

# EXHIBIT D

## MEMORANDUM OF UNDERSTANDING

On March 15, 2005, representatives of various parties (hereinafter referred to collectively as the "Parties"), including the Ledroit Park and Shaw communities, Advisory Neighborhood Commission 1B, Advisory Neighborhood Commission 2C, Shaw Main Streets, and Manna Community Development Corporation (collectively, the "Community"), Broadcast Center Partners, LLC ("BCP"), Radio One, Inc ("Radio One") and the National Capital Revitalization Corporation and its subsidiary RLA Revitalization Corporation ("NCRC") agreed to this Memorandum of Understanding (the "MOU"). This MOU concerns the responsibilities of the Parties to the Community throughout the mixed-use development of NCRC Parcel 33 and adjoining properties (the "Development").

### **I. Development Principals and Priorities**

The Parties intend the Development, which includes residential, office and retail space, to provide economic and social benefits to all the Parties. Therefore, the Parties agree that the Development shall:

1. Provide workforce and affordable housing at the levels indicated below;
2. Create employment opportunities and provide training;
3. Ensure participation by Local, Small, Disadvantaged Business Enterprises (LSDBE) throughout the Development;
4. Set aside leased retail space for qualified local businesses at below market rates;
5. Establish a Community Development Initiative Fund ("CDI Fund"); and
6. Cultivate relationships with Howard University and community schools.

### **II. Affordable Housing and Work Force Housing:**

BCP shall include in the Condominium Development both affordable housing units and work force housing units. Such units, in the aggregate, shall equal at least twenty-five percent (25%) of the total number of condominium units.

The Affordable Housing shall comprise:

1. Ten percent (10%) of the total units available for families making between 31%-50% of the Area Median Income as defined by HUD; and
2. Five percent (5%) of the total units available for families making between 51%-80% of the Area Median Income as defined by HUD.

The Work Force Housing shall comprise:

1. Ten percent (10%) of the total units available for families making between 81%-120% of the Area Median Income as defined by HUD.

BCP shall provide a mix of unit types as the affordable and work force housing and make these units available to diverse income categories. BCP also shall avoid clustering these units, ensuring that they are spread throughout the development.

### **III. Additional Residential Units**

NCRC shall expedite the development of an additional parcel of land located at 7th Street and Rhode Island Avenue ("Parcel 42"). NCRC shall provide, within six (6) months following the date of this MOU, a viable plan for development of Parcel 42. The goals of the Parcel 42 development shall include:

1. Commercial viability;
2. Rental housing available to households earning up to 50% of AMI; and
3. Compliance with the District of Columbia's development plans, including zoning and Uptown Destination District plans.

In addition, NCRC shall develop and implement an affordable mortgage product to help first-time homebuyers living in Shaw & Ledroit Park to take part in the economic benefits for residing in the neighborhood.

### **IV. Living Wage Jobs:**

The Parties agree a major goal of the Development is to create permanent and construction jobs and to provide job training for members of the community, including the following:

1. **Permanent & Retail Jobs:** BCP shall require commercial tenants of the Development to make "best efforts" to employ residents of the community in newly created entry level jobs and management and professional jobs. The Community shall appoint a representative to: (a) advertise open jobs by websites and other systems; and (b) identify qualified, trained, and readily available workers. BCP shall appoint an individual responsible for disseminating job information to the Community and shall make its management responsible for interfacing with the Community during and after the development cycle.
2. **Job Training and Construction Jobs:** BCP shall work with NCRC and a to-be-determined community organization to provide construction training and pre-apprenticeship opportunities to members of the community. BCP shall use its best efforts to hire qualified members of the community for construction jobs.
3. **Employment Opportunities:** The Community shall help identify a company to meet the employment needs of the retail tenants in the Development. NCRC also shall include 'first source' language in its agreement with BCP.
4. **Radio One Jobs:** BCP shall work with Radio One to submit their job openings to the Department of Employment Services before dissemination to the general public. Radio One shall commit to creating a relationship with Howard University's business school students in an effort to prepare students for career path jobs in the broadcast industry.

