method, the dispute shall be resolved pursuant to that mutually agreed upon method and *provided further* that if a proceeding is already pending under this Article IX that proceeding shall continue if either (i) a partial award has already been issued or (ii) the proceeding has been pending for at least six months or (iii) an evidentiary hearing on the merits has already been held or will be held within no more than two months from the date the District is formally named.

ARTICLE X

MISCELLANEOUS

Section 10.1 Term of this Building COREA. This Building COREA and the obligations hereunder shall continue, and shall remain binding from the date hereof until the earlier of (a) _____ *[insert date 99 years after the Effective Date]* or (b) upon the Termination of the Ground Lease, the release of this Building COREA by the District of Columbia by recording a written instrument in the land records (the "Termination Date"); provided, however, that only the easements created in this Building COREA that expressly survive in this Building COREA shall survive for the period specified. Notwithstanding the foregoing, if any right granted in this Building COREA or any provision contained in this Building COREA is subject to the rule against perpetuities and the same shall not occur or shall not have vested on the date that is twenty-one (21) years after the death of the last to die of all now living descendants of Barack H. Obama, George W. Bush, William J. Clinton, George H. W. Bush and James E. Carter, Jr., all of whom are current or former Presidents of the United States of America, then such right or provision shall terminate as of such date.

Section 10.2 Governing Law. This Building COREA shall be governed by the laws of the District of Columbia, and the covenants contained herein shall be deemed performable in the District of Columbia.

Section 10.3 Recording of Building COREA. This Building COREA shall be recorded in the real property records of the District of Columbia.

Section 10.4 Time of Performance. All dates for performance (including cure) shall expire at 5:00 p.m. (Eastern time) on the performance or cure date. If the final date of any period which is set out in any provision of this Building COREA falls on a Saturday, Sunday or legal holiday under the laws of the United States, or the laws of the District of Columbia, or on a day when courts, banks, the New York Stock Exchange or District or federal government offices are generally closed in the Washington metropolitan area because of executive order, inclement weather, acts of terrorism or widespread power or other utility outages that cause a party to be unable to perform hereunder, such period shall be extended to the next day that is not a Saturday, Sunday or legal holiday or subject to the foregoing events.

Section 10.5 Captions, Numberings and Headings. Captions, numberings and headings of Sections and Exhibits in this Building COREA are for convenience of reference only and shall not be considered in the interpretation of this Building COREA.

Section 10.6 Number; Gender. Whenever required by the context, the singular shall include the plural, the neuter gender shall include the male gender and female gender, and vice versa.

Section 10.7 Counterparts. This Building COREA may be executed in separate counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this Building COREA.

Section 10.8 Severability. In the event that one or more of the provisions of this Building COREA shall be held to be illegal, invalid or unenforceable, each such provision shall be deemed severable and the remaining provisions of this Building COREA shall continue in full force and effect, unless this construction would operate as an undue hardship on any party, or would constitute a substantial deviation from the general intent of the parties as reflected in this Building COREA.

Section 10.9 No Oral Modifications, Exercises or Waivers. No modification or amendment of this Building COREA shall be valid or effective unless the same is in writing and signed by each of the Developer and the District and District. Subject to Section 10.24, no waiver or exercise of any right or option under this Building COREA shall be effective unless same is delivered, exercised or submitted in writing.

Section 10.10 Schedules and Exhibits. All Exhibits referenced in this Building COREA are incorporated by this reference as if fully set forth in this Building COREA.

Section 10.11 Including. The word "including" and variations thereof, shall mean "including without limitation."

Section 10.12 Integration. This Building COREA and all Exhibits and Schedules appended to this Building COREA and the documents and agreements referenced in this Building COREA contain the entire understanding between parties with respect to the Building COREA, and are intended to be a full integration of all prior or contemporaneous agreements, conditions, understandings or undertakings between them with respect thereto. There are no promises, agreements, conditions, undertakings, understandings, warranties or representations, whether oral, written, express or implied, between the parties hereto with respect to the Building COREA other than as are expressly set forth in this Building COREA and the Schedules and Exhibits appended to this Building COREA and the documents and agreements referenced in this Building COREA.

