

(a) The modification, amendment, or waiver, by change order, directive, or otherwise, or any extension of time for performance of, or other modification in or of the LDA or Construction and Use Covenant.

(b) The release or waiver of or delay in the enforcement of any right or remedy by District against Developer or any Guarantor under the LDA, Construction and Use Covenant, or this Guaranty, or the compromise or settlement by any of the above parties of any amount or matter in dispute relating to any of the forgoing agreements.

(c) The exercise by District, any mortgage lender, or any other party of any of their respective rights and remedies under the LDA, Construction and Use Covenant, or any mortgage loan documents, or any other agreement relating to the construction of the Improvements; however in the event the District exercises a right of re-entry as contained in the Deed, the Guarantors shall be released and discharged from the obligations contained in this Guaranty.

(d) The approval, disapproval, inspection, review, or failure to inspect or review by District of the progress, status, or quality of construction or any costs, expenses, financing, contracts, or other matters relating thereto, in connection with the construction of the Improvements.

(e) The release or discharge of Developer, any Guarantor, or any other Person from any obligation in any receivership, bankruptcy, winding-up or other creditor proceeding.

(f) Any act or omission, whether negligent or otherwise, of District or its agents, employees, consultants, or any other Person acting for the benefit of District.

7.2 It is expressly agreed by Guarantors that, to the fullest extent permitted by law, none of the forgoing events shall release or discharge the obligations of Guarantors hereunder, whether or not such event may otherwise be deemed a legal or equitable discharge of a guarantor or surety. Each Guarantor agrees that neither District nor any other party shall have any duty to disclose to such Guarantor any information they receive regarding the financial status of any party involved in the development or construction of the Improvements, or any information relating to the Property, whether such information indicates that the risk or obligations of Guarantor have or may increase. Each Guarantor assumes full responsibility for keeping informed of such matters.

7.3 No change in the composition of District, Developer or any other Person shall in any way affect, impair, or diminish the liability of Guarantors hereunder, and District shall have no obligation to inquire into the powers of any of them to perform the Guaranteed Obligations.

7.4 This Guaranty is being delivered free of any conditions and no representations have been made to Guarantors affecting or limiting the liability of Guarantors hereunder. The obligations of Guarantors hereunder are independent of any obligations which Guarantors may have to District, directly or indirectly.

8. Nature of Guaranty. This Guaranty is absolute, irrevocable, and continuing in nature and relates to Guaranteed Obligations now existing or hereafter arising. This Guaranty is a guaranty of prompt and punctual performance and is not a guaranty of collection. The liability

of Guarantors hereunder is independent of the obligations of Developer or any other Person, and a separate action or separate actions may be brought or prosecuted against any of the Guarantors whether or not any action is brought or prosecuted against Developer, the other Guarantor, or any other Person, or whether Developer, the other Guarantor, or any other Person is joined in any such action or actions. The liability of each Guarantor hereunder is independent of, and not in consideration of or contingent upon the liability of any other Person under any similar instrument and the release of, or cancellation by, any signer of a similar instrument shall not act to release or otherwise affect the liability of either Guarantor unless such Guarantor is independently and specifically released in writing by District. To the fullest extent permitted by law, this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty of performance (and not of collection) without regard to:

(a) the legality, validity, or enforceability of any of the LDA, Construction and Use Covenant, or any of the obligations of Developer evidenced thereby;

(b) any defense, setoff, or counterclaim that may be available at any time to Developer or any other Person against and any right of setoff at any time held by District (including, without limitation, any defense, setoff, or counterclaim by any Guarantor under this Guaranty); or

(c) any other circumstances whatsoever (with or without notice to or knowledge of either Guarantor or any other Guarantor); whether or not similar to any of the foregoing, that constitutes or might be construed to constitute an equitable or legal discharge of Developer or any other Person in bankruptcy or in any other instance.

9. Relationship to Other Agreements. Nothing herein shall in any way modify or limit the effect of terms or conditions set forth in any other document, instrument, or agreement executed by Guarantors in connection with the Guaranteed Obligations, but each and every term and condition hereof shall be in addition thereto. In no event will Guarantors' liability hereunder be reduced as a result of any evidence that the cost to perform the Guaranteed Obligations exceeds the enhancement in value to the Property resulting from performance of the Guaranteed Obligations.

