

DEVELOPMENT AND COMPLETION GUARANTY

This DEVELOPMENT AND COMPLETION GUARANTY (this "**Guaranty**") is made as of _____, 2009 ("**Effective Date**"), by _____ (collectively, jointly and severally, the "**Guarantor**") in favor of the DISTRICT OF COLUMBIA, a municipal corporation (the "**District**").

RECITALS

A. _____, a District of Columbia nonprofit corporation ("**Developer**") and District have entered into a Property Disposition Agreement dated _____, 20__ (the "**PDA**"), concerning the sale by District to Developer, and the development by Developer, of certain real property in Washington, D.C., and more particularly described in the PDA (the "**Property**").

B. The PDA provides for the development of the Property by Developer as a residential housing project (the "**Project**") in accordance with the conditions and requirements as set forth in: (i) the PDA, (ii) that certain Declaration of Covenants from the Developer for the benefit of the District (the "**Construction and Use Covenant**"), (iii) that certain Affordability Housing Covenant executed by the District against the Property (the "**Affordability Covenant**"), and (iv) the Schedule of Performance (as defined in the PDA). The PDA further provides that on or before the Closing Date, and as a condition precedent to the Closing, Developer shall deliver this Guaranty, fully executed by the Guarantors, to District.

C. The Guarantor will benefit from the Developer acquiring the Property and completing the Project.

D. To induce District to enter into the PDA, Guarantor has agreed to guaranty all obligations of Developer under the PDA, Construction and Use Covenant and Affordability Covenant, and such other obligations as more particularly set forth in this Guaranty.

NOW, THEREFORE, in consideration of District entering into the PDA, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor, intending to be legally bound, hereby agrees as follows:

1. Incorporation of Recitals. The foregoing Recitals are incorporated in this Guaranty and made a part hereof by this reference to the same extent as if set forth herein in full.

2. Representations and Warranties.

2.1 Solely with respect to itself, Guarantor warrants and represents to District as follows:

(a) the making and performance of this Guaranty by Guarantor will not result in any breach of any term, condition or provision of, or constitute a default under, any contract, agreement or other instrument to which Guarantor is a party or by which it is bound, or result in a breach of any regulation, order, writ, injunction or decree of any court or any commission,

board or other administrative agency entered in any proceeding to which Guarantor is a party or by which it is bound;

(b) Guarantor has reviewed, with the advice and benefit of its legal counsel, the terms and provisions of the PDA, this Guaranty, the Construction and Use Covenant, the Schedule of Performance, the Approved Project Plans and Spec, and the documents referenced in each of the foregoing;

(c) Guarantor (if such Guarantor is not a natural Person) is duly organized, validly existing and in good standing under the laws of the State of its organization and is duly qualified to do business, and is in good standing, in the District of Columbia;

(d) Guarantor has been duly authorized to carry on its business, and to hold title to and own the property it owns, to execute, deliver and perform this Guaranty, and to consummate the transactions contemplated hereby and thereby;

(e) this Guaranty has been duly authorized, executed and delivered by such Guarantor, and each term and provision hereof, is the legal, valid and binding obligation of such Guarantor enforceable against such Guarantor in accordance with its terms;

(f) no actions, suits, or proceedings are pending, or to Guarantor's knowledge, threatened against or affecting Guarantor before any governmental authority;

(g) no consent, approval or authorization of, or registration, declaration, or filing with, any governmental authority or any other Person is required that has not been obtained in writing by Guarantor, in connection with the execution, delivery and performance by Guarantor of this Guaranty and the transactions contemplated by this Guaranty;

(h) Guarantor is not insolvent (as such term is defined or determined for purposes of Bankruptcy Reform Act of 1978 (11 U.S.C. § 101-1330) as now or hereafter amended or recodified or any other bankruptcy law (collectively, the "Bankruptcy Code"), and the execution and delivery of this Guaranty will not make such Guarantor insolvent;

(i) neither this Guaranty nor any financial information, certificate or statement furnished to District by or on behalf of Guarantor contains any untrue statement of a material fact or intentionally or knowingly omits to state a material fact necessary to make the statements herein and therein, in the light of the circumstances under which they are made, not misleading;

(j) no conditions exist which would prevent Guarantor from complying with the provisions of this Guaranty within the time limits set forth herein;

(k) Guarantor has filed all tax returns and reports required by law to have been filed by it, and has paid all taxes, assessments and governmental charges levied upon it or any of its assets which are due and payable, except any such taxes or charges which are being contested in good faith by appropriate proceedings and for which adequate reserves have been set aside;

(l) there are no conditions precedent to the effectiveness of this Guaranty;

(m) such Guarantor is not a Prohibited Person;

