

TILDEN PROPERTY EASEMENT AGREEMENT

THIS TILDEN PROPERTY EASEMENT AGREEMENT (this "Agreement") is made and entered into as of August 30, 2004, by and between 3883 CONNECTICUT LLC, a District of Columbia limited liability company ("3883 Owner"), and TILDEN 800 LLC, a District of Columbia limited liability company ("Tilden Owner"), with reference to the following recitals of fact.

RECITALS:

A. 3883 Owner is the owner of certain land described on Exhibit A-1 attached hereto (the "3883 Land"). The 3883 Land is improved with a nine (9) story residential apartment building and related improvements (collectively, the "3883 Improvements"), and is located at 3883 Connecticut Avenue, N.W., Washington, D.C. The 3883 Land and the 3883 Improvements are collectively referred to herein as the "3883 Property."

B. Tilden Owner is the owner of certain vacant land described on Exhibit A-2 attached hereto (the "Tilden Land"). Any improvements to be located on the Tilden Land are referred to herein as the "Tilden Improvements." The Tilden Land and the Tilden Improvements are collectively referred to herein as the "Tilden Property."

C. The 3883 Land and the Tilden Land are adjacent parcels of land located near the intersection of Connecticut Avenue and Tilden Street in Washington, D.C., and the Tilden Land is burdened by a fire lane access easement benefiting the 3883 Land pursuant to that certain Declaration of Covenants made by 3883 Connecticut LLC, dated as of April 18, 2002, and recorded in the land records of the District of Columbia as Document No. 2002050183.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 3883 Owner and Tilden Owner hereby agree as follows:

1. Access Easements.

(a) 3883 Easement. 3883 Owner hereby grants and conveys to Tilden Owner and its tenants, licensees, invitees, agents, employees and guests a perpetual (except as provided herein), non-exclusive easement (the "3883 Easement") in, on, over and across a portion of the 3883 Land more particularly described on Exhibit B attached hereto (the "3883 Easement Area") for purposes of vehicular (including, but not limited to, fire and emergency vehicles) and pedestrian ingress and egress to, from and between Connecticut Avenue and the Tilden Property; provided that Tilden Owner's construction vehicles of any type shall have no right to use the 3883 Easement; and provided further that from and during such time that the Tilden Land has separate access to Tilden Street via an approved curb cut and driveway, the Tilden Owner's construction and moving vehicles and trucks of any type shall have no right to use the 3883 Easement. 3883 Owner shall have the right to make any use of the 3883 Easement Area that is not inconsistent with the rights herein conveyed. 3883 Owner shall not have the right to relocate the 3883 Easement Area unless and until 3883 Owner obtains prior written approval of Tilden Owner (which approval shall not be unreasonably withheld, conditioned or delayed) and the

location of a replacement easement area shall continue to provide Tilden Owner and its tenants, licensees, invitees, agents, employees and guests substantially equivalent access to, from and between Connecticut Avenue and the Tilden Property. 3883 Owner shall have the right to temporarily close the 3883 Easement Area or any portion thereof for such reasonable periods of time as may be reasonably necessary for cleaning, repair, alteration, improvement or maintenance or as required for emergencies or to prevent the acquisition or creation of any prescriptive right by any person or the public; provided, however, that prior to closing any portion of the 3883 Easement Area (except in the event of an emergency), 3883 Owner shall give at least five (5) days' prior written notice to Tilden Owner of its intention to do so and shall coordinate its closing with Tilden Owner so that no unreasonable interference with the 3883 Easement occurs. Tilden Owner shall indemnify and hold harmless 3883 Owner from and against any and all claims, losses, liabilities, damages (other than punitive, indirect or consequential damages), costs and expenses (including reasonable attorneys' fees) resulting from the negligence or willful misconduct of Tilden Owner or its tenants, licensees, invitees, agents, employees or guests in the use of the 3883 Easement Area. The 3883 Easement Area, including the paved driveway located thereon, shall continue to be maintained and repaired by 3883 Owner in a clean and safe condition in a manner considered commercially reasonable by 3883 Owner, and Tilden Owner shall have no obligation or liability for any costs or expenses relating to any such maintenance or repair, except as otherwise expressly set forth herein. There shall be no charge for use by the Tilden Owner of the 3883 Easement.

(b) Tilden Easement. In the event the Tilden Owner, in its sole and absolute discretion, (i) obtains all necessary approvals for a curb cut and a paved vehicular driveway that connects the curb cut on Tilden Street to and from the Tilden Land, and (ii) develops the Tilden Land with more than sixteen (16) dwelling units, then Tilden Owner will use commercially reasonable efforts to obtain approvals for a connection between the Tilden Property and the 3883 Property, and if such connection is approved and constructed, Tilden Owner hereby agrees, and shall be obligated, to grant and convey to 3883 Owner and its tenants, licensees, invitees, agents, employees and guests a non-exclusive easement in perpetuity (the "Tilden Easement") in, on, over and across a portion of the Tilden Land that provides access to such driveway and curb cut. Such easement shall be legally described on and memorialized by an amendment to this Agreement, which shall be signed by Tilden Owner and 3883 Owner and recorded among the land records of the District of Columbia. The area covered by said easement is referred to in this Agreement as the "Tilden Easement Area," which Tilden Easement Area shall be used for sole purposes of passenger vehicular and pedestrian ingress and egress to, from and between Tilden Street and the 3883 Property, it being understood that 3883 Owner's construction and moving vehicles and trucks of any type shall have no right to use the Tilden Easement. Tilden Owner shall have the right to make any use of the Tilden Easement Area that is not inconsistent with the rights herein conveyed. Tilden Owner shall not have the right to relocate the Tilden Easement Area unless and until Tilden Owner obtains prior written approval of 3883 Owner (which approval shall not be unreasonably withheld, conditioned or delayed) and the location of a replacement easement area shall continue to provide 3883 Owner and its tenants, licensees, invitees, agents, employees and guests substantially equivalent access to, from and between Tilden Street and the 3883 Property. Tilden Owner shall have the right to temporarily close the Tilden Easement Area or any portion thereof for such reasonable periods of time as may be reasonably necessary for cleaning, repair, alteration, improvement or maintenance or as required for emergencies or to prevent the acquisition or creation of any prescriptive right by any person

or the public; provided, however, that prior to closing any portion of the Tilden Easement Area (except in the event of an emergency), Tilden Owner shall give at least five (5) days' prior written notice to 3883 Owner of its intention to do so and shall coordinate its closing with 3883 Owner so that no unreasonable interference with the Tilden Easement occurs. 3883 Owner shall indemnify and hold harmless Tilden Owner from and against any and all claims, losses, liabilities, damages (other than punitive, indirect or consequential damages), costs and expenses (including reasonable attorneys' fees) resulting from the negligence or willful misconduct of 3883 Owner or its tenants, licensees, invitees, agents, employees or guests of the Tilden Easement Area. The Tilden Easement Area, including the paved driveway located thereon, shall continue to be maintained and repaired by Tilden Owner in a clean and safe condition in a manner considered commercially reasonable by Tilden Owner, and 3883 Owner shall have no obligation or liability for any costs or expenses relating to any such maintenance or repair, except as otherwise expressly set forth herein. There shall be no charge for the use by the 3883 Owner of the Tilden Easement.

(c) Termination of Easements by Tilden Owner. In the event the Tilden Owner determines, in its sole and absolute discretion, that the use of the 3883 Easement by the Tilden Owner for other than fire and emergency vehicles is no longer necessary or desirable in connection with its development and use of the Tilden Land, then Tilden Owner shall send written notice thereof to 3883 Owner (the "3883 Easement Termination Notice"). The 3883 Owner's right to use the Tilden Easement (if granted pursuant to Paragraph 1(b) above) and the Tilden Owner's right to use the 3883 Easement for all uses set forth herein other than fire and emergency vehicles shall automatically terminate as of the fifth (5th) day following the date of the 3883 Easement Termination Notice, and the Tilden Owner and the 3883 Owner shall cooperate in good faith to memorialize the termination of such easement rights by the recordation of an amendment to this Agreement among the land records of the District of Columbia within ten (10) days after the date of the 3883 Easement Termination Notice. Notwithstanding the foregoing, the Tilden Owner's right to terminate under this subparagraph (c) shall be suspended if the Tilden Land contains more than sixteen (16) dwelling units, but shall become effective again at such time as the Tilden Land contains sixteen (16) or fewer dwelling units. Notwithstanding anything to the contrary contained herein, in no event shall any termination of the 3883 Easement terminate the use the 3883 Easement Area for fire and emergency vehicles.

(d) Termination of Easement by 3883 Owner. If more than sixteen (16) dwelling units exist on the Tilden Land, but the Tilden Owner does not provide the Tilden Easement from a curb cut on Tilden Street to the 3883 Easement Area as described in Paragraph 1(b) above within six (6) months of issuance of the final certificate of occupancy for the seventeenth (17th) dwelling unit, then 3883 Owner may terminate the 3883 Easement for all uses set forth herein other than fire and emergency vehicles by sending written notice thereof to the Tilden Owner (the "Alternative Easement Termination Notice"). The Tilden Owner's right to use the 3883 Easement for all uses set forth herein other than fire and emergency vehicles shall automatically terminate as of the fifth (5th) day following the date of the Alternative Easement Termination Notice, and the Tilden Owner and the 3883 Owner shall cooperate in good faith to memorialize the termination of such easement rights by the recordation of an amendment to this Agreement among the land records of the District of Columbia within ten (10) days after the date of the Alternative Easement Termination Notice. Notwithstanding anything to the contrary

contained herein, in no event shall any termination of the 3883 Easement terminate the use the 3883 Easement Area for fire and emergency vehicles.

2. Development of Tilden Property.

(a) 3883 Owner hereby acknowledges that Tilden Owner intends to develop the Tilden Land for use as a sale or rental single-family, multi-family or semi-detached residential housing, which may include rezoning of the Tilden Property.

(b) Any purchaser of a condominium unit at the 3883 Property is hereby put on notice by this Agreement of the intended development of the Tilden Land.

3. Covenants Running With the Land. This Agreement shall constitute a covenant running with the land and shall inure to the benefit of the parties hereto and their respective successors and assigns as owners of all or any portions of the 3883 Property or the Tilden Property.

4. Intentionally Deleted.

5. Miscellaneous.

(a) All notices, demands, requests or other communications required or permitted to be given hereunder must be sent (i) by United States certified mail, postage fully prepaid, return receipt requested, (ii) by hand delivery, (iii) by Federal Express or a similar nationally recognized overnight courier service, or (iv) by facsimile with both telephonic confirmation and a confirmation copy delivered by another method set forth in this Section. All such notices, demands, requests or other communications shall be deemed to have been given for all purposes of this Agreement upon the date of receipt or refusal, except that whenever under this Agreement a notice is either received on a day which is not a Business Day or is required to be delivered on or before a specific day which is not a Business Day, the day of receipt or required delivery shall automatically be extended to the next Business Day. The addresses for proper notice under this Agreement are as follows:

3883 Owner:

c/o Monument Realty
1155 Connecticut Avenue NW
Seventh Floor
Washington, DC 20036
Attn: F. Russell Hines
Phone: (202) 777-2010
Fax: (202) 777-2020

With copies to:

Piper Rudnick LLP
1200 19th Street NW
Washington, DC 20036

Tilden Owner:

c/o Clark Realty Capital
2 Bethesda Metro Center
Suite 250
Bethesda, Maryland 20814
Attn: Douglas R. Sandor
Phone: (240) 497-6630
Fax: (240) 497-6730

With copies to:

Clark Enterprises, Inc.
7500 Old Georgetown Road
15th Floor

Attn: Frederick L. Klein
Phone: (202) 861-6668
Fax: (202) 689-7455

Bethesda, Maryland 20814
Attn: Rebecca L. Owen, Esq.
Phone: (301) 657-7216
Fax: (301) 654-2564

Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037
Attn: John Engel, Esq.
Phone: (202) 663-8863
Fax: (202) 663-8007

Either party may from time to time by written notice to the other party designate a different address for notices within the United States of America.

(b) Captions and Headings for Convenience. The captions and headings contained in this Agreement are included herein for convenience of reference only and are not to be considered a part hereof, are not intended in any way to limit or enlarge the terms of this Agreement and will not affect the meaning or interpretation of this Agreement.

(c) Governing Law. The construction and interpretation of this Agreement will be governed by the laws of the District of Columbia without regard to conflict of laws principles.

(d) Severability. If any provision of this Agreement is held to be invalid or unenforceable as applied to a specific set of circumstances, then all of the other provisions of this Agreement, including such unenforceable provision as applied to any other circumstances, will continue in full force and effect.

(e) Amendments. No amendment shall be effective unless such amendment is in writing, signed by each Owner and recorded among the land records of the District of Columbia.

(f) Article and Section References: "Including," "Herein" and "Hereunder." All references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement. Wherever used in this Agreement, the word "including" means "including but not limited to" or "including without limitation," and "herein" and "hereunder" refer to this Agreement in its entirety and not to any Article or Section of this Agreement in particular.

(g) Counterparts. This Agreement may be executed in several counterparts, each of which is deemed an original, and all such counterparts constitute one and the same instrument.

(h) No Waiver. No delay or omission by any Owner in exercising any right or power accruing upon any non-compliance or failure of performance by any other Owner under the provisions of this Agreement will impair any such right or power or be construed as a waiver thereof. A waiver by any Owner of any covenant, condition, provision or performance under this

Agreement will not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition, provision, or performance of this Agreement.

(i) No Partnership. Nothing contained in this Agreement shall be construed to make the Owners partners or joint venturers, or to render any Owner liable for the debts or obligations of another Owner.

(j) No Dedication. No provision of this Agreement is to be construed to grant any gift, dedication or irrevocable rights to the general public or for any quasi-public purpose whatsoever, of, in, or to any portion of the 3883 Land, the Tilden Land or the 3883 Easement Area.

(k) No Third-Party Beneficiary. Except as provided herein, no rights, privileges or amenities of any Owner will inure to the benefit of any third party, nor will any third party be deemed to be a third-party beneficiary.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties to this Agreement have executed this Tilden Property Easement Agreement as of the date first written above.

3883 CONNECTICUT, LLC,
a District of Columbia limited liability company

By: Carlyle 3883 Connecticut, L.L.C.,
a Delaware limited liability company,
its Member

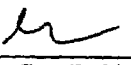
By: 

Gary E. Block
Vice President

By: 3883 Connecticut Holdings, L.L.C.,
a Delaware limited liability company,
its Member

By: 3883 Mezz Connecticut Holdings, L.L.C.,
a Delaware limited liability company,
its Managing Member

By: Carlyle 3883 Connecticut, L.L.C.,
a Delaware limited liability company,
its Managing Member

By: 

Gary E. Block
Vice President

By: MR 3883 Connecticut LLC,
a Delaware limited liability company,
its Member

By: MR Mezz 3883 Connecticut LLC,
a Delaware limited liability company,
its Sole Member

By: _____
Michael J. Darby
Title: _____

IN WITNESS WHEREOF, the parties to this Agreement have executed this Tilden Property Easement Agreement as of the date first written above.

3883 CONNECTICUT, LLC,
a District of Columbia limited liability company

By: Carlyle 3883 Connecticut, L.L.C.,
a Delaware limited liability company,
its Member

By: _____
Gary E. Block
Vice President

By: 3883 Connecticut Holdings, L.L.C.,
a Delaware limited liability company,
its Member

By: 3883 Mezz Connecticut Holdings, L.L.C.,
a Delaware limited liability company,
its Managing Member

By: Carlyle 3883 Connecticut, L.L.C.,
a Delaware limited liability company,
its Managing Member

By: _____
Gary E. Block
Vice President

By: MR 3883 Connecticut LLC,
a Delaware limited liability company,
its Member

By: MR Mezz 3883 Connecticut LLC,
a Delaware limited liability company,
its Sole Member

By: _____
Michael J. Darby,
Managing Member

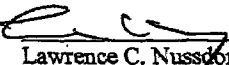
DISTRICT OF COLUMBIA, to-wit:

TILDEN 800 LLC, a District of Columbia limited liability company

By: Clark Realty Capital, L.L.C., a Delaware limited liability company, its manager

By: 
Douglas R. Sandor, a Manager

By: CEI Realty, Inc., a District of Columbia corporation, a Manager

By: 
Lawrence C. Nussdorf, President