10. Subordination of Indebtedness and Obligations. Each Guarantor agrees that any rights of such Guarantor, whether now existing or later arising, to receive payment on account of any indebtedness (including interest) or other obligations or liabilities owed to such Guarantor by the other Guarantor or Developer shall at all times be subordinate in all respects to the full and prior indefeasible performance of all obligations owed to District under the LDA and Article II of the Construction and Use Covenant. Guarantors shall not be entitled to enforce or receive payment of any sums hereby subordinated until all such obligations owed to District have been paid and performed in full.

11. Statute of Limitations and Other Laws. To the fullest extent permitted by law, until the Guaranteed Obligations have been irrevocably paid and performed in full, all of the rights, privileges, powers, and remedies granted to District hereunder shall continue to exist and may be exercised by District at any time and from time to time, irrespective of the fact that any of the Guaranteed Obligations may have become barred by any statute of limitations. Each Guarantor expressly waives, to the fullest extent permitted by law, the benefit of any and all

statutes of limitation, and any and all laws providing for exemption of property from execution or for valuation and appraisal upon foreclosure, and any and all rights and benefits, if any, arising under the laws of the District of Columbia. Furthermore, Guarantors acknowledge that any claims brought by District that arise under or as a result of this Guaranty are not subject to the statute of limitations contained in D.C. Official Code § 12-301 (2007 Supp.).

12. Rights Upon Default.

12.1 Upon the occurrence of (a) any failure in the performance of the Guaranteed Obligations beyond any applicable notice and cure period, (b) the dissolution or insolvency of any Guarantor, (c) the inability of any Guarantor to pay its debts as they mature, (d) an assignment by any Guarantor for the benefit of creditors, (e) the institution of any proceeding by or against any Guarantor in bankruptcy or for a reorganization or an arrangement with creditors, or for the appointment of a receiver, trustee, or custodian for such Guarantor or its properties that is not dismissed within ninety (90) days of Guarantor's receipt of notice of filing, (f) the determination by the District in good faith that a Material Adverse Change has occurred in the financial condition of any Guarantor, including without limitation, the entry of a significant judgment against any Guarantor, the issuance of a writ or order of attachment, levy or garnishment in any significant amount against any Guarantor, (g) the falsity in any material respect of or any material omission in any representation made to District by any Guarantor, or (h) any other default by either Guarantor of any other obligations owed to District under the terms hereof, District shall have such rights and remedies available to it as permitted by law and in equity and may enforce this Guaranty independently of any other remedy or security District at any time may have or hold in connection with the Guaranteed Obligations, and it shall not be necessary for District to marshal assets in favor of Developer, any Guarantor, or any other Person or to proceed upon or against and/or exhaust any security or remedy before proceeding to enforce this Guaranty.

12.2 Each Guarantor agrees that if District determines that a default has occurred hereunder District may (in addition to all of its other rights and remedies) without the consent of or notice to Guarantor (a) complete or engage one or more third parties to complete construction of the Project, (b) terminate any and all contracts and agreements entered into by Guarantors in connection with construction of the Project, (c) engage builders, contractors, engineers, architects, and others for the purpose of furnishing labor, materials, and equipment in connection with the construction of the Project, (d) pay, compromise, or settle all bills or claims incurred in connection with Final Completion, (e) take such actions including procuring another developer or developers of the Project, or (f) take or refrain from taking such other action to enforce the provisions of this Guaranty as it may from time to time determine in its sole discretion. Each Guarantor shall, immediately upon demand therefor, reimburse District for any and all reasonable expenditures incurred by District under this Section plus interest thereon at a rate of fifteen percent (15%) per annum from the date that is thirty (30) days after demand for payment accompanied by reasonable backup documentation until all sums are paid to District. Upon the occurrence of any of (a) through (e) in the first sentence of subsection 12.1, District may file a separate action or actions against one or more Guarantors, whether action is brought or prosecuted with respect to any security or against any other Person, or whether any other Person is joined in any such action or actions.

12.3 Each Guarantor agrees that District and Developer or the other Person may deal with each other in connection with the Guaranteed Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between them, in any manner whatsoever, all without in any way altering or affecting the security of this Guaranty. District's rights hereunder shall be reinstated and revived and the enforceability of this Guaranty shall continue with respect to any amount at any time paid on account of the Guaranteed Obligations, which thereafter shall be required to be restored or returned by District upon the bankruptcy, insolvency, or reorganization of Developer or any other Person, or for any other reason, all as though such amount had not been paid. The rights of District created or granted herein and the enforceability of this Guaranty at all times shall remain effective even though the Guaranteed Obligations, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against Developer or the other Person or any Person, shall have any personal liability with respect thereto.

