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March 4, 2004

VIA HAND DELIVERY

D.C. Zoning Commission
Suite 210
441 4th Street, N.W.
Washington D.C. 20001

Re: Zoning Commission Case No. 03-16
Watergate Hotel PUD Modification
Affordable Housing Commitment

Dear Members of the Commission:

At the public hearing held on March 1, 2004, Commissioner Anthony J. Hood requested the Applicant to work with the Office of Planning to determine if an affordable housing component could be made a part of the PUD. After discussions with staff of OP, the Applicant hereby proposes the following as part of its PUD modification:

- The Applicant would provide 3,000 square feet of affordable housing in conjunction with an affordable housing provider in the District of Columbia. The 3,000 square feet represents fifteen percent of the approximately 20,000 square feet of additional apartment unit space over the area now devoted to hotel rooms.

- The Applicant commits to make a contribution of $250,000 to renovate existing space not now occupied to produce the 3,000 square feet. The affordable housing provider would establish the mechanisms to insure that the space was devoted to affordable housing.

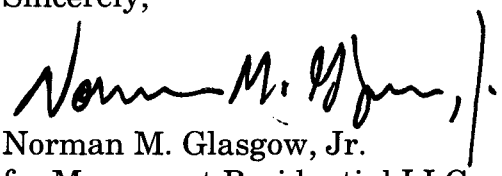
- Prior to the Commission taking final action, the Applicant would identify for the record the details of the affordable housing provider and the project, including its location, size and timetable for completion.

ZONING COMMISSION
District of Columbia
Case 03-16
Exhibit 35

ZONING COMMISSION
District of Columbia
CASE NO.03-16
EXHIBIT NO.135

The above-stated proposal would leverage affordable housing from a project which is receiving essentially no increase in overall floor area.

Sincerely,



Norman M. Glasgow, Jr.
for Monument Residential LLC

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