

Memorandum of Understanding

Jemal's CDC LLC

501 H Street, N.E.

UNDERSTANDING OF THE PARTIES

Provided that the ANC supports the proposed redevelopment of 501 H Street, N.E. (the Subject Property) and the applications for the PUD and map amendment to effectuate the project ("support" shall be indicated by a majority vote of the ANC on a resolution or motion supporting the proposed redevelopment), Douglas agrees to the following:

1. **Restricted Uses:** The following uses, even though permitted within the proposed HS-H/C-2-B District as a matter of right or with special exception approval by the Zoning Commission, will not be permitted on the Subject Property: the sale of any pornographic material; a check-cashing establishment; a pawnbroker; a night club; a drycleaners; a mattress store; a convenience store such as 7-Eleven; any store that sells products that weigh 40 or more pounds each, unless the store makes such products available only by shipping or delivering to the consumer. Notwithstanding the foregoing, the Parties agree that the ANC may approve a prospective tenant otherwise prohibited in this paragraph ("Otherwise Prohibited") that the ANC believes would provide substantial value for the community. Such approval shall be granted by the ANC only by a formal resolution.
2. **Development Plans:** The Subject Property will be developed substantially in accordance with the architectural plans and elevations attached hereto as Exhibit A.
3. **Public Space Improvements:** The PUD shall improve the public space area along the street frontages of the building, as shown on Pages 9-10 and 32-34 of Exhibit A, which will include the following:
 - a. Five additional bike racks along 5th and H Street
 - b. Streetscape furniture including two benches along H Street
 - c. Restoring the brick alley way from the entrance on 5th Street to Subject Property line.
4. **TDM Measures:** Douglas will implement the following transportation demand management measures at the PUD:
 - a. **Resident Transportation Coordinator (RTC):** Douglas' site management will designate one employee as the Resident Transportation Coordinator. Among this person's duties would be to provide information to residents (particularly those

incoming) regarding transit opportunities and schedules, as well as the location of Bike Share stations within the area, and bicycle parking provisions within the building. The RTC will generally encourage non-private auto usage and will have related information prominently displayed in the residential lobby.

- b. Digital Multimodal Display: Douglas will install a digital multimodal display known as "TransitScreen" in the lobby of the residential building that provides schedule information of Metro bus and Metrorail, and locations of Bike Share and car share stations, among other transportation related information.
- c. Bicycle Usage Program: Douglas will provide up to 24 bicycle parking spaces in a secure, convenient location that would be accessible to residents at all times. Additionally, Douglas will offer a one-time Capital Bikeshare annual membership fee for each initial tenant of the building.
- d. Car Sharing: Douglas will offer a one-time car sharing membership and application fees (totaling \$85.00) to each initial residential tenant of the building. Douglas shall also secure one car-sharing parking space on the Subject Property.
- e. Transit Subsidies: Douglas shall offer a one-time \$100.00 SmarTrip card to each initial tenant in the building to encourage non-auto mode usage.
- f. Residential Parking Permit Program Exclusion: The Parties intend that residents of the Subject Property (Residents) shall not be or become eligible for Residential Parking Permits (RPP). Accordingly, Douglas shall take such steps as are necessary to ensure that Residents do not receive RPPs, including without limitation (1) placing a clause in emphasized type in all leases for Residents that prohibits Residents from applying for or obtaining RPPs, or, upon pain of mandatory lease termination, to the full extent permitted by law; (2) confirming whether the Subject Property is in the RPP database; (3) ensuring that the District Department of Transportation (DDOT) removes the Subject Property from the list of properties eligible for RPPs, or if presently not on the list, classifying it as ineligible for RPPs; (4) should Douglas sell any units at the Subject Property, adding a covenant that runs with the land to the deed for the units prohibiting Residents from applying for or obtaining RPPs; (5) executing a covenant that runs with the land for the Property generally that embodies the promises contained in this Paragraph 4(f). In the event DDOT does not remove the Subject Property from the RPP list or classify it as ineligible for RPPs, any resident of ANC 6C may take legal action ("Suit") as a third-party beneficiary of this Agreement to compel Douglas to terminate the lease of any Resident who violates the RPP prohibition, if Douglas has failed promptly to take such action on its own initiative. A resident of ANC 6C that substantially prevails in a Suit shall be entitled to an award of its reasonable attorney's fees. Furthermore, if Douglas loses three or more Suits, it shall be required to donate \$10,000 to a non-profit organization identified by the ANC for each subsequent Suit it loses.
- g. Unlawful Parking/Stopping: Douglas will place a provision in the leases for all commercial tenants requiring them actively to discourage visitors to their establishment from unlawfully stopping or parking automobiles in front of the