12.4 Each Guarantor expressly waives, to the fullest extent permitted by law, any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of Developer or any other Person with respect to the Guaranteed Obligations (other than full performance of the Guaranteed Obligations to the satisfaction of District); (b) the unenforceability or invalidity of any security or guaranty for the Guaranteed Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Guaranteed Obligations; (c) the cessation for any cause whatsoever of the liability, in whole or in part, of Developer or any other Person (other than by reason of the timely and full performance of all Guaranteed Obligations); (d) any failure of District to marshal assets in favor of Developer or any other Person; (e) any failure of District to give notice of sale or other disposition of any collateral (now or hereafter securing the obligations of any Person) to Developer or any other Person, as applicable, or any defect in any notice that may be given in connection with any sale or disposition of collateral; (f) any failure of District to comply with applicable Laws or other requirements in connection with the sale or other disposition of any collateral or other security for any obligation owed to District, including any failure of District to conduct a commercially reasonable sale or other disposition of any collateral or other security for any obligation owed to District; (g) any act or omission of District, or others, that directly or indirectly results in or aids the discharge or release of Developer or any other Person, or the Guaranteed Obligations or any security or guaranty therefor by operation of law or otherwise (other than by reason of the timely performance of all Guaranteed Obligations); (h) any applicable Law or other requirement which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, including, without limitation, all rights and benefits under the laws of the District of Columbia purporting to reduce a Guarantor's obligation in proportion to the obligation of the principal; (i) any failure of District to file or enforce a claim in any bankruptcy or other proceeding with respect to any person; (j) the election by District in any bankruptcy proceeding of any person, of the application or non-application of Section 1111(b)(2) of the United States Bankruptcy Code; (k) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any person; (l) the avoidance of any lien in favor of District for any reason; (m) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation, or dissolution proceeding commenced by or against any Person, including any discharge of, or bar, or stay against enforcing all or any of the Guaranteed Obligations (or any interest thereon) in or as a result of



any such proceedings; (n) all rights or defenses Guarantors may have by reason of protection afforded to the principal with respect to the Guaranteed Obligations or to any other guarantor's obligations under its guaranty, in either case, pursuant to the anti-deficiency laws or other laws of the District of Columbia or other states limiting or discharging the principal's obligations; and (o) the right to require District to proceed under any other remedy District may have before proceeding against Guarantors. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor, and all other notices or demands of any kind or nature whatsoever with respect to the Guaranteed Obligations and all notices of acceptance of this Guaranty or of the existence, creation, or incurring of new or additional obligations by Developer for which Guarantor shall be automatically responsible and liable hereunder and waives all surety and guarantor defenses, all to the fullest extent permitted by law, and thus, such Guarantor acknowledges that it may essentially have no control over its ultimate responsibility for Developer's obligations guaranteed hereunder.

13. Cumulative Rights. The exercise by District of any right or remedy hereunder or under the LDA, Construction and Use Covenant, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy. District shall have all rights, remedies, and recourses afforded to District by reason of this Guaranty, the LDA, Construction and Use Covenant, or by law or equity or otherwise, and the same (a) shall be cumulative and concurrent; (b) may be pursued separately, successively, or concurrently against Guarantors or others obligated for the Guaranteed Obligations, or any part thereof, or against any one or more of them, at the sole and absolute discretion of District; (c) may be exercised as often as occasion therefor shall arise, it being agreed by each Guarantor that the exercise of, discontinuance of the exercise of, or failure to exercise any of such rights, remedies, or recourses shall in no event be construed as a waiver or release thereof or of any other right, remedy, or recourse; and (d) are intended to be and shall be nonexclusive. No waiver of any default on the part of any Guarantor or of any breach of any of the provisions of this Guaranty or of any other document shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers granted herein or in any other document shall be construed as a waiver of such rights and powers, and no exercise or enforcement of any rights or powers hereunder or under any other document shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. The granting of any consent, approval, or waiver by District shall be limited to the specific instance and purpose therefor and shall not constitute consent or approval in any other instance or for any other purpose. No notice to or demand on any Guarantor in any case shall of itself entitle such Guarantor to any other or further notice or demand in similar or other circumstances.