Section 10.13 No Construction Against Drafter. This Building COREA has been negotiated and prepared by the parties and their respective attorneys and should any provision of this Building COREA require judicial interpretation, the court interpreting or construing such provision shall not apply the rule of construction that a document is to be construed more strictly against one party.

Section 10.14 Waiver of Jury Trial; Jurisdiction; Attorneys' Fees. This Section 10.14 shall not, in the absence of the agreement of all parties to a dispute, be interpreted or construed to limit in any way the broad and exclusive grant of arbitral jurisdiction in Article IX of this Building COREA. The parties hereto each waive trial by jury in connection with proceedings or counterclaims brought by any of the parties against the others with respect to any matter whatsoever arising out of or in any way connected with this Building COREA, or the relationship of the parties hereunder. Any suit, action, proceeding or claim relating to this Building COREA or the transactions contemplated by this Building COREA shall be brought exclusively in the United States District Court for the District of Columbia or the Superior Court for the District of Columbia, and the parties hereto agree that such courts are the most convenient forum for resolution of any such action and further agree to submit to the jurisdiction of such courts and waive any right to object to venue in such courts. In the event a party brings a legal action to enforce rights under this Building COREA, the prevailing party in any such proceeding will be entitled to recover its reasonable attorneys' fees and the costs of the proceeding, subject to Section 6.4(a) of the Joinder. On and following the date the District succeeds to the rights and obligations of Developer or District pursuant to the Joinder of District, in the event District is represented by the Office of the Attorney General of the District of Columbia or any successor legal division or agency of the District ("OAG") in connection with the enforcement of this Building COREA or the exercise of any remedies hereunder, or in the event that OAG performs any other legal services for which District is entitled to reimbursement under this Building COREA, reasonable attorneys' fees shall be calculated based on an equivalent amount that a private firm of comparable size to the OAG in the Washington, D.C. area would have charged for such representation based on the number of hours OAG staff participate in any such litigation or other matter.

Section 10.15 Force Majeure. The parties shall be excused from performing any other obligation under this Building COREA (i) to the extent that the performance is actually prevented or delayed, retarded or hindered by a Force Majeure Event, and (ii) the party seeking to claim a Force Majeure Event promptly notifies the other of the existence of such Force Majeure Event. Notwithstanding the foregoing, except as otherwise expressly set forth in this Building COREA, the occurrence of a Force Majeure Event shall not excuse a party from any obligation to pay any amount required under this Building COREA on the date such payment is otherwise required under this Building COREA.

Section 10.16 Time of the Essence. Time is of the essence with respect to all obligations under this Building COREA.

Section 10.17 Amendments. This Building COREA may be amended or modified only by a written instrument executed by the parties.

Section 10.18 Waivers; Etc. No waiver or waivers of any breach or default or any breaches or defaults by any party of any term, condition or liability of or performance by any other party of any duty or obligation hereunder, shall be deemed a waiver thereof, nor shall any such waiver or waivers be deemed or construed to be a waiver or waivers of subsequent breaches or defaults of any kind, character or description under any circumstances. If any term or provision of this Building COREA, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Building COREA, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Building COREA shall be valid and shall be enforceable to the extent permitted by law.

Section 10.19 Right to Injunction. Whenever any party shall fail to comply with any covenant or provision of this Building COREA, the other parties shall be entitled to enforce their rights by injunctive relief, including an action for specific performance, any provision in this Building COREA to the contrary notwithstanding.

Section 10.20 Following Assignment. The term "Developer" or "District" as used in this Building COREA, shall mean the original party named herein and any successor to such party. In the event of any sale or transfer of said interest, the transferor thereof shall be and hereby is entirely freed and relieved of all covenants and obligations hereunder thereafter accruing, and it shall be deemed and construed, without further agreement, that the transferee has assumed and agreed to carry out any and all covenants and obligations of his predecessor in title hereunder accruing before and after the date such transferee acquires said interest and continuing during the period of such ownership, but until notice shall have been given to any party of any such sale, such party shall have the right to assume and rely upon the fact that there has been no change in ownership of the applicable interest.

Section 10.21 Rights Not for Benefit of Third Parties. In no event and under no circumstances whatsoever shall the rights herein granted or to be granted in the future pursuant to

this Building COREA, to or for the benefit of any party be deemed to be for the benefit of the public. No individual or entity that is not a signatory to this Building COREA (other than successors and permitted assigns of the signatories of this Building COREA) shall have any rights or privileges under or arising out of this Building COREA, nor shall any person or entity that is not a signatory to this Building COREA otherwise be deemed a third party beneficiary of this Building COREA.