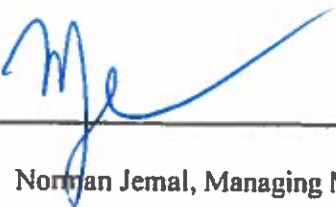
establishment or elsewhere in the neighborhood in connection with visits to the establishment. The provision shall note, without limitation, (1) that a pattern of unlawful stopping or parking in connection with visits to the establishment may, in Douglas' discretion, be cause for lease termination, and (2) that should the ANC receive complaints about unlawful stopping or parking in connection with visits to the establishment, it may send a written notification to the establishment concerning same, and the establishment shall ensure that a senior representative thereof will attend the next ANC meeting to address such complaints.

5. Construction Hours: Douglas, its tenants, and contractors will not engage in any construction activities, other than emergency repairs, before 7:00a.m. and after 7p.m. Monday- Friday, or before 7:00a.m. and after 7:00p.m. on Saturday. Douglas and its contractors will not engage in any construction work, other than repairs, on Sunday. If construction activities are necessary outside of the times listed above Douglas will notify the ANC in advance.
6. Trash Removal: Douglas, or its tenants, will promptly remove all trash and debris from the public space located between the property line and the adjacent curb.
7. Ludlow-Taylor Elementary School: Douglas shall commit \$30,000 to the purchase of new playground equipment for students age's two to five. Douglas shall also donate an additional \$75,000 to Ludlow-Taylor Elementary School to be used as determined by the School's principal.
8. LEED Qualification: Douglas commits that the resulting building will qualify for a LEED Gold-equivalent rating.
9. ANC Support of Project: The terms and provisions of this MOU are contingent upon the formal support of the ANC at all public hearings and other related proceedings on the Application before the Zoning Commission which the ANC elects to attend. For avoidance of doubt, the ANC may offer suggestions regarding and criticism of elements of the Application without affecting the validity of this Agreement, as long as same occurs within the context of formal support of the Application as a whole. The terms and provisions of this MOU are further conditioned upon final approval of the Application by the Zoning Commission as evidenced by the issuance of a final written order by the Zoning Commission.
10. Amendments: The Parties hereto reserve the right to amend this document at any time with the written agreement of both Parties.
11. Incorporation of MOU Provisions in PUD Order: The Parties will ask the Zoning Commission (ZC) to incorporate each provision herein in an order concerning the subject property. Any provision not so incorporated by the ZC into an order concerning the subject

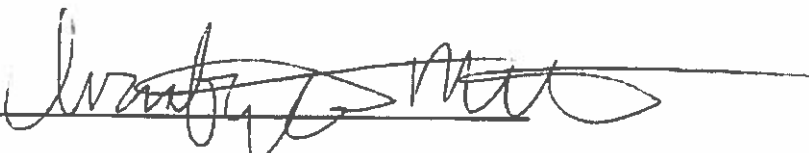
property shall be fully enforceable between the Parties (Privately-Enforceable Provisions). The Parties agree that this Agreement is intended to benefit residents of the area within the jurisdiction of ANC 6C ("ANC Residents"); accordingly, the Parties agree that any such ANC Resident is to be considered a third-party beneficiary of this Agreement, and that any such ANC Resident may file suit in a Superior Court of the District of Columbia, or, if jurisdiction is otherwise proper there, in the United States District Court for the District of Columbia. Any ANC Resident who initiates suit and who substantially prevails shall be entitled to an award of reasonable attorney fees. For avoidance of doubt, this Paragraph 11 shall not authorize lawsuits by residents of ANC 6C for any purpose other than enforcing an order in favor of ANC 6C, except that without limiting anything else in this Agreement, this Paragraph 11 shall permit lawsuits by ANC Residents pursuant to Paragraph 4(f) of the Agreement.

DOUGLAS DEVELOPMENT CORP.,

A District of Columbia corporation

By: 
Norman Jemal, Managing Member

Advisory Neighborhood Commission 6C

By: 
Chris Miller, Single-Member District Representative 6C05