

TERM SHEET

Disposition of HINE Junior High School

Date	June 10, 2010
Seller	Government of the District of Columbia, acting by and through the Deputy Mayor for Planning and Economic Development (the “ District ”)
Buyer	Stanton-Eastbanc, LLC , a District of Columbia limited liability company, its successor, or one of its affiliates or members (“ Developer ”)
Description of Real Property	Parcel of land with a street address of 310 7th Street, S.E. in Washington, D.C., known as for tax and assessment purposes as Lot 0801 in Square 0901 (the “ Property ”)
Disposition Structure	South Parcel: the portion of the Property south of the former C Street, S.E. will be conveyed by the District to the Developer via 99 year ground lease(s) under D.C. Code § 10-801(b)(8)(C), with a 99 year renewal option for the residential condominium building as required under D.C. Code § 42-1902.29.
	North Parcel: the portion of the Property north of the former C Street, S.E. will be conveyed by the District to the Developer in fee via special warranty deed under D.C. Code § 10-801(b)(8)(F).
	C Street, SE: the District will ground lease to the Developer under D.C. Code § 10-801(b)(8)(C) the former 700 block of C Street, S.E. to enable the Developer to reconstruct C Street, S.E. for the benefit of the South Parcel and North Parcel.
Consideration	Ground Lease (South Parcel): Annual ground rent shall equal 5% of the value of the property (\$50 per FAR foot of development, assuming approval of the estimated square footages in the Development Program by the Zoning Commission, or approximately \$21.0 million based upon the estimates in the Development Program) less deductions for the cost of providing District-mandated affordable housing, environmental remediation, and any extraordinary or off-site proffer as required by the PUD to redevelop the property. All such deductions are subject to the District’s approval.
	Fee Disposition (North Parcel): \$50 per FAR foot of non-affordable housing FAR approved under the PUD (estimated to total \$800,000).
	Non-Monetary: Reconstruction of former C Street, S.E., Affordable Housing, community requested design upgrades to the improvements
Affordable Housing	Subject to the PUD (as defined below), it is anticipated that the North Parcel will contain a residential rental building containing approximately 35 units of which approximately 28 will be available for rent to individuals/families at 60% AMI, and approximately 5 will be available to rent to individual persons at 30% of AMI. At least 50% of these units will be age-restricted (i.e., available for lease only to persons 55 or older). The residential condominium building on the North Parcel will contain approximately 10 units available for purchase at income levels required under the <i>Inclusionary Zoning Implementation Amendment Act of 2006</i> , as codified in the D.C. Official Code §§ 6-1041.01 <i>et seq.</i> (2008 Supp.), as amended, and the


	zoning regulations published in Chapter 26 of Title 11 of DCMR, as amended
Reconstruction of C Street, S.E.	The Developer shall construct, at its sole cost and expense, a street in the closed portion of the 700 block of C Street, S.E. in accordance with the District Department of Transportation's standards and guidelines.
Conditions of Closing	In addition to the other District standard conditions of Closing, the District's obligation to convey the property will be conditioned upon the Developer's receipt of planned unit development ("PUD") approved by the Zoning Commission.
Development Program	It is anticipated that the Developer's Development Program (the " Development Program ") will contain (a) two multifamily residential buildings (estimated to include 144,594 gross square feet of residential comprised of an estimated 35 apartments and 97 condominium units); (b) retail space (estimated to include 49,200 gross square feet); (c) office space (estimated to include 211,999 gross square feet, of which approximately 62,000 rentable square feet may be occupied by International Relief and Development); (d) a hotel (with an estimated 100 rooms) as an alternative to an estimated 65,000 square feet of the office space listed in (c) above; and (e) below-grade parking necessary to support the Project. Throughout the PUD process, changes in the Development Program may be made with the consent of the District.
Green Building Requirements	Developer shall construct the Improvements in accordance with the <i>Green Building Act of 2006</i> , D.C. Official Code § 6-1451.01, <i>et seq.</i> (2007 Supp.), as may be amended and shall conduct a design charrettt within 60 days of the execution of a Land Disposition and Development Agreement (LDDA).
Schedule of Performance	Below is the Schedule of Performance with estimated dates, which may be amended and extended with the approval of the District and upon an event of force majeure: <ul style="list-style-type: none"> • PUD Submission: May 2011 • Closing: July 2012 • Commencement of Construction: September 2012 • Completion of Construction: September 2014
Post Closing Requirements	Developer shall be bound by the requirements of the Affordable Housing Covenant and Construction & Use Covenant to be attached to the LDDA, which may be amended with the approval of the District.

INTENTION AND LIMITATIONS OF THIS TERM SHEET.

1. Developer acknowledges that all approvals required of Council will be granted or withheld in the sole and absolute discretion of Council and that, absent Council approval under D.C. Code § 10-801(2009), the Deputy Mayor for Planning and Economic Development (“DMPED”) has no authority to convey the Property to Developer. The failure to receive all required approvals of the Council shall not constitute a breach by the DMPED under this Term Sheet. Developer acknowledges that it is entering into this Term Sheet prior to obtaining all necessary Council approvals. In the absence of such approvals, Developer proceeds at its sole risk and expense with no recourse whatsoever against the DMPED.
2. Developer and DMPED agree that upon receipt of all necessary Council approvals under D.C. Code § 10-801(2009), Developer and DMPED shall finalize and execute a Land Disposition and Development Agreement governing all of the terms and conditions of the purchase and sale of the Property. Until the Developer and DMPED enter into the binding Land Disposition and Development Agreement, both Developer and DMPED reserve the right to proceed with the purchase and sale in each’s sole and absolute discretion. Upon the execution of the Land Disposition and Development Agreement, the Developer and DMPED shall proceed in accordance with the terms of the Land Disposition and Development Agreement; provided, however, the Developer and DMPED acknowledge and agree that any substantial change in the terms set forth in this Term Sheet shall be subject to further Council review and approval in accordance with D.C. Code 10-801(b-1)(6).

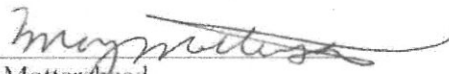
IN WITNESS WHEREOF, DMPED and Developer have caused the Term Sheet dated June 10, 2010 to be executed and attested by their respective duly authorized representatives.

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

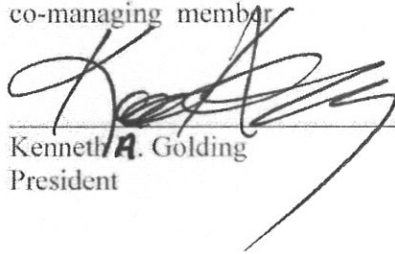
BY: 
Valerie-Joy Santos,
Deputy Mayor for Planning and Economic Development

STANTON-EASTBANC LLC, a District of Columbia limited liability company

BY: EastBanc, Inc., a District of Columbia corporation, co-managing member

BY: 
Mary Mottershead
Executive Vice-President

BY: Stanton Development Corp., a District of Columbia corporation, co-managing member

BY: 
Kenneth A. Golding
President