

Agreement

In connection with the Planned Unit Development application filed in March 2011 by Il Palazzo LLC ("Il Palazzo") with respect to Il Palazzo's proposed development of Square 2578 Lot 26 located at 2700 16th Street NW in the District of Columbia, and pursuant to Il Palazzo's ensuing obligation to provide "public benefits" in accordance with District of Columbia Municipal Regulations 11-2400.2 and related provisions, Il Palazzo hereby agrees with the Reed-Cooke Neighborhood Association ("RCNA") as follows, conditional upon the Zoning Commission's approval of Il Palazzo's application:

1. In General

Il Palazzo and RCNA will jointly create a tree-fence buy-in program (the "Program") for the Reed-Cooke Neighborhood, which is the geographic area bounded by 18th Street on the west, Columbia Road on the north, 16th Street on the east, and Florida Avenue on the south. Under the Program, Il Palazzo will sell and install up to 625 tree fences for the sidewalk tree boxes in the Reed-Cooke Neighborhood. The exact number of tree fences to be sold and installed will be determined based on the more specific provisions below.

2. Aggregate Price

In aggregate, Il Palazzo will sell the tree fences for: (i) the cost that Il Palazzo incurs for the materials from which the tree fences will be constructed, plus (ii) any third-party delivery charges that Il Palazzo incurs in procuring such materials, minus (iii) \$50,000. Il Palazzo will install the tree fences at no charge, and will bear its own internal administrative costs in connection with the Program. RCNA and Il Palazzo estimate that altogether, this will result in a public benefit to the community worth \$350,000.

3. Survey of Sidewalk Tree Boxes

Between September 2011 and December 2011, RCNA will survey the sidewalk tree boxes in the Reed-Cooke Neighborhood, and will prepare a comprehensive list of the sizes of the tree fences that would be needed for such tree boxes.

4. Tree Fence Design

Between September 2011 and December 2011, Il Palazzo and RCNA will work together to select a design for the tree fences that complies with all applicable legal requirements, that is attractive, and the materials for which can be acquired at reasonable cost. Il Palazzo will then create one tree fence to be installed at a central location within the Reed-Cooke Neighborhood to serve as an example for purposes of marketing the buy-in program. Based on the selected tree fence design, and on the expected costs for items (i) and (ii) from Section 2 above, Il Palazzo and RCNA will reach agreement on a price per tree fence that will serve as a baseline for structuring the buy-in program. Il Palazzo will take such steps as may be necessary to ensure that such pricing will be available at the time that the materials are actually ordered. If actual costs turn out to be less than this amount, Il Palazzo will allow the savings to be contributed to the buy-in program.

5. Structuring the Program

Between September 2011 and December 2011, RCNA will structure the buy-in component of the Program based on the objective of achieving substantial participation throughout the Reed-Cooke Neighborhood. Such structuring may include: (i) requiring the owners of a building or the neighbors on

a block to purchase tree fences for all of the trees adjacent to their property/properties in order to be eligible to participate, (ii) requiring the owners of properties with large ratios of residents to trees to purchase one or more tree fences beyond what is required for their properties, with such additional tree fences to be contributed to properties owned or tenanted by non-profit organizations, (iii) allocating purchase prices differentially to different kinds of properties based on the differing ratios of residents to trees that exist for such different properties, or (iv) any other terms that RCNA believes will further the objective of achieving substantial participation in the Program throughout the Reed-Cooke Neighborhood. RCNA may also establish other mechanisms for generating the purchase price of the tree fences such as soliciting contributions from commercial enterprises with ties to the Reed-Cooke Neighborhood.

6. Marketing the Program

Between January 2012 and June 2012, RCNA will market the Program to the residents of the Reed-Cooke Neighborhood. In the marketing materials, RCNA will give due recognition to Il Palazzo for the generous contributions Il Palazzo will be making that have made the Program possible. Il Palazzo will bear reasonable costs of the marketing materials.

7. Escrow for Orders

Orders for tree fences and the payments for such orders will be due by June 30, 2012. Payments for orders will be sent to an escrow account with a reputable local escrow company. Il Palazzo will select the escrow company, subject to RCNA's consent, and Il Palazzo will bear the expense of the escrow account. The amounts held in escrow will not be released until both Il Palazzo and RCNA have notified the escrow agent that the relevant events in the release schedule have occurred. The release schedule will be agreed between Il Palazzo and RCNA once additional information is available from the materials supplier concerning the terms of the procurement process. In any event, it is expected that: (i) some portion of the escrow may be released in connection with the placing of the materials order (Il Palazzo's contribution of \$50,000 to the Program will be used first toward this initial payment), (ii) some portion of the escrow will be released once the materials arrive, and (iii) the remainder of the escrow (to be a meaningful percentage) will be released once the tree fences have been installed.

8. Procurement of Materials

Between July 2012 and December 2012, Il Palazzo will procure the necessary materials and make all other necessary arrangements for the installation of the tree fences that have been ordered.

9. Installation of Tree Fences

Between January 2013 and June 2013, Il Palazzo will install the tree fences.

10. Delay or Failure by RCNA

With the exception of any obligation to consent to the release of funds from escrow that are validly due for release, the delay or failure by RCNA to perform any of its obligations under this Agreement shall not result in any liability against RCNA or any of its officers, members, or volunteers to Il Palazzo or to any other person. Rather, any such delay or failure by RCNA shall at most result in Il Palazzo no longer being subject to its obligations under this Agreement, and then only if such delay or failure by RCNA has a material adverse effect on Il Palazzo's ability to fulfill its obligations under this Agreement prior to the completion of Il Palazzo's construction work at Square 2578 Lot 26.

11. Minimum Benefit

Notwithstanding the previous section, if the delay or failure by RCNA to perform its obligations under this Agreement has a material adverse effect on Il Palazzo's ability to fulfill its obligations under this Agreement prior to the completion of Il Palazzo's construction work at Square 2578 Lot 26, Il Palazzo shall nevertheless install \$50,000 worth of tree fences within the Reed Cooke Neighborhood based on the pricing described in clauses (i) and (ii) and in the second sentence of Section 2 above.

12. Amendment

Any amendment to this Agreement shall be in writing and signed by an authorized representative of both parties.

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Executed as of Sept 6, 2014

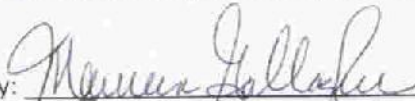
Il Palazzo LLC

By:  _____

Name: Bill Lansing

Title: Manager

Reed-Cooke Neighborhood Association

By:  _____

Name: Maureen Gallagher

Title: President