(n) all financial statements delivered to District at any time by or on behalf of Guarantor (i) are true and correct in all material respects, (ii) fairly present in a manner consistent with prior statements submitted to District the respective financial conditions of the subjects thereof and for the periods referenced therein, and (iii) have been prepared in accordance with generally accepted accounting principals consistently applied, and there has been no material adverse change in the financial position of Guarantor since the respective dates of (or periods covered by) such statements. Without limiting the foregoing, all assets shown on such financial statements, unless clearly designated to the contrary on such financial statements, (A) are free and clear of any exemption or any claim of exemption of Guarantor or any other Person, (B) accurately reflect all debt and prior pledges or encumbrances (direct or indirect) of or on any of Guarantor's assets at the date of the financial statements and at all times thereafter and (C) are owned individually (and solely managed) by Guarantor and not jointly with any spouse or other Person.

2.2 All of the representations and warranties in this Guaranty are true as of the Closing Date and will continue to be true throughout the term of this Guaranty as if remade at all times afterwards and shall survive the execution and delivery of this Guaranty. A Guarantor shall inform District in writing within five (5) days upon its discovering any breach of such representations or warranties.

2.3 Each Guarantor acknowledges that District is consummating the Closing in reliance upon the representations, warranties and agreements contained in this Guaranty. District shall be entitled to such reliance notwithstanding any investigation which has been made, has not been made or may be conducted by District or on District's behalf.

3. Guaranteed Obligations. Guarantor hereby absolutely, irrevocably, unconditionally, jointly and severally, guarantees to District (a) the full and complete performance of any and all of Developer's agreements, obligations, and covenants as set forth in the PDA, Construction and Use Covenant, and Affordability Covenant, including, without limitation, the payment of all amounts required of Developer and performance of all obligations of Developer set forth therein, including the satisfaction of all indemnification obligations of Developer under the same for the benefit of District; (b) that Commencement of Construction of the Project shall occur within thirty (30) days following the Effective Date of the Construction and Use Covenant; (d) Developer's obligations to cause the Project to be completed in accordance with the Approved Plans and Specs, as required in the PDA, Construction and Use Covenant, and Affordability Covenant; (e) that all costs for labor, materials, and services in connection with the design, development, and construction of the Project shall be paid when due (including, without limitation, costs and fees of all architects and engineers, every general contractor and subcontractors and suppliers and in connection with construction of the Project); (f) that the Property shall be free and clear of all liens in favor of any persons furnishing labor, materials, or services in connection with the design, development, or construction of the Project; and (g) the truth, accuracy, and completeness of all of Developer's representations and warranties as set forth in the PDA. Further, Guarantor absolutely, irrevocably, unconditionally, jointly and severally, agrees to the fullest extent permitted by law, to indemnify, defend, and

hold harmless District from any and all loss, cost, liability, and expense arising out of or in connection with (i) the failure of Developer to perform fully and timely its agreements, covenants, and obligations under the PDA, Construction and Use Covenant, and the Affordability Covenant and (ii) the enforcement of this Guaranty by District (including, without limitation, reasonable attorneys' fees). Upon the occurrence of any failure of Developer to fully and timely perform its agreements, covenants, and obligations under the PDA, Construction and Use Covenant, and Affordability Covenant, upon request by District, Guarantors shall, at Guarantor's sole cost and expense, cure such default by or failure of Developer. The obligations of Guarantor set forth in this Section 3 shall hereinafter be collectively referred to herein as the "**Guaranteed Obligations**".

4. Liens. If any mechanic's or materialmen's liens should be filed, or should attach, with respect to the Property or the Improvements by reason of the construction of the Project, within thirty (30) days after any Guarantor is advised of the filing of such liens, Guarantor shall cause the removal or waiver of such liens, or the posting of security against the consequences of their possible judicial enforcement. So long as Guarantor has complied with the immediately preceding sentence, and if requested by District, posts security as reasonably determined by District, Guarantor shall have the right to contest in good faith any claim, lien, or encumbrance, provided that Guarantor does so diligently and without prejudice to District or any delay in Final Completion.

5. No Right of Subrogation. Guarantor hereby acknowledges that it will not be entitled to reimbursement or distribution from Developer or another guarantor on account of any sums paid by them pursuant to this Guaranty. Guarantor hereby acknowledges and agrees that Guarantor shall not have any right of subrogation by reason of payments or performance in compliance with the terms of this Guaranty, any such right being hereby expressly waived and relinquished. For so long as the Guaranteed Obligations or any obligations under the PDA, Construction and Use Covenant, and Affordability Covenant remain outstanding, Guarantor waives and releases any claim (within the meaning of 11 U.S.C. § 101) which Guarantor may have against Developer or another Guarantor arising from a payment made by such Guarantor under this Guaranty and agrees not to assert or take advantage of any subrogation rights of Guarantor or any right of Guarantor to proceed against Developer or another guarantor for reimbursement. It is expressly understood that the waivers and agreements of Guarantor set forth above constitute additional and cumulative benefits given to District for its security and as an inducement for it to enter into the PDA with Developer.

