



Ronald F. Mason, Jr.
President

December 4, 2018

Letter of Intent by the University of the District of Columbia

This Letter of Intent indicates the intention of The University of the District of Columbia (“UDC”), in accordance with applicable laws and regulations of the District of Columbia (“DC”), to activate the ground-floor retail space(s) at 4225 Connecticut Avenue, 4340 Connecticut, and 4250 Connecticut Avenue in conjunction with its master lease of 4250 Connecticut Avenue (collectively “UDC’s Connecticut Avenue Properties”), all of which are located in Northwest, Washington, DC along the Van Ness retail corridor.

Whereas, UDC’s Connecticut Avenue properties have been identified by HR&A’s Van Ness Retail Strategy study (the “Retail Study”) and Van Ness Main Street (“VNMS”) as key retail real estate that should be activated to foster economic development in the Van Ness corridor of Northwest Washington, DC;

Whereas, UDC and VNMS (together, “the Van Ness Stakeholders”) share a common interest in promoting the commercial vibrancy of the Van Ness corridor;

Whereas, the intention of the Van Ness Stakeholders is that the retail spaces at 4225 and 4340 Connecticut Avenue be activated as soon as practicable, to be followed by activation of the retail spaces at 4250 Connecticut Avenue;

Whereas, UDC commits to seek, as expeditiously as possible, the legally required approvals necessary to activate the retail spaces at UDC’s Connecticut Avenue Properties, and

Whereas, this LOI, while not legal binding, sets forth the goals, timing, and parameters by which UDC commits to activate UDC’s Connecticut Avenue Properties.

Background

- UDC is seeking to enter into a sublease agreement, with an option to purchase, for 4250 Connecticut Avenue (the “Sublease Agreement”), a leasehold property currently owned by BDC Van Ness, LLC (as sub-landlord) an affiliate of Bernstein Management Corporation

(“BMC”). UDC plans to utilize the upper floors space at 4250 Connecticut Avenue for its staff and faculty needs.

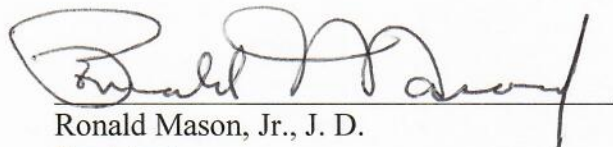
- As an independent agency of the District of Columbia that receives public funding, UDC is seeking approval from the Council of the District of Columbia (the “Council”), as required under DC law, for its Sublease Agreement.
- If approved, the Sublease Agreement would result in UDC controlling the ground-level retail spaces at 4225, 4250 and 4340 Connecticut Avenue.
- If the Sublease Agreement is approved, UDC recognizes that it will add another key retail asset whose activation is crucial to the retail vibrancy of Van Ness.
- In an effort to balance the space needs of UDC with the interests of the local community and the District of Columbia’s economic development goals, UDC has agreed, in communications with certain members of the Council, that it will activate the retail spaces at 4225 and 4340 Connecticut Avenue (the “Retail Spaces”) and, at a somewhat later time, the retail space at 4250 Connecticut Avenue in a manner that is both expedient and consistent with the goals of the Van Ness Stakeholders.
- This LOI sets forth certain basic parameters that reflect the intentions of UDC and the commitments made by UDC in connection with approval of the Sublease Agreement by the Council.

Parameters

- UDC shall commence, in January 2019, the formal process to hire an experienced, active and reputable third-party retail broker or brokerage firm (the “Broker”) and will hire such a Broker within seven (7) months of approval of the Sublease Agreement by the Council.
- UDC shall instruct the Broker to seek a mix of retail tenants as recommended in the Retail Study.
- UDC shall make a good faith effort to consult with VNMS on potential retail tenants under consideration for the Retail Spaces.
- UDC shall offer prospective retail tenants lease rates, concessions, and tenant improvement allowances, consistent with the market, condition of the space to be occupied, and as appropriate in UDC’s judgment, incentives to attract particularly desirable tenants; all to facilitate the lease-up of the Retail Spaces in balance with the interests of the Van Ness community, which includes local residents and current/future businesses, as well as UDC staff, faculty and students.
- UDC shall, in good faith and with input from VNMS, endeavor to execute signed leases for the Retail Spaces within twenty-four (24) months of the approval of the Sublease Agreement by the Council, recognizing that actual occupancy may occur later if there is a need to construct improvements to the Retail Spaces.

- In order to attract quality retail in the retail space at 4250 Connecticut Avenue, UDC shall offer approximately 40 parking spaces in the upper parking level exclusively for the use of customers of the retail tenants.

[Signed by UDC]



Ronald Mason, Jr., J. D.
President

11.4.18
Date