## **V. Retail Space**

BCP shall construct and operate the Development's retail space as follows:

- 1) **Tenant Mix:** BCP shall: (a) consult with NCRC to obtain a mix of tenants designed to promote long-term viability of the retail center, (b) carefully consider data on community preferences as supplied by Shaw Main Streets, (c) select tenants that provide a variety of job types for members of the community, and (d) avoid leasing space to tenants deemed undesirable for the neighborhood.
- 2) **Relocation assistance for Existing Retailers:** NCRC shall provide assistance to qualified existing local businesses to move back to the new Development. The assistance shall be in the form of rent subsidies for temporary sites and relocation assistance in accordance with HUD guidelines. The qualified businesses shall include Tobago Café and other viable enterprises that are financially capable of fulfilling, and credit-worthy enough to sign, five-year retail leases at the Development. NCRC shall work with Community and the affected businesses on a communication strategy for relocation.
- 3) **Existing and Emerging Local Businesses:** BCP shall designate 3,000 square feet (that is, ten percent (10%) of the retail space) for existing or emerging local businesses, providing reduced rents. BCP will offer the reduced rent as follows: a fifty percent (50%) rent reduction below market rates for years 1-2; a twenty-five percent (25%) reduction below market rates for years 3-5; and thereafter at market rates. The qualified and existing local business will have the "Right of First Refusal" to return to the Development at market rents. Qualified and existing business shall include Tobago Café and other viable enterprises financially capable of fulfilling, and credit-worthy enough to sign, a five-year retail lease at the Development.

## **VI. LSDBE Participation**

BCP shall include in the Development between 35-50% participation of local small business (LSDBE) vendors. Potential services for which BCP shall use LSDBE contractors include, without limitation, title, insurance, property management, moving services, and parking operators.

## **VII. Community Development Initiative Fund ("CDI Fund")**

The Parties shall establish a CDI Fund to be administered by the Community Fund of the National Capitol Region to support Shaw community initiatives outlined by MANNA, Shaw Main Streets, the local Advisory Neighborhood Commissions, and the Ledroit Park Civic Association.

1. **BCP Cash Contribution:** BCP shall make contributions totaling one hundred fifty thousand dollars (\$150,000) to the CDI Fund on the following

schedule: (i) fifty thousand dollars (\$50,000) to the CDI Fund upon completion of construction; (ii) fifty thousand dollars (\$50,000) to the CDI Fund upon the sale of all of the condominium units and stabilization of the commercial office and retail rental space; and (iii) fifty thousand dollars (\$50,000) to the CDI Fund on the third anniversary date of the completion of the construction of the project.

2. **Condo/HOA Fees:** Based on the current development plan, BCP shall apply an additional fee of twelve dollars (\$12.00) to the residential condominium owners' monthly condominium fee to create projected annual proceeds of Twenty-Nine Thousand Eighty-Eight Dollars (\$29,088). This annual donation will stay in effect for a fifteen (15) year period making this a projected quantifiable contribution of Four Hundred Thirty-Six Thousand Three Hundred Twenty Dollars (\$436,320). BCP prefers to have this money donated to the "Green Team" initiative.
3. **Success Fees:** BCP shall provide an additional Two Hundred Thousand Dollars (\$200,000) in "success fees" to the CDI Fund upon the accomplishment of various condominium sales thresholds as follows: (i) fifty Thousand Dollars (\$50,000) to the CDI Fund upon completion of twenty-five percent (25%) sales; (ii) Fifty Thousand Dollars (\$50,000) to the CDI Fund upon completion of fifty percent (50%) sales; (iii) Fifty Thousand Dollars (\$50,000) to the CDI Fund upon completion of seventy-five percent (75%) sales; and (iv) Fifty Thousand Dollars (\$50,000) to the CDI Fund upon completion of ninety-eight percent (98%) to one hundred percent (100%) sales.

#### **VIII. Radio One Contribution**

Radio One, Inc. shall donate Two Hundred Fifty Thousand Dollars (\$250,000) in scholarships funds over a five-year period beginning in 2006 specifically for Shaw high school students to attend the Howard University School of Business or the Howard University School of Communications. These scholarships will be for those high school seniors who reside in the Shaw community.

#### **IX. Relationship with Local Schools**

BCP shall work with Radio One to prepare a list of ideas designed to cultivate relationships with neighborhood schools. The list of ideas may include:


1. Mentoring high school students;
2. Training and career path assistance for Howard students;
3. "Adopt a School" programs with middle or elementary schools; and
4. Hands-on production experience for school students.

**X. Community Role and Responsibilities:**

The Community shall provide written support and promote the Development throughout the entire development process, but especially through zoning, construction and sales. The Community also shall interact with the appropriate city agencies to accelerate the Development and to receive the following:

1. A zoning variance from the District of Columbia to build the Development at a height of no less than ninety (90) feet; and
2. A grant from the Housing Production Trust Fund.

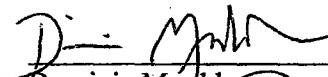
FOR THE COMMUNITY:

  
Myla Moss,  
Advisory Neighborhood Commissioner  
SMD 1B01, ANC 1B

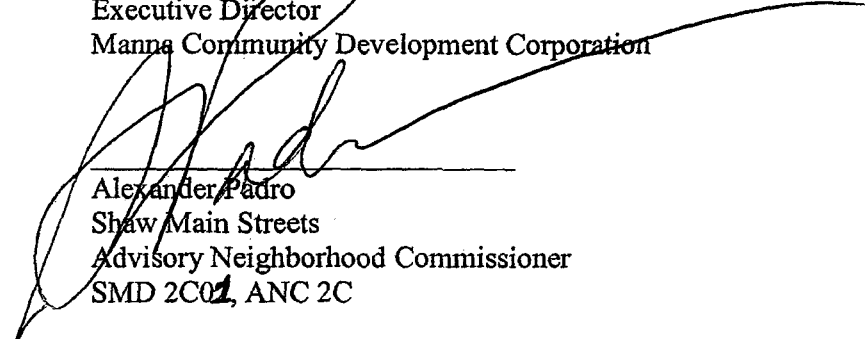
Date: 6/2/05

  
Virginia Lee  
Shaw Equitable Development Initiative ("SEDI")

Date: 6/2/05

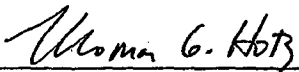
  
Dominic Moulden  
Executive Director  
Manna Community Development Corporation

Date: 6/2/05

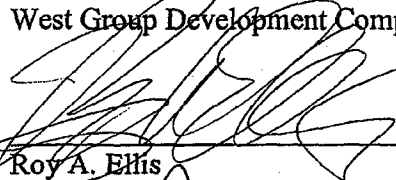
  
Alexander Padro  
Shaw Main Streets  
Advisory Neighborhood Commissioner  
SMD 2C01, ANC 2C

Date: 6/2/05

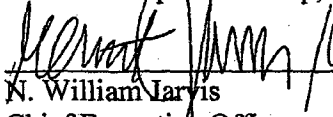
FOR BROADCAST CENTER PARTNERS, LLC:

  
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Thomas G. Hotz  
West Group Development Company, LLC

Date: 6/02/2005

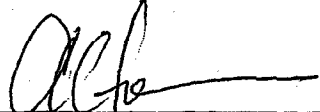
  
\_\_\_\_\_  
Roy A. Ellis  
Ellis Development Group, LLC

Date: 06/02/05

  
\_\_\_\_\_  
N. William Jarvis  
Chief Executive Officer  
The Jarvis Company, LLC

Date: 6/02/05

FOR NCRC/LARC:

  
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Anthony C. Freeman, CEO

Date: 6/02/05