

Festival Center Kitchen Renovation Agreement

This agreement was signed on July 12, 2011, in Washington, D.C., between IL Palazzo, LLC (the "Applicant"), and Advisory Neighborhood Commission ("ANC") 1C and The Festival Center ("FC"). This agreement concerns the Applicant's residential project involving the former Italian Embassy located at 2700 16th St NW Washington DC and the community benefit of renovation of the Festival Center kitchen as defined below.

KITCHEN RENOVATION PROJECT

A. The Applicant is renovating and expanding the former Italian Embassy located along 16th Street, NW in Square 2578 ("Project"). In connection with this Project, the Applicant is pursuing Zoning Commission approval of a Planned Unit Development ("PUD"). As a PUD amenity, the Applicant (or its designee) and its general contractor will renovate the commercial kitchen in the Festival Center at 1640 Columbia Rd NW Washington DC.

B. Scope and Cost of Work to Be Completed: IL Palazzo will complete the following scope of work for Festival Center. All work to be performed per specs and plans generated by architect. All work to pass all local and federal health code and building requirements and inspections

1. Project Design, Engineering, and Permitting Provided Already

Necessary completion of all architectural and engineering drawings by selected architect Jamie Solomon and required mechanical, electrical, plumbing, structural engineers TBD. Submission of plan sets to acquire proper building permits for the job.

2. Demolition and Movement of Existing Men's Restroom \$45,000

Per plans. Demolish and relocate existing mens restroom to open additional new kitchen space. Move bathroom to other side of library per architectural drawings. Work includes complete demolition and new install of associated rough in and finish construction work for completed functioning mens restroom per ADA standards and city inspections.

3. Demolition and Build Out of New Kitchen Space \$72,000

Per plans. Demolish existing kitchen interior. Relocate and upgrade all mechanical/electrical services to kitchen relocate. Build out new and extended spaces per plans. All new floor coverings, wall coverings, plumbing, electrical, and mechanical fixtures installed.

4. Installation of New Kitchen Equipment Package \$132,000
- Per equipment list. Purchase and Install the following new equipment in locations per plans:*
- Walk in Refrigerator and Freezer*
 - 6 Range Burner*
 - Double Stack Convection Oven*
 - Washing Machine, garbage disposal, spray sink, associated counters*
 - Grease Inceptor*
 - 3 Compartment Sink*
 - Prep Tables and Pot Racks*
 - Storage Racks*

Total Budget of Scope to be provided \$ 249,000

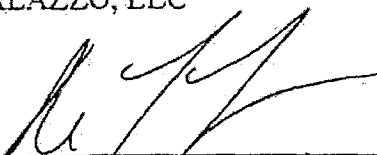
- C. Timing. All design work and permitting work will need to be completed before construction work can commence. It is anticipated that construction work on the kitchen will begin in the 1st quarter of 2012, no later than 60 days after IL Palazzo closes on construction financing and begins construction on the Embassy site. Construction work will take 3-4 months to complete.
- D. General Contractor. The work on the Festival Center shall be managed by a Licensed General Contractor selected by IL Palazzo, LLC management and completed according to all local and federal health code and building code standards.
- E. Survivability. This agreement survives any ownership transfer of the project.
- F. Continued Support. IL Palazzo LLC management will continue to offer support from an advisory role to the Festival Center on it's board of advisors or any other reasonable capacity that would be acceptable. Mangement would like to continue to offer direction and ideas to continue to enhance the programs run through the kitchen, and ultimately the community.

SIGNATURE PAGE TO FOLLOW

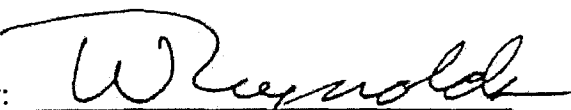
The undersigned agree to the above terms.

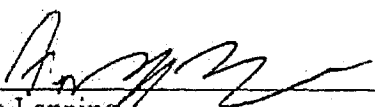
Dated this 12th day of July, 2011.

IL PALAZZO, LLC

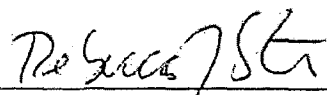
By: 
Print Name: Will Lonsing
Print Title: Managing Member

ADVISORY NEIGHBORHOOD COMMISSION 1C

By: 
Name: Wilson Reynolds
Title: Chair, Advisory Neighborhood Commission 1C

By: 
Name: Steve Lanning
Title: Commissioner, Representing Single Member District 06

THE FESTIVAL CENTER

By: 
Name: Rebecca Stelle
Title: President, Festival Center Board of Directors