Section 10.22 Effect of "Review", "Objection", "Failure to Object", Approval", "Non Approval", or "Consent".

In no event shall any review, objection, failure to object, approval, non approval, or consent by a party with respect to any act, plan, or proposal of any other party made pursuant to any provision of this Building COREA or otherwise be deemed (i) to constitute an assumption by any party of responsibility or liability for the adequacy or suitability of any such act, plan, or proposal, (ii) to constitute a waiver of any claim or right a party might have against any other party as a result of any loss, damage, or expense (including, without limitation, attorneys' fees and costs of litigation) incurred by a party by reason of or in connection with any act or omission of any other party pursuant to or in accordance with any act, plan, or proposal reviewed by a party, (iii) to result in a party's being deemed a joint tortfeasor with another party, or (iv) to be binding on any particular Governmental Authority having jurisdiction.

Section 10.23 Binding Effect. This Building COREA shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, permitted transferees, successors and assigns.

Section 10.24 Approvals. Where this Building COREA provides for a party's approval of or consent to any matter, unless otherwise expressly indicated: (i) such approval or consent must be in writing in order to be effective and binding upon a party, (ii) such approval or consent shall not be unreasonably withheld and (iii) any disapproval must be in writing and must specify in reasonable detail the reason for such disapproval. A party shall have thirty (30) calendar days from its receipt of a written request (accompanied by all information reasonably necessary to consider such request) to respond to all requests for approvals or consents or such consent or approval shall be deemed approved so long as the notice clearly states that such approval or consent shall be so deemed approved if no response is provided within such thirty (30) day period, and the parties shall work cooperatively and in good faith to reach agreement prior to the expiration of the thirty (30) day period. If, however, failure to reach agreement on such submission within such thirty (30) day period will, in a party's reasonable judgment, jeopardize achievement of a Milestone Event in the time set forth in the Schedule of Performance (as defined in the Ground Lease and Development Agreement), the party, in the notice requesting such approval or consent, may specify a date fifteen (15) calendar days from the date of such notice by which the other party shall respond. If the other party does not approve the relevant submission within such fifteen (15) day period, the parties shall work cooperatively and in good faith to reach agreement prior to the expiration of the fifteen (15) day period. After Final Completion of the Improvements, in the event approval is required under this Building COREA

and a party does not respond within the thirty (30) calendar days from its receipt of written request, a party shall give such non-responding party a second notice that clearly states that such approval or consent shall be so deemed approved if such non-responding party does not respond within an additional fifteen (15) calendar days, or such approval or consent shall be deemed approved. A party's failure to agree to any submission or to approve any request for approval or consent shall not be deemed a delay so long as (i) such party specifies in reasonable detail in writing the reason for such disapproval or disagreement, and (ii) if a party's consent is not to be unreasonably withheld in accordance with this Building COREA, such approval or consent is not unreasonably withheld. Where this Building COREA provides for such non-responding party to satisfy an obligation or take an action by a specific date, such party reserves the right, in its sole discretion, to extend such date. Where this Building COREA provides that any party shall not unreasonably withhold its approval of or consent to any matter, such party shall not unreasonably condition its approval of or consent to such matter.

Section 10.25 Agents and Representatives. No Person other than the parties to this Building COREA, and the permitted assignees of such parties, shall have any liability or obligation under this Building COREA.

Section 10.27Further Assurances. Each of the parties to this Building COREA shall execute such further assurances as any other party may reasonably require to confirm and perfect the transaction described in this Building COREA.

Section 10.28 Rights and Remedies Cumulative. The rights and remedies of the parties under this Building COREA, whether provided by law, in equity, or by this Building COREA, shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise of any other remedies for the same such default or breach.