6. Financial Statements. Within fifteen (15) days after the Effective Date of this Guaranty, and within thirty (30) days after Guarantors' receipt of a request from District from time-to-time until Final Completion of the Project, each Guarantor shall deliver to District copies of updated, unaudited financial statements (certified by such Guarantor as being true, correct, and complete) and unaudited balance sheets, profit and loss statements, cash flow statement, other financial reports, and other financial information of such Guarantor as District may reasonably request.

7. No Discharge of Obligations.

7.1 Except in the event of a written amendment to this Guaranty signed by the Guarantor and District and then only to the extent expressly provided therein, to the fullest extent permitted by law, none of Guarantor's obligations and no right against Guarantor shall be in any way discharged, impaired or otherwise affected by:

(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 PDA, Construction and Use Covenant, or Affordability 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 PDA, Construction and Use Covenant, Affordability 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 PDA, Construction and Use Covenant, Affordability Covenant, or any mortgage loan documents, or any other agreement relating to the construction of the Improvements.

(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 Guarantor that, to the fullest extent permitted by law, none of the forgoing events shall release or discharge the obligations of Guarantor 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 Guarantor 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 Guarantor affecting or limiting the liability of Guarantor hereunder. The obligations of

Guarantor hereunder are independent of any obligations which Guarantor 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 payment and performance and is not a guaranty of collection. The liability of Guarantor 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 Guarantor whether or not any action is brought or prosecuted against Developer, any other Guarantor, or any other Person, or whether Developer, a Guarantor, or any other Person is joined in any such action or actions. The liability of 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 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 payment and performance (and not of collection) without regard to:

(a) the legality, validity, or enforceability of any of the PDA, Construction and Use Covenant, Affordability 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 Guarantor in connection with the Guaranteed Obligations, but each and every term and condition hereof shall be in addition thereto. In no event will Guarantor's 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 another Guarantor or Developer shall at all times be subordinate to the time of payment and in all other respects to the full and prior indefeasible performance of all obligations owed to District under the PDA, Construction and Use Covenant, and Affordability Covenant. Guarantor 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, (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, (f) the determination by 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 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 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 Guarantor 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. Guarantor shall, immediately upon demand therefor, reimburse District for any and all expenditures incurred by District under this Section plus interest thereon at a rate of fifteen percent (15%) per annum until all sums are paid to District. Upon the occurrence of a default, in addition to any other remedy described herein, 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 Guarantor agrees that District and Developer or any 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 notice to the Guarantor and 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 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; (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; (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; (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 collecting, 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 Guarantor 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 Guarantor. 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 PDA, Construction and Use Covenant, Affordability 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 PDA, Construction and Use Covenant, Affordability 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 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 PDA, Construction and Use Covenant, or Affordability Covenant; (b) supplement, modify, amend, or waive, or enter into or give any

agreement, approval, or consent with respect to, the PDA, Construction and Use Covenant, or Affordability 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 PDA, Construction and Use Covenant, or Affordability 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 Guarantor expressly agrees that until the Guaranteed Obligations are paid and performed in full and each and every term, covenant, and condition of this Guaranty is fully performed, 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 PDA, Construction and Use Covenant, or Affordability Covenant, or otherwise.

(e) 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 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 PDA.

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. GUARANTOR HEREBY WAIVES ANY RIGHT TO JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION, PROCEEDING, OR CLAIM RELATING TO THIS GUARANTY, THE PDA, CONSTRUCTION AND USE COVENANT, OR AFFORDABILITY 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 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.

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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:

GUARANTOR:

with a copy to:

DISTRICT:

District of Columbia
Department of Housing and Community Development
1800 Martin Luther King, Jr. Ave., SE
Suite 317
Washington, D.C. 20020
Attention: Martine Combal, Manager
Facsimile: (202) 645-6727

with a copy to:

Office of the Attorney General for the District of
Columbia
1100 15th Street, N.W., Suite 800
Washington, D.C. 20005
Attention: Section Chief, Real Estate Transactions Section,
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.

[Remainder of Page Intentionally Blank. Signatures Appear on Following Page.]

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

By: _____ [SEAL]
Name: _____
Title: _____

By: _____ [SEAL]
Name: _____
Title: _____