14. Waivers and Consents.

14.1 Each Guarantor consents and agrees that District may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) supplement, modify, amend, extend, renew, accelerate, or otherwise change the time for performance or the terms of the LDA or Construction and Use Covenant; (b) supplement, modify, amend, or waive, or enter into or give any agreement, approval, or consent with respect to, the LDA, Construction and Use Covenant, or any part thereof, or any additional security or guaranties, or any condition, covenant, default, remedy, right, representation, or term



thereof or thereunder; (c) accept new or additional instruments, documents, or agreements in exchange for or relative to the LDA, Construction and Use Covenant, or any part thereof or performance pursuant thereto; (d) accept partial payments on, or performance of, the obligations owed to District and apply any and all payments or recoveries from Developer or any other Person to such of the obligations owed to District as District may elect in its sole discretion; (e) receive and hold additional security or guaranties for the obligations owed to District or any part thereof; (f) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer, or enforce any security or guaranties, and apply any security and direct the order or manner of sale thereof as District may elect in its sole and absolute discretion may determine; (g) release any Person from any personal liability with respect to the obligations owed to District or any party thereof; (h) settle, release on terms satisfactory to District, as the case may be, or by operation of applicable law or otherwise liquidate or enforce any obligations owed to District and any security or guaranty in any manner, consent to the transfer of any security and bid and purchase at any sale (other than by reason of the timely and full payment and performance of all obligations owed to District); (i) consent to the merger, change of any other restructuring or termination of the corporate existence of Developer or any other Person and correspondingly restructure the obligations owed to District, and any such merger, change, restructuring, or termination shall not affect the liability of such Guarantor or the continuing effectiveness hereof, or the enforceability thereof with respect to all or any part of the obligations owed to District; (j) otherwise deal with Developer or any other Person as District may elect in its sole discretion.

14.2 Each Guarantor expressly agrees that until the Guaranteed Obligations are performed in full and each and every term, covenant, and condition of this Guaranty is fully performed, each Guarantor shall not, to the fullest extent permitted by law, be released by or because of:

(a) Any act or event which might otherwise discharge, reduce, limit or modify such Guarantor's obligations under this Guaranty;

(b) Any waiver, extension, modification, forbearance, delay, or other act or omission of District, or District's failure to proceed promptly or otherwise as against Developer or any other Person, or any security;

(c) Any action, omission, or circumstance which might increase the likelihood that such Guarantor may be called upon to perform under this Guaranty or which might affect the rights or remedies of such Guarantor as against Developer or any other Person; or

(d) Any dealings occurring at any time between Developer or any other Person, on the one hand, and District, on the other hand, whether relating to the LDA, Construction and Use Covenant, or otherwise.

(e) Each Guarantor waives all rights and defenses arising out of an election of remedies by District, even though that election of remedies may have destroyed such Guarantor's rights of subrogation and reimbursement against Developer or any other Person, and even though that election of remedies by District has destroyed such Guarantor's rights of contribution against another guarantor of any of the Guaranteed Obligations.



14.3 No provision of this Guaranty shall be construed as limiting the generality of any of the covenants and waivers set forth in Sections 12 and 14.

14.4 Each Guarantor hereby expressly, to the fullest extent permitted by law, waives and surrenders any defense to its liability under this Guaranty based upon any of the foregoing acts, omissions, agreements, waivers, or matters. It is the purpose and intent of this Guaranty that the obligations of each Guarantor under it shall be absolute and unconditional under any and all circumstances.

15. No Amendment. Neither this Guaranty nor any provision hereof may be modified, amended, waived, terminated, or changed orally, but only by an agreement in writing signed by District and the Guarantors to be bound by such agreement.

16. Successors. This Guaranty shall be binding upon and inure to the benefit of the heirs, administrators, legal representatives, successors and assigns of the parties hereto.

17. Irrevocable Survival. This Guaranty shall be irrevocable by the Guarantors until all Guaranteed Obligations have been completely and indefeasibly paid and all obligations and undertakings of Developer and of the undersigned hereunder have been completely performed.

18. Unenforceability. If any term or provision of this Guaranty shall be determined to be illegal, invalid, or unenforceable, this Guaranty and all other terms and provisions hereof shall nevertheless remain effective and shall be enforced to the fullest extent permitted by law.