Section 10.29 Estoppels. The parties hereto shall, from time to time, within fifteen (15) Business Days of request in writing of any other party, without additional consideration, execute and deliver (x) an estoppel certificate consisting of statements, if true (and if not true, setting forth the true state of facts as the party delivering the estoppel certificate views them), that (i) this Building COREA is in full force and effect; (ii) this Building COREA has not been modified or amended (or if it has, a list of the amendments); (iii) the party requesting the estoppel certificate is not then in default; (iv) the parties have fully performed all of their respective obligations thereunder; and (v) such other statements as reasonably may be required by any party or any other appropriate party such as their respective partners, investors and lenders. Failure to respond to an estoppel request within fifteen (15) Business Days following the date of request shall constitute certification as true and correct, in all material respects the statements contained therein.

Section 10.30 Covenants Run With the Land. It is intended that the covenants, grants, easements, agreements, promises and duties of each party as set forth in this Building COREA, shall be construed as covenants and not as conditions, and that, to the fullest extent legally possible, all such covenants shall run with and be enforceable against both the covenantor

and the Component or constitute equitable servitudes between the Component of the respective covenantor, as the servient tenement, and the Component of the respective covenantee, as the dominant tenement. Unless the content indicates otherwise, every covenant, easement, agreement and promise of each party as set forth in this Building COREA shall be deemed a covenant, easement, agreement and promise made for the joint and several benefit of the other parties and every duty of each party as set forth in this Building COREA shall be deemed to run to and for the joint and several benefit of the other parties.

Section 10.31 Generally Applicable Law. The parties acknowledges that (i) nothing set forth in this Building COREA exempts the Project from generally applicable laws and regulations in effect from time to time in the District of Columbia, and (ii) execution of this Building COREA by the parties is not binding upon, and does not affect the jurisdiction of or the exercise of police power by, independent agencies of the District of Columbia, including without limitation the Zoning Commission and Board of Zoning Adjustment.

ARTICLE XI

ANTI-DEFICIENCY PROCEDURES

Section 11.1The parties acknowledge and agree that the obligations of District to fulfill financial obligations of any kind pursuant to any and all provisions of this Building COREA, are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351, (ii) the D.C. Official Code 47-105, (iii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 - 355.08, as the foregoing statutes may be amended from time to time, and (iv) Section 446 of the District of Columbia Home Rule Act, regardless of whether a particular obligation has been expressly so conditioned. District agrees to exercise all lawful and available authority to satisfy any financial obligations of Developer with respect to a Component that was the subject of a Termination that may arise under the Building COREA during District's period of ownership (except that District shall have no obligation to exercise such authority with respect to the matters set forth in Sections 2.2, 3.7, 4.1, and Article IX of the Building COREA); however, since funds are appropriated annually by Congress on a fiscal year basis, and since funds have not yet been appropriated for the undertakings contemplated herein, District's legal liability for the payment of any costs shall not arise unless and until appropriations for such costs are approved for the applicable fiscal year by Congress (nor shall such liability arise if, despite District's compliance with Section 6.4(a), a request for such appropriations is excluded from the budget approved by the City Council and submitted to Congress for the applicable fiscal year). District makes no representation or assurance that Congress will grant the authorizations and appropriations necessary for District to perform financial obligations under this Building COREA. Nothing in this Section 6.4 shall be construed to deny to the parties the deduction rights described in Section 6.2 of this Joinder.

Section 11.2 During the term of this Building COREA, the Mayor or other appropriate official shall for each fiscal period include in the budget application submitted to the City Council the amount necessary to fund the obligations referenced in Section 6.4(a) of this

Joinder for which District agreed to exercise its lawful and available authority for such fiscal period. Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of District shall have any personal liability in connection with the breach of the provisions of this Section 6.4 or in the event of a default by District under this Section 6.4.

Section 11.3 This Building COREA shall not constitute an indebtedness of District nor shall it constitute an obligation for which District is obligated to levy or pledge any form of taxation or for which District has levied or pledged any form of taxation.

Section 11.4 In accordance with §446 of the Home Rule Act, D.C. Official Code § 1-204.46, no District official is authorized to obligate or expend any amount under this Building COREA unless such amount is lawfully available and has been approved and appropriated by Act of Congress.

Section 11.5 If any provision of this Building COREA would require an expenditure by District in excess of $1,000,000.00 during a 12-month period, such expenditure shall be subject to City Council approval pursuant to D.C. Code § 1-204.51.

EXECUTED as of the date first above written.

