

**TERM SHEET**  
**Disposition of MM Washington Career High School**

<b>Date</b>	June 10, 2010
<b>Seller</b>	Government of the District of Columbia, acting by and through the Deputy Mayor for Planning and Economic Agreement (the "District")
<b>Buyer</b>	MM Washington Redevelopment Partners, LLC, a District of Columbia limited liability company ("Developer")
<b>Real Property</b>	Portion of real property (the "Property") with a street address of 44 P Street, N.W. in Washington, D.C., known for tax and assessment purposes as Lot 0866 in Square 0616, upon which the former MM Washington School is located, together with appropriate set-backs and appurtenances deemed necessary to construct the Development Program (as defined below).
<b>Disposition Structure</b>	The Property will be ground leased by the District to the Developer via 99-year unsubordinated, "triple net" ground lease under D.C. Code § 10-801(b)(8)(C).
<b>Consideration</b>	<b>Monetary:</b> \$1 Annual Rent due under Ground Lease. <b>Non-Monetary:</b> 80-90 affordable housing units and community space.
<b>Affordable Housing</b>	The development is anticipated to include an estimated 80 to 90 residential units to be rented to seniors (age 55 years and older) with incomes of 80 % AMI or less.
<b>Conditions of Closing</b>	In addition to the other District standard conditions of Closing, the District's obligation to convey the Property is conditioned upon: <ul style="list-style-type: none"> <li>• The District's approval of the Developer's budget and project financing plan;</li> <li>• Developer's obtaining financing and equity to fund a 100% of the development; and</li> <li>• Developer's providing the District development and completion guaranties to the District's satisfaction.</li> </ul>
<b>Developer Financing.</b>	Developer shall be responsible for obtaining financing and equity to fund 100% of the Development Program. The District agrees to cooperate with Developer in connection with Developer's proposed financing of the Development Program pursuant to a project funding plan (approved by the District). The District agrees to coordinate its activities with the activities of Developer, the lenders of Developer extending loans for the development of the Development Program, and potential investors in connection with the equity investment; provided, however, that under no circumstances whatsoever shall the cooperation or coordination activities of the District described above be deemed to be governed by any standards of "good faith", "commercial reasonable efforts", "governmental reasonable efforts", "best efforts" or any similar or like standards. The District shall not be obligated to extend any loan to Developer or grant any funds to Developer in connection with


	the financing of the Development Program by Developer, and the District shall incur no liability whatsoever should Developer fail to obtain or close on financing for the Project.
<b>Development Program</b>	It is anticipated that the Development Program (the " <b>Development Program</b> ") will include (1) an estimated 80-90 units of affordable residential units reserved for seniors and (2) space that may be utilized by the community (estimated be 15,000 square feet).
<b>Green Building Requirements</b>	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 amended, and shall conduct a design charrett within 60 days of the execution of a Land Disposition and Development Agreement ("LDDA").
<b>Schedule of Performance</b>	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"> <li>• PUD Submission: <b>September 2010</b></li> <li>• Closing: <b>July 2011</b></li> <li>• Commencement of Construction: <b>August 2011</b></li> <li>• Completion of Construction: <b>December 2012</b></li> </ul>
<b>Post Closing Requirements</b>	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), the 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 Agreement, the Developer and DMPED shall proceed in accordance with the terms of the Land Disposition 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).

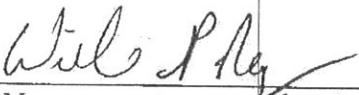
IN WITNESS WHEREOF, DMPED and Developer have caused the Term Sheet dated June 10, 2010 to be executed and attested by their respective duly authorized representatives.

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

DEVELOPER:

**MM Washington Redevelopment Partners, LLC**  
A District of Columbia limited liability company

BY:   
Name: William P. Regan  
Title: Manager