

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of this 24th day of July, 2012, by and among (i) JEMAL'S WONDER, LLC, and its affiliates ("Jemal") and (iii) Residents of Wiltberger, an unincorporated association ("Residents") (collectively, the "Parties").

RECITALS

WHEREAS, Jemal is the owner of certain property in Square 441, known as Lot 848, with premises address of 641 S Street, NW (the "Property"), which is commercially-zoned property that is improved with a complex of buildings and additions formerly serving as a commercial bakery (the "Wonder Bread Building");

WHEREAS, the Residents are residents of Wiltberger Street, NW, which borders the Property to its east, who filed a request for party status with the District of Columbia Board of Zoning Adjustment (BZA) for Application No. 18380;

WHEREAS, Jemal desires to renovate the deteriorated complex of improvements with a sensitively-designed renovation and addition that has been reviewed and approved in concept by the District of Columbia Historic Preservation Review Board (HPRB);

WHEREAS, Jemal has filed an application with the BZA (Application No. 18380) for certain zoning relief to permit renovation, expansion and use of said property for office and retail purposes; and

WHEREAS, on July 5, 2012, the Residents filed a request for party status with the BZA in Application No. 18380.

NOW THEREFORE, in consideration of foregoing Recitals, which are a material part of this MOU, the Parties hereto agree as follows:

A. Jemal offers the following commitments as part of the redevelopment of the Wonder Bread Building:

1) The renovated Wonder Bread Building will have no entrances to retail spaces directly across from the Wiltberger Street residences. The only retail entrances on the Wiltberger Street side of the Wonder Bread Building will be located to the north of the alley at the north side of the residential row at the east side of the street. One retail entrance would serve only as a valid street address and face the current vending cart warehouse on the east side of the street. One retail entrance, to be used for purposes for ingress and egress, would be located at the northeast corner of the Wonder Bread Building.

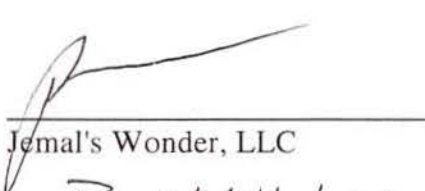
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- 2) The retail entrances along Wiltberger Street and at the northeast corner of the Wonder Bread Building will each contain vestibules in order to reduce the likelihood of sounds from inside these businesses being audible inside the Wiltberger Street residences.
- 3) Appropriate downlighting will be installed above the entrances to these retail businesses to help make the block safer at night.
- 4) Jemal will consult with the Residents regarding downlighting on the facade of the Wonder Bread Building directly across from the Residents' homes to ensure that light does not shine into these rowhouses' windows at night.
- 5) Jemal agrees to pay for the installation of triple-paned windows on the front facades of the Wiltberger rowhouses, further reducing the transmission of sound from the street to those homes.
- 6) Jemal agrees to install security cameras around the Wonder Bread Building. In addition to installing security cameras, the Residents would encourage Jemal to coordinate closely with the Metropolitan Police Department to monitor crime on Wiltberger Street and in the surrounding areas.
- 7) All service vehicles visits to the Wonder Bread Building (deliveries, trash removal, etc.) will be accomplished from the alley between the Wonder Bread Building and Progression Place, to the west of the Wonder Bread Building. There will be no vehicular entrances to the building from Wiltberger Street.
- 8) With respect to the office component of the Wonder Bread Building, Jemal agrees that deliveries shall conform to the following schedule: Monday through Friday, no deliveries before 7 am; Saturday, no deliveries before 9 am; Sunday, no deliveries before noon.
- 9) Jemal will provide 27 parking spaces in the Wonder Bread Building on a single level below grade. Said parking will be accessible only from the alley to the west of the Wonder Bread Building. In the event there are available parking spaces in the Wonder Bread Building not used by the office or retail users in the building, Jemal agrees to offer the Residents a right of first refusal to rent up to seven (7) parking spaces, with monthly rent to be paid at fifty percent (50%) of the then-prevailing market rate for parking in the immediate neighborhood.
- 10) Jemal agrees to place a dumpster on the loading dock accessible from the alley to the west of the Wonder Bread Building for the Residents to dispose of bagged trash, eliminating the need to have trash cans on the sidewalk in front of those homes. Jemal will pay for trash removal from the dumpster, since the Department of Public Works will not pick up trash from a commercial building.
- 11) Jemal will coordinate the installation of trees, planting strips, treeboxes, tree guards, and plantings with the District Department of Transportation and the developers of the adjacent Progression Place complex to ensure a consistent treatment of the public space on the 600 block of S Street, NW.

12) Jemal will consult with the Residents as it relates to the retail space for lease located at the rear of the renovated Wonder Bread Building. In the event the space becomes available for lease, Jemal will consult the adjacent business owners and residents about the type of establishment that may occupy the space. The concerns regarding noise, foot traffic and hours of operation will be sought before finalizing leasing decisions.

- B. The Residents are generally supportive of the proposed redevelopment of the Wonder Bread Building and with Jemal's commitments regarding the items referenced herein, agree to fully support Application No. 18380 to the BZA and, at Jemal's request, provide written and/or oral testimony in support of the Application, subject to standards and conditions noted in this MOU.
- C. The terms and provisions of this MOU are contingent upon the non-opposition ~~support~~ of the Residents at all public hearings and other related proceedings on the Application before the BZA. The terms and provisions of this MOU are further conditioned upon final approval of the Application by the BZA as evidenced by the issuance of a final written order by the BZA and construction of the proposed redevelopment in accordance with the architectural plans and elevations approved by the BZA. This MOU is for the purposes of Jemal's obtaining final approval of Application No. 18380 and for no other purpose.
- D. No modification of this MOU shall be valid unless made in writing and duly executed by authorized representatives of the Parties.
- E. This MOU contains the entire understanding of the Parties and supersedes any and all prior agreements and understandings between the Parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties signing below state that they have the authority to represent the party they are claiming to represent and have set their hands and seals the day and year set forth above.



Jemal's Wonder, LLC

By: *Paul Millstein*

Name:

Title: *V.P.*

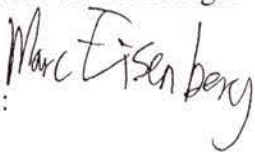
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Residents of Wiltberger

By:

Name:

Title:

A handwritten signature in black ink, appearing to be 'Marc Eisenberg', written next to the 'By:' label.