DEVELOPER:

[_____]

By:_____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____§

BEFORE ME, the undersigned, a notary public in and for the State of _____, on this day personally appeared _____ as the _____ of [_____] **[being known to me] [alternative: being proved to me on the oath of _____ or through _____ (describe identity card or other document of identification)]**, as the person whose name is subscribed to the foregoing instrument, he acknowledged to me that he executed the same for the purpose and consideration therein expressed and on behalf of said corporation, limited liability companies and said limited partnerships.

WITNESS my hand, at office, this _____ day of _____, 200__.

_____
Notary Public, State of _____
Name:_____
My Commission Expires: _____

EXECUTED as of the date first above written.

DISTRICT:

[_____]

By:_____
Name: _____
Title: _____

STATE OF _____ §
§
COUNTY OF _____§

BEFORE ME, the undersigned, a notary public in and for the State of _____, on this day personally appeared _____ as the _____ of [_____] **[being known to me] [alternative: being proved to me on the oath of _____ or through _____ (describe identity card or other document of identification)]**, as the person whose name is subscribed to the foregoing instrument, he acknowledged to me that he executed the same for the purpose and consideration therein expressed and on behalf of said corporation, limited liability companies and said limited partnerships.

WITNESS my hand, at office, this _____ day of _____, 200__.

_____
Notary Public, State of _____
Name:_____
My Commission Expires: _____

The undersigned hereby joins this Building COREA to evidence its consent thereto as the Mortgagee of the _____ Component and acknowledges and agrees that the Mortgage is subordinate to the terms of this Building COREA.

[_____]

By:_____
Name: _____
Title: _____

STATE OF _____§
§
COUNTY OF _____§

BEFORE ME, the undersigned, a notary public in and for the State of _____, on this day personally appeared _____ as the _____ of _____ **[being known to me] [alternative: being proved to me on the oath of _____ or through _____ (describe identity card or other document of identification)]**, as the person whose name is subscribed to the foregoing instrument, he acknowledged to me that he executed the same for the purpose and consideration therein expressed and on behalf of said corporation, limited liability companies and said limited partnerships.

WITNESS my hand, at office, this _____ day of _____, 200__.

_____
Notary Public, State of _____
Name:_____
My Commission Expires: _____

EXHIBIT A

Site Plan

Exhibit A-1 Office Component
Exhibit A-2 Fire Station Component

EXHIBIT A-2

Fire Station Component

EXHIBIT B

Insurance

I. Insurance Coverage[this shall mirror the insurance in the final Ground Lease]

A. Developer will keep and maintain insurance (the **"Required Insurance")** as follows:

1. Property Insurance on Improvements. Property insurance for the Improvements (exclusive of those Improvements constituting Improvements which are covered by Builder's Risk Insurance as described in Section I.A.4. below) with "special form" property insurance coverage as available in the insurance market at the date of this Building COREA (and against such additional risks of loss as may be customarily covered by such policies after the date of this Building COREA), or any equivalent to a "special form" property insurance policy that has been reasonably approved by District (collectively, the "**Property Insurance Policy"**). The Property Insurance Policy shall cover at least the following perils: building collapse, fire, flood, impact of vehicles and aircraft, lightning, malicious mischief, terrorism, vandalism, water damage, and windstorm. The Property Insurance Policy shall also cover such other insurable perils as, under good insurance practices, other commercial property owners from time to time insure against for property and buildings similar to the Building in size, use, design, location and type of construction, and use. The Property Insurance Policy shall cover: (i) additional expense of demolition and increased cost of construction, including, without limitation, increased costs that arise from any changes in laws or other Governmental Requirements with respect to such restoration in a minimum amount of $10,000,000 for the Building and (ii) at least 100% of the replacement cost value of the Improvements. Any Property Insurance Policy shall contain an agreed amount endorsement or a coinsurance waiver and replacement cost value endorsement without reduction for depreciation and shall in no event be less than the replacement cost of the Improvements. Proceeds of insurance of less than $3,000,000 shall be paid to Developer and District to be utilized in accordance with the provisions of this Building COREA. If proceeds of insurance are $3,000,000 or more, such proceeds of insurance shall be held in trust for District, and if applicable, any permitted leasehold mortgagees, by a Qualified Depository or by a Person mutually approved by District and any permitted leasehold mortgagees and shall be released in accordance with this Building COREA. Such $3,000,000 amount shall be increased on each tenth (10^{th}) anniversary of the Effective Date by an amount equal to the percentage increase (but not decrease) in the Consumer Price Index over the Consumer Price Index in effect on the preceding measurement date (with the initial measurement date being the Effective Date).