19. Definitions. Any capitalized term not defined herein shall have the meaning set forth in the Construction and Use Covenant.

20. Entire Agreement. This Guaranty constitutes the entire agreement with respect to the subject matter hereof, and supersedes all prior discussions, negotiations, commitments, representations, agreements, and understandings between the parties.

21. WAIVER OF JURY TRIAL; JURISDICTION. EACH GUARANTOR HEREBY WAIVES ANY RIGHT TO JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION, PROCEEDING, OR CLAIM RELATING TO THIS GUARANTY, THE LDA, CONSTRUCTION AND USE COVENANT, OR TO THE TRANSACTIONS CONTEMPLATED BY THE AFOREMENTIONED. ANY SUIT, ACTION, PROCEEDING, OR CLAIM RELATING TO THIS GUARANTY 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 EACH GUARANTOR AGREES THAT SUCH COURTS ARE THE MOST CONVENIENT FORUM FOR RESOLUTION OF ANY SUCH ACTION AND FURTHER AGREES TO SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY RIGHT TO OBJECT TO VENUE IN SUCH COURTS.

INITIAL HERE

INITIAL HERE

INITIAL HERE

INITIAL HERE

22. Notice. Any notice which may or is required to be given hereunder shall be deemed given three days after being deposited, registered or certified, return receipt requested, in the United States mail, addressed to the recipient at the address set forth after recipient's name below, or at such different addresses as it shall have theretofore given written notice of hereunder:

GUARANTORS:

Blue Skye Development LLC
Blue Skye Construction LLC
1539 7th Street NW
Washington, DC 20001
Attention: Bryan Scottie Irving
Facsimile: (202) 332-1194

with a copy to:

Reed Smith LLP
1301 K Street NW
Suite 1100 East Tower
Washington, DC 0005
Attention: A. Scott Bolden, Esq.
Facsimile: (202) 414-9299

DISTRICT:

Office of the Deputy Mayor for Planning and
Economic Development
1350 Pennsylvania Ave., N.W., Suite 317
Washington, DC 20001
Attention: Deputy Mayor for Planning and
Economic Development
Facsimile: (202) 727-6703

with a copy to:

Office of the Attorney General for the District of
Columbia
1100 15th Street, N.W., Suite 800
Washington, DC 20005
Attention: Deputy of Commercial Division
Facsimile: (202) 727-6014

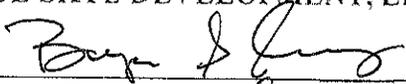
23. Counterparts. This Guaranty may be executed in counterparts, each of which shall be deemed to be an original. In proving this Guaranty it shall not be necessary to produce or account for more than one counterpart.

[Signature Page Follows]

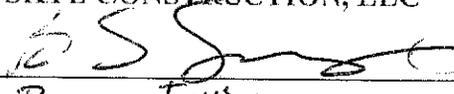


IN WITNESS WHEREOF the Guarantors have executed this Guaranty as of the day and year first above written.

BLUE SKYE DEVELOPMENT, LLC

By:  [SEAL]
Name: Bryan Irving
Title: President + General Manager

BLUE SKYE CONSTRUCTION, LLC

By:  [SEAL]
Name: Bryan Irving
Title: General Manager



IN WITNESS WHEREOF the Guarantors have executed this Guaranty as of the day and year first above written.

BLUE SKYE DEVELOPMENT, LLC

By: _____ [SEAL]
Name:
Title:

BLUE SKYE CONSTRUCTION, LLC

By: _____ [SEAL]
Name:
Title:



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A small, handwritten mark or signature in the bottom right corner of the page, consisting of a few loops and a tail stroke.

Exhibit G
Schedule of Performance

6425 Project Schedule of Performance

Action	Completion Date
Project Award/Press Conference	10/16/08
Property Stabilization/Security	11/2008
80% Drawings Submitted to DMPED	1/16/09
Permits Submitted to DCRA	2/2/09
Permits Approved	3/30/09
Financing Secured	2/28/09
Project Funding	1 day post closing
Construction Commences	1 day post closing
Close In Inspection	210 days post closing
Sales & Marketing Commences	300 days post closing
Finishes	300 days post closing
Electrical/Plumbing Fixtures & Equipment	330 days post closing
Final Inspections	360 days post closing
Certification of Occupancy	365 days post closing
Project Sales Completed	600 days post closing

