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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 19 day of November, 2007 by and between PERSTAR M STREET PARTNERS, L.L.C. ("PerStar"), a Delaware corporation, its successors and assigns, and ADVISORY NEIGHBORHOOD COMMISSION 2A ("ANC 2A"), a District of Columbia Advisory Neighborhood Commission.

RECITALS

WHEREAS, PerStar has filed an application with the Zoning Commission of the District of Columbia (the "Zoning Commission") for the consolidated review and approval of a Planned Unit Development ("PUD") to develop a hotel on Lots 82, 84, 813, 814 and 816 in Square 50 (the "Project"); and

WHEREAS, PerStar's application has been assigned Zoning Commission Case No. 07-21; and

WHEREAS, the Project is located within the boundaries of ANC 2A; and

WHEREAS, as a condition of ANC 2A's support for Zoning Commission Case No. 07-21, PerStar and ANC 2A desire to enter into this Memorandum of Understanding upon the terms below.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein, the receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Recitals.** The Recitals are incorporated by reference as though fully set forth herein.
2. **PerStar's Provision of Community Amenities for ANC 2A.** Prior to the issuance of the final certificate of occupancy, PerStar agrees to submit to DCRA evidence demonstrating PerStar has provided \$146,000 to be divided among the community amenities for

ANC 2A identified in items (a) through (d) below, as well as the specific amounts identified for the following community amenities for ANC 2A listed in items (e) through (h) below:

- (a) A contribution to ANC 2A for the installation of 3 segmented benches to be placed in public space at locations designated by ANC 2A, the final location, design and installation of which shall be subject to DDOT approval;
- (b) A contribution to ANC 2A for the planting of 10 replacement street trees within the boundaries of ANC 2A, the final type, size, location, and installation of which shall be subject to DDOT approval;
- (c) A contribution to ANC 2A for the installation of three-sided tree box fencing and inside greenery within tree boxes with missing or plastic fencing, that are located within the boundaries of ANC 2A, the final location, design and installation of which shall be subject to DDOT approval;
- (d) A contribution to ANC 2A for the installation of new streetlights to be located on the north side of M Street, between 22nd and 23rd Streets, and the west side of 22nd Street, between M and N Streets, the final location, design and installation of which shall be subject to DDOT approval;
- (e) A contribution of \$35,000.00 toward the renovations of Saint Mary's Church located at 730 23rd Street, N.W, Washington, D.C. 20037;
- (f) A contribution of \$60,000.00 to the "Arts in Foggy Bottom" initiative sponsored by the Foggy Bottom Association; and
- (g) A contribution of \$50,000.00 toward the development of a neighborhood dog park within ANC 2A, at a location to be jointly determined by ANC 2A and DDOT, and subject to DDOT approval.
- (h) \$8,500.00 to Iris Miller as a consultant to the ANC for landscape architectural services in conjunction with the Project's streetscape plantings and roof garden.

3. **Communications.** PerStar shall designate a representative ("Representative") to be the key contact for interaction with ANC 2A and members of the community. In turn, ANC 2A will designate one of the ANC Commissioners to be a contact person ("Contact Person"), who may change from time to time, and whose identity ANC 2A shall report to PerStar, to

represent ANC 2A. The Contact Person will receive and disseminate information from PerStar to the other ANC Commissioners.

4. **ANC 2A Support of PerStar's Zoning Commission Application.** In reliance upon this MOU, ANC 2A agrees to support Zoning Commission Case No. 07-21. This support shall be evidenced in writing and through witnesses at the Zoning Commission public hearing, including ANC 2A's support for expedited hearing, review and issuance of the final order for Case No. 07-21.

5. **Severability.** This MOU and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the District of Columbia. If any term, provision, covenant or agreement contained herein, or the application thereof to any person or circumstances, shall be held to be invalid, illegal or unenforceable, the validity of the remainder of this MOU or the application of such term, provision, covenant or agreement to the persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

6. **Binding Effect.** This MOU is binding upon and shall inure to the benefit of the heirs, successors, assigns, parents, subsidiaries, affiliates and related entities of PerStar and ANC 2A.

7. **Authority to Execute.** Each of the parties executing this MOU represents and warrants to each of the other parties hereto that: (i) it has the full power and authority to enter into this MOU and to consummate the transaction described herein without obtaining any further approvals or consents, and (ii) the entering into of the MOU will not constitute or result in a violation or breach by any such party of any judgment, order, writ, injunction or decree issued against or imposed upon it or any agreement to which it is a party or by which it is bound.

8. **Waiver/Breach.** No waiver of a breach or default shall be deemed a waiver of any subsequent breach or default.

9. **Notices.** Any notices permitted or required under this MOU shall be in writing and delivered to the ANC 2A Contact Person at the address provided by ANC 2A and to the parties at the addresses set forth below or to such other addresses as a party may specify by written notice to the other(s). Notices shall be effective upon delivery to the party, with best efforts to ensure actual receipt by the party.

Per Star	John Wood Bolton, Jr. Perseus Realty, LLC 2099 Pennsylvania Avenue, NW Suite 975 Washington, DC 20006
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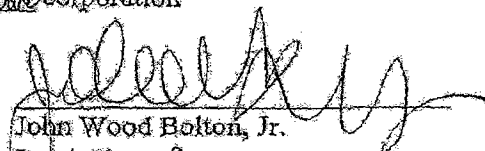
ANC 2A	L. Asher Corson ANC 2A Chair 955 26th St., NW Washington DC 20037
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10. **Counterparts.** This MOU may be executed in counterparts and via original or facsimile signature.

IN WITNESS WHEREOF, the parties hereto have signed and delivered this Memorandum of Understanding as their own free act and deed as of the date and year first herein above written.

PERSTAR M STREET PARTNERS, L.L.C.,
a ~~Delaware~~ corporation

By:


John Wood Bolton, Jr.
Its MEMBER

ADVISORY NEIGHBORHOOD COMMISSION 2A, a
District of Columbia Advisory Neighborhood Commission

By:


L. Asher Corson
Chair, ANC 2A