2. Flood Insurance on the Improvements. If the Building is located in an area designated as "flood prone" or a "special flood hazard area" under the regulations for the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, at least the maximum coverage for the Improvements available under the federal flood insurance plan. Regardless of the flood zone, the minimum amount of coverage required by this subsection for loss caused by floods shall not be less than that required by any permitted leasehold mortgagees. Such insurance being hereinafter sometimes referred to as "**Flood Insurance**."

3. Boiler Insurance. In the event the Improvements includes a boiler or other pressure vessel or pressure pipes, Developer shall obtain and maintain boiler, air conditioning, and pressure vessel (including, but not limited to, pressure pipes, steam pipes, and condensation return pipes) insurance providing coverage in a commercially reasonable amount at all times except during the period when the Builder's Risk Insurance under Section 4 is in effect (and with respect to those Improvements covered by such Builder's Risk Insurance).

4. Builder's-Risk Insurance on Improvements during Improvements Construction Period. "Improvements Construction Period" shall mean the period of initial construction of the Improvements until Completion thereof and any period thereafter during which Developer is required pursuant to this Building COREA to effect repair and restoration of the Improvements. At all times during the Improvements Construction Period (to the extent not covered by any Property Insurance Policy described in Section I.A.1 above), when structural construction, repairs or alterations are being made with respect to the applicable portion of the Improvements, builder's risk insurance for not less than the full completed project insurable value of the Improvements, covering the same risks and otherwise complying with the same requirements as the Property Insurance Policy, with such coverage extensions as District may reasonably require in the Ground Leases (the "**Builder's Risk Insurance**"). Builder's Risk Insurance shall be written on a "completed value" form (100% nonreporting) or its equivalent and shall include an endorsement granting permission to occupy. Builder's Risk Insurance shall cover: (a) the same perils that the Property Insurance Policy must cover; (b) loss of materials, equipment, machinery, and supplies whether on-site, in transit, or stored offsite, or of any temporary structures, hoists, sidewalks, retaining walls, and underground property; and (c) soft costs, plans, specifications, blueprints and models, all subject to a sublimit satisfactory to District on an actual loss sustained basis.

5. Liability Insurance during Improvements Construction Period. The following insurance for personal injury, bodily injury, death, accident and property damage (collectively, the "**Liability Insurance**") during any Above-Grade Construction Period: (i) public liability insurance, including commercial general liability insurance; (ii) owned (if any), hired, and non-owned automobile liability insurance; and (iii) umbrella liability insurance. Liability Insurance shall be in the so called "occurrence" form and, during initial construction through Completion, Developer shall provide coverage of at least $50,000,000 per occurrence and $50,000,000 in the annual aggregate for all damages. During any structural construction, repairs or alterations after Completion of the Improvements, Liability Insurance shall provide coverage during any other Improvements Construction Period of at least $10,000,000 per occurrence and $10,000,000 in the annual aggregate for all damages. Liability Insurance shall include coverage for liability arising from premises and operations, elevators, escalators, independent contractors, contractual liability and products and completed operations to the extent part of the Improvements.

6. Contractor's Insurance. During initial construction of the Improvements, Developer shall require the general contractors and/or subcontractor(s) for the Improvements to provide a contractors' pollution legal liability insurance policy covering the liability of the contractor and subcontractor during construction for the process of removal, storage, transport,

and disposal of hazardous waste and contaminated soil (the "Contractor's Pollution Legal Liability Insurance"). The policy described in the preceding sentence shall include coverage for bodily injury, personal injury, loss of, damage to, or loss of use of property, directly or indirectly arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gas, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any water course or body of water, whether it be gradual or sudden and accidental.

Developer shall require the general contractors, and, as applicable, their respective subcontractors, to obtain and maintain, worker's compensation insurance covering all persons employed by contractors or subcontractors of any tier in connection with any such construction, including without limitation all agents and employees of contractors and subcontractors with respect to whom death or bodily injury claims could be asserted against either District or Developers. In addition, Developer shall require the general contractors to otherwise fulfill all applicable requirements of the law of the District of Columbia with respect to worker's compensation insurance. Developer shall use Commercially Reasonable Business Efforts to enforce such requirements.