Exhibit H
Project Funding Plan

10

Project Name: 6425 14th Street NW

Number of Units: Scenario:	Month	Sales												Sold Out		
		Total	16	17	18	19	20	21	22	23	24					
26																
	Revenue															
	Condo Sales	\$ 5,836,030	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 583,603	\$ 291,802
	Less Selling Expense	\$ (291,802)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (23,344)	\$ (11,672)
	Net Revenue	\$ 5,544,229	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 560,259	\$ 280,129
	To Debt Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Return to Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Expense															
	<i>Hard Costs</i>															
	Acquisition	\$ 287,400														
	Construction	\$ 2,914,390														
		\$ 3,201,790														
	Soft Costs															
	Interest	\$ 176,374	\$ 18,737	\$ 15,353	\$ 11,947	\$ 8,520	\$ 5,072	\$ 1,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Soft Cost (less Marketing)	\$ 1,002,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Marketing	\$ 59,500	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ -
		\$ 1,117,861	\$ 18,737	\$ 15,353	\$ 11,947	\$ 8,520	\$ 5,072	\$ 1,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Expense - Monthly	\$ 18,737	\$ 15,353	\$ 11,947	\$ 8,520	\$ 5,072	\$ 1,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Cumulative Expense	\$ 4,625,788	\$ 4,641,141	\$ 4,653,088	\$ 4,661,608	\$ 4,666,680	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282	\$ 4,668,282
	BSD's Upfront Equity Contribution															
	CDBG Funds															
	Balance	\$ 769,000														
	Equity & CDBG Advanced	\$ -														
	Debt Advanced	\$ 18,737	\$ 15,353	\$ 11,947	\$ 8,520	\$ 5,072	\$ 1,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Debt	\$ 3,016,695	\$ 2,471,789	\$ 1,923,477	\$ 1,371,739	\$ 816,551	\$ 257,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Outstanding Debt	\$ 2,456,436	\$ 1,911,530	\$ 1,363,218	\$ 811,480	\$ 256,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Outstanding Equity	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457	\$ 1,457
	Total Outstanding CDBG															
	Acquisition Costs Profile															
	Soft Costs Profile	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Construction Cost Profile	100%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	5%
	Condo Sales Profile	100%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	5%
	Units Sold		2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	1.3

Exhibit I
Project Budget

05

6425 14th Street NW - OVERALL PROJECT BUDGET

2008

BUILDING INFORMATION	
Building Gross Square Footage	28,300
Building Address:	6425 14th Street NW
Number of Floors	4

PROJECT COSTS: ITEMIZATION		CURRENT BUDGET	
SECTION I - General Project		Per GSF	
Item			
7100	LAND & ACQUISITION COSTS	10.16	287,400
7101	Building Cost	9.54	270,000
7102	Closing Fee	0.10	2,700
7103	Title Insurance	0.42	12,000
7105	Flood Cert Fee	0.00	0
7106	Recordation Fees & Tax	0.10	2,700
7107	Other Settlement Costs	0.00	0
7200	CONSTRUCTION COSTS	102.98	2,914,390
7201	General Construction Costs	90.81	2,570,009
7203	Construction Management (including profit/overhead)	7.63	215,881
7204	Project Contingency	4.54	128,500
7300	PERMITS / TESTING / INSPECTION	0.83	23,500
7301	Permit Cost/Expiditer	0.35	10,000
7303	3rd Party Permit Review	0.19	5,500
7304	3rd Party Permit Inspections	0.18	5,000
7305	Construction Inspection / Testing Fees	0.11	3,000
7350	UTILITY COSTS / BONDS	3.99	113,000
7351	PEPCO (Temp & Permanent Power)	2.65	75,000
7352	WASA Inspection Fees	0.27	7,500
7354	Washington Gas	0.05	1,500
7355	Telephone Service Connection Fees	0.11	3,000
7356	Cable Connection Fees	0.14	4,000
7357	Public Space Deposits / Bonds	0.53	15,000
7359	Pre / Post Construction Utility Costs	0.25	7,000
7400	PROFESSIONAL FEES	11.96	338,400
7401	Project Management Fee	3.53	100,000
7402	Architect's Fees	4.21	119,000
7403	Architect's Expenses	0.35	10,000
7404	Civil Engineer's Fee	1.24	35,000
7406	Civil Engineer's Expensese	0.05	1,500
7407	Alta Survey	0.18	5,000
7409	Environmental Engineer's Fee	0.18	5,000
7410	Environmental Expenses	0.02	500
7411	Termite Inspection	0.01	400
7412	Replacement Cost Estimate	0.04	1,000
7414	Consulting - Other	1.27	36,000
7415	District Third Party Review	0.88	25,000

