MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("**MOU**"), is made this 5 day of June, 2006, by and between Tilden 800 LLC ("**Tilden 800**"), and the FRIENDS OF PEIRCE MILL ("**Peirce Mill**").

W I T N E S S E T H

WHEREAS, Tilden 800 has submitted an application for a consolidated Planned Unit Development ("**PUD**") and Zoning Map Amendment in Zoning Commission Case No. 05-26 ("**Project**") for the property located at 2950 Tilden Street, N.W., Washington, D.C. (Lot 800, Square 2234); and

WHEREAS, the parties to this MOU would like to commemorate their agreement for Tilden 800 to make a donation to Peirce Mill in order to fund certain improvements, repairs, and upgrades for the restoration of Peirce Mill ("**Work**"), located in Rock Creek Park near the intersection of Tilden Street NW and Beach Drive NW, Washington, DC 20008, as outlined below; and

WHEREAS, if Tilden 800 is successful in its application for a PUD in Zoning Commission Case No. 05-26 and is issued a building permit for the Project, Tilden 800 will donate Fifty Thousand Dollars ($50,000.00) to Peirce Mill for the Work; and

WHEREAS, Peirce Mill is located in Advisory Neighborhood Commission 3F, the same ANC as the development that is the subject of Zoning Commission Case No. 05-26; and

WHEREAS, the contribution to Peirce Mill is an amenity that can be utilized by the entire community surrounding Peirce Mill and will assist in maintaining and improving the high quality of life in Ward 3 and ANC 3F; and

WHEREAS, the parties enter into this MOU to confirm certain understandings and agreements between them concerning the donation for and improvements to Peirce Mill and their respective roles and participation in that process, all as more fully set forth below; and

WHEREAS, the Parties intend that this MOU is to be a binding contract by, and between, them and their respective successors and assigns.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Operation of the Friends of Peirce Mill.** Peirce Mill will continue to be owned, funded, and operated in the current manner. The Contribution (defined below) will not impact the management or ownership of Peirce Mill.

2. **Contribution.** If Tilden 800 is successful in its application for the Project in Zoning Commission Case No. 05-26, Tilden 800 will contribute a total of Fifty Thousand Dollars ($50,000.00) (the "**Contribution**") to Peirce Mill in order to fund activities related to the Work, or other such project at Peirce Mill when it is issued a building permit for the Project.

ZONING COMMISSION
CASE NO. 05-26
EXHIBIT NO. 125

ZONING COMMISSION
District of Columbia
CASE NO.05-26
EXHIBIT NO.125

3. **Contingency.** This MOU is contingent on the approval of Tilden 800's application for a PUD and Map Amendment in Zoning Commission Case No. 05-26 and issuance of a building permit for the Project. If the Zoning Commission does not approve Tilden 800's application in Zoning Commission Case No. 05-26 or if a building permit is not issued for the Project, this MOU shall be terminated and shall be of no force or effect.

4. **Amendment.** The provisions of this MOU may not be amended or terminated except by a written instrument signed by all parties hereto, unless it is terminated according to Paragraph 3 above.

5. **Entire Agreement.** This MOU contains the entire agreement among the parties. There are no promises, conditions, undertakings, warranties or representations, oral or written, express or implied, among them, other than as herein set forth.

6. **Governing Law.** The terms and conditions of this MOU shall be determined in accordance with District of Columbia laws and regulations, without reference to conflicts of laws provisions.

7. **Severability.** If any term, condition or provision of this MOU shall, at any time, or to any extent, be invalid or unenforceable, the remainder of this MOU shall not be effective thereby, and each term, condition and provision of this MOU shall be valid and enforced to the fullest extent permitted by law.

8. **Counterparts.** This MOU may be executed in counterparts and via original or facsimile signature.

[*Signatures on following page.*]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by persons duly authorized to bind them as of the day and year first above written.

TILDEN 800 LLC,
a District of Columbia limited liability company

By: Clark Realty Capital, L. L. C., its Manager

By: _____
Name: Douglas R. Sandor
Title: Manager

By: _____
Name: Nicole Forrest
Title: Development Executive

FRIENDS OF PEIRCE MILL

By: _____
Name: Richard D. Abbott
Title: President