7. Other Insurance. Such other types and amounts of insurance as Developer and District shall mutually agree upon.

8. The Insurance described above shall comply with the requirements of Section II hereof.

II. General Insurance Provisions

A. All insurance required under this Exhibit D (except any Liability Insurance, any Contractor's Pollution Liability Insurance and workmen's compensation insurance required hereunder) shall name Developer and District as insureds as their interests may appear, with the sole loss payee being Developer (or as Developer and District shall otherwise designate)--all subject to the rights of any Mortgagee under a mortgagee endorsement with respect to a Mortgage encumbering the Improvements, as applicable. The Liability Insurance and Contractor's Pollution Liability Insurance described above shall name Developer and District as insureds (and such other parties as such Developers shall otherwise designate). District shall be named as "additional insured" on such Liability Insurance and Contractor's Pollution Liability Insurance as its interest may appear by an endorsement reasonably satisfactory to District; and at the request of any Developer, its Mortgagee may be named as an "additional insured.".

B. Any insurance required to be maintained herein may be effected under blanket insurance policies relating to the Improvements and other properties. Any insurance required to be maintained herein by Developer may be effected under blanket insurance policies relating to the Office Component, Fire Station Component and other properties, so long as Developer provides evidence to District that the insurance provided above shall not be affected by losses at any or all additional locations, except with respect to terrorism insurance.

C. If a deductible is carried on any form of property insurance coverage, such deductible shall be no more than that allowed under any applicable Ground Lease.

D. All insurance required by this Building COREA shall be from insurer(s) authorized to do business in the District of Columbia and reasonably satisfactory to District with: (a) a claims paying ability of not less than "A" (or the equivalent) by S&P and one other rating agency satisfactory to District; or (b) "A:VII" or better financial strength rating by AM Best (or the equivalent). Developer shall deliver to District, immediately upon issuance, certificates of insurance (or copies of the insurance policies if requested by District) for all insurance required by this Exhibit D. At least ten (10) days before any policy expires (time being of the essence), Developer shall deliver evidence of renewal to District.

E. This Exhibit D is intended to implement certain of the insurance requirements provided in the Ground Leases, and nothing herein shall be deemed to modify or lessen the obligations of Developer and District under the Ground Leases with respect to insurance requirements. At the request of any Developer who is a party hereto, to the extent not in conformance, the insurance required under this Exhibit D shall be conformed to that required under the Office Building Ground Lease and the Retail Ground Lease with respect to the Improvements.

F. In each insurance policy (or an endorsement thereto), except the workmen's compensation insurance, the carrier shall agree not to cancel, terminate, or nonrenew such policy without giving Developer, District, District and any permitted leasehold mortgagees at least thirty (30) days prior written notice (ten (10) days notice for nonpayment of premium). The Property Insurance Policy shall provide that as to District's interest, such policy shall remain valid and shall insure District regardless of any: (a) named insured's act, failure to act, negligence, or violation of warranties, declarations, or conditions; (b) occupancy or use of the Improvements for purposes more hazardous than those permitted; or (c) District's exercise of any of its respective rights or remedies hereunder, but only if such coverage is commercially available in the District of Columbia with respect to coverage for ground lessees from an insurance carrier licensed to do business in the District of Columbia and does not result in a significant increase in the costs for the relevant insurance policy.

G. The Property Insurance Policy shall contain an agreement by the insurer that loss shall be payable notwithstanding any negligence of Developer, District or any other Person and waiving any right of subrogation by the insurer to any claims of Developer or District against District. The Liability Insurance shall be written as primary policy coverage and not contributing with or in excess of any coverage carried by District, if any. Developer and District agree that the limits specified in this Exhibit D will be increased from time to time as may be reasonably requested by District in writing pursuant to the Ground Leases provided such increased limits are then being written on comparable properties in the District of Columbia. Notwithstanding anything to the contrary herein, District agreed in the Ground Leases that if Developer demonstrates to District's reasonable satisfaction that certain insurance coverage or limits required by this Exhibit D are not commercially available in the District of Columbia or are not

EXHIBIT O
Service Contracts and Leases

EXHIBIT O

Service Contracts and Leases for Parcel B only

1. Lease Agreement between National Capital Revitalization Corporation and District of Columbia Parking Associates, dated March 16, 2007