6425 14th Street NW - OVERALL PROJECT BUDGET

2008

BUILDING INFORMATION	
Building Gross Square Footage	28,300
Building Address:	6425 14th Street NW
Number of Floors	4

PROJECT COSTS: ITEMIZATION		CURRENT BUDGET	
		Per GSF	
7500	INSURANCE AND TAXES	2.74	77,650
7501	Property taxes	0.74	21,000
7502	Other taxes	0.02	650
#REF!	Builder's Risk Insurance	0.53	15,000
#REF!	Property Insurance	0.88	25,000
#REF!	Warranty Bond	0.35	10,000
#REF!	MIP Insurance	0.21	6,000
7600	LEGAL, FINANCE & OTHER	19.37	548,168
7601	Condo Documents	0.71	20,000
7603	Legal Fees	0.88	25,000
7604	Interest - Construction Loan	6.54	185,000
7606	Appraisal	0.18	5,000
#REF!	Condo Conversion Application Fee	9.97	282,052
#REF!	Certificate of Occupany	0.00	104
#REF!	Business License	0.04	1,012
#REF!	Loan Origination Fee	1.06	30,000
7700	MARKETING	2.10	59,500
7701	Marketing	1.77	50,000
7702	Condo Project Website	0.05	1,500
7704	Condo Rendering, Photography, Misc	0.05	1,500
7705	Condo Media Placements	0.05	1,500
7707	Condo Signage	0.09	2,500
7709	Project Events and Promotions	0.09	2,500
7800	MISCELLANEOUS & CONTINGENCY	3.07	87,000
7801	Printing & Reproduction	0.07	2,000
7802	Miscellaneous	0.88	25,000
7804	Contingency (Non-Construction)	2.12	60,000
SECTION I: TOTAL		154.28	4,449,008

Exhibit J
Developer Parcel Covenant



COVENANT

THIS COVENANT (the “**Covenant**”) is made as of the ____ day of _____, 2009 (“**Effective Date**”), between (i) _____, a District of Columbia _____, its successors and assigns (the “**Owner**”) and (ii) the DISTRICT OF COLUMBIA, a municipal corporation, acting by and through the Office of the Deputy Mayor for Planning and Economic Development (the “**District**”).

RECITALS

R-1. Owner owns the unimproved real property located at 1330 Missouri Avenue, N.W. in Washington, D.C., known for tax and assessment purposes as Lots 18, 19, 877, 879, 899, 2001 and 2047 in Square 2794 (the “**Property**”).

R-2. District owned the real property located at 6425 14th Street, N.W. in Washington, D.C., known for tax and assessment purposes as Lot 0184 in Square 2786 (the “**District Property**”).

R-3. District and Owner entered into a Land Disposition Agreement, effective January __, 2009 (the “**Agreement**”), pursuant to which District agreed to sell the District Property to Owner subject to certain terms and conditions that survive the sale, including that Owner record this Covenant against the Property.

R-4. As required by the Agreement, Owner, for the benefit of District, agrees to the terms and conditions set forth below.

NOW, THEREFORE, the parties hereto agree that the Property must be held, sold and conveyed, subject to the following covenants, conditions, and restrictions:

ARTICLE I DEFINITIONS AND MISCELLANEOUS PROVISIONS

1.1 DEFINITIONS. For the purposes of this Covenant, the following capitalized terms shall have the meanings ascribed to them below and, unless the context clearly indicates otherwise, shall include the plural as well as the singular:

“**Business Day**” means Monday through Friday, inclusive, other than holidays recognized by the District government.

“**CBE Agreement**” is that agreement between Owner and DSLBD governing certain obligations of Owner under D.C. Law 16-33 with respect to the Project.

“**Commencement of Construction**” means Owner has (i) executed a construction contract with its general contractor; (ii) given such general contractor a notice to proceed under said construction contract; (iii) caused such general contractor to mobilize on the Property equipment necessary for work on the Project, and (iv) obtained the building permit and