ADDENDUM

TO

LAND DISPOSITION AND DEVELOPMENT AGREEMENT

THIS ADDENDUM TO LAND DISPOSITION AND DEVELOPMENT AGREEMENT (this "**Addendum**"), is made effective for all purposes as of the 30th day of December, 2010, between (i) DISTRICT OF COLUMBIA, a municipal corporation, acting by and through the OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT and the DEPARTMENT OF REAL ESTATE SERVICES ("**District**"), and (ii) E STREET DEVELOPMENT GROUP, LLC, a District of Columbia limited liability company ("**Developer**").

RECITALS:

R-1. District and Developer have executed, simultaneously herewith, a Land Disposition and Development Agreement ("**LDDA**") for the parcels of land identified for assessment and taxation purposes as Lot 102 in Square 495 ("**Square 495 Land**") and Lot 36 in Square 494 ("**Square 494 Land**") located in the District of Columbia and more particularly described in the LDDA (collectively, "**Property**").

R-2. District and Developer wish to clarify responsibility for the design, development and construction of the New Fire Station on Square 495 Land.

R-3. District and Developer wish to clarify how the District will administer the LDDA, and documents attached thereto.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, District and Developer do hereby agree as follows, to wit:

1. The recitals and the LDDA are incorporated herein by reference.

2. All capitalized terms used herein shall have the same meaning ascribed to them in the LDDA, unless otherwise indicated, or unless the context hereof shall otherwise require.

3. The District and the Developer hereby agree and acknowledge that, notwithstanding any other provision of the LDDA, including all attachments thereto, including (a) Section 7.13.3 of the LDDA which refers to the Chief procuring design, development and construction services for the New Fire Station for "a capped maximum amount to be specified per this Agreement", and (b) Section 8.3.1 of the LDDA which describes monthly itemized reports of costs for the New Fire Station including "expenses actually paid and approved by the District [and expenses] actually paid and disputed by the District," the Developer shall be responsible, at its sole cost and expense, without any reimbursement from the District, for the design, development, and construction of the New Fire Station in accordance with the Approved Plans and Specs.

4. The District and the Developer hereby agree that all references to "District" in the LDDA shall mean the Office of the Deputy Mayor for Planning and Economic Development and the Department of Real Estate Services and that, specifically, all decisions, approvals, and other actions to be taken by the District under the LDDA shall be by Deputy Mayor for Planning and Economic Development and the Department of Real Estate Services jointly.

5. Except as modified by this Addendum, the LDDA and each of the covenants, terms and conditions set forth therein are and shall remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN TESTIMONY WHEREOF, District has caused these presents to be signed, acknowledged and delivered in its name by Valerie-Joy Santos the Deputy Mayor For Planning + Economic Development its duly authorized representative.

WITNESS:

DISTRICT OF COLUMBIA, by and through the Office of the Deputy Mayor for Planning and Economic Development

BY: _____
Name: VALERIE - JOY SANTOS
Title: DEPUTY MAYOR

IN TESTIMONY WHEREOF, District has caused these presents to be signed, acknowledged and delivered in its name by Robin-Eve Jasper, the Chief Property Management Officer its duly authorized representative.

WITNESS:

DISTRICT OF COLUMBIA, by and through the Department of Real Estate Services

BY: _____
Name: Robin-Eve Jasper
Title: Chief Property Management Officer

APPROVED AS TO LEGAL SUFFICIENCY

BY: _____
Assistant Attorney General

IN TESTIMONY WHEREOF, Developer has caused these presents to be signed, acknowledged and delivered in its name by Geoffrey H. Griffis, its Managing Member.

DATE: 12-30-10

WITNESS:

E Street Development Group, LLC

BY:
Name: Geoffrey H. Griffis
Title: Managing Member

JOINDER OF GUARANTORS

For the purpose of evidencing their consent and agreement to be bound to the provisions in this Agreement applicable to the Guarantor, Potomac Investment Properties, Inc. hereby execute this Joinder of Guarantors on and as of the date of the Agreement.

Potomac Investment Properties, Inc.

By:
Name: Barry Haberman
Title: Asst. Secretary/Counsel

By:
Name:
Title: